

# FRANCHISE DISCLOSURE DOCUMENT



H.H. FRANCHISING SYSTEMS, INC.  
(an Ohio corporation)  
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<http://www.HomeHelpersHomeCare.com>  
<http://www.HomeHelpersFranchise.com>

A Home Helpers® Home Care franchise provides senior care and home care services, and medical alert, medication management, telehealth and related monitoring products and services. Some franchisees also offer skilled care services.

The total investment necessary to begin operation of a Home Helpers Home Care franchised business that offers the minimum required services (senior care and home care) is from ~~\$113,350 to \$161,600~~ ~~\$99,950 to \$149,350~~. This includes ~~\$59,850~~ ~~\$59,600~~ that must be paid to the franchisor or an affiliate. If the population of your territory is greater than 250,000, you must pay an additional \$500 for all or part of every 1,000 people over 250,000. The total additional investment necessary to offer optional skilled care services is \$36,250 to \$56,750, none of which is paid to the franchisor or an affiliate.

If you are converting your existing senior care or home care business to a Home Helpers Home Care franchise, the total investment necessary to do so will range from ~~\$34,950 to \$80,650~~ ~~\$26,700 to \$70,150~~. This includes from ~~\$33,950 to \$58,900~~ ~~\$25,950 to \$50,400~~ that must be paid to the franchisor or an affiliate.

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

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

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

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

Issuance date of this Franchise Disclosure Document: ~~April 30, 2023~~ 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
<b>How much can I earn?</b>	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 D and E.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Home Helpers Home Care business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Home Helpers Home Care franchisee?</b>	Item 20 or Exhibits D and E lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 B.

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 Ohio. 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 Ohio than in your own state.
2. **Sales Performance Required.** Beginning in your fourth year of operation, you must maintain minimum monthly sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.

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

The following additional disclosures are required by the Michigan Franchise Investment Law:

**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 this 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 arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location 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 ENDORSEMENT BY THE ATTORNEY GENERAL.**

**Any questions regarding the notice of this offering on file with the attorney general should be directed to the Department of Attorney General, Consumer Protection Division, G. Mennen Williams Building, 525 West Ottawa Street, P.O. Box 30213, Lansing, Michigan 48909 (517) 373-7117.**

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### Exhibits

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- ~~O~~ Restrictive Covenant Agreement
- ~~P~~ Power of Attorney
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~~SR~~ WellSky SaaS License Agreement  
~~TS~~ Aloe Care Franchisee Joinder Agreement  
~~UT~~ UniFi Consent to Share Data  
~~VU~~ Assignment Agreement  
~~WV~~ Form of General Release  
~~XW~~ Table of Contents of Operations Manual  
~~YX~~ Parent Company Guarantee of Performance  
~~ZY~~ Franchise Fee Remittance Form

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

**The Franchisor.** In order to make this disclosure document easier to understand, “HHFS” or “we” means the franchisor, H.H. Franchising Systems, Inc. The terms “HHFS” and “we” do not include H.H. Franchising Systems, Inc.’s officers, directors, or shareholders. “You” means the person, corporation, partnership, or other entity that buys the franchise. If the franchise is purchased by a corporation, limited liability company, or other entity, certain provisions of the franchise agreement will also apply to the owners and will be noted.

HHFS is an Ohio corporation that was incorporated on May 30, 1997. Our principal business address is 10101 Alliance Road, Suite 300, Blue Ash, Ohio, 45242. We do business in the United States under our name, H.H. FRANCHISING SYSTEMS, INC., and under our trade names, HOME HELPERS and HOME HELPERS HOME CARE. We also do business outside the United States under the trade name CARING HEARTS. Our agents for service of process are listed in Exhibit A.

HHFS was formed to sell and support non-medical personal care service franchises and expanded its scope to include skilled care services. We have offered Home Helpers Home Care franchises since August 1997. From April 2004 through March 2016, we offered Direct Link franchises, which provided personal emergency response systems, medication management, and telehealth monitoring products and services. Although there continue to be existing Direct Link franchisees, we stopped offering new Direct Link franchises and have expanded the scope of Home Helpers Home Care franchises to include Direct Link Services. We have never operated any franchises. Except as disclosed above, we have never offered franchises in any other business or engaged in other business activities.

**Predecessors, Parents and Affiliates.** For purposes of this disclosure document, HHFS has 7 parents: HHFS is owned by Home Helpers Holding Company (“HHHC”), a Delaware corporation, which is owned by Home Helpers Buyer, Inc. (“Buyer”), a Delaware corporation, which is owned in turn by Home Helpers Holdings, Inc. (“Holdings”), a Delaware corporation, which is owned in turn by Home Helpers Holdco, LLC, a Delaware limited liability company, which is owned in turn by RiverGlade Capital, L.P., a Delaware limited partnership, which is owned in turn by RiverGlade Capital GP, LLC, a Delaware limited liability company, which in turn is owned by RiverGlade Capital, LLC, a Delaware limited liability company. HHHC, Buyer and Holdings are located at our address. Our other parents have their principal place of business at 181 W. Madison Street, Suite 4450, Chicago, Illinois 60602. We do not have any predecessors (a person or entity from whom we acquired the major portion of our assets). We have no affiliates (an entity controlled by, controlling, or under common control with, us) that currently offer franchises in any line of business or provide products or services to our franchisees.

**The Franchised Business.** We offer franchises to operate a distinctive type of business under the trade name HOME HELPERS<sup>®1</sup> Home Care. A Home Helpers Home Care franchise offers senior care, home care and skilled care services (“Home Helpers Services”). At a minimum, you will offer non-medical services, including “homemaker” services such as light housekeeping, meal preparation, running errands, grocery shopping, reading, companionship and general assistance. You may also offer personal care services, which typically involve hands-on assistance with activities of daily living, such as helping the client bathe (in a shower or tub), shave, fix their hair, eat, or brush their teeth. You may also offer skilled care services (also known as “home health care”) with our approval if, before offering those services, you demonstrate that you are qualified and comply with all state and federal health care industry standards, local health care regulations, various licensing standards, and other requirements that may apply, have the proper insurance that provides coverage for the skilled care services offered, and have adequate capital. The terms “homemaker,” “personal care,” “skilled care,” and “home health care” may not be used or may have different meanings in your state. You will also offer technology solutions such as medical alert, medication management, telehealth and related monitoring products and services that are

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<sup>1</sup> In Canada, we offer franchises substantially identical to Home Helpers Home Care franchises under the registered trademark CARING HEARTS.

branded with the DIRECT LINK® mark (“Direct Link Services”) but also associated with the HOME HELPERS® Home Care brand name.

If you currently own and operate an independent business that offers companion care, personal care, or skilled care services to seniors and other adults, you may qualify to convert your existing business to a Home Helpers Home Care franchise (a “Conversion Franchise”) if you meet our then-current qualifications. You will be required to sign our franchise agreement and the Conversion Addendum attached to this disclosure document as Exhibit H.

**Marketing and Competition.** You will provide services primarily to the elderly, to individuals recuperating from injuries or illnesses or those facing life-long challenges, and to expectant and new mothers and their families. You may market your services through advertising targeted to potential consumers of your services, and through personal solicitation of referral sources such as nursing homes, in-home nursing services, hospitals, physicians, and certain retail businesses. You will compete with other services similar to Home Helpers in the same geographic area, including those that may be franchised by other national franchise companies.

**Industry-Specific Regulations.** We will train you to operate your Home Helpers Home Care franchise. Some states have licensing, certification, or registration requirements applicable to some or all of the services you will be providing as a Home Helpers franchisee. You may be required to pay a fee to the state agency responsible for enforcing these requirements. We are presently aware that the following states have statutes that may require a license for some or all of the non-medical or personal care services you will be providing: Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia, and Washington, ~~and Wisconsin~~. These statutes may require a minimum level of education or related work experience, and/or the payment of a fee in order to obtain the license, which typically must be renewed every 1 to 2 years. There may be other states with licensing, certification, or registration requirements. The difficulty, cost, and procedures for obtaining these licenses and certifications vary greatly from state to state. If you provide skilled care services, you will also be required to satisfy other state licensing and/or certification requirements and you may be required to be certified as a skilled nursing agency or home health agency. Many states also have specific recordkeeping, administrator qualification or other requirements for service providers who receive payments from Medicare, Medicaid, or private health insurance. Some states may also require a Certificate of Need. Some states have imposed a moratorium on the issuance of home healthcare licenses. Some states prohibit certain fee-splitting and referral arrangements. You must provide us with proof of your compliance with all applicable licensing requirements.

Various federal laws prohibit certain arrangements and activities relating to services or items that are reimbursable by Medicare and Medicaid. These laws may apply to you if (a) you provide services to a facility that receives Medicaid or Medicare funds, regardless of whether the services you are providing to clients are covered by Medicare or Medicaid, or (b) you provide services to a Medicaid-waiver client. There are also federal and state laws called “false claims acts” that prohibit anyone from submitting false or fraudulent claims for payment to federal or state governments, such as overbilling a Medicaid program or billing for services that were not provided.

The federal “Anti-Kickback Act” prohibits the offer, payment, solicitation, or receipt of compensation for either (a) referring Medicare or state health program patients or patient care opportunities, or (b) for recommending, arranging for, purchasing, leasing, or ordering items or services that are covered by Medicare or a state health program. Violation of the Anti-Kickback Act is a felony and carries the possibility of imprisonment and/or a fine. Some states have enacted laws that prohibit payment for referrals or other types of “kickbacks”, regardless of whether the client is under a state or federal reimbursement or assistance program.

Physician and certain other health care providers who own a Home Helpers Home Care franchise will be subject to physician self-referral laws, commonly known as “Stark laws,” for services covered by Medicare and Medicaid

programs. Stark laws prohibit a physician or a member of that physician's immediate family from referring Medicare or Medicaid patients to any entity providing "designated health services" (which include home care services) in which the physician has an ownership or investment interest. Most states also have physician self-referral laws that may apply regardless of whether Medicare or Medicaid is involved.

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") is a federal law that provides for the protection of individually identifiable health information (called "Protected Health Information" or "PHI") that is transmitted or maintained in any form or medium. HIPAA rules and regulations affect the day-to-day business operations of all organizations that provide medical care and maintain personal health information. Each Home Helpers Home Care franchise is a "Covered Entity" under HIPAA and therefore subject to, among other aspects of HIPAA, its Security and Privacy Rules. The Privacy Rule protects the privacy of clients' PHI by requiring appropriate safeguards in storing and handling PHI, setting limits and conditions on how PHI may be used and disclosed without client authorization, and giving clients rights over their health information, including the rights to examine and obtain a copy of their health records. The Security Rule requires Covered Entities to maintain appropriate administrative, technical and physical safeguards to protect PHI that is created, received, maintained or transmitted electronically. In general, PHI may only be used, shared or disclosed to others as expressly permitted by HIPAA or with the client's permission.

The laws of many states prohibit business corporations from engaging in the practice of medicine, such as through employment arrangements with health care providers. These laws vary from state to state and are enforced by the state courts and regulatory authorities with broad discretion. If prohibited by law, you may be unable to: (i) employ providers to provide health care services; (ii) represent to the public that you offer health care services; and (iii) control in any way the provision of health care services by providers.

You will be responsible for investigating and complying with any such laws that may apply in your territory. You will also be responsible for complying with employment, privacy, workers' compensation, insurance, corporate, tax, and similar laws and regulations, as well as any federal, state, or local laws of a more general nature, which may affect the operation of your franchised business. You should thoroughly investigate all of these laws and requirements before purchasing a franchise.

Changes to existing federal and state laws and new laws and regulations may increase your cost of doing business. You should be aware of any changes to the laws applicable to your state and your business. Although we have resources available as a reference to you and provide non-legal guidance and assistance, you are solely responsible for investigating, understanding, and complying with all laws, regulations, and requirements applicable to your business.

## **ITEM 2. BUSINESS EXPERIENCE**

Chief Executive Officer, President, Director: Emma R. Dickison

Ms. Dickison has been our Chief Executive Officer since February 1, 2016. She has been our President since June 2008 and served as our Chief Operating Officer from October 2007 through June 2008. She has been a Director of our parent, Home Helpers Holding Company since February 2016, and a Director of HHFS since April 2021. Ms. Dickison is a Certified Franchise Executive™.

Chief Financial Officer, Treasurer: Bill Burlingham

Mr. Burlingham has been our Chief Financial Officer since December 2014 and our Treasurer since April 2021.

Chief Operating Officer: Amanda Corrigan

Ms. Corrigan has been our Chief Operating Officer since April 2023. From April 2022 to April 2023, she was Vice President of Operations for Metis Genetics, LLC, located in Addison, Texas. From February 2019 to March 2022,

she was Market President for Caregiver, Inc., located in Ft. Worth, Texas. From December 2016 to February 2019, she was Senior Vice President for Paramount Healthcare, located in San Antonio, Texas.

Executive Vice President, General Counsel, Secretary: Barry Nelson

Mr. Nelson has been our Executive Vice President since November 2009, our General Counsel since February 2018, and our Secretary since April 2021.

Assistant Vice President of Franchise Development: Bobby Kelley

Mr. Kelley has been an Assistant Vice President of Franchise Development of HHFS since July 2015.

Assistant Vice President of Franchise Development: Clayton McKee

Mr. McKee has been an Assistant Vice President of Franchise Development of HHFS since May 2020. From November 2019 to May 2020, he was Executive Director of Franchise Development for Trident Investment Partners, Inc., located in Blue Ash, Ohio. From August to November 2019, he was a Director of Franchise Development for Fyzical, LLC, located in Sarasota, Florida. From October 2016 to August 2019, he was a Director of Franchise Development for PuroSystems, LLC, located in Tamarac, Florida.

Vice President of Training and Partnerships-Franchise Services: Jenelle Schneider

Ms. Schneider has been our Vice President of Training and Partnerships since January 2024, our Vice President of Franchise Services from since November 2022 to December 2023, our Senior Director of Franchise Services & Training from September 2021 through October 2022, and our Senior Director of Training from October 2020 to September 2021. From February 2012 to March 2020, she was Senior Director of Sales for Safeguard Business Systems in Dallas, Texas.

Senior Director of Marketing: Emily Hall

Ms. Hall has been with HHFS since April 2020, initially as Senior Brand Manager, then as Director of Marketing from July 2021 through October 2022, and as Senior Director of Marketing since November 2022. From September 2015 to January 2019, she was Senior Director of Marketing for Carrington College, located in Phoenix, Arizona.

Senior Director of Referral Marketing: Kara Ball

Ms. Ball has been our Senior Director of Referral Marketing since January 2024. From October 2021 to December 2023, she was Growth Marketing Manager for GoCanvas in Cincinnati, Ohio. From March 2021 to October 2021, she was Associate Director of Contracts and Proposals for EAB Global, Inc. in Cincinnati, Ohio. From January 2018 to February 2021, she was Senior Proposal Writer for Hobsons, Inc. in Cincinnati, Ohio.

Senior Director of New Franchise Services: Mercedes Morgan

Ms. Morgan has been our Senior Director of New Franchise Services since January 2024. From August 2022 to December 2023, she was our Director of Franchise Services. From September 2021 to July 2022, she was Customer Success Manager for Quotient Technology, Inc., located in Salt Lake City, Utah. From September 2006 through August 2021, she was our Senior Director of Franchise Services.

Director of Franchise Services: Kristin Royal

Ms. Royal has been with HHFS since November 2021, first as a Performance Coach and, since January 2024, as our Director of Franchise Services. From October 2006 to October 2021, she held various positions with Acts of Grace, Inc., a Right at Home franchisee in Kingwood, Texas, as a Staffing Coordinator from 2006 to 2008, and as Administrator, Operations Manager, and Community Liaison from 2008 to 2021.



#### Director of New Franchise Services: Joe Stefanko

Mr. Stefanko has been our Director of New Franchise Services since May 2021. From February 2014 to May 2021 he was Director of Franchise Operations for Homewatch CareGivers, LLC, located in Greenwood Village, Colorado.

### **ITEM 3. LITIGATION**

#### **Material Civil Actions Involving the Franchise Relationship in the Last Fiscal Year**

##### **Royalty Collection Suits:**

*H.H. Franchising Systems, Inc. v. Clarina McLearn and Helpful Hearts LLC* (Hamilton Cty. Ohio Common Pleas Ct., August 25, 2023), Case No. A2303623. Action against franchisee Helpful Hearts LLC and its owner, Clarina McLearn, to collect past-due and future royalties and branding fees.

*H.H. Franchising Systems, Inc. v. Saumya Dayal, Juan Pablo Jimenez, and Seva Sadan Home Care, Inc.* (Hamilton Cty. Ohio Common Pleas Ct., November 8, 2022), Case No. A2204087. Action against franchisee Seva Sadan Home Care, Inc. and its owners, Saumya Dayal and Juan Pablo Jimenez, to collect past due and future royalties and branding fees.

*H.H. Franchising Systems, Inc. v. Tanim Hoque and Hoque Health LLC* (Hamilton Cty. Ohio Common Pleas Ct., November 8, 2022), Case No. A2204098. Action against franchisee Hoque Health LLC and its owner, Tanim Hoque, to collect past-due and future royalties and branding fees.

*H.H. Franchising Systems, Inc. v. Hubert R. Pennings and Project P Six, LLC* (Hamilton Cty. Ohio Common Pleas Ct., November 9, 2022), Case No. A2204106. Action against franchisee Project P Six, LLC and its owner, Hubert R. Pennings, to collect past-due and future royalties and branding fees.

##### **Prior Actions**

None

##### **Governmental Actions**

None

##### **Pending Actions**

*Cheryl Peiler v. Cox Enterprises, LLC, Chris & Brenda Cox, and H.H. Franchising Systems, Inc.* (Superior Court of San Diego County, California, July 28, 2022), Case No. 37-2022-00029961-CU-OE-CTL. On July 28, 2022, Cheryl Peiler, a former employee of a California Home Helpers franchisee named Cox Enterprises, LLC, sued the franchisee, its owners, Chris and Brenda Cox, and HHFS, alleging hostile work environment, discrimination, retaliation, wrongful termination, failure to timely pay wages on termination, failure to pay vested vacation, and unfair competition. Cox Enterprises filed a separate suit—in which HHFS is not involved—against Peiler on August 8, 2022, for breach of contract, breach of fiduciary duty, defamation, intentional interference with contractual relations, interference with prospective economic advantage, negligence, intentional infliction of emotional distress, unfair competition, civil conspiracy, and misappropriation of trade secrets. Both cases are in the discovery stage. Ms. Peiler has never been an employee of HHFS.

*MultiServices Yorktown, LLC v. Old Point Comfort, LLC, Keith W. Smith, and H.H. Franchising Systems, Inc.* (Circuit Court of the City of Newport News, Virginia, August 3, 2021), Case No. CL2103215M-00. On August 3, 2021, a former franchisee of the Company, Gayle Stathers, sued a current Home Helpers franchisee, Old Point Comfort, LLC, its manager, Keith Smith, and HHFS in Newport News, Virginia, for tortious interference with contract, common law conspiracy, and violating the Virginia Business Conspiracy Act. In 2016, Stathers had sold her Home Helpers franchise (#58137) to another Home Helpers franchisee, Wynne Rentz, and her company, KNR

Enterprises, financing \$195,000 of the \$210,000 purchase price and allegedly taking a security interest in all of KNR Enterprises' business assets, including franchise 58137. In 2019, KNR Enterprises resold 58137 to a third Home Helpers franchisee, Old Point Comfort. KNR Enterprises closed its remaining franchise in February 2021, defaulted on its note to Stathers, then filed bankruptcy in April 2021. In her suit against HHFS, Old Point Comfort and Keith Smith, Stathers claimed all the defendants were aware of her security interest in franchise 58137 and wrongfully interfered with it either by buying the territory from KNR Enterprises (in Old Point Comfort and Smith's case) or by approving the sale from KNR Enterprises to Old Point Comfort (in HHFS's case). HHFS filed a demurrer and motion to dismiss for improper venue, which were denied at a hearing in February 2022. HHFS has filed an appeal of the order denying intends to appeal the denial of its motion to dismiss with the Virginia Court of Appeals (H.H. Franchising Systems, Inc. v. Multiservices Yorktown, LLC (Court of Appeals of Virginia, April 16, 2024), No. 0633-24-1) and refile its demurrer.

Other than these 25 actions, no litigation is required to be disclosed in this Item.

#### **ITEM 4. BANKRUPTCY**

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

#### **ITEM 5. INITIAL FEES**

The initial franchise fee<sup>2</sup> for a Home Helpers Home Care franchise is \$49,900 ~~\$48,900~~. If the population of your territory is greater than 250,000, you must pay an additional \$500 for all or part of every 1,000 people over 250,000. For example, for a territory with a population of 253,300, the total franchise fee would be \$51,900 ~~\$50,900~~ [\$49,900 ~~\$48,900~~ + (4 x \$500)].

The initial franchise fee is due when you sign the franchise agreement. You can reserve a specific territory for up to 30 days by sending us a \$10,000 deposit along with a Franchise Fee Remittance Form (a copy of the Franchise Fee Remittance Form is attached to this disclosure document as Exhibit Z~~Y~~). The deposit will be applied toward your initial franchise fee. The deposit and the initial franchise fee for a Home Helpers Home Care franchise is non-refundable and fully earned upon receipt by us or when you sign the franchise agreement, whichever occurs first.

You must also pay us a one-time fee of \$9,000 ~~\$9,750~~ for a Business Foundations Kit. The Business Foundations Kit consists of the first year's license for the required scheduling and billing software (up to 20 clients per month<sup>3</sup>); third-party accounting support for one year; a business telephone number; ~~telephone answering service for 12 months;~~ a subscription to a third-party recruiting and applicant tracking solution for one year; registration fee to attend your first national conference; and initial marketing and public relations materials. The fee for the Business Foundations Kit is due after you sign your franchise agreement but before you begin the initial training program. If your franchise agreement is terminated before you open your franchise, we will repurchase any unopened, unused items in saleable condition from the Business Foundations Kit (excluding customized promotional materials and supplies, and software licenses from third-parties) and give you a refund for the returned items. You will be responsible for paying any shipping costs to return Business Foundations Kit items. No part of the Business Foundations Kit fee is refundable under any other circumstances.

~~If you qualify for Conversion Franchise, you must pay us \$1,500 for a Business Foundations Kit, which will consist of a business telephone number; registration fee to attend your first national conference; and initial marketing and public relations materials.~~

<sup>2</sup> All dollar figures are in U.S. currency.

<sup>3</sup> The monthly charge for the scheduling and billing software is based upon your number of clients. The license fee included in the Business Foundations Kit will accommodate up to 20 clients. You will pay an additional charge in months in which you have more than 20 clients. See the WellSky SaaS License Agreement attached to this disclosure document as Exhibit T.

States that require a license, certification, accreditation or registration to provide home care services generally require the agency to create and maintain a written manual containing the policies and procedures for operating a home care agency. If the franchised business will operate in a state that requires a license, certification, accreditation or registration, you will be required to purchase a written policies and procedures manual from us before you apply for your license, certification, accreditation or registration. The cost of the policies and procedures manual is \$950.

We presently offer the following discount ~~or rebate~~ programs:

~~Early Bird Rebate. \$2,000 of the initial franchise fee for your first Home Helpers Home Care franchise will be rebated and applied to your Business Foundations Kit fee if you pay the entire \$48,900 franchise fee in full and sign the franchise agreement within 14 calendar days after you attend a “Meet the Team Day” (a live, interactive webinar and video conference via Zoom).~~

Multi-Unit Discount. After you purchase your first franchise, you may be eligible for a 10% ~~the following discounts~~ off the then-current initial franchise fee for the second additional franchises that you purchase, and a 20% discount off the then-current initial franchise fee for each franchise you purchase after the second one.

Franchise No.	2nd	3rd	4th	5th	6th	7th or more
Discount	10%	20%	20%	35%	35%	50%

To be eligible for these discounts, you must pay the entire franchise fee at the time you sign the franchise agreement for the additional franchise and you must be in good standing. We may cancel or modify this discount policy at any time.

VetFran Discount. To honor those men and women who have served in the U.S. Armed Forces, the Veterans Transition Franchise Initiative, known as “VetFran”, was developed to help those individuals’ transition to civilian life. This initiative is a voluntary effort of International Franchise Association (IFA) member-companies and is designed to encourage franchise ownership by offering financial incentives to honorably-discharged veterans. We offer a 20% discount on the initial franchise fee to veterans who meet the requirements of the VetFran program. The qualifying veteran must own more than 50% of the franchise.

Conversion Franchise. If you qualify for a Conversion Franchise, we may allow you to pay a discounted fee (a “Conversion Fee”) in lieu of the initial franchise fee described above. The amount of the discount, which may be up to 50% of the initial franchise fee, will be based on a number of factors, including the length of time you have operated your business before converting to a Home Helpers Home Care franchise, your historical and current sales volume and earnings, demand and saturation in the market in which your business operates, the number and location of other Home Helpers Home Care franchises in the market, your experience, and the growth potential of your business. If you qualify for a Conversion Franchise, you will pay the Conversion Fee when you sign the franchise agreement and the Conversion Addendum. The Conversion Fee is non-refundable and fully earned upon receipt by us or when you sign the franchise agreement and the Conversion Addendum, whichever occurs first. During our last fiscal year, we did not collect any Conversion Fees. No other discounts may be used in conjunction with a Conversion Fee.

You may not take both the Multi-Unit Discount and ~~either the VetFran Discount or the Early Bird Rebate~~ on the purchase of the same franchise. ~~You are permitted to use the Early Bird Rebate in conjunction with the VetFran Discount, but the VetFran percentage will be applied after the initial franchise fee has been reduced by the Early Bird Rebate. For example, if you qualify for both the Early Bird Rebate and the VetFran Discount, the initial franchise fee after applying both would be \$37,520 [(\$48,900 – \$2,000 – \$9,380 (20% of \$46,900))].~~ During our last fiscal year, the franchise fee ranged from \$24,450 to \$48,900. We currently intend to impose each initial franchise fee uniformly except as stated otherwise in this Item 5.

Your franchise agreement does not give you any option, right of first refusal, or similar right to acquire additional franchises.

If you have received this disclosure document in connection with the renewal of your Home Helpers franchise, you will not be required to pay the initial franchise fee when you sign a renewal franchise agreement, nor will you be required to purchase a Business Foundations Kit or policy and procedures manual.

## ITEM 6. OTHER FEES

### OTHER FEES

Table 6-1

Type of Fee	Amount	Due Date	Remarks
Royalty fee – Notes 1 and 2	6% down to <del>4</del> 3% of Gross Revenues; \$500 monthly minimum until you become subject to the monthly Performance Standards; after that, the minimum Royalty will range from \$1,800-\$3,600 per month	Currently payable by the 10th day of each month	Paid on Gross Revenues for the preceding month; the actual rate you pay will depend upon your annual Gross Revenues (see <i>Table 6-2</i> below for the specific rates) – Note 3.  See Item 12 of this disclosure document for an explanation of the monthly Performance Standards.
Branding fee – Notes 2 and 4	2% down to <del>1</del> ½% of Gross Revenues; \$500 monthly minimum until you become subject to the monthly Performance Standards; after that, the minimum branding fee will range from \$600-\$1,200 per month	Currently payable by the fifth day of each month	Paid monthly; annual contribution calculated on Gross Revenues for the one-year period ending on the preceding October 31. See <i>Table 6-3</i> below for the specific rates.
Local Cooperative Advertising	Up to 3% of your Gross Revenues unless a majority of the cooperative members agree on a higher contribution – Note 5	Monthly	If an advertising cooperative is established or operating in your area, you must contribute.
Transfer Fee – Note 1	\$10,000 to \$70,000, depending on the purchase price, plus the amount of any broker commissions or referral fees we must pay in connection with the transfer	Prior to consummation of transfer	Payable as a condition to selling your franchise to, among other things, cover the expenses of training the franchise purchaser; no transfer fee is payable for transfers to a company you form for the convenience of ownership or for transfers of the ownership interest in franchisee to a trust if the transferring owner is the grantor and trustee of the trust and remains the Designated Individual of the franchised business. See <i>Table 6-4</i> below for the specific rates.
Transferee Referral Fee	\$10,000	Prior to consummation of transfer	Payable as a condition to selling your franchise to a buyer who was already listed as a lead in our franchise development database before the two of you began discussing the sale, to partially reimburse us for our costs to develop the lead.
Renewal Fee	Lesser of 5% of then-current initial franchise fee or \$10,000	At the time you renew your franchise agreement	Payable as a condition of renewing your franchise agreement for an additional term upon the expiration of the initial term.
Technology Fee – Note 6	\$750 per year	January 31 each year	You must pay us a fee for technology that we make available to you for use in the operation of the business; this includes, for example, software that gives you access to our Intranet, ad-builder, webinars, business forms, and reports.
Territory Amendment Fee	\$2,000	Before amending territory	If we allow you to amend your franchise territory you must pay a fee to compensate us for our costs.

Type of Fee	Amount	Due Date	Remarks
Franchisee Meetings	Currently \$225 to \$1,000 per person; “no-show” fee is \$2,000-3,000 for national meetings, \$200-600 for regional meetings	Prior to attending meeting	We may hold regional and/or national meetings with our support personnel and franchisees. We can charge a “no show” fee if you do not attend at least 1 national conference every 2 years or if you register for any meeting and don’t attend (even if there was no registration fee for the meeting).
Client Referral Fees	Variable	On demand	We have the right to charge you a reasonable referral fee for client leads and requests for services provided by third parties (including National Accounts), and you must pay all referral fees assessed by us or any third-party referral source upon demand.
Call Center Fees	Variable	On demand	We have the right to establish a call center ourselves or through a third-party provider and require you to use it, and you must pay any fees—which may include one-time set-up fees, monthly fees, and/or per-call or per-lead fees—assessed by us or any third-party provider upon demand. We do not currently operate a call center.
Formation of business entity	Variable	Within 90 days after signing the franchise agreement	If you sign the franchise agreement individually, then you must form a business entity (such as a corporation) and assign your individual rights in the franchise to the business entity.
Late Fee – Note 7	Greater of \$50 or 10% of payment; \$50/day for each late report; \$50/day if client invoices not posted by 10th of month	On demand	You must pay a late fee on any payment that we receive more than 5 days late or any report that we receive after its due date, or if your client invoices are not posted to the designated agency management software by the 10th of each month.
Interest – Note 8	18% – Note 9	On demand	In addition to the late fee above, any payments more than 30 days late accrue interest at the rate of 18% per year.
Client Refunds – Note 10	Amount of expense advanced plus 18% interest	On demand	Payable if we determine that your client is entitled to a refund.
Audit Fee – Note 1	Cost of audit plus 18% interest on under-payment – Note 9	On demand	Payable only if audit is prompted by your failure to maintain or submit records or audit shows an understatement of revenues by 3% or more.
Sales/Use Taxes – Note 11	Variable	Payable with your royalty or branding fee payments	You must pay any state or local sales or use tax that may be assessed on the royalties, advertising fees, or other fees you pay to HHFS.
Reimbursement – Note 1	Amount of expense advanced plus 18% interest	On demand	You must reimburse us if we pay your expenses when you fail to do so, such as rent, taxes, client refunds, or other liabilities.
Legal Expenses – Note 1	Amount of expense advanced plus 18% interest	On demand	You must pay any legal expenses we incur, including attorney fees, to enforce your franchise agreement.
Indemnification – Note 1	Amount of expense advanced plus 18% interest	On demand	You must reimburse us if we are held liable for claims arising from your business.

#### Notes to Table 6-1:

1. Imposed by and payable to HHFS. All fees are non-refundable. We currently intend to impose all fees uniformly except as otherwise stated in this Item 6.
2. If you qualify for a Conversion Franchise, we may waive the royalty and branding fee for a period of time based on a number of factors, including the length of time you have operated your business before converting to a Home Helpers Home Care franchise, your historical and current sales volume and earnings, demand and saturation in the market in which your business operates, the number and location of other Home Helpers Home Care franchises in the market, your experience, and the growth potential of your business.

3. “Gross Revenues” means all income (recognized on an accrual basis), whether cash or credit (and regardless of collection in the case of credit), that you, your spouse, parent or child, or the owners of a franchisee that is a company, earn from the franchised business, any competitive business, or the sale of any goods or services under our trademarks, less refunds and discounts to customers and sales or excise taxes.
4. Payable to the Home Helpers branding fund. We may, in our sole discretion, modify the commencement of your minimum royalty and/or branding fund payment obligations if there is a delay in the issuance of licenses required to operate your franchised business.
5. Either HHFS or the advertising cooperative will determine the amount of your monthly cooperative advertising contribution, but it cannot exceed 3% of your Gross Revenues unless a majority of the cooperative members agree on a higher contribution. Your cooperative contribution will not be credited toward your branding fee. Each member of an advertising cooperative will have one vote for each franchise they own. Each franchised business operated by HHFS or an affiliate of HHFS, if any, in an area in which an advertising cooperative has been established will contribute to the cooperative on the same basis as other members of that cooperative. As of the date of this disclosure document, we have not established any advertising cooperatives.
6. You must pay us an annual Technology Fee of \$750 for software licensing or development fees and other technology tools that we provide or develop. The amount of the Technology Fee is subject to change. In our discretion, we may require you to purchase some or all of the technology tools directly from a third-party supplier.
7. Late fees on branding fee payments are payable to the branding fund. Late fees on all other payments are payable to HHFS.
8. Interest on royalty payments is payable to HHFS. Interest on branding fee payments is payable to the branding fund.
9. Interest accrues from the date payment was due.
10. Refunds are payable to the client, but you must reimburse HHFS within 10 days if we issue a refund on your behalf.
11. The royalties, branding fees, or other fees you pay us may be entirely or partially subject to state or local sales or use tax, depending upon the law in your state. If we are required to pay these taxes in your state, you must add the tax to your royalty or branding fee payment.

**Royalty Rates**

Table 6-2  
Royalty Rates

Gross Revenue Benchmarks	Royalty Rate
The Royalty Rate on the first \$500,000 of annual Gross Revenues is 6%	
\$500,000	5% on Gross Revenues in excess of the Benchmark
\$2,000,000	4% on Gross Revenues in excess of the Benchmark
\$5,000,000	3% on Gross Revenues in excess of the Benchmark

The royalty rate is based upon your level of total Gross Revenues in each calendar year as listed in Table 6.2 above.

The royalty rate at the beginning of each calendar year will be 6%. When you reach a new Gross Revenues benchmark, if you are in good standing, the royalty rate will be adjusted to the rate opposite the benchmark in Table 6-2 above. The adjusted royalty rate will apply only to Gross Revenues in excess of that benchmark. All

royalty rate adjustments will expire at the end of each calendar year. If you are not in good standing when you reach the benchmark or you are otherwise not entitled to an adjustment, you must pay at the prior rate. If you are not entitled to the adjustment because you are not in good standing, but you return to good standing and satisfy us of that before the end of the calendar year, then the royalty rate adjustment will be effective beginning in the next calendar month after the month in which you returned to good standing. If you cease to be in good standing at any time after qualifying for a royalty rate adjustment, then the royalty rate adjustment will be forfeit and you must resume paying a royalty rate of 6% until you return to good standing. “Good Standing” means that you are in full compliance with all of your obligations under any agreement with us or our affiliates.

The minimum Royalty is \$500 per month per franchise, regardless of your Gross Revenues, until you become subject to the Performance Standard (the Performance Standard is explained in Item 12 of this disclosure document). After that, the minimum monthly Royalty will be the amount of your Performance Standard multiplied by the applicable royalty rate from Table 6-2 (based upon your actual year-to-date Gross Revenues). You will not be required to start paying the minimum Royalty for the first 36 months after you ~~complete the initial training program~~ open your franchise, but there is no similar grace period for the percentage Royalty based on Table 6-2 above—you must pay a Royalty on your Gross Revenues even if you are not yet required to pay the minimum Royalty. If you are acquiring an existing Home Helpers Home Care franchise from another franchisee (a “Resale” franchise), the minimum Royalty will be \$500 per month per franchise for your first year of operation. After that, the minimum monthly Royalty will be the amount of your Performance Standard multiplied by the applicable royalty rate from Table 6-2 above (based upon your actual year-to-date Gross Revenues). If you are renewing your Home Helpers Home Care franchise upon the expiration of your original franchise agreement, the minimum monthly Royalty will be the amount of your Performance Standard multiplied by the applicable royalty rate from Table 6-2 above when your new franchise agreement becomes effective.

**Branding Fee Rates**

You will be required to pay a monthly branding fee to the Home Helpers Branding Fund. Our current branding fee rates and the process for determining them are described below, but we have the right to change the rate or amount of the branding fee and the process for calculating it at any time upon at least 30 days’ notice to you.

We will calculate your annual branding fee contribution for each calendar year and notify you in writing before January 1. The amount of your contribution will be based upon your Gross Revenues for the one-year period ending on October 31 of the previous year (the “measurement period”). Our current rates are listed in Table 6-3 below. The minimum branding fee is \$500 per month, regardless of your Gross Revenues or the number of franchises you own (unless you acquire a Remote Franchise—see below), until you become subject to the Performance Standard. After that, the minimum monthly branding fee will be the amount of your Performance Standard multiplied by the applicable branding fee rate from Table 6-3 below (based upon your actual Gross Revenues during the measurement period).

Table 6-3  
Branding Fee Rates

If Your Gross Revenues for the measurement period are ...	Your Branding Fee Rate will be ...
Less than \$500,000	2%
\$500,000 to \$1,499,999.99	1½%
\$1,500,000 to \$2,999,999.99	1%
\$3,000,000 to \$4,999,999.99	¾%
\$5,000,000 or more	½%

If you are purchasing a Resale franchise from another Home Helpers franchisee, for the duration of the calendar year in which the transaction occurred, you will pay the same monthly branding fee that the selling franchisee was paying. Beginning with the calendar year following the year in which the transaction occurred, we will calculate your branding fee contribution for each calendar year based upon your franchise’s Gross Revenues (whether earned or received before or after the transaction) during the one-year period ending on October 31 of the previous year. The minimum branding fee will be \$500 per month for your first year of operation. After that, the minimum monthly branding fee will be the amount of your Performance Standard multiplied by the applicable branding fee rate from Table 6-3 above (based upon your actual Gross Revenues during the measurement period). If you are renewing your Home Helpers Home Care franchise upon the expiration of your original franchise agreement, the minimum branding fee will be the amount of your Performance Standard multiplied by the applicable branding fee rate from Table 6-3 above (based upon your actual Gross Revenues during the measurement period) when your new franchise agreement becomes effective.

**Remote Franchise**

If you acquire a “Remote Franchise” at any time after you purchase your first Home Helpers franchise, you will be required to sign the Remote Franchise Addendum attached to this disclosure document as Exhibit K, and for purposes of your financial, operational, and reporting obligations, you will operate the Remote Franchise as a separate business from your original franchise. A “Remote Franchise” is a Home Helpers franchise with a territory that is more than 100 miles away from, and in a different state than, the territory of your original franchise. The Gross Revenues from the operation of your Remote Franchise will not be aggregated with the Gross Revenues from the operation of your original franchise for purposes of calculating the royalties and branding fees you must pay. The royalties and branding fees for the Remote Franchise and your original franchise will be calculated separately based only upon the Gross Revenues attributable to that franchise. You will also be required to pay a separate technology fee for the Remote Franchise, maintain two separate licenses for the designated scheduling and billing software, and maintain separate books and records of account for the two franchises.

**Transfer Fee**

You will be required to pay us a transfer fee if you transfer more than 10% of your clients in any 1-year period, any interest in the franchised business or your franchise agreement, or certain ownership interests in a business entity franchisee. The fees listed below will be reduced by 20% if the buyer is another Home Helpers franchisee.

Table 6-4  
Transfer Fee Rates

Purchase Price	Transfer Fee
≤ \$500,000	\$10,000
> \$500,000 and ≤ \$1,000,000	\$15,000
> \$1,000,000 and ≤ \$2,000,000	\$30,000
> \$2,000,000 and ≤ \$3,000,000	\$40,000
> \$3,000,000 and ≤ \$4,000,000	\$50,000
> \$4,000,000 and ≤ \$5,000,000	\$60,000
> \$5,000,000	\$70,000



## ITEM 7. ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	<del>\$49,900</del> \$48,900	Note 1	15 days after signing franchise agreement, or 2 weeks before training, whichever occurs first	HHFS
Equipment & Furniture	\$500 to 2,000	As Incurred	Prior to commencement of business	Suppliers
Computer System (Notes 2 and 3)	\$2,500 to 4,000	As Incurred	Prior to commencement of business	Suppliers
Travel & Living Expenses While Training (Note 4)	<del>\$1,000</del> \$750 to 2,500	As Incurred	Prior to or at time of training	Hotel, airline, restaurants, employees
Initial Rent, Telephone, Bank & Other Deposits (Note 5)	\$-0- to 2,000	As Incurred	Prior to commencement of business	Suppliers
Business Foundations Kit (Note 6)	<del>\$9,000</del> \$9,750	Lump Sum	Prior to training	HHFS
Licensing <del>Expenses</del> Fee (Note 7)	\$-0- to \$15,000	As Incurred	As Incurred	State Licensing Authority
Monthly Office Rental Payment (Note 8)	\$-0- to 1,250	Monthly	Depends on lease terms	Landlord
Insurance (Note 9)	<del>\$6,500 to \$10,000</del> <del>\$3,600 to \$8,000</del>	(See Note 7)	Prior to effective date of policy	Insurance Company
Policies and Procedures Manual (Note 10)	\$950	Lump Sum	Prior to commencement of business	HHFS
Additional Funds – 3 months (Note 11)	<del>\$43,000 to \$65,000</del> <del>\$33,000 to \$55,000</del>	As Incurred	As expenses are incurred	Employees, taxing authorities, suppliers, etc.
Total (Note 12)	<del>\$113,350 to \$161,600</del> <del>\$99,950 to \$149,350</del>			

### YOUR ESTIMATED INITIAL INVESTMENT FOR A CONVERSION FRANCHISE

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Conversion Fee	<del>\$24,950</del> 450 to <del>\$49,900</del> \$48,900	Note <del>13</del> 14	When you sign the franchise agreement	HHFS
Equipment & Furniture (Note 14)	\$-0- to 2,000	As Incurred	Prior to commencement of business	Suppliers
Computer System (Notes 2, 3 and 15)	\$-0- to 4,000	As Incurred	Prior to commencement of business	Suppliers
Travel & Living Expenses While Training (Note 4)	<del>\$1,000</del> \$750 to 2,500	As Incurred	Prior to or at time of training	Hotel, airline, restaurants, employees

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Rent, Telephone, Bank & Other Deposits (Notes 5 and 16)	\$-0- to 2,000	As Incurred	Prior to commencement of business	Suppliers
Business Foundations Kit (Note <del>6</del> <del>17</del> )	<del>\$9,000</del> <del>\$1,500</del>	Lump Sum	Prior to training	HHFS
Monthly Office Rental Payment (Notes 8 and <del>17</del> <del>18</del> )	\$-0- to 1,250	Monthly	Depends on lease terms	Landlord
Insurance (Notes 9 and <del>18</del> <del>19</del> )	\$-0- to <del>\$10,000</del> <del>\$8,000</del>	(See Note 9)	Prior to effective date of policy	Insurance Company
Total (Note 12)	<del>\$34,950 to \$80,650</del> <del>\$26,700 to \$70,150</del>			

**Additional Investment For Skilled Care Services:** In addition to the non-medical services a Home Helpers Home Care franchise is required to offer, you may also offer skilled care services (e.g. “home health care”) with our approval if, before offering those services, you provide proof to us that you: (1) are qualified and comply with all federal, state and local laws including state and federal health care industry standards, local health care regulations, various licensing standards and other requirements that may apply; and (2) have the proper insurance that provides coverage for the medical services offered. Most franchisees will not offer skilled care services until the franchised business has become firmly established. The cost to obtain a skilled care services or home health agency license will vary greatly from state to state. We estimate that the additional investment to add skilled care services will be between \$36,250 and \$56,750 as noted in the table below. This amount does not include funds you may be required to put in escrow by state licensing regulators.

#### YOUR ESTIMATED INITIAL INVESTMENT FOR SKILLED CARE SERVICES

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Professional Fees	\$1,000 to \$5,000	As Incurred	As expenses are incurred	Attorney, accountant
Director of Clinical Services (see Note <del>19</del> <del>20</del> )	\$30,000 to \$37,500	As Incurred	As expenses are incurred	Your employee
Skilled Care Software (see Note <del>20</del> <del>21</del> )	\$750 to \$1,250	Monthly	Depends on terms of software license	Software vendor
Additional Computers	\$-0- to \$1,500	Lump Sum	As expenses are incurred	Supplier
Additional Furniture and Equipment	\$-0- to \$2,500	As Incurred	As expenses are incurred	Supplier
Medical Supplies Inventory	\$1,500 to \$2,500	As Incurred	As expenses are incurred	Supplier
Marketing Materials	\$1,500 to \$2,500	As Incurred	As expenses are incurred	Branding fund and/or various suppliers
Licensing <del>Expenses</del> Fee	\$500 to \$1,500	Lump Sum	Before you begin offering medical services	State Licensing Authority
Insurance	\$1,000 to \$2,500	Lump Sum	Before effective date of coverage	Insurance company
Total (see Note 13)	\$36,250 to \$56,750			

## Notes to Tables:

1. The franchise fee for a territory with a population of up to 250,000 is \$49,900 ~~\$48,900~~. If the population of your territory exceeds 250,000, you must pay an additional \$500 for all or part of every 1,000 people over 250,000.
2. The cost of the computer equipment and software you will need to operate your franchise will depend upon the manufacturer, the operating features, whether the equipment is new or used, and whether you purchase or lease it.
3. You will be required to use a third-party web-based application called WellSky for scheduling caregivers and billing clients, and a third-party web-based application called QuickBooks® Essentials for your accounting. You will license these applications directly from the third-party vendors, WellSky Corporation and Intuit, Inc. (who are not affiliated with us), and pay them a license fee. The license fee for WellSky is based upon the number of clients you have, but the minimum monthly license fee is currently \$350 ~~\$300~~ for up to 20 clients per month. The annual license fee for QuickBooks Essentials is currently \$504 for the first year and \$720 after the first year ~~\$462~~. The cost of the first year's license for WellSky for up to 20 clients is included in the Business Foundations Kit—you will pay an additional charge in months in which you have more than 20 clients.
4. We do not charge an additional fee for the initial training, but if we offer in-person training, you must pay the expenses of travel, lodging, food, wages, and workers' compensation for you and your employees during the training program. These expenses will range from \$1,000 ~~\$750~~ to \$2,500, depending upon the distance and method of travel and the availability and quality of your hotel accommodations and living expenses during the training program. See Item 11 of this disclosure document for more details about our initial training program.
5. Your telephone service provider will typically require a normally refundable deposit for commercial service. You are required to have a separate business telephone line for your franchise and either an employee to answer your line or a live answering service at all times. Some states also require a deposit for workers' compensation coverage.
6. You must pay us a one-time fee of \$9,000 ~~\$9,750~~ for a Business Foundations Kit. The Business Foundations Kit consists of a one-year subscription for the required scheduling and billing software (up to 20 clients per month); third-party accounting support for one year; a business telephone number; ~~telephone answering service for 12 months;~~ a subscription to a third-party recruiting and applicant tracking solution for one year; registration fee to attend your first national conference; and initial marketing and public relations materials.
7. Certain states require a license for some of the services that you may provide. You must investigate licensure requirements for the state in which you will operate and the licensing fees, if any, that may be required.
8. The terms of your lease will depend on the size, location, condition, and desirability of the premises. You will probably be required to pay a normally refundable security deposit, which is reflected in the above chart. Your office must be in your territory. You may operate your franchise from your home, during your first two years of operation if permitted to do so by state and local law, but if your home is not in your territory, you must maintain and use a mailing address in your territory and the telephone number for your franchise must be listed under that address. If you operate your franchise from your home, you must have sufficient locked, dedicated space for office furniture and equipment (including locking file cabinets), employee interviewing and training, and the display of employment law posters required by state and federal laws. Some states may require an out-of-home office. As of the date of this disclosure document, we are aware that the state of Florida requires an out-of-home office if you provide personal care services, and the states of Colorado, Connecticut, Delaware, District of Columbia, Illinois, Louisiana, Maine, Nevada, New Hampshire, New Jersey, Oklahoma, Rhode Island, South Carolina, Tennessee, Virginia, and Washington require an out-of-home office if you provide either personal care or companion care services. Additionally, some states that do not require an out-of-home office do, however, require a "public access door" (one that opens directly into the business space instead of a personal or common area of the house) which, depending on the configuration of your home, may eliminate the option of operating your franchise from your home in those states. As of the date of this disclosure document, we are aware that the state

of North Carolina requires a public access door. You are responsible for investigating and complying with any such laws that may apply in your territory.

9. You must obtain and maintain the types and amounts of insurance coverage described in Item 8 under the heading "Insurance." We must be named as an additional insured on these policies. We estimate that the average total annual cost for the required insurance coverage will be between ~~\$6,500-\$3,600~~ and ~~\$10,000-\$8,000~~. The premium is typically due prior to the effective date of the coverage unless your insurance company offers monthly or quarterly payment terms. Insurance costs will vary depending upon the location and size of your office, the number of employees and other factors, and may change from time to time due to changes in insurance rates. You must also maintain workers' compensation coverage and any other insurance that may be required by law in your territory.

10. States that require a license, certification, accreditation or registration to provide home care services generally require the agency to create and maintain a written manual containing the policies and procedures for operating a home care agency. If the franchised business will operate in a state that requires a license, certification, accreditation or registration, you will be required to purchase a written policies and procedures manual from us before you apply for your license, certification, accreditation or registration. The cost of the policies and procedures manual is \$950.

11. You should have approximately ~~\$43,000 to \$65,000~~ ~~\$33,000 to \$55,000~~ of additional funds for such items as payroll expenses, advertising, initial supplies, operating expenses, and similar items during the initial phase of your business, approximately 3 months. In formulating the amount required for additional funds, we relied upon our experience in franchising home care businesses since 1997. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. You may also incur expenses for business license fees, legal fees, accounting fees, and local permits and operating authorizations necessary to start your business, which may vary considerably from one area to another.

12. The total figures listed in the above charts do not include compensation for your time or labor. Neither do the total figures take into account any finance charges, interest, debt service, or other costs that you may incur to finance all or any portion of your investment. In addition to the initial investment itemized in the above charts, you must have additional monies available, whether in cash or through a line of credit, or have other assets that you can liquidate or against which you can borrow, to cover your personal living expenses and any operating losses sustained during the initial phase of the business. If your clients require transportation, your caregivers will use the client's vehicle or, in rare instances, their own vehicle. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

13. If you qualify for a Conversion Franchise, we may allow you to pay a reduced Conversion Fee in lieu of the initial franchise fee (the initial franchise fee is discussed in more detail in Note 1 above and Item 5 of this disclosure document). The amount of the Conversion Fee, which may be as low as 50% of the initial franchise fee, will be based on a number of factors, including the length of time you have operated your business before converting to a Home Helpers Home Care franchise, your historical and current sales volume and earnings, demand and saturation in the market in which your business operates, the number and location of other Home Helpers Home Care franchises in the market, your experience, and the growth potential of your business.

14. For a Conversion Franchise, the low end of this range assumes you already have all the equipment and furniture necessary to operate a Home Helpers Home Care franchise.

15. For a Conversion Franchise, the low end of this range assumes you already have a computer system that meets our requirements. See Notes 2 and 3 above and Item 11 of this disclosure document for the specifications of the computer system.

16. For a Conversion Franchise, the low end of this range assumes you already have telephone service, suitable office space, workers' compensation coverage, and other items that may require a deposit. You may be required to pay a normally refundable security deposit if we require you to relocate your office.

~~17. You must pay us a one-time fee of \$1,500 for a Business Foundations Kit. The Business Foundations Kit will consist of a business telephone number; registration fee to attend your first national conference; and initial marketing and public relations materials.~~

1718. For a Conversion Franchise, the low end of this range assumes you already have suitable office space and that you will continue to operate your Conversion Franchise from the same premises. If your office does not meet our current standards or is not located within your franchise territory, you may be required to relocate. See Note 8 above.

1819. For a Conversion Franchise, the low end of this range assumes you already have insurance coverage that meets our requirements and that you have already paid your annual insurance premium for the current year.

1920. If you offer skilled care services, you will require a Director of Clinical Services to provide skilled care services. The cost of a Director of Clinical Services listed in the above chart is for an initial 3-month period.

2021. If you offer skilled care services, you will be required to use a third-party application other than WellSky, one designed specifically to manage a home health agency, to schedule caregivers and bill clients. You will license the application directly from a third-party vendor and pay them a license fee. The license fee is typically based upon the number of clients you have, but we estimate that the minimum annual license fee will be between \$3,000 and \$5,000. The cost of this application listed in the skilled care services chart above is for an initial 3-month period.

2122. All expenditures are non-refundable unless specifically noted otherwise.

## **ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

**Materials Bearing Our Marks.** Your marketing and promotional materials, business cards, and business stationery must comply with specifications for content, size, typeface, color, and paper stock. These specifications are contained in the operations manual. You must purchase these items from approved suppliers, which are listed in the operations manual.

You must also purchase certain marketing and promotional materials, apparel, and specialty items bearing our service marks and logo from a designated vendor. The Branding Fund and HHFS derive revenue from the sale of marketing materials to franchisees. Except as disclosed in this Item, neither we nor any affiliate of ours will derive revenue from your purchase of marketing materials.

We formulate our specifications and standards based on input from our management, operations personnel, and franchisees. We make modifications to our specifications and standards according to operational needs and risk and opportunity assessments. The specifications and standards are issued to you through our training program, operations manual, and our intranet portal.

**Digital Marketing Services.** Starting 6 months after you open the franchised business, you will be required to spend at least \$500 each month on digital marketing services with a designated supplier and provide us with verification of your expenditures upon request.

**Insurance.** Before opening the franchised business, you must obtain, and maintain at all times during the term of your franchise agreement, the following insurance coverages:

- All-Risk Insurance on all furniture, fixtures, equipment, supplies and other property used in the operation of the franchised business, for their full replacement cost.
- Commercial General Liability Insurance on an occurrence basis covering claims for bodily and personal injury, death, property damage, product liability, and contractual liability with a minimum per occurrence limit of \$2,000,000 and a minimum general aggregate limit of \$4,000,000.

- Professional Liability Insurance on an occurrence basis with a minimum per occurrence limit of \$2,000,000 and a minimum general aggregate limit of \$4,000,000 per policy year.
- Automobile Liability Insurance covering owned, hired, and non-owned vehicles with a minimum combined single limit for each accident of \$1,000,000.
- Workers' Compensation Insurance that complies with the statutory requirements of the state in which the franchised business is located and Employers' Liability Insurance with a minimum limit of \$100,000 or, if greater, the statutory minimum limit if required by state law.
- Employment Practices Liability Insurance with a \$500,000 minimum limit and a Vicarious Co-Defendant Coverage endorsement covering defense costs and damages for claims of sexual harassment, discrimination, and wrongful termination (and, if available, wage and hour claims), with a third-party endorsement to respond to client allegations of similar wrongful acts.
- A first-party and third-party Fidelity Bond (or Employee Dishonesty Insurance) with a minimum limit of \$25,000 per incident. The policy must not contain a Conviction Clause.

All insurance policies must name HHFS as an additional insured, and no policy may have a deductible greater than \$1,000. You cannot open your franchise for business until you have obtained all the required insurance coverages. If you fail to obtain and maintain this insurance coverage, we have the right to obtain it on your behalf and to charge you for the cost plus interest. You must also maintain any other insurance that may be required by your landlord or by law in your territory. You must purchase your insurance from a designated insurance agency, which are listed in the operations manual. We have the right to reasonably increase the required minimum insurance coverage, decrease the deductible, or require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. We must give you at least 30 days' notice. Except as disclosed above, neither we nor any affiliate of ours will derive revenue from these purchases.

**Computer System.** To operate your franchise, you must obtain and use the computer hardware and software complying with specifications that we periodically establish, including hardware components, dedicated telephone lines, routers, printers, and other computer-related accessories and peripheral equipment (the "Computer System"). The specifications for the computer system are contained in the operations manual and listed in Item 11 of this disclosure document. You may purchase the Computer System from any approved supplier, which are listed in the operations manual. You are required to use designated software programs for scheduling, billing and accounting purposes. Except as disclosed in this Item 8, neither HHFS nor any of our affiliates will derive revenue from your required computer purchases.

**Policies and Procedures Manual.** You must pay us a one-time fee of \$950 for a written policies and procedures manual if the franchised business will operate in a state that requires a license, certification, accreditation or registration.

**Direct Link Equipment and Monitoring Services.** You must purchase all monitoring services and equipment from us or a supplier that we designate (which may be an affiliate of ours). The cost of monitoring services from our current designated supplier ranges from ~~\$8 to \$43~~ \$31 to \$54 a month for each unit, depending on the unit model, and includes the equipment rental. We have the right to subcontract the monitoring service to a third party, change the subcontractor, or provide the service in-house.

**Business Foundations Kit.** You must pay us a one-time fee of ~~\$9,000~~ \$9,750 for a Business Foundations Kit. The Business Foundations Kit consists of a one-year subscription for the required scheduling and billing software (up to 20 clients per month); third-party accounting support for one year; a business telephone number; a subscription to a third-party recruiting and applicant tracking solution for one year; ~~telephone answering service for 12 months;~~ registration fee to attend your first national conference; and initial marketing and public relations materials. ~~For a Conversion Franchise, the Business Foundations Kit will cost \$1,500 and will consist of a business telephone~~

~~number; the registration fee to attend your first national conference; and initial marketing and public relations materials.~~ The Branding Fund and HHFS derive revenue from the sale of Business Foundations Kits to franchisees.

**Payroll Services.** You must purchase your payroll services from Paychex.

**Bookkeeping Services.** You must purchase bookkeeping services from Correll Accounting, Inc., d.b.a. UniFi, in Valencia, California. The cost of bookkeeping services from UniFi ranges from \$250 to \$450 per month for franchisees with revenue up to \$2,000,000. The cost of your first year of bookkeeping services from UniFi is included in your Business Foundations Kit (see Item 5 for an explanation of the Business Foundations Kit).

**Suppliers.** We have the right to require all Home Helpers franchisees to purchase any goods or services used in the franchised business exclusively from one or more designated suppliers—which may include us or an affiliate of ours—or to purchase cooperatively with us or other Home Helpers franchisees, and we will make a list of the designated suppliers available to you. Currently Home Helpers franchisees are required to purchase the following goods and services exclusively from designated suppliers: all marketing materials, business cards, business stationery, and other goods and materials bearing the Marks; digital marketing services; Direct Link equipment and monitoring services; required insurance coverage; payroll services; bookkeeping services; employee background investigations and reports; policies and procedures manuals needed for licensing purposes; and your scheduling, billing and accounting software. You are not permitted to purchase these goods and services from alternative suppliers, even if they meet our approval criteria. We designate suppliers based upon their ability to meet our current standards and specifications (including pricing), the adequacy of their quality controls, and their capacity to supply our needs promptly and reliably. Other than as disclosed above in this Item 8, neither we nor our affiliates are currently approved suppliers, and no officer of HHFS has an ownership interest in any approved supplier.

We estimate the cost of the items you must purchase or lease in compliance with our specifications and standards will be approximately 12% to 25% of your total purchases in connection with the establishment and in the operation of your franchise business, depending on the amount of your other start-up expenses.

During the one-year period ending on December 31, ~~2023~~~~2022~~, our revenues from all required purchases and leases of products and services by franchisees was ~~\$421,754~~~~\$678,298~~, or about ~~2.6%~~~~4.3%~~ of our annual revenue of ~~\$16,370,684~~~~\$15,800,523~~.

Some suppliers pay fees for sponsorships or display space at our annual conference or other meetings. These fees defray our costs for the conferences, but there are no specific restrictions on their use. In calendar year ~~2023~~~~2022~~, we received ~~\$88,900~~~~\$93,600~~ from suppliers for sponsorships or display space at our conferences.

Except as disclosed above, neither HHFS nor any affiliate of HHFS will derive revenue from your required purchases. Except as disclosed above, we have not established specifications for the equipment and supplies necessary to operate your franchise, although we do provide you with a list of suggested equipment and supplies. Except as disclosed above, we do not offer or sell equipment or supplies to franchisees.

We do not provide material benefits to a franchisee based upon the franchisee's use of designated or approved sources. There are no purchasing or distribution cooperatives, although we have the right to require you to participate with us or with other franchisees when purchasing certain products or services to be sold or used in the franchised business. Except as described above, we have not negotiated any purchase arrangements with suppliers for the benefit of franchisees. In the future, we may negotiate alliance programs or purchase arrangements with suppliers for the benefit of HHFS and the franchise system. Among other things, we may receive rebates, price adjustments, or discounts on products or services sold to you by approved suppliers. We may, in our discretion, either pass through to the Branding Fund all or some portion of the funds we receive as a direct result of products or services you purchase from approved suppliers, retain the funds, use the funds to help pay for periodic franchisee conferences, or, if a franchisee is in compliance with all agreements with us, provide rebates to franchisees pro rata based on their purchases from approved suppliers. Except for a branding fee,

minimum monthly digital marketing expenditure, and, if applicable, a local cooperative advertising fee, there are no minimum advertising expenditures you are required to make.

## ITEM 9. FRANCHISEE'S OBLIGATIONS

The following 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	Section in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Article 3	11
b. Pre-opening purchases/leases	4.2, 7.4	5, 7 & 8
c. Site development and other pre-opening requirements	3.2	Not Applicable
d. Initial and ongoing training	7.1, 7.14, 7.22	11
e. Opening	7.6	11
f. Fees	Articles 4 & 5	5 & 6
g. Compliance with standards and policies/Operating Manual	Articles 7 & 9	8, 11 & 16
h. Trademarks and Proprietary information	Articles 8, 9 & 10	13
i. Restrictions on products/services offered	7.3	16
j. Warranty and customer service requirements	7.12, 17.3	6
k. Territorial development and sales quotas	1.7	12 & 17
l. Ongoing product/service purchases	7.5, 7.16	8
m. Maintenance, appearance and remodeling requirements	3.2	Not Applicable
n. Insurance	7.9	7, 8
o. Advertising	Article 11	8 & 11
p. Indemnification	7.9 & 7.13; Article 17	17
q. Owner's participation/management/ staffing	7.6, 7.14, 7.21, 7.23, 7.24 & 15.1	17
r. Records/reports	7.8 & 7.15	17
s. Inspections/audits	7.8, 7.20	6 & 17
t. Transfer	Article 12	17
u. Renewal	2.2	17
v. Post-termination obligations	Article 14, 15.3	17
w. Non-competition covenants	15.2 & 15.3	17
x. Dispute resolution	Article 16	17

## ITEM 10. FINANCING

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

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

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



Before you open your business, we will:

- (1) Approve the boundaries for your franchise territory. Your territory must be a single, undivided geographic area created by postal ZIP Code(s) according to Franchisor's mapping system in place at the time of executing the Franchise Agreement. If the U.S. Postal Service alters the boundary or number or eliminates any of the ZIP Code(s) assigned to you, we may re-define the boundaries of your territory to correspond as nearly as possible to your original territory. Our decision on this matter will be final (Franchise Agreement § 1.2).
- (2) Provide written specifications and a list of suppliers for all equipment, products, services, and supplies necessary to operate your franchise (Franchise Agreement § 6.1). All Direct Link equipment must be rented from a designated supplier. You must purchase all monitoring services from us or a designated supplier. Except as disclosed above, we do not deliver or install any equipment, products, services, and supplies necessary to operate your franchise.
- (3) Provide you with access (via our intranet and websites) to digital advertisements, layouts and images for use in various media, and templates for business cards and stationery (Franchise Agreement § 6.1).
- (4) Designate a uniform resource locator (URL) to identify your franchise. Our designation will be final and you may not use any other URL or domain name in connection with your Home Helpers Home Care franchise (Franchise Agreement § 6.6).
- (5) Make our operations manual, which contains mandatory and suggested specifications, standards, and procedures (Franchise Agreement § 6.3), available to you. The manual is confidential and remains our property. You will have access to the manual when you begin the initial training program. We provide the manual in a digital format. We have the right to modify the manual from time to time, but the modification cannot alter your fundamental status and rights under the franchise agreement (Franchise Agreement § 9.3). As of the date of issuance of this disclosure document, the total number of pages in the manual is 301 (consisting of 128 pages for Operations, 57 pages for Administration, 96 pages for Marketing and Sales, and 20 pages for Direct Link equipment and services). The table of contents of the manual is attached to this disclosure document as Exhibit ~~XW~~.
- (6) Make a copy of the forms you will use to order supplies, and otherwise communicate with us available to you (Franchise Agreement § 6.2). We may, at our election, provide the forms in a digital or paper format.
- (7) Provide or designate a vendor to provide you with round-the-clock monitoring services at such rates as we or the vendor may establish from time to time (Franchise Agreement § 6.4).
- (8) Provide or designate a vendor to provide you with adequate supplies of Direct Link equipment at such prices as we or the vendor may establish from time to time (Franchise Agreement § 6.5).
- (9) Provide an initial training program for up to 2 people, one of which must be the person responsible for the general oversight and management of the franchised business (Franchise Agreement § 6.1).

During the operation of the franchised business, we will:

- (1) Provide you with assistance via telephone, electronic mail, office visits, and Web-based programs to the extent we deem necessary (Franchise Agreement § 6.1).
- (2) Make round-the-clock monitoring services available to you, either directly or through a designated vendor, at such rates as may be established from time to time (Franchise Agreement § 6.4).
- (3) Make adequate supplies of Direct Link equipment available to you, either directly or through a designated vendor, at such prices as may be established from time to time (Franchise Agreement § 6.5).

- (4) Provide you with such other materials, information and assistance as we may deem necessary (Franchise Agreement § 6.1).

**Computer Hardware and Software.** You must obtain and use computer hardware and software complying with specifications that we periodically establish, including hardware components, dedicated telephone lines, routers, printers, and other computer-related accessories and peripheral equipment (the “Computer System”). You will be issued a Home Helpers Home Care email account that is capable of receiving and sending attached files, and which you are required to use for all electronic communications with us and for the franchised business. You will need a high-speed Internet connection through a local Internet Service Provider (ISP) for purposes of accessing the WellSky portal and our franchisee intranet site and communicating via electronic mail (Franchise Agreement §7.13(ii)). The Computer System will store data and information about your clients, finances, and operations based on information you input. We estimate that the initial cost for the required Computer System and applications will range from \$6,100 to \$7,600. The Computer System currently includes a laptop computer and peripherals. The current annual costs of the required software licenses are:

- Microsoft Business Standard license: ~~\$138~~~~\$150~~/year
- Intuit QuickBooks® Online Essentials: ~~\$504~~~~\$462~~/year the 1st year, \$720/year after that
- WellSky: ~~\$350~~~~\$300~~/month for up to 20 clients; for more than 20 clients, the following monthly charges apply:

<u>No. of Clients</u>	<u>Monthly Charge</u>
21-50	<del>\$7.50</del> <del>\$6.50</del> /client
51-100	<del>\$5.25</del> <del>\$4.50</del> /client
101-200	<del>\$4.00</del> <del>\$3.50</del> /client
201-1,000	<del>\$3.50</del> <del>\$3.00</del> /client

The recommended hardware specifications are as follows:

- Windows-based laptop and supporting video conferencing accessories
- 8 GB RAM (minimum)
- 250 GB HD (minimum)
- Keyboard and a mouse or other pointing device supported by Windows operating system
- Gigabit Network Card (for high-speed connection to the Internet)
- High Resolution Display
- Laser Printer

The minimum application specifications are as follows:

- Current version of Microsoft Office or Office 365 or newer (must have Outlook, Word, Excel & Power Point)
- Microsoft® Windows 10 or newer
- Intuit QuickBooks® Online Essentials or higher
- ~~Back-Up software~~
- End Point Security / Anti-Virus software
- WellSky home care agency management application
- Home Helpers Hub Franchise Management System

We will have independent access to information relating to the franchised business that will be generated and stored in your Computer System via the Internet-based agency management and accounting applications described above, including client PHI, the identities and schedules of caregivers, referral sources, billing, accounts receivable and other financial information. We will treat the information and data stored on your Computer System as confidential and handle it in compliance with the Business Associate Agreement between us (a copy is

attached to this disclosure document as Exhibit RQ), HIPAA and other data privacy laws. There are no other contractual limits on our right to access the information and data stored on your Computer System. We may modify this policy after providing you 30 days' notice. You are contractually required to upgrade or update your Computer System if we require it during the term of the franchise. There are no contractual limitations on the frequency or cost of any update or upgrade. We are not obligated to provide or assist you in obtaining the Computer System, although we will provide you with the name of one or more vendors from whom you may purchase the equipment.

We recommend that you obtain local information technology ("IT") support for the operation and continued maintenance of the hardware, software and network configurations to support the franchised business. We estimate the annual cost for this recommended IT support will range from \$600 to \$6,000. This estimate may vary depending on your specific IT needs, knowledge, and local market conditions. We are not required to establish, maintain, and/or troubleshoot any issues with your computer hardware or software.

**Franchisee Meetings.** We may, but are not obligated to, hold regional and/or national meetings with our support personnel and franchisees to discuss sales techniques, service procedures, personnel issues, and marketing methods, and to introduce new management tools, marketing programs, and promotional items. You must attend all meetings we designate as mandatory (Franchise Agreement § 7.22). You are required to attend the first national conference held after you complete the initial training and at least one national conference bi-annually after that. All expenses, including travel and lodging, are your responsibility. We may charge reasonable registration fees for these meetings. Currently, the attendance fee for the national meeting ranges from \$300 to \$1,000 per person depending on time of registration. We will charge you a "no show" fee if you do not attend a required meeting (including a required national conference) or if you register for any meeting and fail to attend. Currently our "no show" fees range from \$2,000-\$3,000 for national meetings and \$200-\$600 for regional meetings. The registration fee for your first national conference is included in your Business Foundations Kit (see Item 5 for an explanation of the Business Foundations Kit).

**Office Visits.** We have the right to visit your office from time to time in order to provide additional operational support, even if you operate your franchise from your home. Presently we do not charge you a fee for such office visits, but we have the right to require you to reimburse us for the cost of our travel to your office and for related expenses (Franchise Agreement § 7.20).

**Website.** We maintain websites to promote our franchisees' services and the sale of our franchises and to provide contact information for Home Helpers Home Care locations. We will include your franchise contact information on a separate page on our website paid for by the Branding Fund, and you are required to keep your contact information current at all times. You may not establish your own website, web page, blog, listing, banner, URL, advertisement, or any other service or link on or with the Internet (including services such as Facebook, Twitter or other social networking websites), World Wide Web, Internet service providers, electronic mail services, communication providers, search engines or other similar services using our service marks or otherwise in connection with the franchised business. We will provide you with one branded email address containing our domain name at no additional cost, which you are required to use for all electronic communications with us and for the franchised business (Franchise Agreement §7.13(i)).

**Branding Fund.** You are required to pay a Branding Fee to the Branding Fund each month (Franchise Agreement § 5.2). We will calculate your annual branding fee contribution for each calendar year and notify you in writing before January 1. The amount of your contribution will be based up your Gross Revenues for the one-year period ending on October 31 of the previous year. The current rates are listed in Table 6-3 in Item 6 of this disclosure document. The minimum Branding Fee is \$500 per month, regardless of your Gross Revenues or the number of franchises you own (unless you acquire a Remote Franchise—see Note 11 to Table 6-1 of this disclosure document), until you become subject to the Performance Standard. After that, the minimum monthly Branding Fee will be the amount of your Performance Standard multiplied by the applicable Branding Fee rate from Table 6-3 in Item 6 of this disclosure document (based upon your actual Gross Revenues during the measurement

period). We have the right to increase the amount of the Branding Fee at any time. Any increase in the Branding Fee will be effective 30 days after you receive notice of the increase. All Branding Fees are maintained in a separate bank account and may only be spent on advertising, promotion and marketing of the services provided by Home Helpers Home Care franchises, the development of new advertising, promotional and marketing materials for the Home Helpers system, the solicitation of National Accounts, employment of marketing personnel, and administrative costs associated with the maintenance of the Branding Fund. Our current policy is to use the Branding Fund for the development of new advertising, promotional and marketing materials, marketing and administrative personnel related to the Branding Fund, and to advertise the services offered by franchisees. We have the right to change this policy at any time and use the Branding Fund to place advertising in national, regional or local media (including broadcast, print, or other media). We are reimbursed for any overhead, postage or labor provided to the Branding Fund. Each location owned by HHFS, if any, will contribute to the Branding Fund on the same basis as you (Franchise Agreement Article 11).

The Branding Fund is administered by our accounting personnel. You may obtain an unaudited annual income statement of the Branding Fund by submitting a written request to our corporate office after March 1 of each year. The Branding Fund and its activity are included in our audited year-end consolidated financial statements prepared by an independent certified public accountant, but there is no separate audit report prepared for the Branding Fund. During the one-year period ending on December 31, ~~2023-2022~~, the Branding Fund had total receipts of ~~\$2,453,141~~ ~~\$2,342,211~~ and total expenses of ~~\$2,588,049~~ ~~\$2,314,509~~, of which ~~47.39.7%~~ was used for production, ~~23.86%~~ for website content development, hosting and optimization, ~~9.28%~~ for media placement, ~~2.93.7%~~ for public relations, ~~1.7%~~ for the development of national accounts, ~~7.713.5%~~ for national and regional meetings, and ~~8.7%~~ for administration.

The Branding Fund is not a “trust”, and we will have no fiduciary duty to you or any other franchisee in connection with the management of the Branding Fund. The Branding Fees are not refundable or transferable under any circumstances, even upon the expiration, termination or transfer of your franchise. We are not required to spend any amount on advertising in your territory or to ensure that you benefit directly or pro rata from the Branding Fees you pay. Except as disclosed above, neither we nor any affiliate of ours receives any payment from the Branding Fund.

No portion of the Fund is used for advertising that is principally a solicitation for the sale of franchises. If any of the Branding Fees are not spent in the fiscal year in which they accrue, expenditures made from the Branding Fund in the following year(s) will be made first out of accumulated earnings from previous years (if any), next out of earnings in the current year, and finally from contributions.

**Advertising.** You are required to spend at least \$500 each month on digital marketing services with a designated supplier and provide us with verification of your expenditures upon request (Franchise Agreement § 11.11). Your franchise agreement does not otherwise restrict or mandate the amount of advertising you may conduct or the media in which any advertising may be placed. We will provide you with access (via our intranet portal) to a number of digital advertisements, layouts and images for use in various media, but you are free to use your own advertising material so long as we approve it first. If you wish to use an advertisement that we have not provided and that has not been previously approved, you must submit it to us by electronic mail, for approval. You will typically be notified whether the advertisement is acceptable within 30 days after we receive it. The approval of advertising will be made on a case-by-case basis using purely subjective criteria. All of your advertising in any medium must be conducted in a dignified manner, be completely accurate and truthful, conform to standards and requirements listed in the operations manual and to all applicable laws and regulations regarding consumer advertising, and contain a notice that your franchise is independently owned and operated (Franchise Agreement § 11.7). Any advertisement that you develop for your franchise automatically becomes our property, and we may use it or provide it to our other franchisees for their use without compensating you (Franchise Agreement § 11.9). There is no advertising council composed of franchisees that advises us on advertising policies or other matters.

**Advertising Cooperatives.** We may establish, change, dissolve, or merge local or regional marketing and advertising cooperatives in geographical areas with two or more Home Helpers Home Care franchises. Advertising cooperatives may be established for areas covered by advertising media relevant to particular geographic markets, Metropolitan or Micropolitan Statistical Areas, or our advertising strategies, in our discretion. If we establish an advertising cooperative in an area, each franchise within the cooperative area must join and contribute to the cooperative each month. Your cooperative contribution will not be credited toward your branding fee. Either we or the cooperative will determine the amount of your monthly contribution, but it cannot exceed 3% of your Gross Revenues unless a majority of the cooperative members agree on a higher contribution. The members of each cooperative will be responsible for its administration, subject to our approval. Each member of an advertising cooperative will have one vote per franchise. Each cooperative will operate from written governing documents and must prepare monthly financial statements, all of which will be available for its members' review. Each location owned by HHFS, if any, in an area in which an advertising cooperative has been established will contribute to the cooperative on the same basis as other members of that cooperative. As of the date of this disclosure document, we have not established any advertising cooperatives, although our franchisees have established cooperatives in the Chicago and Philadelphia markets (Franchise Agreement § 11.10).

**Location of Franchised Business.** You will operate the franchised business from at least one office site, which you will select after receiving our prior written approval. We do not select a business location for you and are not required to provide you with assistance in selecting an office site, but may provide you with reasonable assistance at your request. We do not negotiate the lease or purchase of the office site and do not assist you in conforming the office site to local ordinances or any building codes. Before you sign a lease or purchase contract for your office, you must submit it to us for approval, which we will not unreasonably withhold. We may approve a home-based office site for your location during your first two years of operation, provided that doing so will not violate any zoning or building codes or other laws. At the beginning of your third year of operation, your office site must be in a leased or owned location that is not a residence (Article 3 of Franchise Agreement). If your office is not located in a non-residential building by the second anniversary of the effective date of the franchise agreement, you will be in default under your franchise agreement and we will have the right to suspend the exclusivity of your territory and permit other Home Helpers franchisees to operate in your territory, and, unless you cure the default, terminate your franchise (Franchise Agreement § 13.2).

Your office must be located in your territory (or one of your territories if you own more than one Home Helpers Home Care franchise) unless your office is in your home (during your first two years only) and you live outside your territory, in which case you may not use your home address on your business cards or stationery or in any advertisements (including online and "help-wanted" ads)—you must maintain and use a mailing address in your territory and the telephone number for your franchise must be listed under that address. The office must meet our criteria, such as size and layout, as established periodically by us and should be near the more densely populated areas of your territory and convenient to major thoroughfares. You may not relocate the franchised business without our approval. Whether or not we would allow relocation depends on the circumstances at the time and what is in the systems' best interests, based on our business judgment. Any relocation, if approved, would be at your sole cost.

**Length of Time to Open Franchise.** Franchisees typically begin operating their franchises 3 to 12 9-months after signing the franchise agreement. The factors that affect this time are the availability and timing of your financing, your previous employment commitments, your ability to complete our training program, hire and train personnel, comply with any applicable state licensing requirements, and schedule your initial marketing campaign. If no state license is required to operate your franchise, you must open your franchise within 3 months after you complete the initial training program. If a state license is required, you must open your franchise within 1 month after the license is issued or 6 months after we sign the franchise agreement, whichever occurs first. If you apply for the license within 1 month after we sign the franchise agreement and you use your best efforts to prosecute the application diligently and expeditiously, with haste and in good faith, but are unable to obtain your license within 6 months after we sign the franchise agreement, then we will extend the deadline for opening for up to 6 months.

If you do not open your franchise within these time periods, we have the right to terminate your franchise without refunding any fees you have paid (Franchise Agreement § 7.6).

**Training.** Before you open your franchised business, we will train up to 2 people to operate a Home Helpers Home Care franchise. All of the initial training is presently conducted by or under the supervision of our ~~Training Manager, Kathleen Hart~~ Vice President of Training and Partnerships, Jenelle Schneider. Ms. Schneider has a B.A. in Interdisciplinary Studies with a Marketing minor from Texas A&M University. Before joining HHFS, she worked in a training and support role for Safeguard Business Systems for eight years, has been both a franchisee and a franchise business consultant with Sylvan Learning Centers, and has been training or supervising the training of our franchisees since November 2020. Ms. Schneider has over 25 years of experience in franchising, training, coaching and supporting franchisees in all aspects of their business. Other than Ms. Schneider, Ms. Hart has a B.A. in Psychology from the University of Cincinnati and is a Six Sigma Green Belt. Ms. Hart previously worked for HHFS for 5 years in various roles (Project Manager to the CEO, Franchise Development Consultant, and Franchise Development Coordinator). Before rejoining HHFS as Training Manager in March 2022, she worked for Threshold Brands as a new franchisee onboarding coordinator for MaidPro and USA Insulation franchisees. Other than Ms. Hart, we do not employ a separate staff whose sole function is to train franchisees, but an additional 3-5 employees or vendors, each with approximately 2 or more years in training and supporting franchisees, will participate in the training program. We may change trainers at any time. We do not charge an additional fee for the initial training, but you are responsible for paying the costs of travel, lodging, food, and compensation for you and your employees during the training program. The initial training program is mandatory—you or your Designated Individual (the person designated as responsible for the general oversight and management of the franchised business) must complete the training program to our satisfaction within 90 days after you sign the franchise agreement (unless a license is required to offer and provide home care services in your state and we postpone your initial training program to accommodate a longer anticipated period needed to secure the license) and at least 30 days before you open the franchised business, or we have the right to terminate your franchise without refunding any fees you have paid (Franchise Agreement § 7.1). Training programs are typically scheduled on a monthly basis subject to demand.

Our initial training program is described below:

Before you begin the classroom portion of the initial training, you must complete approximately ~~78½~~ hours of live webinars, pre-recorded videos, and structured video and audio conferences with your onboarding coach and other members of our training staff, to preview and familiarize you with the home care industry and the Home Helpers system, and complete preliminary assignments to set up your business and prepare for the classroom portion of the initial training. You must complete this preparatory phase before you will be permitted to begin the classroom training.

The principal segment of our initial training program consists of approximately 4½ days of classroom instruction, which we may conduct in-person at our corporate headquarters in Blue Ash, Ohio, or via live webinars and video and audio conferencing. You will be responsible for the costs of travel, lodging, food and compensation for you and your employees during this classroom portion of the initial training program.

We may increase the length of the initial training program and/or require additional training in our discretion.

The current agenda of our initial training program is listed below:

## TRAINING PROGRAM

Subject	Classroom Training Hours	On-the-Job Training Hours	Location
<b>PRELIMINARY TRAINING</b>			
<del>Senior Care</del> Continuum of Care	$\frac{1}{2}$ <del>1</del>	0	Online/Your Home
<del>Marketing Home Helpers®</del> Home Care	<del>1</del>	0	Online/Your Home
<del>Home Helpers</del> Branding	<del>1</del>	0	Online/Your Home
<del>The Exceptional Caregiver</del> <sup>SM</sup>	<del>1</del>	0	Online/Your Home
LITTLER <sup>®4</sup> Home Care Toolkit	$\frac{1}{2}$	0	Online/Your Home
Business Partnership	$\frac{1}{2}$	0	Online/Your Home
Introduction to Optimizing Hiring and Maximizing Retention	$\frac{1}{2}$	0	Online/Your Home
Sales Excellence Needs-Based Selling Overview	1	0	Online/Your Home
Introduction to the Client Journey	$\frac{1}{2}$	0	Online/Your Home
The Experience of Aging	$\frac{1}{2}$	0	Online/Your Home
Financials Overview	$\frac{1}{2}$	0	Online/Your Home
Overview of Client & Caregiver Journeys	1	0	Online/Your Home
Business Model Overview	1	0	Online/Your Home
<del>Technology Platform Overview</del>	<del>1</del>	0	Online/Your Home
<del>Introduction to WellSky Preview</del>	$\frac{1}{2}$	0	Online/Your Home
<b>Preliminary Training Subtotal</b>	<del>7</del> $\frac{8}{2}$	0	
<b>CLASSROOM TRAINING</b>			
Welcome & Orientation	$\frac{1}{2}$	0	Blue Ash, Ohio
Franchise Overview	<del>1</del> $\frac{3}{4}$	0	Blue Ash, Ohio
<del>Client Journey</del> Home Helpers Intranet	<del>2</del> $\frac{4}{4}$	0	Blue Ash, Ohio
WellSky Workshop	1 $\frac{1}{2}$	0	Blue Ash, Ohio
Direct Link <sup>®</sup> powered by Aloe Care Services	<del>3</del> $\frac{4}{4}$	0	Blue Ash, Ohio
Elevator Pitch Attributes, Examples & Practice	1	0	Blue Ash, Ohio
<del>Vendor Review</del>			
Business Partnership	$\frac{1}{2}$	0	Blue Ash, Ohio
HUB Overview	<del>1</del>	0	Blue Ash, Ohio
Caregiver Training Platform	$\frac{1}{2}$	0	Blue Ash, Ohio
Caregiver Training Journey	$\frac{1}{2}$ <del>1</del>	0	Blue Ash, Ohio
Wage & Hour Basics	1 $\frac{1}{2}$	0	Blue Ash, Ohio
Joint Employment	1 $\frac{1}{2}$	0	Blue Ash, Ohio

<sup>4</sup> LITTLER<sup>®</sup> is a registered trademark of Littler Mendelson, P.C.

## TRAINING PROGRAM

Subject	Classroom Training Hours	On-the-Job Training Hours	Location
Cared-4	<u>32½</u>	0	Blue Ash, Ohio
Marketing/Branding Overview	¾	0	Blue Ash, Ohio
Marketing Campaigns, Website & Social Media	½	0	Blue Ash, Ohio
Referral Marketing	1	0	Blue Ash, Ohio
Inquiry Call <u>Sales Process &amp; Role Playing</u>	1½	0	Blue Ash, Ohio
<u>Strategies for Success</u> <u>Client Journey</u>	2½	0	Blue Ash, Ohio
Caregiver Recruiting & Retention	1¼	0	Blue Ash, Ohio
Effective Selling to Referral Partners Role Play	<u>½</u> <u>1¼</u>	0	Blue Ash, Ohio
Reverse Networking & Managing Referral Partner <u>Sales Funnel—Utilizing Tip Sheets</u>	1	0	Blue Ash, Ohio
<u>Strategic Planning &amp; Planning for Success</u>	<u>1</u>	<u>0</u>	<u>Blue Ash, Ohio</u>
Client Assessment Role Play	2	0	Blue Ash, Ohio
<u>Being a Brand Ambassador</u>	<u>½</u>	<u>0</u>	<u>Blue Ash, Ohio</u>
KPI's & Profitability	1	0	Blue Ash, Ohio
A Day in the Life of a Home Helpers Franchisee	1½	0	Blue Ash, Ohio
<b>Classroom Training Subtotal</b>	<u>28</u> <u>26½</u>	0	
<b>TOTAL</b>	<u>35½</u>	0	

The instructional materials for our training programs include the Home Helpers operations manual and brand standards manual, checklists, demonstrations, handouts, WellSky software and manual, QuickBooks® software and manual, role-playing exercises, live webinars, pre-recorded videos, PowerPoint presentations, our franchisee intranet, and various Internet sites.

Within 5 months after opening the franchised business, you must attend one of our Agencies ~~Agency~~ of Excellence training centers (presently located in California, Connecticut, Florida, Georgia, Indiana, Ohio, Tennessee, Virginia, and West Virginia) for 2-3 days of onsite training conducted by an experienced Home Helpers Home Care franchise owner. You will be responsible for the costs of travel, lodging, food and compensation for you and your employees during this onsite training.

At the present time, we do not provide or require you to complete any other training after your successful completion of the initial training program, but we may offer optional hands-on in-field training at various locations and to charge you a reasonable fee for it. We have the right to require additional or refresher training and to charge you a reasonable fee for it.

**Promotions.** We may, in our sole discretion, periodically offer certain promotions to prospective franchisees. Such promotions may vary in nature and may include, by way of example and without limitation, partial reimbursement for expenses and marketing materials. All such promotions will be made available to all prospective franchisees that receive a franchise disclosure document within a certain defined time period. A prospective franchisee must pay for the franchise in full without financing in order to benefit from a promotion.



**Referral Fee.** If you refer a prospective franchisee to us who is not already in our sales system, then we will give you a \$20,000 referral fee if they purchase a franchise from us. We will pay you half of the referral fee when they have signed their franchise agreement, paid the initial franchise fee in full, and completed the initial training, and the balance after their franchise has been open for 1 year. You must be a Home Helpers franchisee in good standing at the time the referral fee is paid. You will only receive 1 referral fee per franchise—*i.e.*, only one referral fee will be paid if more than one referred candidate purchases the same franchise as part of a group or as an owner of a business entity franchisee. A referral fee will be paid only for the first franchise a referred candidate purchases—you will not receive an additional referral fee if the referred candidate purchases multiple or additional franchises. We may cancel or modify this referral policy at any time.

## **ITEM 12. TERRITORY**

We will grant you an exclusive territory comprised of Postal ZIP Code(s) according to our mapping system in place when you sign the Franchise Agreement. If the U.S. Postal Service moves, alters, or eliminates any of the ZIP Code(s) assigned to you, we have the right to re-define the boundaries of your territory to correspond as nearly as possible to the original territorial border. Our decision on this matter will be final. You maintain the rights to your territory even if the population increases.

The territory you will receive for the base initial franchise fee will contain a population of up to 250,000. If the population of your territory exceeds 250,000, you must pay an additional \$500 for all or part of every 1,000 people over 250,000. There is no maximum limit on the population of your territory. The population will be determined using extrapolated census figures, demographic data, and business mapping software designated by us. You may operate from more than one location subject to our written approval. It is possible that some part or all of your territory may have previously been owned by a former franchisee. If you submit a written request to us by certified mail, return receipt requested, then we will notify you whether or not a former franchisee previously owned the exact boundaries of your territory.

Subject to the restrictions on operating in another franchisee's territory described below, you may solicit clients and provide services up to 25 miles from the boundaries of your protected territory. If you do provide services to a client at a location outside of your territory (whether it be the client's home or an assisted-living or other residential facility), and the location later becomes part of another franchisee's protected territory, then we may, to preserve the continuity of client care, in our discretion, allow you to continue to provide services to that client (a "grandfathered client"), but you may not solicit or serve any new clients ~~otherwise operate~~ in the other franchisee's territory once they open. You do not acquire any rights to any areas outside your territory. Similarly, other Home Helpers franchisees who opened before you may have acquired clients in areas that later became part of your territory; if so, those clients may also be grandfathered and the other franchisee permitted to continue to provide services to them after you open your franchise, but they will be prohibited from soliciting or serving any new clients in your territory after you open your franchise. If another Home Helpers franchisee acquires or merges with a business that competes with Home Helpers Home Care franchises, any clients of the acquired or merged business who are located in your territory will also be grandfathered and, to preserve the continuity of client care, the other franchisee will be permitted to continue to provide services to them after the acquisition or merger, but the other franchisee will be prohibited from soliciting or serving any other clients in your territory. If an existing home care agency converts its business to a Home Helpers Home Care franchise (a "Conversion Franchise"), any clients of the Conversion Franchise before the conversion who are located in your territory will be grandfathered and, to preserve the continuity of client care, the Conversion Franchise will be permitted to continue to provide services to them after the conversion, but the Conversion Franchise may not solicit or serve any new clients in your territory. (Franchise Agreement § 1.5)

You may not operate your franchise in another franchisee's territory, except in the following situations and only then with our prior consent:

- National Accounts;

- Shared Referral Sources;
- skilled care services;
- in the territory of a franchisee whose exclusivity has been suspended; and
- grandfathered clients (described above).

“Operate your franchise in another franchisee’s territory” means, after the other franchisee has opened: (i) engaging in advertising (including signage), marketing, or promotional activities that are directed or targeted primarily to another franchisee’s territory, (ii) conducting sales calls or in-person promotional activities in another franchisee’s territory, or (iii) conducting in-home assessments, providing Home Helpers Services or Direct Link Services, or providing any products or services that compete with Home Helpers Services or Direct Link Services, in another franchisee’s territory (Franchise Agreement §§ 1.10, 1.11).

**National Accounts.** A “National Account” is:

- a governmental agency that funds or administers a program that provides funds for or administers any services offered by Home Helpers Home Care franchises and whose activities are not confined to the territory of a single Home Helpers Home Care franchise; or
- an organization that has a member, subsidiary, affiliate, or policy holder that provides funds for or administers any services offered by Home Helpers Home Care franchises and whose activities are not confined to the territory of a single Home Helpers Home Care franchise; or
- a client, a group of clients, or an organization that has the right to arrange for any services provided by Home Helpers franchisees to be provided at multiple locations and/or multiple clients.

Other franchisees may service National Accounts at or from locations in your territory. With our prior written consent, you may service National Accounts at or from locations in another franchisee’s territory, if that franchisee’s franchise agreement allows it. The franchise agreements of some earlier franchisees do not permit other franchisees to provide products and services at or from locations in their territory, even for National Accounts. We have the exclusive right to identify clients or organizations as National Accounts, to service National Accounts, and to award the right to service National Accounts to any franchisee, in our sole and absolute discretion (Franchise Agreement § 1.4).

**Shared Referral Sources.** A Shared Referral Source is a person or organization that frequently encounters opportunities to recommend to its customers, clients, patients, members, or the general public, providers of goods or services similar to those offered by Home Helpers Home Care franchises, or a location or venue that attracts potential clients of a Home Helpers Home Care franchise, and, though it may be physically located within one franchisee’s territory, serves a geographic area larger than a single territory. Examples of Shared Referral Sources are local chapters of the National Council on Aging, hospitals, medical offices, and similar organizations. All Home Helpers franchisees are entitled to solicit referrals from and promote their services to Shared Referral Sources, regardless of where they are located, and the solicitation of referrals from and promotion of services to Shared Referral Sources does not violate the exclusivity of your territory or any other franchisee’s territory. We will identify the Shared Referral Sources in each market on a case-by-case basis (Franchise Agreement § 1.13).

**Skilled Care Services.** If you do not provide skilled care services (also known as “home health care”), then we may, in our discretion, permit Home Helpers franchisees that do provide skilled care services to provide them to clients in your territory. If the other franchisee provides skilled care services to a client who also needs non-medical services, then that franchisee may also provide the non-medical services to that client (Franchise Agreement § 1.12). If you later begin offering and providing skilled care services, the other franchisee’s clients will be grandfathered and the other franchisee permitted to continue to provide services to them after you begin offering and providing skilled care, but they will be prohibited from otherwise operating in your territory after that.

We may also permit you to operate in the territory of a franchisee who has been in default of their franchise agreement for more than 30 days. In such a case, we have the right, in our discretion, to suspend the exclusivity of the defaulting franchisee’s territory until their default is cured. Any clients that another franchisee acquires in that territory during that period will be grandfathered if and after the default has been cured and the exclusivity of the territory restored. By the same token, if you are in default of your franchise agreement for more than 30 days, we would have the right to suspend the exclusivity of your territory and permit other Home Helpers franchisees to operate in your territory until your default is cured.

**Performance Standard.** Your franchised business will be required to maintain minimum monthly sales performance levels, referred to as (“Performance Standards”). The monthly Performance Standards for each year during the ten-term of your franchise agreement are listed in the tables below:

Table 12-1

Performance Standard – 1st Franchise

Years	Monthly Gross Revenue
1 through <del>23</del>	- 0 -
<del>34</del> and <del>45</del>	\$30,000
<del>56</del> and <del>67</del>	\$45,000
<del>78</del> through 10	\$60,000

Table 12-2

Performance Standard – Resale or Expansion Franchise

Years	Monthly Gross Revenue
1	- 0 -
2 and 3	\$30,000
4 and 5	\$45,000
6 through 10	\$60,000

Caution: The figures listed in Tables 12-1 and 12-2 above are not to be construed as projections or estimates of actual or potential earnings, sales, or revenues. We make no representations regarding the likelihood that you will achieve the revenue figures listed in the above tables.

If you are acquiring your first Home Helpers Home Care franchise from us, you will become subject to the Performance Standard after your ~~2nd~~ ~~3rd~~ year of operation. If you already operate a Home Helpers Home Care franchise and you are purchasing another Home Helpers Home Care franchise from us to expand your territory (an “Expansion” franchise), or you are purchasing a Resale franchise from another Home Helpers franchisee, you will become subject to the Performance Standard one year after the franchise agreement is signed. If you are renewing your franchise, you will be subject to the Performance Standard immediately.

If you fail to meet the Performance Standard for any 2-consecutive-month period, you will be in default under your franchise agreement. If you fail to meet the Performance Standard for another 2-consecutive-month period after that, then the exclusivity of your territorial rights may be suspended or your franchise may be terminated.

The Performance Standard is a “per franchise” requirement, so if you own more than one Home Helpers franchise, you will be required to meet the aggregate of all the Performance Standards under all franchise agreements to which you are a party. The Performance Standard under each franchise agreement will become effective at the time specified in that franchise agreement. For example, if you are in year 4 of one franchise agreement, year ~~6~~ ~~7~~ of a second franchise agreement, and year 8 of a third franchise agreement, your aggregate monthly Performance Standard will be \$135,000 (\$30,000 + \$45,000 + \$60,000).

Except as described above in this Item 12, there are no other circumstances that would permit us to modify your territorial rights.

We have the right to operate or grant other franchises under a different trademark or trade name within your territory. These franchises may offer some of the same services offered by Home Helpers Home Care franchises so long as they are not “substantially similar” to a Home Helpers Home Care franchise. If we merge with, acquire, or are acquired by another chain of businesses that compete with Home Helpers Home Care franchises, the continued operation of any branch, franchise or location of the other chain within your territory will not violate the exclusivity of your territory, so long as they operate under a different trademark or trade name. Neither we

nor any affiliate of ours presently operates or plans to operate or franchise businesses under a different trademark that will sell goods or services substantially similar to those you offer.

We reserve the right to solicit and provide direct-to-consumer Direct Link Services in your territory under a trademark other than Home Helpers without providing compensation to you. We reserve the right to use alternative distribution methods, including the Internet, to do so. We do not otherwise reserve the right to provide competing services or to use any alternative distribution, including the Internet, within your territory, under our principal trademarks or different trademarks. We will not otherwise solicit or accept orders inside your territory.

Except as provided above, we may not operate or grant another Home Helpers Home Care franchise within your franchise territory. The exclusivity of your territory begins once your franchise opens.

Except as disclosed in this Item 12, there are no other restrictions on soliciting or accepting clients outside your territory and you may use any commercially reasonable channel of distribution, such as the Internet, telemarketing, or other direct marketing method, to obtain and service clients outside your territory.

You can reserve a specific territory for up to 30 days before you sign the franchise agreement by sending us at least \$10,000 of the initial franchise fee along with the signed Franchise Fee Remittance Form. The deposit will be applied toward your initial franchise fee.



Your franchise agreement does not give you any option, right of first refusal, or similar right to acquire additional franchises.

If you sell your franchise at a future date, then we may modify the size of the territory at the time of transfer so that it will be consistent with the size of franchise territories offered in our then-current disclosure document. Except as disclosed in this Item 12, we may not modify your territorial rights without your consent.

## ITEM 13. TRADEMARKS

If you purchase a Home Helpers Home Care franchise, we will grant you the right to operate a senior care, home care, and home health care business under the trade name HOME HELPERS® HOME CARE and to use the trademark HOME HELPERS® to identify the services offered by the franchise. You may also use the trademark MAKING LIFE EASIER®, our Home Helpers logo (which is depicted on the cover of this disclosure document), the trademark DIRECT LINK®, and other trademarks we may adopt in the future. You may use no other name or trademark without our approval.

We have registered the following marks with the U.S. Patent and Trademark Office (the “Trademark Office”):

Registration Number	Description of Mark	Registration Date	Register
4,028,631	HOME HELPERS	September 20, 2011	Principal
4,028,326		September 20, 2011	Principal
5,896,722		October 29, 2019	Principal
4,105,354	MAKING LIFE EASIER	February 28, 2012	Principal
5,841,478	EXCEPTIONAL CARE. EXCEPTIONAL CAREGIVERS.	August 20, 2019	Supplemental
<del>3,933,329</del>	<del>CARING HEARTS</del>	<del>March 22, 2011</del>	<del>Principal</del>
4,517,783	TAKING CARE OF THE GREATEST GENERATION . . . YOURS	April 22, 2014	Principal

Registration Number	Description of Mark	Registration Date	Register
2,202,376	HOME HELPERS	November 3, 1998	Supplemental
2,356,367	DIRECT LINK	June 6, 2000	Supplemental

All required affidavits have been filed in connection with the registrations described in this Item. We will renew our trademarks as necessary to preserve our registrations.

We registered our DIRECT LINK trademark with the Canadian Intellectual Property Office on April 4, 2013 (Registration No. TMA847557).

We have also registered our CARING HEARTS trademark with the trademark registry in the following countries. We offer franchises substantially identical to Home Helpers Home Care franchises under the CARING HEARTS trademark outside the United States.

#### **CARING HEARTS Registrations**

Country	Registration No.	Registration Date
Australia	1879168	May 30, 2018
Brazil	913551023	January 29, 2019
Brazil	913551090	January 29, 2019
Canada	TMA770886	June 29, 2010
Chile	1275526	July 18, 2018
European Union	9440471	March 1, 2011
Hong Kong	304299751	October 12, 2017
Japan	6085380	September 28, 2018
Mexico	1580035	October 13, 2015
Mexico	1581838	October 20, 2015
New Zealand	1078119	October 11, 2017
Singapore	40201719859U	August 30, 2018
Taiwan	1972695	February 16, 2019
Turkey	2017/90323	May 18, 2018
United Kingdom	UK00003262663	January 5, 2018

You must follow our rules when you use these marks. You cannot use a name or mark as part of your corporate name. You cannot use a name or mark with modifying words, designs or symbols other than those that we license to you. You cannot use a name or mark on or as part of any website, domain name, URL, web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or other similar services without our written consent. You cannot register a name or mark as a service mark, trademark, or Internet domain name. You may not use any of the marks in connection with the sale of an unauthorized product or service or in a manner not authorized by HHFS. You must not use, in advertising or any other form of promotion, any of our trademarks or commercial symbols without the appropriate notices that we or the law may require, including, ®, ™, or other trademark notice.

~~Except as disclosed above, there are no effective determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of this state or any court, no pending infringement, opposition or cancellation, nor any pending material litigation involving our marks that are material to a Home Helpers Home Care franchise.~~

You must notify us immediately when you learn about any infringement of or challenge to your use of our marks. We will take whatever action we think appropriate. We are not required to defend you against a claim against your use of our marks or indemnify you for your liability or expenses arising from your defense of such a claim. We, at our option, will control any proceedings or litigation arising from or relating to our trademarks.

You must modify or discontinue your use of a mark and adopt any new or replacement marks at your expense if we modify or discontinue a mark or adopt a new or replacement mark. We are not required to reimburse you for your costs if you do. You must not directly or indirectly contest our right to our service marks, trade secrets, or business techniques that are part of our business.

We are aware of the following third-party uses of our marks. Any franchisees in or around these geographic areas could be materially affected by these infringing uses.

1. A company named Companions & Home Helpers, LLC operates a home care business at 4 locations in Connecticut: 795 Farmington Avenue, West Hartford, CT 06119; 2 Broadway, North Haven, CT 06473; 2381 Black Rock Turnpike, Fairfield, CT 06825; and 29 Broadway Avenue, Mystic, CT 06355. They claim to have been using their mark continuously in Connecticut since 2004. Although we believe that their use infringes upon our rights in our HOME HELPERS mark, we may not be able to prevent them from using the COMPANIONS & HOME HELPERS mark in areas where they are operating or advertising the mark.

2. A company named AT Home Helpers LLC operates a home care business at 310 Mid-Continent Plaza, Suite 304, West Memphis, Arkansas, 72301. AT Home Helpers LLC claims to operate in the Arkansas counties of Baxter, Conway, Craighead, Crittenden, Cross, Faulkner, Greene, Independence, Izard, Lawrence, Lee, Lonoke, Mississippi, Perry, Poinsett, Pulaski, Sharp, St. Francis, White, and Woodruff. We believe that their use of the AT HOME HELPERS name infringes upon our rights in our HOME HELPERS mark and that our rights are superior so as to enable us to prevent their use of the name. On December 15, 2023, we filed a trademark infringement and unfair competition complaint in federal court against AT Home Helpers LLC and its owners, Terra Boykin and Amanda Derrick, seeking preliminary and permanent injunctions, an accounting, and damages (*H.H. Franchising Systems, Inc. v. AT Home Helpers LLC, Terra Boykin, and Amanda Derrick*, Case No. 3:23-cv-251, U.S. District Court, Eastern District of Arkansas (December 15, 2023)). The defendants filed an answer denying that they are infringing on our mark and alleging that our HOME HELPERS mark is merely descriptive and therefore not entitled to trademark protection. We filed a motion for a preliminary injunction on March 19, 2024. No hearing date has been scheduled for our motion. No discovery has been conducted in the action. A trial has been scheduled for February 18, 2025.

Except as disclosed above, we have no actual knowledge of any infringing uses that could materially affect your use of our marks. No agreements limit our right to use or license the use of our marks within the United States. There may be other businesses offering similar services and using the name HOME HELPERS whose use predates our first use of the names. If so, HHFS and its franchisees may not be able to use the name HOME HELPERS in the market areas of other homemaker, home care, or personal care businesses that are using the name HOME HELPERS or similar names.

Except as disclosed above, there are no effective determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of this state or any court, no pending infringement, opposition or cancellation, nor any pending material litigation involving our marks that are material to a Home Helpers Home Care franchise.

## **ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

No patents or pending patent applications are material to the franchises.

We have not obtained any copyright registrations, but claim common law copyrights in our operations manuals (which contain proprietary information), marketing materials, and any other original or proprietary works that we have developed. All such materials will bear copyright notices. All rights and interests in such materials will be

retained by HHFS. You may not use, in advertising or any other form of promotion, any of our copyrighted materials, trademarks, or commercial symbols without the appropriate notices that we or the law may require, including © or other copyright registration notice.

There are no agreements currently in effect that significantly limit our rights to use or license the use of the copyrights in any manner material to the franchise. There are no effective determinations of the U.S. Copyright Office, no pending infringement, opposition or cancellation, nor any pending material litigation involving any of the items or information in which we claim copyrights that are material to a Home Helpers Home Care franchise.

We have developed distinctive systems for the operation of home care businesses. Our systems include pricing methods, management techniques, proposals and management forms/formats, specifications, procedures, knowledge, and expertise in the operation of the businesses, much of which is not commonly known to the public or to our competitors, gives us an advantage over competitors who do not know or use it, and that we have identified or may identify as proprietary and confidential information. We will disclose proprietary and confidential information to you in the operations manual, during ongoing training seminars, and in guidance furnished to you during the term of your franchise agreement.

You will not acquire any interest in any proprietary and confidential information we may communicate to you, other than the right to utilize it in the operation of your franchised business during the term of your franchise agreement. The information is disclosed to you solely on the condition that you (1) will not use it in any other business or capacity; (2) will maintain the absolute confidentiality of the information during and after the term of your franchise agreement; (3) will not make unauthorized copies of any portion of the operations manual or any other written communication from us; and (4) will adopt and implement all reasonable procedures we may require to prevent unauthorized use or disclosure of the information, including restrictions on disclosure of the information to employees of the franchised business and the use of nondisclosure and noncompetition clauses in employment agreements. If the franchisee is a corporation, partnership, limited liability company, or other entity, each of its owners must sign a written agreement to maintain the confidentiality of any proprietary or confidential information about HHFS or your business that may be disclosed to them. A sample of the agreement is attached to this disclosure document as Exhibit ON. The restrictions in this paragraph may also apply to other individuals if they will have access to proprietary or confidential information about HHFS or your business, such as your spouse, children, or parents, or the spouse, children, or parents of the owners of a franchisee that is business entity.

You must notify us immediately when you learn about any infringement of or challenge to your use of our copyrighted materials. We will take whatever action we think appropriate. We are not required to defend you against a claim against your use of our copyrighted materials or indemnify you for your liability or expenses arising from your defense of such a claim. We are not obligated to protect any of our copyrights. You must discontinue your use, at your expense, of any item or information in which we claim a copyright if any party demonstrates to our satisfaction a superior right to the use of the item or information. We are not required to reimburse you for your costs if you do. You must not directly or indirectly contest our right to any item or information in which we claim a copyright.

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

The franchised business must be directly supervised “on-premises” by an individual (the “Designated Individual”) who has been approved by us and has successfully completed our initial training program and all other training that we designate as mandatory. We will have the right to rely upon the Designated Individual to have decision-making authority and responsibility regarding all aspects of the franchised business. The Designated Individual must be the individual franchisee or have an ownership interest in a franchisee that is a corporation, partnership, limited liability company, or other entity. The Designated Individual must sign a written agreement to maintain the confidentiality of any confidential information about HHFS or your business that may be disclosed to him or her, and a non-competition agreement enforceable in your jurisdiction.

You may not compete with, or be involved in any business that competes with, a Home Helpers Home Care franchise anywhere during the term of your franchise agreement, or in or within 25 miles of your franchise territory or any other franchisee's territory for 2 years after the expiration or termination of your franchise agreement. A business that "competes with" a Home Helpers Home Care franchise would include not only businesses that offer or provide any of the Home Helpers or Direct Link Services, but also businesses that offer or provide alternatives to Home Helpers or Direct Link Services, such as senior group homes. A senior group home will not be considered a competitive business if—and only if—it is owned and operated by a separate company (*i.e.*, not by the same company that owns and operates your Home Helpers Home Care franchise) and all caregiving services (*e.g.*, home care aide, personal care aide assistance, companion care, skilled medical services) used or required by the senior group home are provided exclusively by your Home Helpers Home Care franchise at rates no less than your minimum private-duty rates for similar shifts. You may not solicit any Shared Referral Sources (wherever located) for 2 years after the expiration or termination of your franchise agreement. The restrictions in this paragraph also apply to your spouse, children, parents, and siblings if they will have access to our proprietary or confidential information, all the owners of the corporation, limited liability company, or other entity that will own the franchise, and any owner's spouse, child, parent, or sibling who will have access to our proprietary or confidential information. If the franchisee is a corporation, partnership, limited liability company, or other entity, each of its owners must sign a written agreement personally guaranteeing all of the franchisee's obligations under the franchise agreement. A sample of the personal guaranty is attached to this disclosure document as Exhibit NA.

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

There are no restrictions on the goods or services you may offer for sale, except as described below in this Item 16.

You may use no other name or trademark for your franchised business other than HOME HELPERS® HOME CARE without our prior written approval.

You may not use the premises on which the franchised business is located for any purpose other than the operation of the franchised business and the sale of authorized products and services (this restriction does not apply if you operate the franchised business from your home).

You are required to offer and sell only those products and services that we have authorized. You are prohibited from offering any other products or services without our approval. You must offer all products and services that we designate as required for all franchisees. For Home Helpers franchisees, the required products and services are non-medical personal care, companionship and homemaker services, and medical alert, medication management, telehealth and related monitoring services. We have the right to designate some services as optional for franchisees. For example, a Home Helpers franchisee may offer skilled care services with prior approval from us if they are qualified, meet their federal and state requirements for doing so, maintain insurance that provides coverage for such services, and have access to adequate capital. We have the unlimited right to add or delete authorized products and services that you are required to offer. We also have the right to designate some services as optional for franchisees in certain markets. For example, certain states prohibit unlicensed caregivers from touching the client or preparing meals.

## **ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

### **THE FRANCHISE RELATIONSHIP**

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



Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	Section 2.1	10 years (15 years in California)
b. Renewal or extension of the term	Section 2.2	Your renewal right permits you to remain as a franchise after the initial term of your franchise agreement expires. If you wish to do so, and you satisfy the required pre-conditions to renewal, we will offer you the right to obtain an additional 10-year (15-year in California) term. You must sign our then-current franchise agreement for the renewal term, and this new agreement may contain materially different terms and conditions (including, <i>e.g.</i> , higher royalty and/or branding contribution) from the agreement that covered your original term.
c. Requirements for you to renew or extend	Section 2.2	“Renewal” means that, if you are in full compliance with the franchise agreement at its term’s expiration and we are then continuing to offer new franchise opportunities, then you may renew your franchise for another term of 10 years (15 years in California). If you wish to renew your franchise, you must satisfy the pre-conditions to renewal that we then require, including giving 6-12 months written notice, signing our then-current franchise agreement (which may contain materially different terms and conditions such as a higher royalty and/or branding contribution) and (if law allows) a form of general release, paying a renewal fee, a satisfactory background and credit check, and complying with any new training requirements.
d. Termination by you	Not Applicable	Not Applicable (subject to state law)
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Section 13.1	We can terminate your franchise if you do not complete the initial training program to our satisfaction or if you default.
g. “Cause” defined - defaults which can be cured	Section 13.1	You have 30 days to cure: non-payment of fees or notes, failure to submit reports, understatement of Gross Revenues by 3% or more, encroachment upon another franchisee’s territory, and any other default not listed in Section 13.1 (g) through (x). You may have up to 6 months to cure your failure to achieve the Performance Standard for any consecutive 6-month period (see Item 12 of this disclosure document for an explanation of the Performance Standard).
h. “Cause” defined - defaults which cannot be cured	Section 13.1	Non-curable defaults: failure to begin training within 3 months after franchise agreement signed (unless we grant you an extension due to a delay in the issuance of licenses required to operate your franchised business), failure to open franchise within 3 months after you complete training, certain assignments, abandonment, failure to comply with applicable law, unapproved transfers, misrepresentation, submission of false report or maintaining false books or records, 3rd breach of franchise agreement, knowing understatement of Gross Revenues, bankruptcy <sup>1</sup> , seizure of or execution against your franchise, certain criminal misconduct, conduct which reflects negatively on the system, danger to public, you or your principal becomes an Embargoed Person under anti-terrorism laws.
i. Your obligations on termination/nonrenewal	Article 14	Stop operating franchise, stop using confidential information and trademarks, complete de-identification, return manuals, records, files, and materials containing marks, cancel assumed name registration, assign or cancel telephone number and Internet presence, provide us with client list, cooperate with transition of clients to another Home Helpers franchisee, obtain insurance tail coverage, pay outstanding amounts due and damages (also see r, below), cooperate with us and pay fees and expenses if we take over operation of your agency.
j. Assignment of contract by us	Section 12.1	No restriction on our right to assign.
k. “Transfer” by you – definition	Section 12.2	Includes transfer of contract or assets, ownership change, and encumbrance.

Provision	Section in Franchise Agreement	Summary
l. Our approval of transfer by you	Section 12.2	We have the right to approve all transfers but may not unreasonably withhold consent. No encumbrance of any interest in your franchise agreement, your franchise, or the franchisee is permitted. No transfers to a competitor are permitted.
m. Conditions for our approval of transfer	Section 12.2	You are in compliance with your franchise agreement, transfer fee paid, new franchisee qualifies and attends Meet-the-Team Day, you release claims (if permitted by state law), new franchisee signs current agreement and completes training, transferor's and transferee's rights to compensation are subordinate to ours, we determine that our rights and revenue will not be impaired and terms of transfer not burdensome on transferee, transferee and transferor comply with HIPAA, confidentiality obligations, and laws applicable to transfer, transferee satisfies licensing requirements and obtains license, and you pay referral fee if transferee lead came from us (also see r, below).
n. Our right of first refusal to acquire your business	Section 12.4	We can match any offer for your business.
o. Our option to purchase your business	Section 14.2	We can purchase your tangible assets at fair market value and assume your lease upon the expiration or termination of your franchise agreement; fair market value determined by average of 2 appraisers, 1 chosen by each party; price paid in lump sum at closing within 2 months after we exercise option.
p. Your death or disability	Section 12.5	Your heirs may inherit your franchise provided they qualify and meet other requirements for transfer (see m, above).
q. Non-competition covenants during the term of the franchise	Section 15.2	No involvement in business that competes with Home Helpers Home Care franchises (subject to state law); cannot offer or provide services or target marketing in the territory of another Home Helpers franchisee.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.3	No involvement in business that competes with Home Helpers Home Care franchises for 2 years in or within 25 miles of any franchisee's territory, and no solicitation of clients and shared referral sources of the franchised business for two years (subject to state law).
s. Modification of the agreement	Sections 9.3 and 18.1	Modification only by written agreement, but we may modify operations manual so long as it does not change your fundamental status and rights, and we have the right to increase your branding and technology fees with 30 days written notice.
t. Integration/merger clause	Section 18.1	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 16.2	Except for certain claims, all disputes must be arbitrated in Hamilton County, Ohio (subject to state law); claims may not be consolidated with claims of other franchisees; parties waive right to jury trial and punitive damages; except for certain claims, all claims must be brought within 1 year. <sup>2</sup>
v. Choice of forum	Section 18.4	Except for claims arising under a franchise law of the state where the franchised business is located, all litigation or arbitration must be in Hamilton County, Ohio.
w. Choice of law	Section 18.3	Except for claims arising under a franchise law of the state where the franchised business is located, Ohio law applies.

<sup>1</sup> This provision may not be enforceable under federal bankruptcy law.

<sup>2</sup>For franchises or franchisees subject to the Maryland Franchise Registration and Disclosure Law, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

ITEM 18. PUBLIC FIGURES

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

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 performance at a particular location or under particular circumstances.

For each Home Helpers franchisee, owning more than one franchise gives them a larger protected territory in which they may operate, but does not require additional office locations. Typically, a Home Helpers franchisee operates from a single office location, regardless of the number of franchises (i.e., territories) the franchisee owns. For the most part, the tables in this Item 19 present historical Gross Revenues by “location”, not by franchise. Franchisees who own more than one franchise report their Gross Revenues as a single “location” for all the franchises they own—they do not report their data by individual franchise. We have included the data in the tables below as reported by our franchisees—by location—although doing so results in higher revenue figures per franchise than it would if it was presented by franchise. The data also disregards renewals, and transfers of a location from one owner to another. For purposes of this Item 19, the “effective date” of each location is the date the original franchise agreement for that location became effective, regardless of the number of times it was transferred or renewed.

For example, suppose Franchisee B owns 3 Home Helpers Home Care franchises, all of which he purchased at the same time from Franchisee A in 2015.

- The franchise agreement for Franchise 1 was signed by Franchisee A in 2007 and renewed in 2017 after Franchisee B purchased it.
- The franchise agreement for Franchise 2 was signed by Franchisee A in 2010.
- The franchise agreement for Franchise 3 was signed by Franchisee B in 2017.

In the tables in this Item 19, the Gross Revenues from Franchises 1, 2 and 3 would be aggregated together as a single location, and the “effective date” of the location would be 2007.

All the tables in this Item 19 present historical Gross Revenues for franchised Home Helpers® Home Care locations for the twelve-month periods ending on December 31, 2023, December 31, 2022, and December 31, 2021, and December 31, 2020. For each of those periods, only data from locations with an effective date at least one year before the beginning of the period and which reported Gross Revenues during the period were included in the table. The information has been extracted from revenue reports submitted to us by our franchisees, and reported on an accrual basis. We have not audited or independently verified the information.

The table below presents the highest, average and median Gross Revenues from our 50 highest-grossing franchised Home Helpers® Home Care locations for the twelve-month periods ending on December 31, 2023, December 31, 2022, and December 31, 2021, and December 31, 2020.

TOP 50 LOCATIONS				
	2023 <sup>1</sup>	2022 <sup>2</sup>	2021 <sup>3</sup>	2020 <sup>3</sup>
No. of locations	50	50	50	50
No. of franchises	158	143	138	132

#### TOP 50 LOCATIONS

	<u>2023<sup>1</sup></u>	<u>2022<sup>42</sup></u>	<u>2021<sup>43</sup></u>	<u>2020<sup>3</sup></u>
Highest Gross Revenues	<u>\$25,150,071</u>	\$19,624,542	\$15,436,164	<u>\$9,563,430</u>
Average Gross Revenues of top 50 locations	<u>\$3,630,208</u>	\$3,229,993	\$2,986,250	<u>\$2,684,651</u>
Median Gross Revenues of top 50 locations	<u>\$2,607,861</u>	\$2,331,078	\$2,146,182	<u>\$1,835,314</u>
Number of top 50 locations that attained or surpassed the average Gross Revenues	<u>14</u>	15	15	<u>15</u>
Number of top 50 locations that attained or surpassed the median Gross Revenues	<u>25</u>	25	25	<u>25</u>
Percentage of top 50 locations that attained or surpassed the average Gross Revenues	<u>28%</u>	30%	30%	<u>30%</u>
Percentage of top 50 locations that attained or surpassed the median Gross Revenues	<u>50%</u>	50%	50%	<u>50%</u>

The table below presents the highest, average and median Gross Revenues from our 50 lowest-grossing franchised Home Helpers® Home Care locations for the twelve-month periods ending on December 31, 2023, December 31, 2022, and December 31, 2021, and December 31, 2020.

#### BOTTOM 50 LOCATIONS

	<u>2023<sup>1</sup></u>	<u>2022<sup>42</sup></u>	<u>2021<sup>43</sup></u>	<u>2020<sup>3</sup></u>
No. of locations	<u>50</u>	50	50	<u>50</u>
No. of franchises	<u>52</u>	52	52	<u>53</u>
Highest Gross Revenues	<u>\$751,153</u>	\$544,676	\$409,298	<u>\$352,997</u>
Average Gross Revenues of bottom 50 locations	<u>\$363,734</u>	\$298,900	\$230,504	<u>\$193,872</u>
Median Gross Revenues of bottom 50 locations	<u>\$344,257</u>	\$284,026	\$215,182	<u>\$185,739</u>
Number of bottom 50 locations that attained or surpassed the average Gross Revenues	<u>24</u>	24	24	<u>24</u>
Number of bottom 50 locations that attained or surpassed the median Gross Revenues	<u>25</u>	25	25	<u>25</u>
Percentage of bottom 50 locations that attained or surpassed the average Gross Revenues	<u>48%</u>	48%	48%	<u>48%</u>
Percentage of bottom 50 locations that attained or surpassed the median Gross Revenues	<u>50%</u>	50%	50%	<u>50%</u>

The table below presents highest, lowest, average and median Gross Revenues for all franchised Home Helpers® Home Care locations for the twelve-month periods ending on December 31, 2023, December 31, 2022, and December 31, 2021, and December 31, 2020.

#### ALL LOCATIONS

	<u>2023<sup>1</sup></u>	<u>2022<sup>42</sup></u>	<u>2021<sup>43</sup></u>	<u>2020<sup>3</sup></u>
No. of locations	<u>146</u>	156	165	<u>163</u>
No. of franchises	<u>281</u>	282	283	<u>280</u>
Highest Gross Revenues	<u>\$25,150,071</u>	\$19,624,542	\$15,436,164	<u>\$9,563,430</u>

### ALL LOCATIONS

	<u>2023<sup>1</sup></u>	<u>2022<sup>12</sup></u>	<u>2021<sup>23</sup></u>	<u>2020<sup>3</sup></u>
Percentage change from prior year	<u>+28.2%</u>	+27.1%	+61.4%	<u>+15.6%</u>
Lowest Gross Revenues	<u>\$24,862</u>	\$20,888	\$36,570	<u>\$11,895</u>
Average Gross Revenues of all locations	<u>\$1,724,854</u>	\$1,467,788	\$1,294,431	<u>\$1,177,191</u>
Percentage change in average Gross Revenues from prior year	<u>+17.5%</u>	+13.4%	+10.0%	<u>+4.7%</u>
Median Gross Revenues of all locations	<u>\$1,098,602</u>	\$929,665	\$828,726	<u>\$759,268</u>
Percentage change in median Gross Revenues from prior year	<u>+18.2%</u>	+12.2%	+9.1%	<u>+16.1%</u>
Number of locations that attained or surpassed the average Gross Revenues	<u>40</u>	44	47	<u>52</u>
Number of locations that attained or surpassed the median Gross Revenues	<u>73</u>	78	83	<u>82</u>
Percentage of locations that attained or surpassed the average Gross Revenues	<u>27%</u>	28%	29%	<u>32%</u>
Percentage of locations that attained or surpassed the median Gross Revenues	<u>50%</u>	50%	50%	<u>50%</u>
No. of single-franchise locations	<u>83</u>	93	105	<u>103</u>
Average Gross Revenues of single-franchise locations	<u>\$872,878</u>	\$808,954	\$742,992	<u>\$732,949</u>
Percentage change in average Gross Revenues of single-franchise locations from prior year	<u>+7.9%</u>	+8.9%	+1.3%	<u>-0.9%</u>
Median Gross Revenues of single-franchise locations	<u>\$560,052</u>	\$531,880	\$437,693	<u>\$418,283</u>
Percentage change in median Gross Revenues of single-franchise locations from prior year	<u>+5.3%</u>	+21.5%	+4.6%	<u>-5.9%</u>

The tables below present the average and median Gross Revenues for all franchised Home Helpers® Home Care locations for the twelve-month periods ending on December 31, 2023, December 31, 2022, and December 31, 2021, and December 31, 2020, grouped by length of time in the Home Helpers Home Care system.

### ALL LOCATIONS - BY TIME IN SYSTEM

<u>Time in System<sup>8</sup></u>	<u>2023</u>			
	<u>No. of Locations</u>	<u>No. of Franchises</u>	<u>Average</u>	<u>Median</u>
<u>25-48 months</u>	<u>17</u>	<u>18</u>	<u>\$441,624</u>	<u>\$404,731</u>
<u>49-72 months</u>	<u>21</u>	<u>36</u>	<u>\$1,367,736</u>	<u>\$1,223,223</u>
<u>73-96 months</u>	<u>15</u>	<u>20</u>	<u>\$1,838,574</u>	<u>\$1,300,182</u>
<u>97-120 months</u>	<u>16</u>	<u>22</u>	<u>\$968,338</u>	<u>\$721,377</u>
<u>&gt; 120 months</u>	<u>77</u>	<u>185</u>	<u>\$2,240,606</u>	<u>\$1,567,688</u>
<u>All locations</u>	<u>146<sup>4</sup></u>	<u>281</u>	<u>\$1,724,854</u>	<u>\$1,098,602</u>

### ALL LOCATIONS - BY TIME IN SYSTEM

Time in System <sup>8</sup>	2022			
	No. of Locations	No. of Franchises	Average	Median
25-48 months	24	28	\$525,757	\$449,251
49-72 months	18	25	\$995,949	\$800,906
73-96 months	25	28	\$1,262,712	\$892,236
97-120 months	15	24	\$906,435	\$925,924
> 120 months	74	167	\$2,071,491	\$1,344,475
All locations	156 <sup>45</sup>	282	\$1,467,788	\$929,665

### ALL LOCATIONS - BY TIME IN SYSTEM

Time in System <sup>8</sup>	2021			
	No. of Locations	No. of Franchises	Average	Median
25-48 months	28	35	\$642,759	\$499,215
49-72 months	18	23	\$1,016,891	\$632,755
73-96 months	22	30	\$862,716	\$518,961
97-120 months	20	34	\$1,014,050	\$849,188
> 120 months	77	161	\$1,775,645	\$1,106,792
All locations	165 <sup>56</sup>	283	\$1,294,431	\$828,726

### ALL LOCATIONS - BY TIME IN SYSTEM

Time in System <sup>8</sup>	2020			
	No. of Locations	No. of Franchises	Average	Median
25-48 months	26	33	\$412,598	\$299,617
49-72 months	30	46	\$822,657	\$677,734
73-96 months	14	21	\$802,989	\$898,480
97-120 months	18	32	\$1,427,026	\$682,812
> 120 months	75	148	\$1,593,954	\$1,089,822
All locations	163 <sup>6</sup>	280	\$1,177,191	\$759,268

#### Notes to the tables:

<sup>1</sup> For the 12-month period ending on December 31, 2023-2022. The data in this column includes only locations with an effective date before January 1, 2022-2021 that reported Gross Revenues during 2023-2022.

<sup>2</sup> For the 12-month period ending on December 31, 2022-2021. The data in this column includes only locations with an effective date before January 1, 2021-2020 that reported Gross Revenues during 2022-2021.

<sup>3</sup> For the 12-month period ending on December 31, 2021-2020. The data in this column includes only locations with an effective date before January 1, 2020-2019 that reported Gross Revenues during 2021-2020.

<sup>4</sup> There were 316 Home Helpers Home Care franchises (each franchise consists of a single franchise territory) in operation as of December 31, 2023, which were owned by 182 franchisees (or locations). Of those, 146 locations

had an effective date before January 1, 2022 and reported Gross Revenues between January 1 and December 31, 2023.

<sup>5</sup> There were 304 Home Helpers Home Care franchises (each franchise consists of a single franchise territory) in operation as of December 31, 2022, which were owned by 179 franchisees (or locations). Of those, 156 locations had an effective date before January 1, 2021 and reported Gross Revenues between January 1 and December 31, 2022.

<sup>65</sup> There were 308 Home Helpers Home Care franchises (each franchise consists of a single franchise territory) in operation as of December 31, 2021, which were owned by 199 franchisees (or locations). Of those, 165 locations had an effective date before January 1, 2020 and reported Gross Revenues between January 1 and December 31, 2021.

~~<sup>6</sup> There were 310 Home Helpers Home Care franchises (each franchise consists of a single franchise territory) in operation as of December 31, 2020, which were owned by 191 franchisees (or locations). Of those, 163 locations had an effective date before January 1, 2019 and reported Gross Revenues between January 1 and December 31, 2020.~~

<sup>7</sup> For purposes of this Item 19, “Gross Revenues” means the total of all income arising from the operation of the location, whether cash or credit. It is recognized on an accrual basis and regardless of collection, which means that a location’s Gross Revenues for any period represents how much the location billed its clients during the period, not how much the location received. Gross Revenues does not include (i) the amount of refunds or discounts made to clients in good faith, or (ii) the amount of sales or excise taxes that are separately stated and that the franchisee is required to and does collect from clients and pays to the appropriate taxing authority.

<sup>8</sup> For purposes of this table, “Time in System” means the number of months the location has been a Home Helpers franchisee as of January 1 of the relevant year, measured from the effective date of the location.

The figures in the tables above do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Gross Revenues figures to obtain your net income or profit. Those expenses include fees you are required to pay us under the terms of your franchise agreement, such as royalties, branding fees and technology fees. You should conduct an independent investigation of the costs and expenses you will incur in operating a Home Helpers Home Care franchise. Franchisees and former franchisees listed in this disclosure document may be one source of this information.

We strongly suggest that you consult a financial advisor or accountant for assistance in reviewing the tables and in preparing your own financial projections, and for advice about the income and other taxes you will incur in operating a Home Helpers Home Care franchise and the effect of non-cash expenses such as depreciation and amortization on your business.

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

Written substantiation for the financial performance representation will be made available to you upon request.

Other than the preceding financial performance representation, we do 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 the franchisor’s management by contacting Barry Nelson, General Counsel, at 10101 Alliance Road, Suite 300, Blue Ash, Ohio 45242 or (513) 563-8339, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**  
Systemwide Outlet Summary  
For Years ~~2020~~1 through ~~2022~~3

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	<del>2020</del>	<del>310</del>	<del>310</del>	<del>0</del>
	2021	310	308	-2
	2022	308	304	-4
	<u>2023</u>	<u>304</u>	<u>316</u>	<u>12</u>
Company-Owned	<del>2020</del>	<del>0</del>	<del>0</del>	<del>0</del>
	2021	0	0	0
	2022	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Outlets	<del>2020</del>	<del>310</del>	<del>310</del>	<del>0</del>
	2021	310	308	-2
	2022	308	304	-4
	<u>2023</u>	<u>304</u>	<u>316</u>	<u>12</u>

**Table No. 2**  
Transfers of Outlets from Franchisees to New Owners (Other Than the Franchisor)  
For years ~~2020~~1 through ~~2022~~3

State	Year	Number of Transfers
Arkansas	<del>2020</del>	<del>0</del>
	2021	1
	2022	2
	<u>2023</u>	<u>0</u>
California	<del>2020</del>	<del>0</del>
	2021	1
	2022	2
	<u>2023</u>	<u>2</u>
Connecticut	<del>2020</del>	<del>1</del>
	2021	0
	2022	2
	<u>2023</u>	<u>0</u>
<u>Florida</u>	<u>2021</u>	<u>0</u>
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>2</u>
Georgia	<del>2020</del>	<del>2</del>
	<del>2021</del>	<del>0</del>
	<del>2022</del>	<del>0</del>



State	Year	Number of Transfers
Idaho	<del>2020</del>	<del>3</del>
	2021	0
	2022	1
	<u>2023</u>	<u>4</u>
Illinois	<del>2020</del>	<del>0</del>
	2021	3
	2022	0
	<u>2023</u>	<u>2</u>
Indiana	<del>2020</del>	<del>0</del>
	2021	0
	2022	0
	<u>2023</u>	<u>3</u>
Kentucky	<del>2020</del>	<del>0</del>
	2021	1
	2022	0
	<u>2023</u>	<u>0</u>
Maryland	<del>2020</del>	<del>0</del>
	2021	0
	2022	1
	<u>2023</u>	<u>0</u>
Massachusetts	<del>2020</del>	<del>1</del>
	2021	0
	2022	0
	<u>2023</u>	<u>2</u>
Missouri	<del>2020</del>	<del>0</del>
	2021	1
	2022	0
	<u>2023</u>	<u>2</u>
New Jersey	<del>2020</del>	<del>0</del>
	2021	0
	2022	0
	<u>2023</u>	<u>0</u>
New York	<del>2020</del>	<del>1</del>
	2021	0
	2022	0
	<u>2023</u>	<u>2</u>
North Carolina	<del>2020</del>	<del>2</del>
	2021	0
	2022	0
	<u>2023</u>	<u>0</u>
Ohio	<del>2020</del>	<del>4</del>
	2021	0
	2022	2
	<u>2023</u>	<u>0</u>

State	Year	Number of Transfers
Pennsylvania	<del>2020</del>	0
	2021	1
	2022	3
	<u>2023</u>	<u>0</u>
South Carolina	<del>2020</del>	0
	2021	1
	2022	0
	<u>2023</u>	<u>0</u>
<u>Tennessee</u>	<u>2021</u>	<u>0</u>
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>2</u>
Texas	<del>2020</del>	0
	2021	1
	2022	1
	<u>2023</u>	<u>1</u>
Utah	<del>2020</del>	<del>2</del>
	2021	0
	2022	0
Virginia	<del>2020</del>	0
	2021	0
	2022	0
	<u>2023</u>	<u>2</u>
Washington	<del>2020</del>	<del>1</del>
	<del>2021</del>	0
	<del>2022</del>	0
Wisconsin	<del>2020</del>	0
	2021	1
	2022	0
	<u>2023</u>	<u>0</u>
TOTALS	<del>2020</del>	<del>17</del>
	2021	11
	2022	14
	<u>2023</u>	<u>20</u>

**Table No. 3**  
Status of Franchised Outlets – Home Helpers<sup>1</sup>  
For years ~~2020~~2021 through ~~2022~~2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals / Expired	Reacquired	Ceased Operations / Other Reasons	Outlets at End of the Year
Alabama	<del>2020</del>	<del>5</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>2</del>	<del>0</del>	<del>4</del>
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Alberta	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<del>2020</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Arizona	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<del>2020</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>2</del>
	2021	2	1	1	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>
Arkansas	<del>2020</del>	<del>8</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>8</del>
	2021	8	2	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	<u>2023</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
California	<del>2020</del>	<del>34</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>2</del>	<del>32</del>
	2021	32	3	0	0	3	0	32
	2022	32	2	0	0	1	0	33
	<u>2023</u>	<u>33</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>34</u>
Colorado	<del>2020</del>	<del>12</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>2</del>	<del>0</del>	<del>11</del>
	2021	11	0	0	0	0	1	10
	2022	10	0	0	0	0	0	10
	<u>2023</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
Connecticut	<del>2020</del>	<del>6</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>6</del>
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	<u>2023</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Delaware	<del>2020</del>	<del>1</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>2</del>
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>

<sup>1</sup> Home Helpers Home Care franchises in Canada operate under the trade name CARING HEARTS.

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals / Expired	Reacquired	Ceased Operations / Other Reasons	Outlets at End of the Year
Florida	2020	18	5	0	0	1	1	21
	2021	21	1	1	0	1	0	20
	2022	20	4	2	0	1	0	21
	2023	21	1	2	0	1	0	19
Georgia	2020	13	0	0	0	0	0	13
	2021	13	1	0	0	2	1	11
	2022	11	0	0	0	2	0	9
	2023	9	0	0	0	1	0	8
Hawaii	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Idaho	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Illinois	2020	17	0	1	0	1	0	15
	2021	15	0	0	0	0	0	15
	2022	15	1	0	0	0	0	16
	2023	16	1	1	0	1	0	15
Indiana	2020	13	0	0	0	0	0	13
	2021	13	1	0	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	1	0	0	0	0	15
Iowa	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kentucky	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Maine	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals / Expired	Reacquired	Ceased Operations / Other Reasons	Outlets at End of the Year
Maryland	2020	6	2	1	0	0	0	7
	2021	7	0	1	0	0	0	6
	2022	6	1	1	0	0	0	6
	2023	6	1	0	0	0	0	7
Massachusetts	2020	8	1	0	0	0	0	9
	2021	9	0	0	0	0	1	8
	2022	8	1	0	0	0	0	9
	2023	9	0	0	0	1	0	8
Michigan	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	1	0	0	1
	2023	1	0	0	0	0	0	1
Minnesota	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	1	0	0	1
	2023	1	0	0	0	0	0	1
Mississippi	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2020	3	1	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Montana	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
Nevada	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	1	0	0	0
	2023	0	1	0	0	0	0	1
New Hampshire	2020	2	0	0	0	1	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Jersey	2020	14	1	0	0	0	0	15
	2021	15	2	0	0	0	1	16

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals / Expired	Reacquired	Ceased Operations / Other Reasons	Outlets at End of the Year
	2022	16	0	0	0	1	0	15
	<u>2023</u>	<u>15</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>
New Mexico	<del>2020</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<del>2020</del>	<del>13</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>3</del>	<del>11</del>
New York	2021	11	1	0	1	0	0	10
	2022	10	1	0	0	1	0	10
	<u>2023</u>	<u>10</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>7</u>
	<del>2020</del>	<del>5</del>	<del>1</del>	<del>0</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>5</del>
North Carolina	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	<u>2023</u>	<u>5</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<del>2020</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>
North Dakota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<del>2020</del>	<del>19</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>21</del>
Ohio	2021	21	0	0	0	0	0	21
	2022	21	1	0	0	0	1	21
	<u>2023</u>	<u>21</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22</u>
	<del>2020</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>2</del>
Oklahoma	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Oregon	<del>2020</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Pennsylvania	<del>2020</del>	<del>28</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>28</del>
	2021	28	1	0	1	0	0	28
	2022	28	0	0	0	2	0	26
	<u>2023</u>	<u>26</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26</u>
Rhode Island	<del>2020</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
	2021	0	0	0	0	0	0	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>

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals / Expired	Reacquired	Ceased Operations / Other Reasons	Outlets at End of the Year
South Carolina	2020	4	2	1	1	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	3	0	2
	2023	2	2	0	0	0	0	4
Tennessee	2020	11	0	0	2	0	0	9
	2021	9	1	0	2	0	1	7
	2022	7	0	0	0	0	0	7
	2023	7	1	0	1	0	0	7
Texas	2020	19	2	0	0	0	0	21
	2021	21	4	0	0	0	2	23
	2022	23	3	1	0	1	1	23
	2023	23	3	0	0	3	0	23
Utah	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	2	0	0	0	0	5
Virginia	2020	12	1	0	0	1	0	12
	2021	12	1	0	0	0	1	12
	2022	12	0	0	0	0	0	12
	2023	12	1	0	0	0	0	13
Washington	2020	2	0	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	3	0	0	0	0	6
West Virginia	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Wisconsin	2020	8	0	0	0	0	0	8
	2021	8	0	1	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	2	0	0	0	0	9
TOTALS	2020	310	22	3	4	8	7	310
	2021	310	21	4	4	6	9	308
	2022	308	18	5	3	12	2	304
	2023	304	31	5	3	10	1	316

**Table No. 4**  
Status of Company-Owned Outlets  
For years 20201 through 20223

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
TOTALS	<u>2020</u>	0	0	0	0	0	0
	2021	0	0	0	0	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, 20223

State	Franchise Agreements Signed but Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Fiscal Year
Alabama	0	0	0
Arizona	0	0	0
California	<u>13</u>	<u>34</u>	0
Colorado	<u>04</u>	0	0
Connecticut	0	0	0
Florida	<u>13</u>	2	0
Georgia	0	0	0
Hawaii	0	0	0
Illinois	0	1	0
Indiana	0	0	0
Maine	<u>01</u>	0	0
Maryland	1	2	0
Massachusetts	0	1	0
Michigan	0	0	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nevada	<u>1</u>	1	0
New Jersey	<u>01</u>	1	0
New Hampshire	<u>01</u>	0	0
New Mexico	0	0	0
New York	<u>1</u>	<u>10</u>	0
North Carolina	<u>2</u>	2	0
North Dakota	0	0	0
Ohio	<u>01</u>	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
South Carolina	1	0	0
Tennessee	0	0	0



State	Franchise Agreements Signed but Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Fiscal Year
Texas	<u>21</u>	3	0
Vermont	0	0	0
Virginia	<u>01</u>	1	0
Washington	0	2	0
West Virginia	0	0	0
Wisconsin	0	1	0
Wyoming	0	2	0
Totals	<u>1018</u>	23	0

Exhibit D lists the names of all current Home Helpers franchisees and their business telephone numbers and addresses as of December 31, 20223 and those franchisees that have signed a franchise agreement but were not yet operational at the end of the year. Exhibit E 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 has had a franchise terminated, canceled, transferred, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some of our franchisees have signed confidentiality clauses during the last three years. 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. As of the issuance date of this disclosure document, there are no trademark-specific franchisee organizations associated with the Home Helpers Home Care franchise system that have been created, sponsored, or endorsed by us or that have requested to be included in the franchise disclosure document in the next fiscal year.

## ITEM 21. FINANCIAL STATEMENTS

Our parent company, Home Helpers Holding Company (“HHHC”), was owned by a private equity fund named Linsalata Capital Partners Fund VI, LP (Linsalata), from February 1, 2016, until April 1, 2021, when Home Helpers Buyer, Inc. (“Buyer”) acquired all of HHHC’s capital stock from Linsalata (the “Acquisition”). Buyer is a wholly-owned subsidiary of Home Helpers Holdings, Inc. (“Holdings”).

Before the Acquisition, HHFS’s financial statements were consolidated with its parent, HHHC. Since the acquisition, HHFS’s financial statements are consolidated with its parent, HHHC, HHHC’s parent, Buyer, and Buyer’s parent, Holdings.

The following financial statements are attached to this disclosure document as Exhibit C:

The audited consolidated Balance Sheet as of December 31, 2023, 2022 and 2021, and audited consolidated Statements of Operations, Stockholders’ Equity, and Cash Flows for the fiscal years ended December 31, 2023 and 2022, and for the period from the date of the Acquisition, April 1, 2021, through December 31, 2021, of HHFS and our parent, Home Helpers Holding Company, its parent, Home Helpers Buyer, Inc., and its parent, Home Helpers Holdings, Inc.

The audited consolidated Balance Sheets as of March 31, 2021, and December 31, 2020, and audited consolidated Statements of Operations, Stockholders’ Equity, and Cash Flows for the period from January 1, 2021, through the day before the Acquisition, March 31, 2021, ~~and for the fiscal year ended December 31, 2020~~, of HHFS and our parent, Home Helpers Holding Company.

Home Helpers Holdings, Inc. has guaranteed our performance with you. A copy of the Guarantee of Performance is attached to this disclosure document as Exhibit YX.

Our fiscal year ends on December 31.

## ITEM 22. CONTRACTS

The following contracts are attached as exhibits to this disclosure document:

Exhibit F	The franchise agreement you will sign when you purchase a Home Helpers Home Care franchise
Exhibit G	The rider to the franchise agreement you will sign if the population of your territory exceeds 250,000
Exhibit H	The addendum to the franchise agreement you will sign if you are converting your existing business to a Home Helpers Home Care franchise
Exhibit I	The addendum to the franchise agreement you will sign if you qualify for our 20% VetFran Program discount (see Item 5 of this disclosure document for a more detailed explanation)
Exhibit J	The addendum to the franchise agreement you will sign if you are renewing your Home Helpers Home Care franchise
<u>Exhibit K</u>	<u>The addendum to the franchise agreement you will sign if you purchase an additional franchise with a territory that is in a different state than, and more than 100 miles away from, your original franchise territory</u>
Exhibit <u>LK</u>	State-Specific Additional Disclosures and Riders
Exhibit <u>ML</u>	Electronic Funds Transfer Authorization Form
Exhibit <u>NM</u>	The personal guaranty to be signed by the owners of a non-individual franchisee
Exhibit <u>ON</u>	The restrictive covenant agreement to be signed by the owners, directors and officers of a non-individual franchisee
Exhibit <u>PO</u>	Durable Irrevocable Power of Attorney that authorizes us to assume the telephone numbers and Internet-based rights relating to your franchised business after your franchise ends
Exhibit <u>QP</u>	Website Terms of Use Agreement that authorizes you to use our franchisee intranet
Exhibit <u>RQ</u>	Business Associate Agreement addressing access to protected health information
Exhibit <u>SR</u>	A License Agreement you will enter into with WellSky, the designated scheduling and billing software application that you will use in operating the franchised business
Exhibit <u>TS</u>	A Franchisee Joinder Agreement you will enter into with Aloe Care Health, Inc., our designated vendor for monitoring services and equipment
Exhibit <u>UF</u>	The consent you will sign to allow UniFi Accounting (if you use their bookkeeping services) to share your business records with us
Exhibit <u>VU</u>	An assignment agreement for an individual franchisee to assign his or her rights in the franchise agreement to a business entity

Exhibit ~~Z~~Y

Franchise Fee Remittance Form you will send us along with the initial franchise fee for your Home Helpers Home Care franchise

### **ITEM 23. RECEIPT**

The last page of this disclosure document is a detachable document that you must sign acknowledging your receipt of this disclosure document.



**EXHIBIT A**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Agents for Service of Process**

## Agents for Service of Process

### California

Department of Business Oversight  
1515 K Street, Suite 200  
Sacramento, CA 95814-4052

### Hawaii

Commissioner of Securities  
335 Merchant Street, Room 203  
Honolulu, HI 96813

### Illinois

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706

### Indiana

Administrative Office of the Secretary of State  
201 State House  
Indianapolis, IN 46204

### Maryland

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, MD 21202-2020

### Minnesota

Minnesota Commissioner of Commerce  
85 7th Place East, Suite 280  
St. Paul, MN 55101-2198

### New York

Secretary of State of the State of New York  
162 Washington Avenue  
Albany, NY 12231

### North Carolina

North Carolina Secretary of State  
Legislative Office Bldg., Rm. 404  
300 N. Salisbury Street  
Raleigh, NC 27603-5909

### North Dakota

Division of Insurance - Securities Regulation  
5th Floor, 600 East Boulevard  
Bismarck, ND 58505-0510

### Ohio

Barry Nelson  
10101 Alliance Rd., Ste. 300  
Blue Ash, Ohio 45242

### Rhode Island

Department of Business Regulation  
Securities Division  
John O. Pastore Complex  
1511 Pontiac Avenue, Building 69-1  
Cranston, RI 02910

### South Dakota

Dept. of Labor & Regulation  
Division of Insurance  
Securities Regulation  
124 South Euclid Suite 104  
Pierre, SD 57501-3185

### Virginia

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

### Washington

Director of Financial Institutions  
150 Israel Rd. SW  
Tumwater, WA 98501

### Wisconsin

Commissioner of Securities  
101 East Wilson Street  
Madison, WI 53703



**EXHIBIT B**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**List of State Administrators**

## List of State Administrators

### California

California Dept. of Business Oversight  
One Sansome Street, Suite 600  
San Francisco, CA 94104-4428  
(866) 275-2677

### Connecticut

Securities & Business Investments Division  
Department of Banking  
260 Constitution Plaza  
Hartford, CT 06103-1800  
(860) 240-8230

### Florida

Dept. of Agriculture and Consumer Services  
Division of Consumer Services  
227 N. Burrough Street  
City Centre Building, 7th Floor  
Tallahassee, FL 32301  
(904) 922-2770

### Georgia

Office of Consumer Affairs  
2 Martin Luther King Jr. Dr., Suite 356  
Atlanta, GA 30334  
(404) 656-1762

### Hawaii

Dept. of Commerce & Consumer Affairs  
Business Registration Division  
1010 Richards Street  
Honolulu, HI 96813  
(808) 586-2021

### Illinois

Office of the Attorney General  
Franchise Division  
500 South Second Street  
Springfield, IL 62706  
(217) 782-4465

### New York

New York Department of Law  
Division of Public Advocacy  
Investor Protection & Securities Bureau  
120 Broadway, 23<sup>rd</sup> Floor  
New York, NY 10271-0332  
(212) 416-8000

### North Carolina

Department of the Secretary of State  
Securities Division  
300 N. Salisbury Street  
Raleigh, NC 27603-5909  
(919) 733-3924

### North Dakota

Division of Insurance - Securities Regulation  
State Capitol, Fifth Floor  
600 East Boulevard Avenue  
Bismarck, ND 58505-0510  
(701) 328-4712

### Oregon

Oregon Secretary of State  
Corporation Division  
255 Capitol Street, Northeast  
Salem, OR 97310  
(503) 986-2200

### Rhode Island

Department of Business Regulation  
Securities Division  
John O. Pastore Complex  
1511 Pontiac Avenue, Building 69-1  
Cranston, RI 02910  
(401) 222-3048

### South Carolina

Secretary of State  
1205 Pendleton Street  
525 Edger Brown Building  
Columbia, SC 29201  
(803) 734-1958

**Indiana**

Indiana Securities Division  
302 West Washington Street  
Room E111  
Indianapolis, IN 46204  
(317) 232-6681

**Kentucky**

Office of the Attorney General  
Consumer Protection Division  
P.O. Box 2000  
Frankfort, KY 40602-2000  
(502) 573-2200

**Maryland**

Office of the Attorney General  
Securities Division  
200 Saint Paul Place  
Baltimore, MD 21202-2020  
(410) 576-6360

**Michigan**

Department of Attorney General  
Consumer Protection Division  
Antitrust and Franchise Unit  
670 Law Building  
Lansing, MI 48913  
(517) 373-7117

**Minnesota**

Department of Commerce  
Registration Division  
85 7th Place East, Suite 280  
St. Paul, MN 55101-2198  
(651) 539-1600

**Nebraska**

Dept. of Banking & Finance  
1230 O Street, Suite 400  
Commerce Court  
Lincoln, NE 68508  
(402) 471-3445

**South Dakota**

Dept. of Labor & Regulation  
Division of Insurance  
Securities Regulation  
124 South Euclid Suite 104  
Pierre, SD 57501  
(605) 773-3563

**Texas**

Secretary of State  
Statutory Document Section  
P.O. Box 13563  
Austin, TX 78711  
(513) 475-1769

**Utah**

Department of Commerce  
Division of Consumer Protection  
160 East 300 South  
P.O. Box 45804  
Salt Lake City, UT 84145-0804  
(801) 530-6601

**Virginia**

State Corporation Commission  
Division of Securities & Retail Franchising  
1300 East Main Street, 9<sup>th</sup> Floor  
Richmond, VA 23219  
(804) 371-9276

**Washington**

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

**Wisconsin**

Department of Financial Institutions  
Division of Securities  
345 West Washington Avenue, 4<sup>th</sup> Floor  
Madison, WI 53703  
(608) 266-1064





**EXHIBIT C**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Financial Statements**

# *Home* Helpers® Home Care

Home Helpers Holdings, Inc.  
and Subsidiaries

Consolidated Financial Statements  
December 31, 2023 and 2022

Cohen & Co

[cohencpa.com](http://cohencpa.com)

HOME HELPERS HOLDINGS, INC. AND SUBSIDIARIES

DECEMBER 31, 2023 AND 2022

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## Independent Auditor's Report

Board of Directors  
Home Helpers Holdings, Inc. and Subsidiaries

### ***Opinion***

We have audited the accompanying consolidated financial statements of Home Helpers Holdings, Inc. and Subsidiaries (a Delaware corporation), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Home Helpers Holdings, Inc. and Subsidiaries as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Home Helpers Holdings, Inc. and Subsidiaries 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.

### ***Emphasis of Matter***

As discussed in Note 15 to the consolidated financial statements, certain errors resulting in the understatement of goodwill and related amortization, and deferred tax liability and related deferred tax benefit, were discovered in the current year. Accordingly, amounts reported for goodwill and related amortization, deferred tax liability and related deferred tax benefit have been restated in the 2022, consolidated financial statements now presented, and an adjustment has been made to retained earnings as of January 1, 2022, to correct the error. Our opinion is not modified with respect to that matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Home Helpers Holdings, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 consolidated 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 consolidated 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 Home Helpers Holdings, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Home Helpers Holdings, Inc. and Subsidiary'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 audits.

Akron, Ohio  
April 2, 2024

*Cohen & Company Ltd.*

## CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	ASSETS	
	2023	RESTATED 2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,087,659	\$ 3,078,580
Accounts receivable - Net of allowance for credit losses of \$164,393 and \$94,811, respectively	1,157,987	1,089,182
Current portion of notes receivable	40,689	26,991
Current portion of deferred costs	83,500	51,500
Prepaid expenses and other	185,777	104,039
	<u>2,555,612</u>	<u>4,350,292</u>
PROPERTY AND EQUIPMENT		
Computers and software	276,261	260,655
Furniture and fixtures	153,409	153,409
Leasehold improvements	386,173	386,173
	<u>815,843</u>	<u>800,237</u>
Less: Accumulated depreciation and amortization	<u>513,504</u>	<u>391,297</u>
	<u>302,339</u>	<u>408,940</u>
OTHER ASSETS		
Operating lease right-of-use asset	532,836	682,491
Other intangible assets - Net	62,176,167	66,584,833
Deferred costs	693,751	430,750
Goodwill - Net	25,921,432	29,496,801
Notes receivable - Net of allowance for credit losses of \$185,320 and \$25,750, respectively	14,520	29,523
	<u>89,338,706</u>	<u>97,224,398</u>
	<u>\$ 92,196,657</u>	<u>\$ 101,983,630</u>
	LIABILITIES	
CURRENT LIABILITIES		
Accounts payable	\$ 363,424	\$ 359,551
Current portion of contract liabilities	1,227,727	1,085,955
Accrued expenses	1,080,922	657,473
Current portion of operating lease liability	205,477	197,494
	<u>2,877,550</u>	<u>2,300,473</u>
LONG-TERM LIABILITIES		
Contract liabilities	2,077,733	2,282,348
Operating lease liability	531,421	736,898
Long-term debt - Net	37,363,210	41,303,621
Deferred income taxes - Net	7,764,059	8,863,031
	<u>47,736,423</u>	<u>53,185,898</u>
	<u>50,613,973</u>	<u>55,486,371</u>
COMMITMENTS AND CONTINGENCY		
	STOCKHOLDERS' EQUITY	
COMMON STOCK	545	545
ADDITIONAL PAID-IN CAPITAL	54,707,419	54,707,419
ACCUMULATED DEFICIT	(13,125,280)	(8,210,705)
	<u>41,582,684</u>	<u>46,497,259</u>
	<u>\$ 92,196,657</u>	<u>\$ 101,983,630</u>

The accompanying notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF OPERATIONS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	RESTATED 2022
REVENUES		
Royalty revenue	\$ 11,741,842	\$ 10,975,664
Branding fund contributions	2,259,031	2,192,146
Franchise fees	1,636,613	1,767,977
Other income	<u>728,957</u>	<u>577,056</u>
	<u>16,366,443</u>	<u>15,512,843</u>
OPERATING EXPENSES		
Employee expense	4,174,723	3,466,661
Marketing expense	2,257,264	1,776,480
General and administrative	2,196,458	2,386,971
Depreciation	<u>139,360</u>	<u>146,151</u>
	<u>8,767,805</u>	<u>7,776,263</u>
INCOME FROM OPERATIONS	<u>7,598,638</u>	<u>7,736,580</u>
OTHER (EXPENSES) INCOME		
Other expenses - Net	(132,148)	(523,591)
Interest income	28,458	1,981
Management fees	(911,000)	(929,833)
Interest expense	(4,613,461)	(3,587,431)
Amortization	<u>(7,984,035)</u>	<u>(7,984,035)</u>
	<u>(13,612,186)</u>	<u>(13,022,909)</u>
LOSS BEFORE INCOME TAXES	(6,013,548)	(5,286,329)
DEFERRED INCOME TAX BENEFIT	<u>1,098,973</u>	<u>688,790</u>
NET LOSS	<u>\$ (4,914,575)</u>	<u>\$ (4,597,539)</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2023 AND 2022

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total
BALANCE - JANUARY 1, 2022 - AS PREVIOUSLY STATED	\$ 545	\$ 54,707,419	\$ (2,957,851)	\$ 51,750,113
Prior period adjustment			(655,315)	(655,315)
BALANCE - JANUARY 1, 2022 - AS RESTATED	545	54,707,419	(3,613,166)	51,094,798
Net loss			(4,597,539)	(4,597,539)
BALANCE - DECEMBER 31, 2022 - AS RESTATED	545	54,707,419	(8,210,705)	46,497,259
Net loss			(4,914,575)	(4,914,575)
BALANCE - DECEMBER 31, 2023	<u>\$ 545</u>	<u>\$ 54,707,419</u>	<u>\$ (13,125,280)</u>	<u>\$ 41,582,684</u>

*The accompanying notes are an integral part of these consolidated financial statements.*



## CONSOLIDATED STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	RESTATED 2022
CASH FLOW PROVIDED FROM OPERATING ACTIVITIES		
Net loss	\$ (4,914,575)	\$ (4,597,539)
Noncash items included in operations:		
Depreciation and amortization	8,123,396	8,130,186
Amortization of debt issuance costs	259,589	259,589
Operating lease expense	149,655	146,999
Deferred income tax benefit	(1,098,972)	(688,790)
Credit loss expense	129,674	186,898
Increase (decrease) in cash and cash equivalents caused by changes in current items:		
Accounts receivable	(6,679)	(337,741)
Deferred costs	(295,001)	(283,500)
Prepaid expenses and other	(81,738)	(14,288)
Accounts payable	3,873	34,694
Contract liabilities	(62,843)	(633,367)
Accrued expenses	423,449	(129,802)
Operating lease liability	(197,494)	(173,150)
	<u>2,432,334</u>	<u>1,900,189</u>
CASH FLOW USED IN INVESTING ACTIVITIES		
Acquisition of property and equipment	(32,760)	(85,017)
Investments in notes receivable	(225,810)	(25,000)
Collections of notes receivable	35,315	34,324
	<u>(223,255)</u>	<u>(75,693)</u>
CASH FLOW USED IN FINANCING ACTIVITIES		
Repayments on long-term debt	(4,200,000)	(3,114,375)
	<u>(4,200,000)</u>	<u>(3,114,375)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,990,921)	(1,289,879)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>3,078,580</u>	<u>4,368,459</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,087,659</u>	<u>\$ 3,078,580</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Right-of-use asset obtained in exchange for new operating lease liability (see Note 1)	<u>\$ -</u>	<u>\$ 829,490</u>
SUPPLEMENTAL FINANCIAL INFORMATION		
Interest paid	<u>\$ 4,353,872</u>	<u>\$ 3,327,842</u>
Cash paid for amounts included in exchange for operating lease liabilities		
Operating cash flows from operating leases	<u>\$ 208,823</u>	<u>\$ 187,133</u>

The accompanying notes are an integral part of these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of Home Helpers Holdings, Inc. (Home Helpers, Inc.), its wholly-owned subsidiary, Home Helpers Buyer, Inc. (Buyer), its wholly-owned subsidiary, Home Helpers Holding Company (Home Helpers) and its wholly-owned subsidiary, H.H. Franchising Systems, Inc. (H.H. Franchising) (collectively, the Company). All intercompany balances and transactions have been eliminated in consolidation.

Nature of Operations

Home Helpers, Inc. and Buyer were formed on March 26, 2021, under the laws of the State of Delaware for the purpose of acquiring the stock of Home Helpers. Home Helpers Holding Company was formed on January 22, 2016, under the laws of the State of Delaware for the purpose of acquiring the stock of H.H. Franchising on February 1, 2016.

H.H. Franchising was organized in 1997 to promote, sell, and support franchises operating under the trade name of Home Helpers®. H.H. Franchising's franchisees offer companion, personal and skilled in-home assistance services primarily to seniors, individuals recuperating from injuries or illnesses or those facing life-long challenges and expecting new mothers. H.H. Franchising provides a distinctive method and procedures for advertising, specially-designed business forms, computer software, instructional manuals, training courses, and specially-designed procedures for promotion and rendering of services. In addition, H.H. Franchising has a complementary product offering, Direct Link, which provides a suite of medical alert solutions including fall sensors, automated medication dispensers, and vital signs monitoring units.

As of December 31, 2023 and 2022, H.H. Franchising had 316 and 304 operating franchises, respectively, none of which were Company-owned.

Use of Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements in accordance with generally accepted accounting principles in the United States of America (GAAP). Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates that were used.

Adoption of New Accounting Standard - Allowance for Credit Losses

In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB Accounting Standards Codification [ASC] 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to guidance in FASB ASC 326 were accounts and notes receivable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standard - Allowance for Credit Losses (continued)

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered significant to the consolidated financial statements and primarily resulted in new and enhanced disclosures only.

Accounts Receivable and Allowance for Credit Losses

The Company operates in the home health care services industry and its accounts receivable are primarily derived from franchisees. Since the Company's trade receivables are largely similar, the Company evaluates its allowance for credit losses as one portfolio segment. Accounts receivable are uncollateralized franchisee obligations generally due under normal trade terms requiring payment between 30 days from the invoice date, based on the terms with the franchisee. The Company charges interest on amounts paid after the original due date plus a grace period. The Company generally collects receivables within 30 days. Accounts receivables are stated at the amount billed to the franchisee.

At each balance sheet date, the Company evaluates if an expected allowance for credit losses is necessary. In addition, also at each reporting date, this evaluation is updated to reflect any changes in credit risk since the receivable was initially recorded. This evaluation is determined on a pooled basis where similar risk characteristics exist. Accounts receivable are evaluated individually when they do not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible.

The allowance evaluation is derived from a review of the Company's historical losses based on the aging of receivables. This evaluation is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Company. The Company believes historical loss information is a reasonable starting point in which to evaluate the expected allowance for credit losses as the Company's portfolio segment have remained consistent since the Company's inception.

The Company writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Company's accounting policy election. The write-offs were not significant for the year ended December 31, 2023.

Prior to the adoption of ASC 326, the carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that exceed 90 days from invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Additionally, management estimates an allowance for the aggregate remaining accounts receivable based on historical collectability. When receivables are determined to be uncollectible, they are written off against the allowance for doubtful accounts.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Company has elected the following practical expedient and policy election available to nonpublic companies: to apply certain franchise pre-opening activities as distinct from the franchise license and recognize those pre-opening services as a single performance obligation.

The Company's revenues primarily result from royalties received from existing franchises, branding fund contributions, franchise fees, and the Direct Link monitoring services. The Company considers royalty revenue to be variable consideration and has determined that the franchise license is the predominant item to which the royalty relates. Accordingly, the Company has determined the sales-based royalty exception applies and recognizes royalty revenue on a monthly basis over the term of the agreement as those amounts become payable. Branding fund contributions are based on a franchisee's gross revenue for the measurement period, as defined in the franchise agreement, and the Company's performance obligation is to use the contributions on advertising to promote the overall brand. Branding fund contributions are recognized ratably over time. Direct Link is a personal emergency response system that is marketed by the franchises. Direct Link monitoring revenue is recognized monthly as services are provided.

The Company determined 66% of initial franchise fees should be recognized at the franchise opening based on the time and costs incurred prior to the franchise opening. Accordingly, 66% of initial franchise fees are recognized at a point in time upon franchise opening and the remaining balance is recognized over time using a measure of progress that reflects the Company's pattern of performance. The Company has determined that this occurs evenly over the term of the franchise agreement and, accordingly, the balance of initial franchise fees that relate to the franchise license are recognized on a straight-line basis over the term of the franchise agreement.

Deferred costs are commission expenses and fees paid to brokers to enter into franchise agreements. The incremental costs would not otherwise have been incurred if the related contract had not been obtained.

Differences in the timing of revenue recognition and contractual billing and payment terms result in the recognition of contract liabilities. Contract liabilities primarily represent cash received that is in excess of revenues recognized and is contingent upon the satisfaction of performance obligations.

Cash and Cash Equivalents

Cash and cash equivalents include bank accounts and money market funds with original maturities of three months or less. At times, certain balances of the Company's cash accounts may exceed the amount of related federal insurance. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Notes Receivable and Allowance for Credit Losses

Notes receivable represent financing from the Company to the franchisees. Notes receivable that management has the intent and ability to hold for the foreseeable future are reported at amortized cost, which is generally the amount of unpaid principal, reduced by an allowance. Notes receivable are placed on nonaccrual status when management believes, after considering economic conditions, business conditions, and collection efforts, that the notes are impaired, or collection of interest is doubtful. When the accrual of interest is discontinued, all unpaid accrued interest is reversed. Loans are returned to accrual status and interest income is subsequently recognized when all principal and interest amounts contractually due are brought current.

The Company's allowance for credit losses on notes receivable loss is a valuation account that is deducted from the notes' amortized cost basis to present the net amount expected to be collected on the notes. The notes are charged off against the allowance when management believes that the uncollectability of the note balance is confirmed. Expected recoveries on the notes do not exceed the aggregate of amounts previously and expected to be charged-off. Write-offs of notes receivable were not significant for the year ended December 31, 2023.

The allowance for credit losses represents management's estimate of lifetime credit losses inherent in the notes as of the consolidated balance sheet date. The allowance for credit losses is estimated by management using relevant available information, from both internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The Company measures expected credit losses for loans on a pooled basis when similar risk characteristics exist. Loans that do not share risk characteristics are evaluated on an individual basis.

As of December 31, 2023 and 2022, notes receivable amounted to \$240,529 and \$82,264, respectively, and the portion on nonaccrual status and recorded as an allowance for notes receivable loss was \$185,320 and \$25,750, respectively.

Property and Equipment

Property and equipment are recorded at actual cost and depreciated over its estimated useful life. Depreciation and amortization of property and equipment is provided by use of the straight-line method over the estimated useful lives of the assets as follows:

Computers and software	1 - 3 years
Furniture and fixtures	3 - 5 years
Leasehold improvements	2 - 7 years

The cost of maintenance and repairs of property and equipment is charged to expense as incurred.

Debt Issuance Costs

Debt issuance costs related to notes payable are presented as a reduction of the carrying amount of the debt rather than as an asset and the related amortization of debt issuance costs is included in interest expense.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Issuance Costs (continued)

Debt issuance costs of \$1,557,535 related to notes payable have been capitalized and are being amortized over the term of the note. Amortization of these debt issuance costs was \$259,589 for each of the years ended December 31, 2023 and 2022. Accumulated amortization was \$713,870 and \$454,281 at December 31, 2023 and 2022, respectively. The estimated amortization to be included in interest expense is expected to be \$259,589 for the each of the next three years, and \$64,898 for the year ended December 31, 2027.

Other Intangible Assets and Goodwill

Other intangible assets are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable, and those not subject to amortization are reviewed annually for impairment.

The Company has adopted the accounting alternative offered to non-public entities for goodwill, whereby, the Company amortizes goodwill on a straight-line basis over ten years and only evaluates goodwill for impairment at the entity level when a triggering event occurs. The Company has also adopted the accounting alternative offered to non-public companies for intangible assets. In accordance with this alternative, customer-related intangible assets that are not capable of being sold or licensed independently from other assets of a business and non-competition agreements are no longer recognized separately in a business combination.

Leases

The Company determines if an arrangement is, or contains, a lease at the inception date. In evaluating contracts to determine if they qualify as a lease, the Company considers factors such as if the Company has obtained substantially all of the rights to the underlying asset through exclusivity, if the Company can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the commencement date based primarily on the present value of lease payments over the lease term. In determining the discount rate used to measure the ROU assets and lease liabilities, the Company uses rates implicit in the lease, when available. If the rate implicit in the lease is not readily available, the Company has elected to use a risk-free rate for all classes of assets. The risk-free rate used is the U.S. Treasury Bill Rate in effect at the commencement of the lease for a similar term. The operating lease ROU assets also include any lease payments made at commencement and exclude lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

The Company elected to apply the short-term lease exemption. Under this exemption, ROU assets and lease liabilities are not recognized for leases with an initial term of 12 months or less.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (continued)

The Company elected the practical expedient to account for lease and non-lease components as a single lease component. There may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. Payments for non-lease components, which are primarily comprised of utilities, taxes, insurance and common expenses that are passed on from the lessor in proportion to the space leased, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

As of December 31, 2023 and 2022, and for the years then ended, the Company did not have a liability for unrecognized tax benefits. The Company classifies the net of the deferred tax assets and liabilities as noncurrent.

Advertising Expense

Advertising costs are expensed as incurred. Total advertising costs amounted to \$1,745,608 and \$1,397,564 for the years ended December 31, 2023, and December 31, 2022, respectively.

National Branding Fund

The Company administers a national branding fund (the Fund) on behalf of its franchisees. Each franchisee is required to contribute to the Fund, which is used to develop advertising and marketing materials and promote the Company's service marks and overall brand. For the years ended December 31, 2023 and December 31, 2022, the Fund had a net loss of \$131,632 and net income of \$23,393, respectively.

Reclassifications

Certain current year financial statement items have been reclassified to conform to the prior year financial statement presentation.

Subsequent Events

Management has evaluated subsequent events through April 2, 2024, the date the consolidated financial statements were available to be issued.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. NOTES RECEIVABLE

Notes receivable are unsecured, bear interest ranging from 0% to 10% per annum, and payments commence on the first day of the month immediately following the month after the note is signed. Estimated repayments on notes receivable as of December 31, 2023, are \$40,689 in 2024 and \$14,520 in 2025.

## 3. OTHER INTANGIBLE ASSETS - NET

At December 31, 2023, other intangible assets - net consisted of the following:

	<u>Life (Straight Line)</u>	<u>Carrying Value</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Franchise agreements	15 years	\$ 66,130,000	\$ (12,123,833)	\$ 54,006,167
Trade name	Indefinite	8,170,000		8,170,000
		<u>\$ 74,300,000</u>	<u>\$ (12,123,833)</u>	<u>\$ 62,176,167</u>

At December 31, 2022, other intangible assets - net consisted of the following:

	<u>Life (Straight Line)</u>	<u>Carrying Value</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Franchise agreements	15 years	\$ 66,130,000	\$ (7,715,167)	\$ 58,414,833
Trade name	Indefinite	8,170,000		8,170,000
		<u>\$ 74,300,000</u>	<u>\$ (7,715,167)</u>	<u>\$ 66,584,833</u>

Amortization expense was \$4,408,666 in each of the years ended December 31, 2023 and 2022. The following table represents future amortization expense for intangible assets subject to amortization.

<u>Year ending December 31,</u>	
2024	\$ 4,408,666
2025	4,408,666
2026	4,408,666
2027	4,408,666
2028	4,408,666
Thereafter	<u>31,962,837</u>
	<u>\$ 54,006,167</u>

## 4. GOODWILL - NET

At December 31, 2023 and 2022, goodwill - net consisted of the following:

	<u>2023</u>	<u>2022</u>
Gross carrying amount of goodwill	\$ 35,753,699	\$ 35,753,699
Accumulated amortization	<u>(9,832,267)</u>	<u>(6,256,898)</u>
Goodwill - Net	<u>\$ 25,921,432</u>	<u>\$ 29,496,801</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4. GOODWILL – NET (Continued)

Amortization expense was \$3,575,369 for each of the years ended December 31, 2023 and December 31, 2022. The following table represents future amortization expense for goodwill.

<u>Year ending December 31,</u>	
2024	\$ 3,575,369
2025	3,575,369
2026	3,575,369
2027	3,575,369
2028	3,575,369
Thereafter	<u>8,044,587</u>
	<u>\$ 25,921,432</u>

## 5. LINE OF CREDIT

At December 31, 2023 and 2022, the Company had a \$3,500,000 line of credit with a bank, which expires April 1, 2027. Through April 3, 2023, outstanding borrowings bore interest at one-month London Interbank Offered Rate (LIBOR) plus the applicable margin rate, as defined. As of April 4, 2023, outstanding borrowings bears interest at Secured Overnight Financing Rate (SOFR) plus the applicable margin rate, as defined. The interest rate as of December 31, 2023 and 2022, was 11.17% and 10.20%, respectively. The line of credit is collateralized by substantially all assets of the Company. There was no balance outstanding on the line of credit at December 31, 2023 and 2022.

## 6. LONG-TERM DEBT - NET

At December 31, 2023 and 2022, long-term debt - net consisted of the following:

	<u>2023</u>	<u>2022</u>
Note payable to a bank, interest at one-month SOFR plus the applicable margin rate, as defined, paid quarterly. The interest rate was 11.17% at December 31, 2023. Quarterly principal payments of \$114,375, are due, with a final balloon payment due on the maturity date of April 1, 2027; collateralized by substantially all assets of the Company. During 2023 and 2022, the Company prepaid all remaining quarterly installments and a portion of the final balloon payment without penalty.	\$ 38,206,875	\$ 42,406,875
Less: Unamortized debt issuance costs	<u>843,665</u>	<u>1,103,254</u>
	<u>\$ 37,363,210</u>	<u>\$ 41,303,621</u>

The remaining balance of \$37,363,210 is due in full on April 1, 2027.

The long-term debt agreement contains, among other things, covenants requiring maintenance of certain financial ratios, as defined.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 7. LEASES

The Company leases office space under an operating lease with a third party which expires on May 1, 2027. For the years ended December 31, 2023 and 2022, the Company's operating lease expense amounted to \$172,480 and \$173,129, respectively, inclusive of expense related to short-term leases.

For the years ended December 31, 2023 and 2022, other information related to the Company's leases consisted of the following:

	<u>2023</u>	<u>2022</u>
Weighted average remaining lease term:	3.42 years	4.42 years
Weighted average discount rate:	1.37%	1.37%

Future minimum annual payments under operating leases are as follows:

<u>Year ending December 31,</u>	
2024	\$ 214,043
2025	219,395
2026	224,880
2027	<u>95,768</u>
Total Undiscounted cash flows	754,086
Less: Present value discount	<u>17,188</u>
Total operating lease liabilities	<u>\$ 736,898</u>

## 8. RELATED PARTY TRANSACTIONS

Management Agreement

The Company incurs management fees to a related company under an ongoing agreement, which remains in effect until such time as any of the institutional investment funds managed by the related company or any other affiliate or associate of the related company no longer beneficially owns, in the aggregate, greater than 10% of the then outstanding voting securities of the Company. Management fees to the related company amounted to \$804,750 for each of the years ended December 31, 2023 and 2022, respectively.

## 9. REVENUE

Disaggregation of Revenue

The Company disaggregates revenue based on the method of measuring satisfaction of the performance obligation either over time or at a point in time.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 9. REVENUE (Continued)

Disaggregation of Revenue (continued)

The following table shows disaggregated net revenue satisfied over time and at a point in time for the year ended December 31, 2023:

Satisfied over time	\$ 15,245,433
Satisfied at a point in time	<u>1,125,251</u>
Net revenue from contracts with customers	<u>\$ 16,370,684</u>

The following table shows disaggregated net revenue satisfied over time and at a point in time for the year ended December 31, 2022:

Satisfied over time	\$ 14,693,467
Satisfied at a point in time	<u>1,107,056</u>
Net revenue from contracts with customers	<u>\$ 15,800,523</u>

Receivables, Deferred Costs, and Contract Liabilities

Receivable, deferred costs, and contract liability balances from contracts with customers for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<u>Receivables - Net</u>		
Beginning of year	\$ 1,089,182	\$ 913,339
End of year	\$ 1,157,987	\$ 1,089,182
<u>Deferred Costs</u>		
Beginning of year	\$ 482,250	\$ 198,750
End of year	\$ 777,251	\$ 482,250
<u>Contract Liabilities</u>		
Beginning of year	\$ 3,368,303	\$ 4,001,670
End of year	\$ 3,305,460	\$ 3,368,303

## 10. INCOME TAXES

For the years ended December 31, 2023 and 2022, the benefit for deferred federal and state income taxes consists of the following:

	<u>2023</u>	<u>2022</u>
Federal	\$ 1,031,403	\$ 645,472
State	<u>67,570</u>	<u>43,318</u>
	<u>\$ 1,098,973</u>	<u>\$ 688,790</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10. INCOME TAXES (Continued)

At December 31, 2023 and 2022, the net deferred tax liability was comprised of:

	<u>2023</u>	<u>2022</u>
Deferred tax assets	\$ 3,310,328	\$ 2,200,997
Deferred tax liabilities	\$ 11,074,387	\$ 11,064,028
Net deferred tax liability	\$ 7,764,059	\$ 8,863,031

Temporary differences that give rise to the deferred tax assets consist primarily of deferred revenue not recognizable until earned for book purposes, the excess of depreciation and amortization for financial reporting purposes over the amount for tax purposes, and operating loss carryforwards. The effective tax rate differs from the expected statutory rates due primarily to the permanent difference of a fair value adjustment for intangible assets made for book purposes, that is not allowed for tax purposes.

At December 31, 2023 and 2022, the Company had a federal and state net operating loss carryforward of approximately \$2,300,000 and \$1,923,000, respectively, available to reduce future taxable income, of which approximately \$580,000 expire in 2036, and the remainder is available indefinitely. The Company's provision for income taxes differs from the amount that would be determined using the statutory rates due primarily to the change in the valuation allowance, nondeductible expenses for income tax purposes, and goodwill/intangible basis permanent differences.

The ultimate realization of deferred tax assets is dependent upon the generation of sufficient taxable income during the periods in which those temporary differences become deductible. Management believes that it is more-likely-than-not that the Company will realize the full benefits of its deferred tax assets and, accordingly, no valuation allowance against the deferred tax assets has been recorded as of December 31, 2023 and 2022.

## 11. HOME HELPERS HOLDINGS, INC. - STATEMENT OF OPERATIONS

The Company's summarized statement of operations not including the Fund for the years ended December 31, 2023 and 2022, was as follows:

	<u>2023</u>	<u>2022</u>
Revenues:		
Royalty revenue	\$ 11,741,842	\$ 10,975,664
Franchise fees	1,634,613	1,767,977
Other income	536,846	446,990
	<u>13,913,301</u>	<u>13,190,631</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11. HOME HELPERS HOLDINGS, INC. - STATEMENT OF OPERATIONS (Continued)

	<u>2023</u>	<u>2022</u>
Operating expenses:		
Employee expense	4,024,511	3,345,096
Marketing expenses	459,385	346,253
General and administrative	1,525,599	1,574,513
Depreciation	<u>139,360</u>	<u>146,151</u>
	<u>6,148,855</u>	<u>5,412,013</u>
Income from operations	7,764,446	7,778,618
Other expenses - Net	<u>13,645,670</u>	<u>13,068,340</u>
Loss before income taxes	(5,881,224)	(5,289,722)
Deferred income tax benefit	<u>1,098,973</u>	<u>688,790</u>
Net loss	<u>\$ (4,782,251)</u>	<u>\$ (4,600,932)</u>

## 12. STOCKHOLDERS' EQUITY

At December 31, 2023 and 2022, the Company was authorized to issue 1,000 shares of Common Stock, at a par value of \$0.01 per share. Each share of Common stock is entitled to one vote for the purpose of voting upon all matters submitted to a vote of stockholders of the Company. As of December 31, 2023 and 2022, there were 54,500 Common Stock shares issued and outstanding.

## 13. RETIREMENT PLAN

The Company has a defined contribution plan, which covers all eligible employees. The Company may make discretionary matching and employer contributions to the plan. For the years ended December 31, 2023 and December 31, 2022, the Company contributed approximately \$97,000 and \$75,000 to the plan, respectively.

## 14. LITIGATION

In the ordinary course of business, the Company is subject to, or party to, pending or threatened litigation, assessments, and claims. While it is not possible to predict with certainty the outcome of such matters individually or in the aggregate, management believes that the ultimate result will not have a material adverse effect on the consolidated financial position or results of operations of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 15. RESTATEMENT

At January 1, 2022, retained earnings was restated to correct certain errors in the tax treatment of intangible assets as it relates to the calculation of deferred taxes. As a result of the restatement, retained earnings was decreased by \$655,315.

As of December 31, 2022, net goodwill was increased by \$9,480,816 and related amortization expense was increased by \$1,149,190 for the year then ended. In addition, the deferred tax liability was increased by \$10,769,031 and related deferred income tax benefit was increased by \$516,290. Net loss for the year ended December 31, 2022, was increased by \$632,900.



# Home Helpers Holdings, Inc. and Subsidiaries

Consolidated Financial Statements  
December 31, 2021

## Cohen & Co

[cohen CPA.com](http://cohen CPA.com)

HOME HELPERS HOLDINGS, INC. AND SUBSIDIARIES

DECEMBER 31, 2021

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## Independent Auditors' Report

Board of Directors  
Home Helpers Holdings, Inc. and Subsidiaries

### ***Opinion***

We have audited the accompanying consolidated financial statements of Home Helpers Holdings, Inc. and Subsidiaries (a Delaware corporation), which comprise the consolidated balance sheet as of December 31, 2021, and the related consolidated statements of operations, stockholders' equity, and cash flows for the period from inception, April 1, 2021, through December 31, 2021, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Home Helpers Holdings, Inc. and Subsidiaries as of December 31, 2021, and the results of their operations and their cash flows for the period from inception, April 1, 2021, through December 31, 2021, 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. 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 Home Helpers Holdings, Inc. and Subsidiaries 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Home Helpers Holdings, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 consolidated 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 consolidated 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 Home Helpers Holdings, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Home Helpers Holdings, Inc. and Subsidiary'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.

Akron, Ohio  
April 8, 2022

*Cohen & Company Ltd.*

## CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2021

## ASSETS

## CURRENT ASSETS

Cash and cash equivalents	\$ 4,368,459
Accounts receivable - Net	913,339
Current portion of notes receivable	34,324
Current portion of contract assets	21,000
Prepaid expenses and other	<u>106,348</u>
	<u>5,443,470</u>

## PROPERTY AND EQUIPMENT

Computer and software	189,704
Furniture and fixtures	152,159
Leasehold improvements	<u>386,173</u>
	728,036
Less: Accumulated depreciation and amortization	<u>257,964</u>
	<u>470,072</u>

## OTHER ASSETS

Other intangible assets - Net	70,993,500
Contract assets	177,750
Goodwill - Net	22,442,165
Deferred income taxes	1,733,500
Notes receivable	<u>56,514</u>
	<u>95,403,429</u>
	<u>\$ 101,316,971</u>

## LIABILITIES

## CURRENT LIABILITIES

Current portion of long-term debt	\$ 457,500
Accounts payable	324,857
Current portion of contract liabilities	1,121,647
Accrued expenses	<u>787,275</u>
	<u>2,691,279</u>

## LONG-TERM LIABILITIES

Contract liabilities	2,880,023
Deferred rent liability	74,454
Lease incentive liability	220,195
Long-term debt - Net	<u>43,700,907</u>
	<u>46,875,579</u>
	<u>49,566,858</u>

## COMMITMENTS AND CONTINGENCY

## STOCKHOLDERS' EQUITY

COMMON STOCK	545
ADDITIONAL PAID-IN CAPITAL	54,707,419
ACCUMULATED DEFICIT	<u>(2,957,851)</u>
	<u>51,750,113</u>
	<u>\$ 101,316,971</u>

The accompanying notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE PERIOD FROM INCEPTION, APRIL 1, 2021, THROUGH DECEMBER 31, 2021

## REVENUES

Royalty revenue	\$ 7,650,978
Branding fund contributions	1,574,278
Franchise fees	907,199
Direct Link	311,258
Other income	<u>382,835</u>
	<u>10,826,548</u>

## OPERATING EXPENSES

Employee expense	2,472,603
Marketing expense	1,559,600
General and administrative	1,219,866
Bad debt expense	113,698
Depreciation	<u>113,756</u>
	<u>5,479,523</u>

## INCOME FROM OPERATIONS

5,347,025

## OTHER (EXPENSES) INCOME

Other expenses	(282,299)
Interest income	2,777
Management fees	(654,521)
Interest expense	(2,469,465)
Amortization	<u>(5,121,948)</u>
	<u>(8,525,456)</u>

## LOSS BEFORE INCOME TAXES

(3,178,431)

## DEFERRED INCOME TAX BENEFIT

220,580

## NET LOSS

\$ (2,957,851)*The accompanying notes are an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

FOR THE PERIOD FROM INCEPTION, APRIL 1, 2021, THROUGH DECEMBER 31, 2021

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total
Parent contribution during acquisition	\$ 542	\$ 54,357,425		\$ 54,357,967
Additional parent contributions	3	349,994		349,997
Net loss			\$ (2,957,851)	(2,957,851)
BALANCE - DECEMBER 31, 2021	<u>\$ 545</u>	<u>\$ 54,707,419</u>	<u>\$ (2,957,851)</u>	<u>\$ 51,750,113</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM INCEPTION, APRIL 1, 2021, THROUGH DECEMBER 31, 2021

## CASH FLOW PROVIDED FROM OPERATING ACTIVITIES

Net loss	\$ (2,957,851)
Noncash items included in operations:	
Depreciation and amortization	5,235,704
Amortization of debt issuance costs	194,692
Deferred income tax benefit	(220,580)
Bad debt expense	113,698
Increase (decrease) in cash and cash equivalents caused by changes in current items:	
Accounts receivable	(37,675)
Contract assets	(172,892)
Prepaid expenses and other	572,766
Accounts payable	(51,659)
Contract liabilities	(151,155)
Accrued expenses	511,377
Deferred rent liability	1,679
Lease incentive liability	(27,104)
Net cash flow provided from operations	<u>3,011,000</u>

## CASH FLOW USED IN INVESTING ACTIVITIES

Cash paid to acquire Home Helpers Holdings Company - Net of cash acquired of \$577,840	(51,556,802)
Acquisition of property and equipment	(62,575)
Payments on notes receivable	55,157
	<u>(51,564,220)</u>

## CASH FLOW PROVIDED FROM FINANCING ACTIVITIES

Repayments on long-term debt	(228,750)
Payment of debt issuance costs	(1,557,535)
Contributions from parent	54,707,419
Issuance of common stock	545
	<u>52,921,679</u>

## NET INCREASE IN CASH AND CASH EQUIVALENTS

AND CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>\$ 4,368,459</u>
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## NONCASH INVESTING AND FINANCING ACTIVITIES

Assets acquired and liabilities assumed in business acquisition (see Note 2):

Accounts receivable	\$ 989,362
Notes receivable	145,995
Contract assets	25,858
Prepaid expenses and other	679,114
Property and equipment	521,253
Intangible assets	74,300,000
Deferred income taxes	1,512,920
Accounts payable	(376,516)
Contract liabilities	(4,152,825)
Accrued expenses	(275,898)
Deferred rent liability	(72,775)
Lease incentive liability	(247,299)
Net assets acquired in business acquisition	<u>73,049,189</u>
Total goodwill acquired in business acquisition	<u>24,257,613</u>
Total purchase price of acquisition	97,306,802
Purchase price of acquisition financed with debt	(45,750,000)
Total cash expended for business acquisition	<u>\$ 51,556,802</u>

## SUPPLEMENTAL FINANCIAL INFORMATION

Interest paid	<u>\$ 2,517,649</u>
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The accompanying notes are an integral part of these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of Home Helpers Holdings, Inc. (Home Helpers, Inc.), its wholly-owned subsidiary, Home Helpers Buyer, Inc. (Buyer), its wholly-owned subsidiary, Home Helpers Holding Company (Home Helpers) and its wholly-owned subsidiary, H.H. Franchising Systems, Inc. (H.H. Franchising) (collectively, the Company). All intercompany balances and transactions have been eliminated in consolidation.

Nature of Operations

Home Helpers, Inc. and Buyer were formed on March 26, 2021, under the laws of the State of Delaware for the purpose of acquiring the stock of Home Helpers. Home Helpers Holding Company was formed on January 22, 2016, under the laws of the State of Delaware for the purpose of acquiring the stock of H.H. Franchising on February 1, 2016.

H.H. Franchising was organized in 1997 to promote, sell, and support franchises operating under the trade name of Home Helpers®. H.H. Franchising's franchisees offer companion, personal and skilled in-home assistance services primarily to seniors, individuals recuperating from injuries or illnesses or those facing life-long challenges and expecting and new mothers. H.H. Franchising provides a distinctive method and procedures for advertising, specially-designed business forms, computer software, instructional manuals, training courses, and specially-designed procedures for promotion and rendering of services. In addition, H.H. Franchising has a complementary product offering, Direct Link, which provides a suite of medical alert solutions including fall sensors, automated medication dispensers, and vital signs monitoring units.

As of December 31, 2021, H.H. Franchising had 308 operating franchises, none of which were Company-owned.

COVID-19 Impact

The ongoing COVID-19 pandemic has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets. The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Company and its financial results will depend on future developments, including the duration and spread of the outbreak within the markets in which it operates and the related impact on consumer confidence and spending, all of which are highly uncertain.

Use of Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements in accordance with generally accepted accounting principles in the United States of America (GAAP). Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates that were used, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic, and such differences may be material.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Company has elected the following practical expedient and policy elections available to nonpublic companies: (1) to apply certain practical expedients available to nonpublic companies with respect to disclosure requirements, and (2) to apply certain franchise pre-opening activities as distinct from the franchise license and recognize those pre-opening services as a single performance obligation.

The Company's revenues primarily result from royalties received from existing franchises, branding fund contributions, franchise fees, and the Direct Link monitoring services. The Company considers royalty revenue to be variable consideration and has determined that the franchise license is the predominant item to which the royalty relates. Accordingly, the Company has determined the sales-based royalty exception applies and recognizes royalty revenue on a monthly basis over the term of the agreement as those amounts become payable. Branding fund contributions are based on a franchisee's gross revenue for the measurement period, as defined in the franchise agreement, and the Company's performance obligation is to use the contributions on advertising to promote the overall brand. Branding fund contributions are recognized ratably over time. Direct Link is a personal emergency response system that is marketed by the franchises. Direct Link monitoring revenue is recognized monthly as services are provided. The Company determined 66% of initial franchise fees should be recognized at the franchise opening based on the time and costs incurred prior to the franchise opening. Accordingly, 66% of initial franchise fees are recognized at a point in time upon franchise opening and the remaining balance is recognized over time using a measure of progress that reflects the Company's pattern of performance. The Company has determined that this occurs evenly over the term of the franchise agreement and, accordingly, the balance of initial franchise fees that relate to the franchise license are recognized on a straight-line basis over the term of the franchise agreement.

Differences in the timing of revenue recognition and contractual billing and payment terms result in the recognition of contract liabilities. Contract liabilities primarily represent cash received that is in excess of revenues recognized and is contingent upon the satisfaction of performance obligations.

Cash and Cash Equivalents

Cash and cash equivalents include bank accounts and money market funds with original maturities of three months or less. At times, certain balances of the Company's cash accounts may exceed the amount of related federal insurance. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk.

Receivables and Credit Policies

Accounts receivable are uncollateralized franchisee obligations due under normal trade terms generally requiring payments within 30 days from the invoice date, based on the terms with the franchisee. The Company charges interest on amounts paid after the original due date plus a grace period. Accounts receivable are stated at the amount billed to the franchisee.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Credit Policies (continued)

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management determines the allowance for doubtful accounts based on historical collectability and current economic conditions. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts at December 31, 2021, amounted to \$194,805.

Notes Receivable

Notes receivable are stated at the amount of unpaid principal, reduced by an allowance. The Company's allowance for notes receivable loss is established through a provision charged to expense. The notes are charged against the allowance for notes receivable loss when management believes that the collectability of the principal is unlikely. Notes receivable are placed on nonaccrual status when management believes, after considering economic conditions, business conditions, and collection efforts, that the notes are impaired, or collection of interest is doubtful. When the accrual of interest is discontinued, all unpaid accrued interest is reversed. Loans are returned to accrual status and interest income is subsequently recognized when all principal and interest amounts contractually due are brought current. As of December 31, 2021, all notes receivable were on accrual status and there was no allowance for note receivable loss.

Property and Equipment

Property and equipment acquired subsequent to any business acquisition are recorded at actual cost and depreciated over its estimated useful life. Property and equipment acquired in a business combination are recorded at its acquisition date fair value. Depreciation and amortization of property and equipment is provided by use of the straight-line method over the estimated useful lives of the assets as follows:

Computers and software	1 - 3 years
Furniture and fixtures	3 - 5 years
Leasehold improvements	2 - 7 years

The cost of maintenance and repairs of property and equipment is charged to expense as incurred.

Debt Issuance Costs

Debt issuance costs related to notes payable are presented as a reduction of the carrying amount of the debt rather than as an asset and the related amortization of debt issuance costs is included in interest expense.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Issuance Costs (continued)

Debt issuance costs of \$1,557,535 related to notes payable have been capitalized and are being amortized over the term of the note. Amortization of these debt issuance costs was \$194,692 for the period from inception April 1, 2021, through December 31, 2021. Accumulated amortization at December 31, 2021, was \$194,692. The estimated amortization to be included in interest expense is expected to be \$259,589 for the each of the next five years, and \$64,898 for the year ended December 31, 2027.

Other Intangible Assets and Goodwill

Other intangible assets are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable, and those not subject to amortization are reviewed annually for impairment.

The Company has adopted the accounting alternative offered to non-public entities for goodwill, whereby, the Company amortizes goodwill on a straight-line basis over ten years and only evaluates goodwill for impairment at the entity level when a triggering event occurs. The Company has also adopted the accounting alternative offered to non-public companies for intangible assets. In accordance with this alternative, customer-related intangible assets that are not capable of being sold or licensed independently from other assets of a business and non-competition agreements are no longer recognized separately in a business combination.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

As of December 31, 2021, and for the period from inception April 1, 2021, through December 31, 2021, the Company did not have a liability for unrecognized tax benefits. The Company classifies the net of the deferred tax assets and liabilities as noncurrent.

Advertising Expense

Advertising costs are expensed as incurred. Total advertising costs for the period from inception April 1, 2021, through December 31, 2021, amounted to \$1,130,210.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

National Branding Fund

The Company administers a national branding fund (the Fund) on behalf of its franchisees. Each franchisee is required to contribute to the Fund, which is used to develop advertising and marketing materials and promote the Company's service marks and overall brand. For the period from inception April 1, 2021, through December 31, 2021, the Fund's net loss was \$73,443.

Subsequent Events

Management has evaluated subsequent events through April 8, 2022, the date the consolidated financial statements were available to be issued.

## 2. BUSINESS COMBINATION

On April 1, 2021, Buyer entered into a purchase agreement to buy 100% of the outstanding stock of Home Helpers. The acquisition was made for the purpose of acquiring the assets and operations of Home Helpers, which included existing franchises, employees, and subsidiary.

Buyer accounted for contract liabilities assumed as if they originated the contract, and the remaining assets acquired and liabilities assumed at fair value. The following table summarizes the estimated values at the date of the acquisition:

## Assets acquired:

Accounts receivable	\$ 989,362
Notes receivable	145,995
Contract assets	25,858
Prepaid expenses and other	679,114
Property and equipment	521,253
Intangible assets	74,300,000
Deferred tax asset	<u>1,512,920</u>
	<u>78,174,502</u>

## Liabilities assumed:

Accounts payable	(376,516)
Contract liabilities	(4,152,825)
Accrued expenses	(275,898)
Deferred rent liability	(72,775)
Lease incentive liability	<u>(247,299)</u>
	<u>(5,125,313)</u>

Net assets acquired 73,049,189

Purchase price – Net of cash acquired of \$949,273:

Financed with debt	45,750,000
Cash – Including \$550,000 of rollover equity into Home Helpers, Inc.'s parent company	<u>51,556,802</u>

Goodwill - Excess of purchase price over fair  
value of net assets acquired \$ 24,257,613

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. BUSINESS COMBINATION (Continued)

The goodwill is not deductible for tax purposes. Transaction costs related to the acquisition include legal, accounting, and other professional services amounted to approximately \$282,300 for the period from inception, April 1, 2021, through December 31, 2021, and are presented within other expenses on the accompanying consolidated statement of operations.

## 3. NOTES RECEIVABLE

Notes receivable are unsecured and represent financing from the Company to the franchisees. These notes bear interest ranging from 0% to 10% per annum and payments commence on the first day of the month immediately following the month after the note is signed. Estimated repayments on notes receivable as of December 31, 2021, are as follows:

<u>Year ending December 31,</u>	
2022	\$ 34,324
2023	30,982
2024	<u>25,532</u>
	<u>\$ 90,838</u>

## 4. OTHER INTANGIBLE ASSETS - NET

At December 31, 2021, other intangible assets - net consisted of the following:

	<u>Life</u> <u>(Straight Line)</u>	<u>Carrying</u> <u>Value</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Net</u>
Franchise agreements	15 years	\$ 66,130,000	\$ (3,306,500)	\$ 62,823,500
Trade name	Indefinite	<u>8,170,000</u>		<u>8,170,000</u>
		<u>\$ 74,300,000</u>	<u>\$ (3,306,500)</u>	<u>\$ 70,993,500</u>

Amortization expense was \$3,306,500, for the period from inception April 1, 2021, through December 31, 2021. The following table represents future amortization expense for intangible assets subject to amortization.

<u>Year ending December 31,</u>	
2022	\$ 4,408,667
2023	4,408,667
2024	4,408,667
2025	4,408,667
2026	4,408,667
Thereafter	<u>40,780,165</u>
	<u>\$ 62,823,500</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. GOODWILL - NET

At December 31, 2021, goodwill - net consisted of the following:

Gross carrying amount of goodwill	\$ 24,257,613
Accumulated amortization	<u>(1,815,448)</u>
Goodwill - Net	<u>\$ 22,442,165</u>

Amortization expense was \$1,815,448, for the period from inception April 1, 2021, through December 31, 2021. The following table represents future amortization expense for goodwill.

<u>Year ending December 31,</u>	
2022	\$ 2,425,761
2023	2,425,761
2024	2,425,761
2025	2,425,761
2026	2,425,761
Thereafter	<u>10,313,360</u>
	<u>\$ 22,442,165</u>

## 6. LINE OF CREDIT

At December 31, 2021, the Company had a \$3,500,000 line of credit with a bank, which expires April 1, 2027. Outstanding borrowings bear interest at one-month London Interbank Offered Rate (LIBOR) plus the applicable margin rate, as defined (one-month LIBOR .09%, December 31, 2021). The interest rate as of December 31, 2021, was 6.5%. The line of credit is collateralized by substantially all assets of the Company. There was no balance outstanding on the line of credit at December 31, 2021.

## 7. LONG-TERM DEBT - NET

At December 31, 2021, long-term - net debt consisted of the following:

Note payable to a bank, interest at one-month LIBOR plus the applicable margin rate, as defined, paid quarterly. The interest rate was 6.50%, at December 31, 2021. For the period from inception, April 1, 2021, through December 31, 2021, quarterly principal payments of \$114,375, were due, with a final balloon payment due on the maturity date of April 1, 2027; collateralized by substantially all assets of the Company.

\$ 45,521,250

Less: Unamortized debt issuance costs

1,362,843  
44,158,407

Less: Current portion

457,500  
\$ 43,700,907

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 7. LONG-TERM DEBT - NET (Continued)

Future maturities of the long-term debt are as follows:

2022	\$ 457,500
2023	457,500
2024	457,500
2025	457,500
2026	457,500
Thereafter	<u>43,233,750</u>
	<u>\$ 45,521,250</u>

The long-term debt agreement contains, among other things, covenants requiring maintenance of certain financial ratios, as defined.

## 8. OPERATING LEASES

The Company leases office space and equipment under operating leases that have various cancellation provisions, lease options, and expiration dates that extend through May 2027. Rent expense under these leases was approximately \$132,000 for the period from inception, April 1, 2021, through December 31, 2021.

At December 31, 2021, the Company had a lease for office space that includes a rent concession provision for a portion of the lease term along with a tenant improvement allowance to be reimbursed by the landlord. As such, a related deferred rent liability and lease incentive liability of \$74,454 and \$220,195, respectively, are included in long-term liabilities on the accompanying consolidated balance sheet at December 31, 2021, and will be recognized over the term of the lease.

Future minimum lease commitments for operating leases having initial or remaining non-cancelable lease terms in excess of one year are as follows:

<u>Year ending December 31,</u>	
2022	\$ 215,194
2023	209,963
2024	215,183
2025	214,479
2026	224,433
Thereafter	<u>78,981</u>
	<u>\$ 1,158,233</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 9. RELATED PARTY TRANSACTIONS

Management Agreement

The Company incurs management fees to a related company under an ongoing agreement, which remains in effect until such time as any of the institutional investment funds managed by the related company or any other affiliate or associate of the related company no longer beneficially own, in the aggregate, greater than 10% of the then outstanding voting securities of the Company. Management fees to the related company amounted to \$603,560 for the period from inception, April 1, 2021, through December 31, 2021.

## 10. REVENUE

Disaggregation of Revenue

The Company disaggregates revenue based on the method of measuring satisfaction of the performance obligation either over time or at a point in time.

The following table shows disaggregated net revenue satisfied over time and at a point in time for the period from inception, April 1, 2021, through December 31, 2021:

Satisfied over time	\$ 10,040,913
Satisfied at a point in time	<u>785,635</u>
Net revenue from contracts with customers	<u>\$ 10,826,548</u>

Receivables, Contract Assets, and Contract Liabilities

Receivables and contract balances from contracts with customers for the period from inception, April 1, 2021, through December 31, 2021 were as follows:

Contract Assets

Beginning of period	\$ 25,858
End of period	\$ 198,750

Contract Liabilities

Beginning of period	\$ 4,152,641
End of period	\$ 4,001,670

## 11. INCOME TAXES

For the period from inception, April 1, 2021, through December 31, 2021, the benefit for deferred federal and state income taxes consists of the following:

Federal	\$ 196,544
State	<u>24,036</u>
	<u>\$ 220,580</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11. INCOME TAXES (Continued)

At December 31, 2021, the net deferred tax asset was comprised of:

Gross deferred tax assets	\$ 3,665,000
Less: Valuation allowance	<u>1,832,500</u>
Net deferred tax assets	1,832,500
Deferred tax liabilities	<u>99,000</u>
Net deferred tax asset	<u>\$ 1,733,500</u>

Temporary differences giving rise to the deferred tax assets consist primarily of deferred revenue not recognizable until earned for book purposes, the excess of depreciation and amortization for financial reporting purposes over the amount for tax purposes, and operating loss carryforwards.

At December 31, 2021, the Company had a federal and state net operating loss carryforward of approximately \$6,991,000, available to reduce future taxable income, of which approximately \$2,600,000 expires in 2023, and the remainder is available indefinitely. The Company's provision for income taxes differs from the amount that would be determined using the statutory rates due primarily to the change in the valuation allowance and the adoption of Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*.

The ultimate realization of deferred tax assets is dependent upon the generation of sufficient taxable income during the periods in which those temporary differences become deductible. Management does not believe that it is more-likely-than-not that the Company will realize the full benefits of its deferred tax assets and, accordingly, has recorded a valuation allowance against the deferred tax assets as of December 31, 2021. The Company's valuation allowance against its deferred tax assets was \$1,832,500 at December 31, 2021, and the change in the valuation allowance for the period from inception, April 1, 2021, through December 31, 2021, was \$186,847.

## 12. HOME HELPERS HOLDINGS, INC. - STATEMENT OF OPERATIONS

The Company's summarized statement of operations not including the Fund for the period from inception, April 1, 2021, through December 31, 2021, was as follows:

Revenues:	
Royalty revenue	\$ 7,650,977
Franchise fees	907,199
Other income	<u>678,948</u>
	<u>9,237,124</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 12. HOME HELPERS HOLDINGS, INC. - STATEMENT OF OPERATIONS (Continued)

Operating expenses:	
Compensation and benefits	2,426,167
Marketing expenses	216,374
General and administrative	972,337
Bad debt expense	87,865
Depreciation	<u>113,756</u>
	<u>3,816,499</u>
Income from operations	5,420,625
Other expenses - net	<u>8,525,613</u>
Loss before income taxes	(3,104,988)
Deferred income tax benefit	<u>220,580</u>
Net loss	<u>\$ (2,884,408)</u>

## 13. STOCKHOLDERS' EQUITY

At December 31, 2021, the Company was authorized to issue 1,000 shares of Common Stock, at a par value of \$0.01 per share. Each share of Common stock is entitled to one vote for the purpose of voting upon all matters submitted to a vote of stockholders of the Company. As of December 31, 2021, there were 54,500 Common Stock shares issued and outstanding.

## 14. RETIREMENT PLAN

The Company has a defined contribution plan, which covers all eligible employees. The Company may make discretionary matching and employer contributions to the plan. For the period from inception, April 1, 2021, through December 31, 2021, the Company contributed approximately \$56,000 to the plan.

## 15. LITIGATION

In the ordinary course of business, the Company is subject to, or party to, pending or threatened litigation, assessments, and claims. While it is not possible to predict with certainty the outcome of such matters individually or in the aggregate, management believes that the ultimate result will not have a material adverse effect on the consolidated financial position or results of operations of the Company.



# Home Helpers Holding Company and Subsidiary

Consolidated Financial Statement  
March 31, 2021

## Cohen & Co

[cohencpa.com](http://cohencpa.com)

HOME HELPERS HOLDING COMPANY AND SUBSIDIARY

MARCH 31, 2021

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## Independent Auditor's Report

Board of Directors  
Home Helpers Holding Company and Subsidiary

### ***Opinion***

We have audited the accompanying consolidated financial statements of Home Helpers Holding Company and Subsidiary, which comprise the consolidated balance sheet as of March 31, 2021, and the related consolidated statement of operations, stockholders' equity, and cash flows for the period from January 1, 2021, through March 31, 2021, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Home Helpers Holding Company and Subsidiary as of March 31, 2021, and the results of their operations and their cash flows for the period from January 1, 2021, through March 31, 2021, 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. 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 Home Helpers Holding Company and Subsidiary 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.

### ***Responsibility of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Home Helpers Holding Company and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 consolidated 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 consolidated 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 Home Helpers Holding Company and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Home Helpers Holding Company and Subsidiary'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.

*Cohen & Company Ltd.*

Akron, Ohio  
April 8, 2022

## CONSOLIDATED BALANCE SHEET

MARCH 31, 2021

## ASSETS

## CURRENT ASSETS

Cash and cash equivalents	\$ 6,638,976
Accounts receivable - Net	1,028,594
Current portion of notes receivable - Net	64,804
Current portion of contract assets	9,000
Prepaid expenses and other	84,834
	<u>7,826,208</u>

## PROPERTY AND EQUIPMENT - AT COST

Computer and software	190,809
Furniture and fixtures	190,883
Leasehold improvements	386,173
	<u>767,865</u>
Less: Accumulated depreciation	<u>234,297</u>
	<u>533,568</u>

## OTHER ASSETS

Other intangible assets - Net	23,285,622
Contract assets	78,250
Goodwill - Net	13,329,484
Deferred income taxes	1,512,920
Notes receivable - Net	81,191
	<u>38,287,467</u>
	<u>\$ 46,647,243</u>

## LIABILITIES

## CURRENT LIABILITIES

Current portion of long-term debt - Net	\$ 12,807,780
Accounts payable	211,629
Current portion of contract liabilities	888,721
Accrued expenses	842,721
	<u>14,750,851</u>

## LONG-TERM LIABILITIES

Contract liabilities	3,378,473
Deferred rent liability	72,565
Deferred lease incentive liability	250,687
	<u>3,701,725</u>
	<u>18,452,576</u>

## COMMITMENTS AND CONTINGENCY

## STOCKHOLDERS' EQUITY

COMMON STOCK	392
ADDITIONAL PAID-IN CAPITAL	40,384,955
ACCUMULATED DEFICIT	<u>(12,190,680)</u>
	<u>28,194,667</u>
	<u>\$ 46,647,243</u>

The accompanying notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE PERIOD FROM JANUARY 1, 2021, THROUGH MARCH 31, 2021

	<u>2021</u>
REVENUES	
Royalty revenue	\$ 2,878,050
Branding fund contributions	523,926
Franchise fees	332,053
Direct Link	113,975
Other income	<u>73,518</u>
	<u>3,921,522</u>
OPERATING EXPENSES	
Employee expense	747,339
General and administrative expense	448,641
Advertising	454,914
Bad debt expense	88,563
Depreciation	<u>36,770</u>
	<u>1,776,227</u>
INCOME FROM OPERATIONS	<u>2,145,295</u>
OTHER (EXPENSES) INCOME	
Other expenses - Net	(250,752)
Interest income	1,962
Management fee	(100,000)
Interest expense	(251,894)
Amortization	<u>(1,153,876)</u>
	<u>(1,754,560)</u>
INCOME BEFORE INCOME TAXES	390,735
DEFERRED INCOME TAX PROVISION	<u>(189,073)</u>
NET INCOME	<u>\$ 201,662</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

FOR THE PERIOD FROM JANUARY 1, 2021, THROUGH MARCH 31, 2021

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total
BALANCE - JANUARY 31, 2021	\$ 392	\$ 40,327,525	\$ (12,392,342)	\$ 27,935,575
Share-based compensation expense		57,430		57,430
Net income			201,662	201,662
BALANCE - MARCH 31, 2021	<u>\$ 392</u>	<u>\$ 40,384,955</u>	<u>\$ (12,190,680)</u>	<u>\$ 28,194,667</u>

*The accompanying notes are an integral part of these consolidated financial statements.*



## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM JANUARY 1, 2021, THROUGH MARCH 31, 2021

	MARCH 31, 2021
CASH FLOW PROVIDED FROM OPERATING ACTIVITIES	
Net income	\$ 201,662
Noncash items included in operations:	
Depreciation and amortization	1,190,646
Amortization of debt issuance costs	9,018
Deferred income tax provision	189,073
Bad debt expense	88,563
Share-based compensation expense	57,430
Deferred rent liability	1,034
Increase (decrease) in cash and cash equivalents caused by changes in current items:	
Accounts receivable	(254,138)
Contract assets	(28,000)
Prepaid expenses and other	49,898
Accounts payable	76,682
Contract liabilities	66,970
Accrued expenses	(285,574)
Lease incentive liability	(10,164)
Net cash flow provided from operations	<u>1,353,100</u>
CASH FLOW USED IN INVESTING ACTIVITIES	
Acquisition of property and equipment	(6,472)
Payments on notes receivable	16,405
Issuance of notes receivable	(29,120)
	<u>(19,187)</u>
CASH FLOW USED IN FINANCING ACTIVITY	
Repayments on long-term debt	<u>(3,000,000)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,666,087)
NET CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	<u>8,305,063</u>
NET CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>\$ 6,638,976</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of Home Helpers Holding Company (Home Helpers) and its wholly-owned subsidiary, H.H. Franchising Systems, Inc. (H.H. Franchising) (collectively, the Company). All intercompany balances and transactions have been eliminated in consolidation.

Nature of Operations

Home Helpers Holding Company was formed on January 22, 2016, under the laws of the State of Delaware for the purpose of acquiring the stock of H.H. Franchising on February 1, 2016.

H.H. Franchising was organized in 1997 to promote, sell, and support franchises operating under the trade name of Home Helpers®. H.H. Franchising's franchisees offer companion, personal and skilled in-home assistance services primarily to seniors, individuals recuperating from injuries or illnesses or those facing life-long challenges and expecting and new mothers. H.H. Franchising provides a distinctive method and procedures for advertising, specially-designed business forms, computer software, instructional manuals, training courses, and specially-designed procedures for promotion and rendering of services. In addition, H.H. Franchising has a complementary product offering, Direct Link, which provides a suite of medical alert solutions including fall sensors, automated medication dispensers, and vital signs monitoring units.

As of March 31, 2021, H.H. Franchising had 309 operating franchises, none of which were Company-owned.

COVID-19 Impact

The ongoing COVID-19 pandemic has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets. The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Company and its financial results will depend on future developments, including the duration and spread of the outbreak within the markets in which it operates and the related impact on consumer confidence and spending, all of which are highly uncertain.

Use of Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements in accordance with generally accepted accounting principles in the United States of America (GAAP). Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates that were used, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic, and such differences may be material.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Company has elected the following practical expedient and policy elections available to nonpublic companies: (1) to apply certain practical expedients available to nonpublic companies with respect to disclosure requirements.

The Company's revenues primarily result from royalties received from existing franchises, branding fund contributions, franchise fees, and the Direct Link monitoring services. The Company considers royalty revenue to be variable consideration and has determined that the franchise license is the predominant item to which the royalty relates. Accordingly, the Company has determined the sales-based royalty exception applies and recognizes royalty revenue on a monthly basis over the term of the agreement as those amounts become payable. Branding fund contributions are based on a franchisee's gross revenue for the measurement period, as defined in the franchise agreement, and the Company's performance obligation is to use the contributions on advertising to promote the overall brand. Branding fund contributions are recognized ratably over time. Direct Link is a personal emergency response system that is marketed by the franchises. Direct Link monitoring revenue is recognized monthly as services are provided. Initial franchise fees are recognized over time using a measure of progress that reflects the Company's pattern of performance. The Company has determined that this occurs evenly over the term of the franchise agreement and, accordingly, initial franchise fees are recognized on a straight-line basis over the term of the franchise agreement.

Differences in the timing of revenue recognition and contractual billing and payment terms result in the recognition of contract liabilities. Contract liabilities primarily represent cash received that is in excess of revenues recognized and is contingent upon the satisfaction of performance obligations.

Cash and Cash Equivalents

Cash and cash equivalents include bank accounts and money market funds with original maturities of three months or less. At times, certain balances of the Company's cash accounts may exceed the amount of related federal insurance. The Company has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk.

Receivables and Credit Policies

Accounts receivable are uncollateralized franchisee obligations due under normal trade terms generally requiring payments within 30 days from the invoice date, based on the terms with the franchisee. The Company charges interest on amounts paid after the original due date plus a grace period. Accounts receivable are stated at the amount billed to the franchisee.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Credit Policies (continued)

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management determines the allowance for doubtful accounts based on historical collectability and current economic conditions. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts at March 31, 2021, amounted to \$385,839.

Notes Receivable

Notes receivable are stated at the amount of unpaid principal, reduced by an allowance. The Company's allowance for notes receivable loss is established through a provision charged to expense. The notes are charged against the allowance for notes receivable loss when management believes that the collectability of the principal is unlikely. Notes receivable are placed on nonaccrual status when management believes, after considering economic conditions, business conditions, and collection efforts, that the notes are impaired, or collection of interest is doubtful. When the accrual of interest is discontinued, all unpaid accrued interest is reversed. Loans are returned to accrual status and interest income is subsequently recognized when all principal and interest amounts contractually due are brought current. As of March 31, 2021, all notes receivable were on accrual status and there was no allowance for note receivable loss.

Property and Equipment

Depreciation and amortization of property and equipment is provided by use of the straight-line method over the estimated useful lives of the assets as follows:

Computers and software	1 - 3 years
Furniture and fixtures	3 - 5 years
Leasehold improvements	2 - 7 years

The cost of maintenance and repairs of property and equipment is charged to expense as incurred.

Deferred Financing Costs

Deferred financing costs represents the costs of obtaining financing on the Company's line of credit. Deferred financing costs of \$141,166 have been capitalized and are being amortized over the term of the line of credit. Amortization expense was \$2,353, for the period from January 1, 2021, through March 31, 2021. Accumulated amortization at March 31, 2021, was \$141,166. As of March 31, 2021, deferred financing costs related to the line of credit were fully amortized.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Financing Costs (continued)

Debt issuance costs related to notes payable are presented as a reduction of the carrying amount of the debt rather than as an asset and the related amortization of debt issuance costs is included in interest expense.

Deferred financing costs of \$541,134 related to notes payable have been capitalized and are being amortized over the term of the note. Amortization of these debt issuance costs was \$9,018 for the period from January 1, 2021, through March 31, 2021. Accumulated amortization at March 31, 2021, was \$541,134. As of March 31, 2021, deferred financing costs related to notes payable were fully amortized.

Other Intangible Assets and Goodwill

Other intangible assets are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable, and those not subject to amortization are reviewed annually for impairment.

The Company has adopted the accounting alternative offered to non-public entities for goodwill, whereby, the Company amortizes goodwill on a straight-line basis over ten years and only evaluates goodwill for impairment at the entity level when a triggering event occurs. The Company has also adopted the accounting alternative offered to non-public companies for intangible assets. In accordance with this alternative, customer-related intangible assets that are not capable of being sold or licensed independently from other assets of a business and non-competition agreements are no longer recognized separately in a business combination.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

As of March 31, 2021, and for the period from January 1, 2021, through March 31, 2021, the Company did not have a liability for unrecognized tax benefits. The Company classifies the net of the deferred tax assets and liabilities as noncurrent.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-Based Compensation to Employees

The Company estimates the fair value of share-based awards on the date of the grant using an option-pricing model. The Company recognizes forfeitures of share-based awards in the period in which they occur.

Advertising Expense

Advertising costs are expensed as incurred. Total advertising costs for the period from January 1, 2021, through March 31, 2021, amounted to \$454,914.

National Branding Fund

The Company administers a national branding fund (the Fund) on behalf of its franchisees. Each franchisee is required to contribute to the Fund, which is used to develop advertising and marketing materials and promote the Company's service marks and overall brand. For the period from January 1, 2021, through March 31, 2021, the Fund had no net income or loss.

Subsequent Events

Management has evaluated subsequent events through April 8, 2022, the date the consolidated financial statements were available to be issued.

## 2. NOTES RECEIVABLE

Notes receivable are unsecured and represent financing from the Company to the franchisees. These notes bear interest ranging from 0% to 10% per annum and payments commence on the first day of the month immediately following the month after the note is signed. Estimated repayments on notes receivable as of March 31, 2021, are as follows:

2021	\$	64,804
2022		30,982
2023		30,982
2024		<u>19,227</u>
	\$	<u>145,995</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. OTHER INTANGIBLE ASSETS - NET

At March 31, 2021, other intangible assets - net consisted of the following:

	<u>Life (Straight Line)</u>	<u>Carrying Value</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Franchise agreements	15 years	\$ 27,724,000	\$ (9,549,378)	\$ 18,174,622
Trade name	Indefinite	<u>5,111,000</u>		<u>5,111,000</u>
		<u>\$ 32,835,000</u>	<u>\$ (9,549,378)</u>	<u>\$ 23,285,622</u>

Amortization expense was \$462,067 for the period from January 1, 2021, through March 31, 2021. The following table represents future amortization expense for intangible assets subject to amortization.

<u>Year ending December 31,</u>	
2021	\$ 1,386,200
2022	1,848,267
2023	1,848,267
2024	1,848,267
2025	1,848,267
Thereafter	<u>9,395,354</u>
	<u>\$ 18,174,622</u>

## 4. GOODWILL - NET

At March 31, 2021, goodwill - net consisted of the following:

Gross carrying amount of goodwill	\$ 27,578,243
Accumulated amortization	<u>(14,248,759)</u>
Goodwill - Net	<u>\$ 13,329,484</u>

Amortization expense was \$689,456 for the period from January 1, 2021, through March 31, 2021. The following table represents future amortization expense for goodwill.

<u>Year ending March 31,</u>	
2021	\$ 2,068,368
2022	2,757,824
2023	2,757,824
2024	2,757,824
2025	2,757,824
Thereafter	<u>229,820</u>
	<u>\$ 13,329,484</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. TAX LIABILITY

As a result of an audit performed by the State of California during 2019, it was determined that approximately \$939,000 in additional taxes and related interest was owed as a result of the sale of the Company in 2016. Pursuant to the February 2016 Stock Purchase Agreement, the Company agreed to make the seller whole for any future taxes incurred as a result of the sale, including any additional interest and penalties. The liability was repaid in full during the period from January 1, 2021, through March 31, 2021.

## 6. LINE OF CREDIT

At March 31, 2021, the Company had a \$6,000,000 line of credit with a bank, which expires in August 2021. Outstanding borrowings bear interest at 7.5%, and then is based on one-month London Interbank Offered Rate (LIBOR) plus the applicable margin rate, ranging from 5.00% to 6.75%, as defined (one-month LIBOR - 0.11%, March 31, 2021, 0.14%). The interest rate as of March 31, 2021, was 7.00%. The line of credit is collateralized by substantially all the assets of the Company. There was no balance outstanding on the line of the credit at March 31, 2021.

## 7. LONG-TERM DEBT

Note payable to a bank, interest at 7.5%, and then based on LIBOR plus the applicable margin rate, as defined, paid quarterly. The interest rate was 7.00% at March 31, 2021. For the period from January 1, 2021, through March 31, 2021, quarterly principal payments of \$143,528 were due, with a final balloon payment due on the maturity date of August 1 2021; collateralized by substantially all assets of the Company. Subsequent to March 31, 2021, the note was repaid in full (see Note 17).

Less: Current portion

\$	12,807,780
	<u>12,807,780</u>
\$	<u><u>                    </u></u>

The line of credit and long-term debt agreements require the Company to enter into an interest rate protection agreement with a term of at least three years and for not less than 50% of the initial principal amounts of the loans. The Company had an interest rate cap agreement with a bank to meet this requirement that expired in February 2021. Interest expense on the line of credit and long-term debt for period from January 1, 2021, through March 31, 2021, amounted to \$242,876.

The line of credit and long-term debt agreements contain, among other things, covenants requiring maintenance of certain financial ratios, as defined.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 8. OPERATING LEASES

The Company leases office space and equipment under operating leases that have various cancellation provisions, lease options, and expiration dates that extend through April 2026. Rent expense under these leases was approximately \$47,000 for the period from January 1, 2021, through March 31, 2021.

During 2020, the Company entered a new office space lease that includes a rent concession provision for a portion of the lease term along with a tenant improvement allowance to be reimbursed by the landlord. As such, a related deferred rent liability of \$72,565 as of March 31, 2021, and lease incentive liability of \$250,687 as of March 31, 2021, are included in long-term liabilities on the accompanying consolidated balance sheet, and will be recognized over the term of the lease.

Future minimum lease commitments for operating leases having initial or remaining non-cancelable lease terms in excess of one year are as follows:

<u>Year ending March 31,</u>	
2021	\$ 160,300
2022	215,977
2023	209,928
2024	215,571
2025	219,408
Thereafter	<u>249,054</u>
	<u>\$ 1,270,238</u>

## 9. RELATED PARTY TRANSACTIONS

Management Agreement

The Company incurs management fees to a related company under an on-going agreement, cancellable at any time by the related company or until a transaction event, as defined. Management fees amounted to \$100,000 for the period from January 1, 2021, through March 31, 2021.

Line of Credit and Long-Term Debt

The Company's line of credit and long-term debt are with a bank whose related capital funding subsidiaries own shares in the Company. See Notes 6 and 7.

## 10. REVENUE

Disaggregation of Revenue

The Company disaggregates revenue based on the method of measuring satisfaction of the performance obligation either over time or at a point in time.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10. REVENUE (Continued)

Disaggregation of Revenue (continued)

The following table shows disaggregated net revenue satisfied over time and at a point in time for the period January 1, 2021, through March 31, 2021,

Satisfied over time	\$ 3,734,029
Satisfied at a point in time	<u>187,493</u>
Net revenue from contracts with customers	<u>\$ 3,921,522</u>

Receivables, Contract Assets, and Contract Liabilities

Receivables and contract balances from contracts with customers for the period from January 1, 2021, through March 31, 2021, were as follows:

Contract Assets

Beginning of period	\$ 59,250
End of period	\$ 87,250

Contract Liabilities

Beginning of period	\$ 4,200,224
End of period	\$ 4,267,194

## 11. INCOME TAXES

For the period January 1, 2021, through March 31, 2021, the provision for deferred federal and state income taxes consists of the following:

Federal	\$ (147,477)
State	<u>(41,596)</u>
	<u>\$ (189,073)</u>

At March 31, 2021, the net deferred tax asset was comprised of:

Gross deferred tax assets	\$ 3,291,307
Less: Valuation allowance	<u>1,645,654</u>
Net deferred tax assets	1,645,653
Deferred tax liabilities	<u>132,733</u>
Net deferred tax asset	<u>\$ 1,512,920</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11. INCOME TAXES (Continued)

Temporary differences giving rise to the deferred tax assets consist primarily of accounts receivable allowed for but not deductible for income tax purposes, accrued expenses not deductible until paid for income tax purposes, the excess of depreciation and amortization for financial reporting purposes over the amount for tax purposes, and operating loss carryforwards.

At March 31, 2021, the Company had a federal and state net operating loss carryforward of approximately \$7,600,000, available to reduce future taxable income, with approximately \$2,600,000 expiring in 2035, and the remainder available indefinitely. The Company's provision for income taxes differs from the amount that would be determined using the statutory rates due primarily to the change in the valuation allowance and the adoption of Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*.

The ultimate realization of deferred tax assets is dependent upon the generation of sufficient taxable income during the periods in which those temporary differences become deductible. Management does not believe that it is more-likely-than-not that the Company will realize the full benefits of its deferred tax assets and, accordingly, has recorded a valuation allowance against the deferred tax assets as of March 31, 2021. The Company's valuation allowance against its deferred tax assets was \$1,645,654, for the period from January 1, 2021, through March 1, 2021. The valuation allowance decreased by \$56,340 for the period from January 1, 2021, through March 1, 2021.

## 12. HOME HELPERS HOLDING COMPANY - STATEMENT OF OPERATIONS

The Company's summarized statement of operations not including the Fund for the period from January 1, 2021, through March 31, 2021, was as follows:

## Revenues:

Royalty revenue	\$ 2,877,196
Franchise fees	332,053
Other income	<u>178,371</u>
	<u>3,387,620</u>

## Operating expenses:

Employee expense	685,777
General and administrative	378,424
Advertising	72,791
Bad debt	68,563
Depreciation	<u>36,770</u>
	<u>1,242,325</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 12. HOME HELPERS HOLDING COMPANY - STATEMENT OF OPERATIONS (Continued)

Income from operations	2,145,295
Other expenses - net	<u>1,754,560</u>
Income before income taxes	390,735
Deferred income tax provision	<u>(189,073)</u>
Net income	<u>\$ 201,662</u>

## 13. SHARE-BASED COMPENSATION

The Company is authorized to issue an aggregate of 4,667 Class A common shares pursuant to the Equity Incentive Plan. The Company has granted a net total of 2,616 stock options to certain employees and board directors under the Equity Incentive Plan to purchase shares of the Company's Class A common stock as of March 31, 2021. The exercise price for options outstanding at March 31, 2021, is \$1,000 per share, which is equal to the estimated fair value of the stock on the date of the original grant. The options fall into one of three tranches: Performance-Vested Options, Time-Vested Options, or Options Fully-Vested upon Grant Date. For accounting purposes, each tranche has been separately accounted for based on its specific vesting requirements. The vesting periods for Performance-Vested Options and Time-Vested Options is 48 months. Management anticipated the average term of the options to be ten years.

Stock options are valued at fair value on the grant date and compensation cost is expensed ratably over the requisite service period. No options were granted during the period from January 1, 2021, through March 31, 2021. Total compensation cost for options granted prior to January 1, 2021, amounted to \$3,653,966.

No Performance-Vested Options were forfeited for the period from January 1, 2021, through March 31, 2021. The Company recognizes forfeitures as they occur.

For the period from January 1, 2021, through March 31, 2021, the Company expensed \$57,430, as compensation cost relating to the options. All unvested Time-Vested Options, at a weighted average grant date fair value of \$540.47 per share, became vested on March 31, 2021, immediately prior to the change of control on April 1, 2021 (see Note 17), in accordance with the Equity Incentive Plan. Accordingly, there is no remaining compensation cost to be recognized as of March 31, 2021.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 13. SHARE-BASED COMPENSATION (Continued)

The Company based the assumed dividend yield on its expectation of not paying dividends in the foreseeable future. The risk-free interest rate is based on the U.S. treasury yield curve in effect as of the grant date. Expected volatility is determined using a benchmark index of similar public companies. When establishing the expected life assumptions, the Company annually reviews historical employee exercise behavior of option grants and other economic data impacting the period the stock options are expected to remain outstanding.

The following is an analysis of options to purchase shares of the Company's stock issued and outstanding as of March 31, 2021:

	Options Outstanding		
	Average Total Options	Weighted Remaining Exercise Price	Weighted Average Remaining Contractual Term (Years)
Beginning of period	<u>2,057.2</u>	\$ 1,000	
Options outstanding, end of period	<u>2,057.2</u>	\$ 1,000	5.09
Vested options	2,057.2	\$ 1,000	5.10

During the period from January 1, 2021, through March 31, 2021, 106.2 options, vested. There were no unvested options at March 31, 2021.

No stock options were exercised during the period January 1, 2021, through March 31, 2021. As of March 31, 2021, the Company had 2,609.8 available options to be granted.

## 14. SHAREHOLDERS' EQUITY

At March 31, 2021, the Company was authorized to issue 15,000 shares of Preferred Stock, 70,000 shares of Class A Common Stock, and 15,000 shares of Class B Common Stock, at a par value of \$0.01 per share. Each share of Class A Common stock is entitled to one vote for the purpose of voting upon all matters submitted to a vote of stockholders of the Company. As of March 31, 2021, there were 39,150 Class A Common Stock shares issued and outstanding.

## 15. RETIREMENT PLAN

The Company has a defined contribution plan, which covers all eligible employees. The Company may make discretionary matching and employer contributions to the plan. For the period from January 1, 2021, through March 31, 2021, the Company contributed approximately \$16,000 to the plan.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 16. LITIGATION

In the ordinary course of business, the Company is subject to, or party to, pending or threatened litigation, assessments, and claims. While it is not possible to predict with certainty the outcome of such matters individually or in the aggregate, management believes that the ultimate result will not have a material adverse effect on the consolidated financial position or results of operations of the Company.

## 17. SUBSEQUENT EVENT

Subsequent to March 31, 2021, 100% of Home Helpers' stock was sold to an unrelated party. In connection with the change in ownership, the balance of the Company's long-term debt was repaid as of the sale date and certain stock options were cancelled.



**EXHIBIT D**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Franchisee List**

# H.H. Franchising Systems, Inc.

Franchisee List

December 31, 2023

Franchises	Name	Street Address	City	State	Zip	Phone No.
	Joe Dunnam	1401 Providence Park	Birmingham	Alabama	35242	(205) 978-3809
	Stephen Davis	1300 E. Main Street	Prattville	Alabama	36066	(334) 358-4663
	Woods Culpepper	2543 Ross Clark Circle, Suite 4	Dothan	Alabama	36301	(334) 678-6666
	Michael Vanak	#4 Terrace Bay NE	Medicine Hat	Alberta	T1C-1Z9	(403) 504-9693
	Zeinab (Minoo) Karimirad	2249 West Bonanza Lane	Phoenix	Arizona	85085	(214) 264-4941
17* 21*	Tatum Owenby & Thomas Gilder	2815 W Walnut Street, Suite B	Rogers	Arkansas	72756	(479) 246-0140
	*(1 in Oklahoma - 10 in Arkansas - 1 in Alabama - 2 in Florida - 1 in Georgia - 1 in South Carolina - 5 in Idaho					
	Kishaya Perry	16933 Parthenia Street, Suite 111	Northridge	California	91343	(818) 751-0730
2	Aaron & Bojana Winaker	2339 Clubhouse Drive	Rocklin	California	95765	(916) 209-0276
	Michele Gregorian	17011 Beach Boulevard, Suite 900	Huntington Beach	California	92647	(949) 791-7711
	Magdalena Miguel	486 S K Street, Suite 5	Livermore	California	94550	(510) 579-3155
2	Bana Solomon	703 2nd Street, Suite 206	Santa Rosa	California	95404	(707) 867-1771
5	Christopher & Brenda Cox	500 La Terraza Boulevard, Suite 150	Escondido	California	92025	(858) 822-8587
2	Dwight Brown	23412 Moulton Parkway, Suite 131	Laguna Hills	California	92653	(949) 482-2273
3	Daniel Nathanson & Dwight Brown	355 East Thousand Oaks Boulevard	Thousand Oaks	California	91360	(805) 777-8111
	Darla Bennett	33161 Camino Capistrano, Suite B-1	San Juan Capistrano	California	92675	(949) 218-6706
2	James Morrison & Bruce Haney	30239 Sunrose Place	Santa Clarita	California	91387	(661) 400-4124
3	Ketan Shah, Zarna Joshi-Shah	19925 Stevens Creek Boulevard, #100	Cupertino	California	95014	(408) 259-5930
	Leslee Deanes	8549 Wilshire Boulevard	Beverly Hills	California	90211	(310) 691-8161
2	Shilla Kim Radwanski	23232 Peralta Drive, #216	Laguna Hills	California	92653	(424) 287-1145
	Oliver Becker, Timothe Becker, Kristi Anthony	117 Ketch Lane	Modesto	California	95356	(209) 222-5728
2	Mitch Williams & Peggy Milne	655 Miramontes Street	Half Moon Bay	California	94019	(650) 532-3122
2	Robert & Connie Jo	971 Via Veneto	San Ramon	California	94583	(925) 236-2477
	Serafina Carson	4225 Solano Avenue, Suite 703	Napa	California	94558	(707) 337-8102
	Sharon Clark	2620 Larkspur Lane, SP. N, Ste E	Redding	California	96002	(530) 226-8350
2	Sharon Smith	21 Golden Gate Drive, Ste A	San Rafael	California	94901	(415) 451-0100
	Shawn and Barbara Singleterry	128 Kaseberg Drive	Roseville	California	95678	(916) 209-6646
	Vishakha Salunkhe & Amby Nair	49019 Feather Gradd Terrace	Fremonth	California	94539	(510) 999-7820
	Maryane Tonga	439 Grand Avenue, Suite 205	San Francisco	California	94080	(650) 613-2255
	Laba Busnawi	26701 McBean Parkway	Valencia	California	91355	(661) 567-0005
	David Caughey	9101 Pearl Street, #201	Thornton	Colorado	80229	(720) 442-8156
	Kate Ricke	1635 Foxtail Drive, Suite 117	Loveland	Colorado	80538	(918) 346-7221
	Patti & Darrin Cisar	2500 Broadway, Unit B, Box #225	Grand Junction	Colorado	81507	(970) 208-3115
7	Richard Cseak	2480 South Downing Street, Suite 204	Denver	Colorado	80210	(303) 777-7870
2	Kurt Glaser	45 Wintonbury Avenue, Suite 209	Bloomfield	Connecticut	06002	(860) 810-5212
	Peter DiMaria	145 Hazard Avenue, Suite C	Enfield	Connecticut	06082	(860) 698-2244
	Elena Petrenko	15 East Putnam Avenue, 115	Greenwich	Connecticut	06830	(203) 608-9148
2	Eram Sakandar	41 New London Turnpike, Suite 5	Glastonbury	Connecticut	06033	(203) 558-7065



# H.H. Franchising Systems, Inc.

Franchisee List

December 31, 2023

Franchises	Name	Street Address	City	State	Zip	Phone No.
2	Joseph Munis, Ololade Munis, & Joy Umogbai	3301 Green Street, Suite 231, CCC	Claymont	Delaware	19703	(302) 746-7844
	Markly Jean-Charles	251 Maitland Avenue, Suite 317	Altamonte Springs	Florida	32701	(321) 755-9217
	<del>Clarina McLearn</del>	<del>711 West Main Street, Unit 107</del>	<del>Leesburg</del>	<del>Florida</del>	<del>34748</del>	<del>(352) 321-2596</del>
	Ericka Gelb & Jorge Ramirez Medrano	6650 W Indiantown Road, Suite 200-56A	Jupiter	Florida	33458	(561) 210-4189
	<del>Catherine Onuoha</del>	<del>2470 Brownwood Drive</del>	<del>Mulberry</del>	<del>Florida</del>	<del>33860</del>	<del>(203) 558-7065</del>
3 4	Debbie Humphrey	210 S Pinellas Avenue, Suite 176	Tarpon Springs	Florida	34689	(727) 942-2539
	Dennis Agrusti	4637 Vincennes Boulevard, Suite 3	Cape Coral	Florida	33904	(239) 347-9187
2	Edward & Geitta Hawkins	6501 Arlington Expressway, Suite B-166	Jacksonville	Florida	32211	(904) 330-0737
	Erika Stupiello	1990 Main Street	Sarasota	Florida	34236	(941) 866-0393
	<del>Gregory Brown</del>	<del>300 SE 2nd Street, Suite 54</del>	<del>Fort Lauderdale</del>	<del>Florida</del>	<del>33301</del>	<del>(773) 203-8911</del>
	Joe Wicker	9325 Bay Plaza Boulevard	Tampa	Florida	33619	(813) 412-7190
	Jonathan Marsh	1812 59th Street W	Bradenton	Florida	34209	(941) 999-1960
	<del>Michele &amp; Shawn Mason</del>	<del>11580 Oakhurst</del>	<del>Large</del>	<del>Florida</del>	<del>33774</del>	<del>(313) 920-9781</del>
	Philip & Winnifred Davis	110 Front Street, Suite 300	Jupiter	Florida	33477	(561) 328-3344
2	Tatiane Briones & Geronimo Barragan	2420 East Olive Road	Pensacola	Florida	32514	(850) 332-5013
	Ursella Slusher	915 Oakfield Drive	Brandon	Florida	33511	(813) 955-8909
	<u>Aji S. Kannamala &amp; John Thomas</u>	<u>8517 Gunn Highway</u>	<u>Odessa</u>	<u>Florida</u>	<u>33556</u>	<u>(813) 491-4114</u>
	<del>Robin Conoly</del>	<del>8108 Old Hixon Road, #105</del>	<del>Tampa</del>	<del>Florida</del>	<del>33626</del>	<del>(813) 491-4114</del>
	Anietie Udofia	4402 Lawrenceville Road	Loganville	Georgia	30052	(470) 385-6106
	Beth Dow	284 #B Bullsboro Drive	Newman	Georgia	30263	(678) 876-5118
6 5	Hilary & Greg Eldridge	5755 North Point Parkway, #281	Alpharetta	Georgia	30022	(770) 681-0323
4	<del>Jeffrey Stoker</del>	<del>106 W Main Street, Suite E</del>	<del>Middleton</del>	<del>Idaho</del>	<del>83644</del>	<del>(208) 963-5655</del>
	Joshua Kitterman & Jillian Snyder	2020 W War Memorial Drive, Suite 204	Peoria	Illinois	61614	(309) 657-3451
	<del>Andrew Marek</del>	<del>1910 West Barry</del>	<del>Chicago</del>	<del>Illinois</del>	<del>60657</del>	<del>(773) 550-5770</del>
3	Brian Davis	123 East Ogden Avenue	Hinsdale	Illinois	60521	(630) 323-7231
3	Claire & Clifford (Jon) Leegard	113 Fairfield Way Suite 302	Bloomington	Illinois	60108	(630) 800-3837
2	Kathryn Jurica	151 West Harrison Street	Bourbonnais	Illinois	60914	(815) 401-5527
2	<u>Ralph Johnson &amp; Jessica Ball</u>	<u>4905 Main Street</u>	<u>Downers Grove</u>	<u>Illinois</u>	<u>60515</u>	<u>(630) 515-1185</u>
2	<del>Michael Gonzalez</del>	<del>4905 Main Street</del>	<del>Downers Grove</del>	<del>Illinois</del>	<del>60515</del>	<del>(630) 515-1185</del>
4 3	Tom Merlin	900 Devon	Park Ridge	Illinois	60068	(847) 865-0593
	Bartholomew N. Mbanu	7325 Bell Street	Schererville	Indiana	46375	(219) 980-1839
	Julie Nelson	1000 Oak Trace	Evansville	Indiana	47725	(812) 483-5334
3	Mike St. Clair	630 North Gardner Street	Scottsburg	Indiana	47170	(812) 752-6000
	Pete Bucklin	25 Artist Drive	Nashville	Indiana	47448	(812) 988-6830
3 4	Phillip & Michelle Nunn	301 E Carmel Drive, Suite H-300	Carmel	Indiana	46032	(317) 975-1973
3	<u>Robert E. Gregory &amp; Jason Nees</u>	<u>3510 Commerce Drive</u>	<u>Warsaw</u>	<u>Indiana</u>	<u>46580</u>	<u>(574) 372-2273</u>
3	<del>Robert &amp; Aimee Hartwiger</del>	<del>3510 Commerce Drive</del>	<del>Warsaw</del>	<del>Indiana</del>	<del>46580</del>	<del>(574) 372-2273</del>
2	William Spearson	5836 Prairie Rose Dr.	Schererville	Indiana	46375	(219) 472-0018
	Bill Brownson	1035 West Kimberly Road	Davenport	Iowa	52806	(563) 386-4969
2	Bruce Wayne Gentry	148 Commercial Drive	London	Kentucky	40744	(606) 657-9441

# H.H. Franchising Systems, Inc.

Franchisee List

December 31, 2023

Franchises	Name	Street Address	City	State	Zip	Phone No.
	Sherisa Sayles & Robert Berry	9005 Grand Pointe Court	Louisville	Kentucky	40214	(502) 468-7090
2 3*	Steven Garrison	1795 Alysheba Way, Suite 4107	Lexington	Kentucky	40509	(859) 797-3127
	<i>*(2 in Kentucky - 1 in Illinois)</i>					
	<u>Edward Lin</u>	<u>6865 Deerpath Road</u>	<u>Elkridge</u>	<u>Maryland</u>	<u>21075</u>	<u>(410) 921-2461</u>
	Angel Wye	10665 Stanhaven Place, Suite 300A	White Plains	Maryland	20695	(301) 637-2987
2	Bianca Wise	7476 Catterick Court	Baltimore	Maryland	21244	(410) 944-4380
	Clarice Wood & Joyce Campbell	12 South Summit Avenue, Suite 100-A17	Gaithersburg	Maryland	20850	(410) 493-8271
	Jonathan Wynn	16701 Melford Boulevard, Suite 400	Bowie	Maryland	20715	(301) 955-6013
	Peter Jean	37 Belmont Street, Suite D	Brockton	Massachusetts	02301	(508) 232-5652
	Denise Roskamp	260 Boston Post Road, Suite 9C	Wayland	Massachusetts	01778	(508) 545-0164
3	Karen & Michael Straehle	295 Turnpike Street, Suite 3R	Canton	Massachusetts	02021	(781) 828-9600
	<del>Lisa &amp; Christopher Perry</del>	<del>147 West Street</del>	<del>Douglas</del>	<del>Massachusetts</del>	<del>01516</del>	<del>(508) 476-5010</del>
	Lucille (Ella) Claver-Baldwin	25 Market Street, Unit 7	Swansea	Massachusetts	02777	(774) 229-2110
	Nhan Trinh	1500 District Avenue	Burlington	Massachusetts	01803	(781) 664-4096
	Scott Nickerson	175 Derby Street, Suite 27	Hingham	Massachusetts	02043	(781) 875-1556
	David Barkah	32969 Hamilton Court, Suite 138-B	Farmington Hills	Michigan	48334	(248) 562-2045
	Amin Yousuf	3620 Central Avenue NE	Minneapolis	Minnesota	55418	(763) 744-7960
	Eugene Hoffman	305 Reese Street	Bay St. Louis	Mississippi	39520	(228) 493-5566
	Dan Basel	305 Timber Creek Drive	Jefferson City	Missouri	65109	(573) 636-2273
2	<del>Douglas Bishop</del>	<del>3685 West Outer Road, Suite 2B</del>	<del>Arnold</del>	<del>Missouri</del>	<del>63010</del>	<del>(636) 275-8082</del>
3	John Deister, Jr	16512 Centerpointe Drive	Wildwood	Missouri	63040	(636) 735-3536
	<u>Edward &amp; Jill Rankin</u>	<u>1180 North Town Center Drive, Suite 100</u>	<u>Las Vegas</u>	<u>Nevada</u>	<u>89144</u>	<u>(702) 945-2712</u>
	Alexander W. Geske	3 Sanborn Road, Unit 3	Londonderry	New Hampshire	03053	(603) 845-3333
	<u>Jonathan &amp; Daniel Quarmout</u>	<u>267 Spring Street</u>	<u>Newton</u>	<u>New Jersey</u>	<u>07860</u>	<u>(973) 579-4615</u>
2	Blanca Rodino	1000 Hwy 70, Suite 10	Lakewood	New Jersey	08701	(732) 364-7322
	Denise Jarrett	28 Valley Road	Montclair	New Jersey	07042	(973) 461-3185
3	Elijah Reyen & Lina Tang	132 Balcort Drive	Princeton	New Jersey	08540	(856) 812-0626
	Howard & Francine Stein	4400 Rt 9 South, Suite 1000	Freehold	New Jersey	07728	(908) 975-0400
	Ion Furtuna	5 Staudt Court	Somerset	New Jersey	08873	(732) 873-9063
3	Kristin Shute & Terry McIndoe	64 West Allendale Avenue	Allendale	New Jersey	07401	(201) 236-6333
	Doug Feltman	725 River Road, Suite 32-302	Edgewater	New Jersey	07020	(201) 655-8688
	Amhar Shakir, Scott A. Long & Stephanie Long	Whitehorse Commerce Park 127 Hwy 206, Suite 25A	Hamilton	New Jersey	06618	(609) 631-1081
	Judy Thompson	9504 Vista Casitas Drive NW	Albuquerque	New Mexico	87114	(505) 792-2318
	<del>Danraj Harduar</del>	<del>61-43 186th Street</del>	<del>Fresh Meadows</del>	<del>New York</del>	<del>11365</del>	<del>(347) 506-3959</del>
	<u>Marie Yvrose Marette Alde</u>	<u>100 Duffy Avenue, Suite 510</u>	<u>Hicksville</u>	<u>New York</u>	<u>11801</u>	<u>(516) 36-6938</u>
2	Charles Craig	775 Park Avenue, Suite 225	Huntington	New York	11743	(516) 448-8631
	<del>Kristofer K. Bain &amp; Desiree Claudio</del>	<del>89-36 Sutphin Boulevard Suite 302</del>	<del>Jamaica</del>	<del>New York</del>	<del>11435</del>	<del>(718) 210-0440</del>
	Myriam Plonque	70 East Sunrise Highway, Suite 500	Valley Stream	New York	11581	(315) 723-4157
	Ramon Rodriquez	58 N Pawling Street, PO Box 367	Hagaman	New York	12086	(518) 842-5626

# H.H. Franchising Systems, Inc.

Franchisee List

December 31, 2023

Franchises	Name	Street Address	City	State	Zip	Phone No.
2 1	Shagufta Nasir	1654 Columbia Turnpike	Castleton	New York	12033	(518) 866-3490
	William Haas & Akhlaq Rahman	9220 Gettsburg Street	Bellerose	New York	11426	(516) 388-8262
	<del>Ronald Scales</del>	<del>28 Church Street</del>	<del>Camden</del>	<del>New York</del>	<del>13316</del>	<del>(315) 371-4477</del>
	<del>Gregory Atwater</del>	<del>33 W 60th Street, Suite 1117</del>	<del>New York</del>	<del>New York</del>	<del>10023</del>	<del>(646) 315-6228</del>
	<u>Richard &amp; Courtney Duran</u>	<u>204 Red Oak Court</u>	<u>Raeford</u>	<u>North Carolina</u>	<u>28376</u>	<u>(910) 990-3230</u>
	<u>Anthony Coleman &amp; Nadine Black</u>	<u>5500 West Friendly Avenue, Suite 102-J</u>	<u>Greensboro</u>	<u>North Carolina</u>	<u>27410</u>	<u>(336) 860-8749</u>
	<u>Michael, Cindy, &amp; Jessica Fortner</u>	<u>16 Oak Grove Street, Unit 7</u>	<u>Mount Holly</u>	<u>North Carolina</u>	<u>28120</u>	<u>(980) 925-2263</u>
	Anthony (William) Burwell	19905 W Catawba Avenue, #201	Cornelius	North Carolina	28031	(704) 909-7958
	Daniel & Christina Coughlin	209 N 35th Street, Suite A-1	Morehead City	North Carolina	28557	(252) 622-4690
	Frank Sabiston	4242 Six Forks Road, Suite 1550	Raleigh	North Carolina	27609	(919) 817-8010
	Kimberly & Nakkella Rao	550 Fleming Street	Hendersonville	North Carolina	28739	(828) 694-0000
	Lisa Hmiel	4562 Pleasant Garden Road	Greensboro	North Carolina	27406	(336) 965-3307
	Kayleen & Alan Erdman	817 Main Street	Williston	North Dakota	58801	(701) 572-4357
	<u>Scott, Christina &amp; Luke May</u>	<u>212 South 3rd Street</u>	<u>Ironton</u>	<u>Ohio</u>	<u>45638</u>	<u>(740) 961-5551</u>
	Adit Vakil	9230 McClellan Drive	New Albany	Ohio	43054	(740) 892-2255
	Andrew & Elizabeth Jacomet	2312 Far Hills Avenue, Suite 139	Dayton	Ohio	45419	(937) 380-9977
	2 Brian Heckman	3730 Whipple Avenue NW, Suite 400	Canton	Ohio	44718	(330) 455-5440
	3 Carl & Jody Amspaugh	616 E Main Street	Lancaster	Ohio	43130	(740) 689-9410
	2 Henk Stock & Christopher Hegele	1991 Crocker Road, Suite 600	Westlake	Ohio	44145	(440) 695-3567
	Dan & Diana Sell	273 Wooster road North	Barberton	Ohio	44203	(330) 745-9295
	2 Jason & Jennifer Janoski	10 E Weber Road, Suite 202	Columbus	Ohio	43202	(614) 268-8061
	Jennifer Mundwiler	18 E Williams Street	Delaware	Ohio	43015	(614) 468-8187
2	Rex Talbott	4805 W Pleasant Valley Road, Suite 3	Parma	Ohio	44129	(440) 345-5522
	Shelley Heck	17800 Chillicothe Road, Suite 103	Chargin Falls	Ohio	44023	(440) 429-0908
7*	Kristin Worthington & George Ramage	4760 Red Bank Expressway, Suite 300	Cincinnati	Ohio	45227	(513) 754-1182
	*(2 Outlets in KY - 5 Outlets in OH)					
2	Michele Scott	5840 South Memorial Dr, Suite 204	Tulsa	Oklahoma	74145	(918) 884-6022
	<u>Hanie Aghamohammad &amp; Majid Sharifi</u>	<u>10260 SW Greenburg Road, Suite 400</u>	<u>Portland</u>	<u>Oregon</u>	<u>97223</u>	<u>(971) 448-5190</u>
	Bella M. Fix	100 Redco Avenue, Suite 129	Red Lion	Pennsylvania	17356	(717) 244-9090
2	Brian Stick	4900 Carlisle Pike, Suite 153	Mechanicsburg	Pennsylvania	17050	(717) 836-5152
7	Frank Esterle	213 N. Broad St., Ste 3	Lansdale	Pennsylvania	19446	(215) 631-9126
	Jennifer Stanley	3867 Edge Road	Pittsburgh	Pennsylvania	15227	(412) 882-0771
3	John DeSanti	1901 Wilmington Road	New Castle	Pennsylvania	16105	(724) 652-5379
	Laura Shrawder Miles	204 North Front Street	Sunbury	Pennsylvania	17801	(570) 286-9460
5	Michelle Brown	423 Burmont Rd.	Drexel Hill	Pennsylvania	19026	(484) 461-8887
2	Kimberly Kokolus & Margo Hughes	600 Eagleview Boulevard, Suite 300	Exton	Pennsylvania	19341	(610) 551-5231
3*	Ralph Digneo	1835 S Broad Street, Suite 2	Philadelphia	Pennsylvania	19148	(215) 334-2600
	*(2 Outlets in NJ)					
2	Tom Carroll	327 W Baltimore Pike	Media	Pennsylvania	19063	(610) 358-1110
	Pippa & Paul Adams	1307 Diamond Avenue	Scranton	Pennsylvania	18505	(570) 431-7378

# H.H. Franchising Systems, Inc.

Franchisee List

December 31, 2023

Franchises	Name	Street Address	City	State	Zip	Phone No.
	<u>Wesley Reed</u>	<u>2411 North Oak Street, Suite 203 F&amp;G</u>	<u>Myrtle Beach</u>	<u>South Carolina</u>	<u>29577</u>	<u>(814) 494-1546</u>
	<u>Tyrhonda Priest</u>	<u>1124 Park West Boulevard, Suite 205</u>	<u>Mt Pleasant</u>	<u>South Carolina</u>	<u>29466</u>	<u>(843) 240-183</u>
	Becky Pickett	509 West Poinsett Street	Greer	South Carolina	29651	(864) 848-1729
	<u>Whitney &amp; Jeremy Tharp</u>	<u>2615 Medical Center Parkway, Suite 1560</u>	<u>Murfreesboro</u>	<u>Tennessee</u>	<u>37129</u>	<u>(606) 269-1339</u>
2	Billy Ridings	1304 Papermill Pointe Way	Knoxville	Tennessee	37909	(865) 771-9119
	<del>Clare Parker</del>	<del>1238 Taft Highway, Suite 145</del>	<del>Signal Mountain</del>	<del>Tennessee</del>	<del>37377</del>	<del>(423) 505-2928</del>
2	Kevin & Elena Dillon	2990 West Side Drive	Cleveland	Tennessee	37312	(423) 339-5593
	<u>Genell Holloway &amp; Timothy Flesner</u>	<u>1922 Exeter Road</u>	<u>Germantown</u>	<u>Tennessee</u>	<u>38138</u>	<u>(901) 414-9696</u>
	<del>Mary Lou Nowak</del>	<del>1922 Exeter Road</del>	<del>Germantown</del>	<del>Tennessee</del>	<del>38138</del>	<del>(901) 414-9696</del>
	<del>Anthony Austin</del>	<del>247 Broad Street, Suite 202A</del>	<del>Kingsrt</del>	<del>Tennessee</del>	<del>07660</del>	<del>(423) 930-8081</del>
	Stephen P. Watkins	209 Barrington Court West	Franklin	Tennessee	37067	(251) 680-2699
	James H. Anderson	4209 Nicklaus Avenue	Mansfield	Texas	76063	(817) 592-3838
	Edward & Sherisha Onwe	9901 IH 10 West, Suite 8061	San Antonio	Texas	78230	(210) 283-1348
	<u>Christopher Drungell &amp; Eric Hathaway</u>	<u>10021 Planters Woods Drive</u>	<u>Austin</u>	<u>Texas</u>	<u>78730</u>	<u>(210) 467-7138</u>
	Aaron & Leslie Dreiling	6341 Stewart Road, #381	Galveston	Texas	77551	(409) 206-9909
	Bhaskarjya & Archana Parashar	11807 Westheimer Road, Suite 550 PMB 967	Houston	Texas	77077	(281) 422-8722
	Luis Lavandar & Carmen Vasquez	13100 Wortham Center Drive, 3rd Floor, Suite 359A	Cypress	Texas	77065	(832) 445-6685
	Abigail Figueroa	10730 Potranco Road, Suite 122-274	San Antonio	Texas	78251	(210) 627-7018
	Allen Johnson & Charles Johnson	2812 Cobbler Lane	Kerrville	Texas	78028	(830) 329-5704
	<del>Deron &amp; Teresa Helgren</del>	<del>2770 Main Street, Suite 128</del>	<del>Frisco</del>	<del>Texas</del>	<del>75033</del>	<del>(972) 768-2129</del>
	Douglas & Kimberly Byrd	233 Sidewinder Loop	Red Oak	Texas	75154	(817) 873-5000
	Emily Ring	31339 W Holcombe Boulevard	Houston	Texas	77025	(832) 303-1011
2	<del>Jason Papes &amp; Christopher Rottino</del>	<del>4300 Sigma Drive, Suite 120</del>	<del>Dallas</del>	<del>Texas</del>	<del>75244</del>	<del>(469) 983-6600</del>
	Jonathan Nelson, Tony Nguyen	3200 Boadway Boulevard, #530	Garland	Texas	75043	(469) 269-0227
2	Leo R. Walker	2010 E Broadway Street, Suite 136	Pearland	Texas	77581	(281) 557-4357
	Lori Thommarson	3205 Mills Drive	Corsicana	Texas	75110	(903) 872-9155
2	Robert (Tyler) Harrison	2300 Highland Village Road, Bldg 2, Suite 2221	Highland Village	Texas	75077	(972) 318-5054
	Ronald K. Hopkins	1706 Kent Falls Court	Katy	Texas	77450	(832) 437-2228
4	Scott Sutherland	17000 North Dallas Parkway, Suite 215	Dallas	Texas	75248	(972) 233-6636
	<del>Shawn Moore</del>	<del>12419 Broken Pine Lane</del>	<del>Cypress</del>	<del>Texas</del>	<del>77433</del>	<del>(832) 731-3416</del>
	Ojong & William Eno	101 Southwestern Blvd, Suite 116	Sugar Land	Texas	77478	(346) 350-5100
3	Misty Carver, Benjamin Coon, & Dennis Coon	250 Red Cliffs Drive, Suite 4B #551	St George	Utah	84790	(435) 429-1407
	<u>David Johnson</u>	<u>3718 Fidelis Court</u>	<u>Triangle</u>	<u>Virginia</u>	<u>22172</u>	<u>(703) 436-2392</u>
3	Yuen Poon	21430 Cedar Drive, Suite 222	Sterling	Virginia	20164	(703) 766-0154
	David Conolly	256 East Ellerslie Avenue, Suite C	Colonial Heights	Virginia	23834	(804) 805-2178
	Habibullah Nawabi	6504 Castine Lane	Springfield	Virginia	22150	(571) 360-3569
	Kaltoon Essa	704 South King Street, Suite 6A	Leesburg	Virginia	20175	(703) 297-4642
2	Elisha Miller	3696 Liberty Way, Suite 100	Virginia Beach	Virginia	23456	(757) 328-4881
2	<del>Keith &amp; Melissa Smith</del>	<del>3696 Liberty Way, Suite 100</del>	<del>Virginia Beach</del>	<del>Virginia</del>	<del>23456</del>	<del>(757) 328-4881</del>
3	Tracey Boseman	105 Twinridge Lane	Richmond	Virginia	23235	(804) 864-4258

# H.H. Franchising Systems, Inc.

Franchisee List

December 31, 2023

Franchises	Name	Street Address	City	State	Zip	Phone No.
	Louis & Stephanie Vaughn	1610 Heron Way	Woodbridge	Virginia	22191	(703) 244-6556
	<u>Brandy VanDeKop &amp; Lois Polf</u>	<u>1286 Thalen Drive</u>	<u>Lynden</u>	<u>Washington</u>	<u>98264</u>	<u>(360) 305-9716</u>
	<u>Lynn Godar-Mollica</u>	<u>11900 NE 1st Street, Suite 300</u>	<u>Bellevue</u>	<u>Washington</u>	<u>98005</u>	<u>(425) 772-7255</u>
	<u>Ryan &amp; Megan Van Diest</u>	<u>2219 Rimland Drive, Suite 301</u>	<u>Bellingham</u>	<u>Washington</u>	<u>98226</u>	<u>(360) 483-9711</u>
2	John Bright, Jessica Bright & Shawna Sandhop	20270 Front Street, Suite 203	Pouso	Washington	98370	(360) 362-5735
	Heather K. Deringer	30714 North East Spud Mountain Road	Camas	Washington	98607	(360) 601-8111
2*	Lisa & Brian Fausey	3192 Winchester Avenue	Martinsburg	West Virginia	25404	(304) 433-8000
	* (1 Outlet in Maryland)					
	Rob Christie	15 Pinewood	Parkersburg	West Virginia	26102	(909) 614-4184
	<u>Bernard, Alyson &amp; Brady Wrezinski</u>	<u>21 North Portland Street, Suite 1C</u>	<u>Fond Du Lac</u>	<u>Wisconsin</u>	<u>54935</u>	<u>(920) 579-9378</u>
	<u>Deborah, Daniel &amp; Henry Brzycki</u>	<u>2810 Crossroads Drive, Suite 4000</u>	<u>Madison</u>	<u>Wisconsin</u>	<u>53718</u>	<u>(262) 419-8317</u>
3	Aaron Nelson	158 W Chestnut Street	Burlington	Wisconsin	53105	(262) 757-0012
	Dave & Lisa Schmidt	105 E Wisconsin Avenue, Suite 201B	Oconomowoc	Wisconsin	53066	(844) 970-2273
3	Tim & Laura Bireley	1001 West Glen Oaks Lane, Suite 104	Mequon	Wisconsin	53092	(262) 365-1443

As of the above date, we have entered into 10-18 franchise agreements for franchisees that are not yet operational. The names, addresses, and telephone numbers are listed below. Owners with multiple territories are noted in the Franchises column.

Franchises	Name	City	State	Zip
	<del>Anthony Coleman &amp; Nadine Black</del>	<del>Greensboro</del>	<del>North Carolina</del>	<del>27410</del>
	<del>Bruno Nisim Suez</del>	<del>Boca Raton</del>	<del>Florida</del>	<del>33433</del>
	<del>Edward &amp; Jill Rankin</del>	<del>Las Vegas</del>	<del>Nevada</del>	<del>89144</del>
	<del>Edward (Ed) &amp; Sherisha Onwe</del>	<del>San Antonio</del>	<del>Texas</del>	<del>78230</del>
	<del>Edward Lin</del>	<del>Glen Burnie</del>	<del>Maryland</del>	<del>21061</del>
	<del>James H. Anderson</del>	<del>Mansfield</del>	<del>Texas</del>	<del>76063</del>
	<del>Kishaya Perry</del>	<del>Northridge</del>	<del>California</del>	<del>91326</del>
	<del>Marie Yvrose Marette Alde</del>	<del>Nesconset</del>	<del>New York</del>	<del>11767</del>
	<del>Richard &amp; Courtney Duran</del>	<del>Raeford</del>	<del>North Carolina</del>	<del>28376</del>
	<del>Wesley Reed</del>	<del>Myrtle Beach</del>	<del>South Carolina</del>	<del>29577</del>
	<u>Damanjot Gadri &amp; Elin Anojahatlo</u>	<u>Sacramento</u>	<u>California</u>	<u>95337</u>
	<u>Mark Gallagher &amp; Cristina Luking</u>	<u>Sacramento</u>	<u>California</u>	<u>95758</u>
	<u>Tong &amp; Si Duong</u>	<u>Concord</u>	<u>California</u>	<u>94597</u>
	<u>Lori Soechtig</u>	<u>Castle Rock</u>	<u>Colorado</u>	<u>80134</u>
	<u>Kathlin &amp; Stephen Nelson</u>	<u>Boulder</u>	<u>Colorado</u>	<u>80302</u>
	<u>Jared Smith</u>	<u>Denver</u>	<u>Colorado</u>	<u>80501</u>
	<u>Russell Thulin</u>	<u>Colorado Springs</u>	<u>Colorado</u>	<u>80132</u>
	<u>Shaina Jerome</u>	<u>Port St. Lucie</u>	<u>Florida</u>	<u>34994</u>
	<u>Karen Lavelle</u>	<u>Naples</u>	<u>Florida</u>	<u>34109</u>
	<u>Robert Meade</u>	<u>Tampa</u>	<u>Florida</u>	<u>33609</u>
	<u>Domingos Freitas</u>	<u>Portland</u>	<u>Maine</u>	<u>04073</u>
	<u>Heather Maldonado</u>	<u>Baltimore</u>	<u>Maryland</u>	<u>21224</u>

## H.H. Franchising Systems, Inc.

Franchisee List

December 31, 2023

Franchises	Name	Street Address	City	State	Zip	Phone No.
	<u>Ashish Usman</u>		<u>Milford</u>	<u>New Hampshire</u>	<u>03055</u>	
	<u>Foram &amp; Nirali Gandhi</u>		<u>Edison</u>	<u>New Jersey</u>	<u>07078</u>	
	<u>Francis Soya</u>		<u>Charlotte</u>	<u>North Carolina</u>	<u>28262</u>	
	<u>Jeffrey Eagen</u>		<u>Bay Village</u>	<u>Ohio</u>	<u>44060</u>	
	<u>Billy &amp; Beth Bass</u>		<u>Abilene</u>	<u>Texas</u>	<u>79606</u>	
	<u>Moin Ahmad &amp; Tahasin Alam</u>		<u>Arlington</u>	<u>Virginia</u>	<u>22209</u>	



**EXHIBIT E**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Franchisees Who Have Left the System**

## H.H. Franchising Systems, Inc.

Home Helpers franchises terminated, cancelled, transferred, not renewed, or otherwise ceased to do business during 2023 or have not communicated with us within 10 weeks of the issuance date of this disclosure document. Owners with multiple territories are noted in the Franchises column.

Franchises	Name	City	State	Phone No.
	Andrew Marek	Chicago	Illinois	(773) 550-5770
	Catherine Onuoha	Mulberry	Florida	(203) 558-7065
	Maryane Tonga	San Mateo	California	(650) 627-6054
	Gregory Atwater	New York	New York	(646) 342-8173
	Clarina McLearn	Leesburg	Florida	(407) 459-3095
	Leslee Deanes	Beverly Hills	California	(310) 691-8161
	Anthony Austin	Kingsport	Tennessee	(423) 930-8081
	Ronald Scales	Camden	New York	(315) 371-4477
	Shawn and Barbara Singleterry	Granite Bay	California	(916) 209-6646
	Gregory Brown	Fort Lauderdale	Florida	(773) 203-8911
	Hilary & Greg Eldridge	Alpharetta	Georgia	(770) 681-0323
	Thomas & Lisa Merlin	Park Ridge	Illinois	(847) 865-0593
	Lisa and Christopher Perry	Douglas	Massachusetts	(508) 476-5010
	William Haas & Akhlaq Rahman	Bellerose	New York	(516) 388-8262
	Kristofer K. Bain & Desiree Claudio	Jamaica	New York	(718) 210-0440
	Jason Papes & Christopher Rottino	Dallas	Texas	(469) 983-6600
	Shawn Moore	Cypress	Texas	(832) 731-3416
	Deron & Teresa Helgren	Frisco	Texas	(972) 768-2129





**EXHIBIT F**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Home Helpers Franchise Agreement**

**HOME HELPERS**

**FRANCHISE AGREEMENT**

**BETWEEN**

**H.H. FRANCHISING SYSTEMS, INC.**  
**FRANCHISOR**

**AND**

---

**FRANCHISEE(S)**

**FRANCHISE NO. \_\_\_\_\_**

**DATED \_\_\_\_\_**

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Exhibit A — Identification of Franchisee(s)

Exhibit B — Territory

Exhibit C — Business Foundations Kit

## HOME HELPERS FRANCHISE AGREEMENT

This agreement is between **H.H. FRANCHISING SYSTEMS, INC.**, an Ohio corporation ("Franchisor"), and the individual(s) or entity identified on Exhibit A attached hereto and by this reference incorporated herein (collectively and individually referred to as "Franchisee").

### RECITALS:

A. Franchisor has created and developed and is in the process of further developing a system (the "Operating System") for the establishment and operation of a distinctive type of business that offers senior care, home care, and skilled care services, and medical alert, personal emergency response, medication management, and telehealth products and services, to the general public (a "Home Helpers Franchise").

B. The Operating System consists of distinctive methods and procedures for marketing and advertising; specially designed business forms and procedures for the efficient operation of a Home Helpers Franchise; an operations manual and training course; and specially designed procedures for the promotion and provision of Franchisee's services.

C. Franchisor has registered the service marks HOME HELPERS and DIRECT LINK, among others, with the United States Patent and Trademark Office, and claims the exclusive right to use those marks, any derivatives thereof, and certain other trade names, business names, trademarks, logos, designs and trade symbols (~~collectively referred to as the~~ "Marks") as are now or may from time to time be adopted or designated by Franchisor for use in connection with the operation of the Operating System.

D. Franchisor continues to develop, use, and control the use of the Marks in order to identify to the public the source of products and services marketed thereunder and under the Operating System, and to represent the Operating System's high standards of quality, care and services.

E. Franchisee understands and acknowledges the importance of Franchisor's standards of quality, care and service, the necessity of opening and operating a Home Helpers Franchise in conformity with Franchisor's standards and specifications as presented in Franchisor's Manual and updates, and preserving the confidentiality of the Operating System.

F. Except for other Home Helpers Franchises operated under other franchise agreements with Franchisor, neither Franchisee nor any officer, Affiliate or Principal of Franchisee, nor any member of the immediate family of any officer, Affiliate or Principal of Franchisee, currently, either directly or indirectly: (a) has any interest as an owner or creditor in a Competitive Business (defined in section 19.15); (b) has any interest as an owner or creditor in any person or entity that grants franchises or licenses to others to operate a Competitive Business; or (c) performs services as a director, officer, manager, employee, consultant, representative, agent or other capacity for any business described in subclause (a) or (b) of this sentence.

G. Franchisee desires to purchase and operate a Home Helpers Franchise in accordance with all of the terms and conditions of this agreement;

THEREFORE the parties agree as follows:

## ARTICLE 1

### APPOINTMENT

1.1 Grant of Franchise. Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, (i) the right and franchise, and Franchisee undertakes the obligation (subject to section 1.12), to operate a business that offers senior care, home care, and (as required or permitted by section 1.12) Skilled Care services using the Operating System, and (ii) a non-exclusive license to use the Marks and the Operating System as they may be changed, improved and further developed from time to time, within the geographical area described in section 1.2 (the “Territory”).

1.2 Territory Defined. The Territory is a geographical area delineated by postal ZIP Code(s) according to Franchisor’s mapping system and more particularly described on Exhibit B attached to, incorporated in, and made a part of this agreement. If any ZIP Code(s) that comprise the Territory are moved, altered or eliminated by the U.S. Postal Service (or any successor organization) for any reason, Franchisor may re-define the boundaries of the Territory to correspond as nearly as possible to the original territory, in Franchisor’s sole and absolute discretion, and Franchisor’s decision will be final and binding upon both Franchisor and Franchisee. Except as may be otherwise permitted by this agreement or another franchise agreement with Franchisor, Franchisee shall not relocate the Franchised Business from the Territory described in Exhibit B without the prior written approval of Franchisor. Except as may be otherwise permitted by this agreement or another franchise agreement with Franchisor, Franchisee shall operate the Franchised Business only within the Territory described on Exhibit B. In the event of a Transfer to which Article 12 applies, then Franchisor may modify the size of the Territory at the time of the Transfer so that the Territory will be consistent with the size of franchise territories offered in Franchisor’s then-current disclosure document. Franchisor may, in its Business Judgment, allow Franchisee to redefine the Territory, in which event Franchisee shall pay Franchisor \$2,000 to reimburse and/or compensate Franchisor for its administrative, legal and other expenses incurred in connection therewith.

1.3 Scope of Territorial Protection. During the Term, except as otherwise permitted by this paragraph or sections 1.4 through 1.14, 8.6, 13.2(b) and 13.3, Franchisor shall not establish or franchise another to establish a business substantially similar to the Franchised Business within Franchisee’s Territory. Franchisee acknowledges that the franchise granted hereunder is otherwise non-exclusive and is granted subject to the terms and conditions of sections 1.4 through 1.14, 8.6, 13.2(b) and 13.3. The territorial protection granted under this section does not extend to the solicitation of employees, and nothing in this agreement prohibits other franchisees of Franchisor from advertising for and soliciting employees in Franchisee’s Territory. Franchisee’s right to exclusively operate the Franchised Business within the Territory (subject to sections 1.4 through 1.14, 8.6, 13.2(b) and 13.3) does not begin until the Opening Date (as determined by section 7.6(a)). Franchisor reserves the right to provide direct-to-consumer Direct Link Products or Services within the Territory.

1.4 National Accounts. The rights granted to Franchisee by this agreement do not include the exclusive right to offer or provide products or services to National Accounts (defined in section 19.63), and National Accounts are hereby specifically excluded from Franchisor’s territorial restrictions in section 1.3 above. Franchisee acknowledges that other Home Helpers Franchisees may provide products and services to National Accounts or to members, policyholders, clients, patients or residents of National Accounts at or from locations in the Territory. With Franchisor’s prior written consent, Franchisee may provide products and services to National Accounts at or from locations in a protected territory granted to another Home Helpers Franchisee, if, and only if, that Home Helpers Franchisee’s franchise agreement contains a provision similar to this section 1.4 excluding National Accounts or

otherwise permitting other Home Helpers Franchisees to provide products and services at or from locations in that Home Helpers Franchisee's territory. Franchisor retains the sole and exclusive right to identify organizations as National Accounts, to service National Accounts, and to award the right to service National Accounts (and their members, policyholders, clients, patients or residents) to any Home Helpers Franchisee, in Franchisor's sole and absolute discretion. All disputes between Home Helpers Franchisees relating to National Accounts will be resolved by Franchisor, whose decision will be final and binding upon all parties.

#### 1.5 Clients.

- (a) Franchisee acknowledges and agrees that it acquires no rights in or to the clients or the Client List (defined in section 19.13) of the Franchised Business other than those specifically granted under this agreement. Franchisee may not distribute or transfer ownership of its Client List or of its right to service its clients except as provided in Article 12. Franchisor has the right to notify Franchisee's clients and, without compensation to Franchisee, authorize one or more other Home Helpers Franchisees or any other person to provide Permitted Products or Services to Franchisee's clients upon the closure of the Franchised Business, the suspension of the exclusivity of the Territory under section 1.7(a), 13.2(b) or 13.3, the expiration of this agreement (unless it's replaced by a Successor Agreement), or the termination of this agreement for any reason.
- (b) If, before the Opening Date, other Home Helpers Franchises had been providing Permitted Products and Services to clients at locations that are now part of the Territory, Franchisor may, in its discretion and in order to preserve the continuity of client care, allow those Franchises to continue to provide Permitted Products and Services to those clients.
- (c) If another Home Helpers Franchise acquires or merges with a Competitive Business that provided Permitted Products and Services to clients at locations in the Territory, Franchisor may, in its discretion and in order to preserve the continuity of client care, allow the Home Helpers Franchise to continue to provide Permitted Products and Services to those clients after the acquisition or merger.
- (d) If a Conversion Franchise (defined in section 19.19) provided Permitted Products and Services to clients at locations in the Territory before the conversion, Franchisor may, in its discretion and in order to preserve the continuity of client care, allow the Conversion Franchise to continue to provide Permitted Products and Services to those clients after the conversion.

1.6 Permitted Activities. The rights granted to Franchisee under this agreement are limited to the promotion, offer, sale and provision of Permitted Products or Services (defined in section 19.70) to clients within the Territory and outside the Territory as specifically permitted by this agreement. Franchisee shall not promote, offer, sell, provide, or distribute any other goods or services without Franchisor's prior written approval.

#### 1.7 Performance Standard.

- (a) Franchisee must meet or exceed the applicable Performance Standards set out in section 1.7(b) each calendar month during the Term. Franchisee's failure to achieve the Performance Standard for any period of two consecutive calendar months will constitute a material default under this agreement. Unless Franchisee cures the default by meeting or exceeding the Performance Standard within the following two calendar months, Franchisor will be entitled, in addition to all other remedies available to it under this agreement, at law or in equity, to: (i)

permit other Home Helpers Franchisees to offer and provide Permitted Products or Services within the Territory, or (ii) terminate this agreement as provided in Article 13.

(b) (1) Except as otherwise provided in sections 1.7(b)(2) and (3), Franchisee shall meet or exceed the monthly Performance Standards set out below:

(i) From the Effective Date through the ~~2436th~~ month after the Opening Date ~~Minimum Fee Start Month~~ (defined in section ~~19.66-19.59~~), the monthly Performance Standard is zero (\$0.00).

(ii) Beginning with the ~~2537th~~ month after the Opening Date ~~Minimum Fee Start Month~~ and continuing through the ~~485th~~ month after the Opening anniversary of the Effective Date, Franchisee's monthly Gross Revenues must meet or exceed \$30,000.

(iii) From the ~~49th~~ month after the Opening ~~5th anniversary of the Effective Date~~ through the ~~72nd~~ month after the Opening ~~7th anniversary of the Effective Date~~, Franchisee's monthly Gross Revenues must meet or exceed \$45,000.

(iv) From the ~~73rd~~ month after the Opening ~~7th anniversary of the Effective Date~~ through the end of the Term, Franchisee's monthly Gross Revenues must meet or exceed \$60,000.

(2) Resale or Expansion Franchise. If this agreement is for a Resale Franchise (defined in section 19.80) or an Expansion Franchise (defined in section 19.34), then Franchisee shall meet or exceed the monthly Performance Standards set out below:

(i) From the Effective Date through the first anniversary of the Effective Date, the monthly Performance Standard is zero (\$0.00).

(ii) From the first anniversary of the Effective Date through the 3rd anniversary of the Effective Date, Franchisee's monthly Gross Revenues must meet or exceed \$30,000.

(iii) From the 3rd anniversary of the Effective Date through the 5th anniversary of the Effective Date, Franchisee's monthly Gross Revenues must meet or exceed \$45,000.

(iv) From the 5th anniversary of the Effective Date through the end of the Term, Franchisee's monthly Gross Revenues must meet or exceed \$60,000.

(3) Successor Franchise. If this agreement is for a Successor Franchise (defined in section 19.86), then Franchisee shall meet or exceed the monthly Performance Standards set out below:

(i) From the Effective Date through the 5th anniversary of the Effective Date, Franchisee's monthly Gross Revenues must meet or exceed \$30,000.

(ii) From the 5th anniversary of the Effective Date through the 7th anniversary of the Effective Date, Franchisee's monthly Gross Revenues must meet or exceed \$45,000.

(iii) From the 7th anniversary of the Effective Date through the end of the Term, Franchisee's monthly Gross Revenues must meet or exceed \$60,000.

(c) The monthly Performance Standard is only for the Territory granted under this agreement. If Franchisee is a party to another franchise agreement with Franchisor, the Performance Standard under the other franchise agreement will be in addition to and aggregated with the Performance Standard under this agreement. For example, if Franchisee is a party to two other franchise agreements with Franchisor in addition to this agreement, the total aggregate Performance Standard for Franchisee will be the aggregate of the Performance Standards under all three franchise agreements. Each Performance Standard under each franchise agreement will become effective at the time specified in that franchise agreement.

1.8 Reserved Rights of Franchisor. Franchisor specifically reserves all rights not expressly granted to Franchisee in this agreement. Without limiting the generality of the preceding sentence, Franchisor has the right to:

- (a) own, acquire, establish and operate, and license others to establish and operate, businesses substantially similar to the Franchised Business, whether under the Marks or other trade names, trademarks, brand names, or commercial symbols, anywhere outside the Territory;
- (b) subject to section 1.9, acquire a system of Competitive Businesses (defined in section 19.15) with branches, franchises, or locations that are located within the Territory or that have a protected territory or trading area that includes all or part of Franchisee's Territory;
- (c) advertise and promote the Network in and outside the Territory; and
- (d) develop and engage in other lines of business offering and selling goods or services under the Marks or under other trade names, trademarks, brand names, or commercial symbols, without any obligation to offer Franchisee an opportunity to make the goods and services part of the Franchised Business.

1.9 Acquisition of Competitive Business. If Franchisor merges with, acquires, or is acquired by another system of businesses (including a system of Competitive Businesses), the continued operation of any branch, franchise, or location of the other system within the Territory under any trade name, trademark, brand name, or commercial symbol other than one of the Marks will not violate the rights granted to Franchisee by section 1.3 or any other provision of this agreement.

1.10 Marketing and Solicitation Restrictions. All advertising, marketing and promotional activities undertaken by Franchisee must be predominantly focused on media distributed, or to prospective clients located, in the Territory. Except as permitted by section 1.4 or 1.13, Franchisee shall not directly or indirectly (i) engage in advertising, marketing, or promotional activities that are directed or targeted primarily to the protected territory of another Home Helpers Franchise after that Franchise's opening date, or (ii) conduct sales calls or in-person promotional activities in the protected territory of another Home Helpers Franchise after that Franchise's opening date. If Franchisee receives a referral or request for services to be provided in the protected territory of another Home Helpers Franchise after that Franchise's opening date, then Franchisee shall promptly notify the other Home Helpers Franchise of the request and provide appropriate contact information for the potential client. If Franchisee is unable to reach the other Home Helpers Franchise, Franchisee shall provide Franchisor with the contact information for the potential client via Franchisor's main toll-free number. Any violation of any of the restrictions of this section by Franchisee will constitute a material default of this agreement.



1.11 Client Location Restrictions. Franchisee shall not directly or indirectly conduct onsite client assessments, provide Permitted Products or Services, or provide products or services that compete with Permitted Products or Services, in the protected territory of another Home Helpers Franchise after that Franchise's Opening Date, unless (i) the other Home Helpers Franchise or Franchisor has granted Franchisee permission, in writing, to provide care or services to specific clients, or (ii) expressly permitted by this agreement. If Franchisor, in its sole opinion, determines that Franchisee has violated any of the client location restrictions of this agreement, then Franchisee shall pay the affected Home Helpers Franchise an amount equal to the Network Hourly Gross Margin for every hour that Franchisee has invoiced and/or continues to invoice clients for care or services provided at locations in the affected Franchise's territory. In addition, Franchisee shall pay Franchisor \$5,000 for each client to whom Franchisee provided products or services in violation of the client location restrictions of this agreement. "Network Hourly Gross Margin" means, on any given date, an amount equal to the average client billing rate of all Franchises in the Network during the previous twelve-calendar-month period, less the average caregiver wage rate (increased by 15% to reflect employer-paid payroll taxes) of all Franchises in the Network during the same twelve-calendar-month period. Network Hourly Gross Margin will be calculated by Franchisor in its sole and absolute discretion, and Franchisor's determination will be final and binding on all interested parties. Franchisee, not Franchisor, is solely responsible for any payments or penalties owed to another Home Helpers Franchise for such violations. Franchisee shall indemnify and defend Franchisor against and hold Franchisor harmless from all Claims of any kind or nature and by or from anyone, directly or indirectly arising out of, related to, or resulting from Franchisee's violation of the client location restrictions of this agreement. Any violation of the client location restrictions of this agreement by Franchisee will constitute a material default of this agreement.

1.12 Skilled Care Services. If Franchisee is in Good Standing and demonstrates that, in Franchisor's Business Judgment, Franchisee is qualified, complies with all state and federal health care industry standards, local health care regulations, various licensing standards, and other requirements that may apply, has the proper insurance that provides coverage for the Skilled Care Services (defined in section 19.85) offered, and has access to adequate capital, Franchisee may be permitted, but not required, to provide Skilled Care Services. If Franchisee does not provide Skilled Care Services, then Franchisor may, in its sole discretion, permit a Home Helpers Franchise that does provide Skilled Care Services to provide Skilled Care Services to clients in the Territory. If a client of such other Home Helpers Franchise requests Permitted Products or Services other than Skilled Care Services, then the other Home Helpers Franchise may also provide other Permitted Products or Services to such client. Nothing in this section alters Franchisor's rights under section 7.3.

1.13 Shared Referral Sources. All Home Helpers Franchisees are entitled to solicit referrals from and promote their services to Shared Referral Sources (defined in section 19.84), and the solicitation of referrals from and promotion of services to Shared Referral Sources located in Franchisee's Territory by other Home Helpers Franchisees will not violate the rights granted to Franchisee by section 1.3 or any other provision of this agreement. All disputes between Home Helpers Franchisees over Shared Referral Sources will be resolved by Franchisor, whose decision will be final and binding upon all parties. Nothing in this section authorizes Franchisee to offer, sell or provide Permitted Products or Services outside the Territory described in Exhibit B.

1.14 Permitted Operation Outside of Territory. Subject to the limitations of sections 1.08, 1.10 and 1.11, Franchisee may provide Permitted Products or Services at locations outside of the Territory, provided the location is no more than twenty-five miles from the boundaries of the Territory.

## ARTICLE 2

### TERM AND RENEWAL

2.1 Term. Unless earlier terminated in accordance with the terms and conditions of this agreement, the Initial Term of this agreement is ten years beginning on the Effective Date (defined in section 19.30) and ending on the Expiration Date (defined in section 19.34).

2.2 Renewal. Except for the Post-Termination Provisions (defined in section 19.72) and as provided in section 2.3, Franchisee's rights and Franchisor's obligations under this agreement terminate at the Expiration Date. For a period of one year before the Expiration Date, Franchisee will have the right, at its option and upon the conditions in this section 2.2, to renew its Franchise for an additional term of ten years beginning the day after the Expiration Date (a "Successor Franchise"). A Successor Franchise, if granted by Franchisor, will be upon the terms of Franchisor's then-current franchise agreement (a "Successor Agreement"), with appropriate modifications to reflect the fact that it relates to a Successor Franchise. Franchisee will not be eligible to renew its Franchise unless and until Franchisee complies with all of the following conditions:

- (a) Franchisee must give Franchisor written notice of its election to renew at least six months, but not more than one year, before the Expiration Date.
- (b) Franchisee must be in Good Standing and have substantially complied with all of the material terms and conditions of all agreements between Franchisee (or its Principals or Affiliates) and Franchisor (or any of the Franchisor-Related Persons, defined in section 19.43) during the respective terms thereof.
- (c) Franchisee must have met the Performance Standard required by section 1.7 in each of the twelve consecutive months immediately before Franchisor's receipt of the notice referenced in subsection 2.2(a).
- (d) Franchisee must demonstrate to Franchisor's satisfaction that it meets Franchisor's then-current qualification standards for new Home Helpers Franchisees, possesses a good business reputation and credit rating, and has adequate financial resources and capital to operate the Franchised Business.
- (e) At least two months before the Expiration Date, Franchisee must execute and deliver a Successor Agreement to Franchisor, which will supersede this agreement in all respects. A Successor Agreement may differ materially in economic and other aspects from this agreement and its requirements (including a different Royalty, Branding Fee and other fees), but start-up terms (e.g., Pre-Opening Training) will not apply and Franchisee will not be required to pay another Franchise Fee (although Franchisee will be required to pay a Renewal Fee as described in sections 2.2(g) and 19.79). The Successor Agreement must contain a provision substantially similar to this section 2.2 granting Franchisee the right to renew its Successor Franchise for one more term of ten years beginning the day after the expiration date of the Successor Agreement, subject to conditions substantially similar to those in subparagraphs (a) through (h) of this section 2.2.
- (f) At least two months before the Expiration Date, unless prohibited by the laws of the jurisdiction in which Franchisee resides or the Franchised Business is located, Franchisee and each of its Principals must sign and deliver to Franchisor its then-current form of General Release (defined in section 19.44).

(g) Franchisee shall pay the Renewal Fee described in section 19.79 at the time it signs the Successor Agreement.

(h) At least one month before the Expiration Date, Franchisee must satisfy Franchisor's then current qualification and training requirements, including any training requirements specifically designed for renewing Franchisees.

2.3 Holdover Period. If Franchisee does not execute a Successor Agreement before the Expiration Date but continues to operate the Franchised Business (or a Competitive Business) or to otherwise accept the benefits of this agreement after the expiration of the Initial Term, then at Franchisor's option, this agreement may be treated either as: (i) expired as of the Expiration Date, with Franchisee thereafter operating without a license to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis (the "Holdover Period") until either party provides the other party with at least one month's written notice of that party's intention to terminate the Holdover Period (if the laws of the jurisdiction in which the Franchised Business or Franchisee is located require a longer notice period, the one-month period will be deemed modified to be the shortest notice period required by the applicable laws of the jurisdiction). In the latter case, all of Franchisee's obligations will remain in full force and effect during the Holdover Period as if this agreement had not expired, and all obligations and restrictions imposed on Franchisee upon the expiration of this agreement will be deemed to take effect upon the termination of the Holdover Period. Except as described in this paragraph, Franchisee has no right to continue to operate the Franchised Business after the expiration of the Initial Term. If Franchisee does not execute a Successor Agreement before the Expiration Date but Franchisor nevertheless permits Franchisee to renew the license granted under this agreement, then Franchisee shall pay Franchisor, in addition to the Renewal Fee described in section 19.79, \$1,000 per month for every month of the Holdover Period, not to exceed Franchisor's then-current initial franchise fee.

### ARTICLE 3

#### LOCATION OF BUSINESS

##### 3.1 Location.

(a) Franchisee, after obtaining Franchisor's written approval, shall lease, purchase or otherwise secure suitable premises for the operation of the Franchised Business (the "Franchise Premises"). Except as otherwise permitted by section 3.1(b) below, the Franchise Premises must be in the Territory or in an "alternate territory of Franchisee" (*i.e.*, the franchise territory under another Home Helpers franchise agreement in effect between Franchisee and Franchisor).

(b) Franchisee may, with Franchisor's prior written consent, operate the Franchised Business from Franchisee's residence or from the residence of a Principal of Franchisee, but only until the second anniversary of the Effective Date (or, if Franchisee has already been operating another Franchise under another franchise agreement with Franchisor, no later than the second anniversary of the effective date of that franchise agreement), and only if (i) permitted by, and so long as Franchisee fully complies with, all Applicable Laws (including all licensing, zoning and other requirements and restrictions), and (ii) the residence is not located in the protected territory of another Home Helpers Franchisee. If the residence to be used as the Franchise Premises is not located in the Territory or in an alternate territory of Franchisee, Franchisee shall, before the Opening Date, obtain and use, for all purposes relating to the Franchised Business, a mailing address with a ZIP Code that is included in the Territory (or in an alternate territory of Franchisee), and the Designated Number must be listed under that address. If at any time the ZIP Code in

which the Franchise Premises is physically located becomes part of the protected territory of another Home Helpers Franchisee, Franchisee shall, at its own expense and within two months after receipt of a written demand from Franchisor, relocate the Franchise Premises to a location in the Territory or in an alternate territory of Franchisee. Notwithstanding the previous sentences of this paragraph, no later than the second anniversary of the Effective Date (or, if Franchisee has already been operating another Franchise under another franchise agreement with Franchisor, beginning on the second anniversary of the effective date of that franchise agreement), the Franchise Premises must be a location that (x) is not used as, part of, or located within a residence, (y) is located in the Territory or in an alternate territory of Franchisee, and (z) has been approved by Franchisor for use as the Franchise Premises.

(c) Before its execution of a purchase contract or lease for the Franchise Premises, Franchisee shall provide Franchisor with a copy of the proposed purchase contract or lease for Franchisor's review and approval, which will not be unreasonably withheld. Franchisee may not move the Franchise Premises, designate a new location as the Franchise Premises, or establish a second or satellite office without Franchisor's prior written consent.

3.2 Constructing Improvements and Furnishing of Franchise Premises. Franchisee, at its own cost and expense, shall construct and furnish all required improvements to the Franchise Premises and decorate and equip the Franchise Premises in compliance with System Standards, as may be modified from time to time, and in accordance with all applicable ordinances, building codes, permit requirements, and state or local operating licenses.

## ARTICLE 4

### INITIAL FEES

4.1 Franchise Fee. Franchisee shall pay Franchisor a "Franchise Fee" of ~~\$49,900~~ ~~\$48,900.00~~<sup>1</sup>. The Franchise Fee is fully earned upon receipt by Franchisor or when Franchisee signs this agreement, whichever occurs first. The Franchise Fee is due and payable to Franchisor by Automated Clearing House transfer, check, money order, bank draft, or in cash within fifteen days after Franchisee signs this agreement or two weeks before the Designated Individual begins the Pre-Opening Training, whichever occurs first, in consideration of, among other things, the administrative and other expenses incurred by Franchisor in furnishing items to Franchisee as described in Article 6 and for Franchisor's lost or deferred opportunity to franchise to others. The Franchise Fee is not refundable.

4.2 Business Foundations Kit Fee. Franchisee shall pay Franchisor a Business Foundations Kit Fee of ~~\$9,000~~ ~~\$9,750~~ for the Business Foundations Kit described on Exhibit C. The Business Foundations Kit Fee is due upon demand by Franchisor. The Designated Individual may not begin the Pre-Opening Training until the Business Foundations Kit Fee has been paid in full. If this agreement is terminated before the Opening Date, Franchisor shall repurchase any unopened, unused items in saleable condition from the Business Foundations Kit (excluding software licenses from third parties and customized promotional materials and supplies) and provide Franchisee with a refund for the returned items. Franchisee shall pay all transportation costs to return Business Foundations Kit items. The Business Foundations Kit Fee is not refundable under any other circumstances.

4.3 Inapplicable to Renewals and Transfers. This Article 4 is not applicable if (i) this agreement is a Successor Agreement to a prior franchise agreement or Franchisee is otherwise executing this

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<sup>1</sup> All dollar figures are in United States currency.

agreement in connection with the renewal of a franchise granted under a prior franchise agreement with Franchisor or a predecessor of Franchisor, or (ii) Franchisee is executing this agreement in connection with a Transfer in accordance with Article 12.

## ARTICLE 5

### PERIODIC FEES

#### 5.1 Royalty.

- (a) Franchisee shall pay Franchisor a monthly “Royalty” equal to the greater of:
- (1) 6% (the “Royalty Rate”, which is subject to adjustment as provided in subparagraphs (b) and (c) below) of Gross Revenues for the preceding month, or
  - (2) the “Minimum Royalty” (defined in subparagraph (d) below)

The Royalty is solely in consideration of Franchisee’s continued right to use the Marks. Franchisee’s obligation to pay the Royalty described in subsection 5.1(a)(1) starts on the Effective Date—the Royalty must be paid on any Gross Revenues even if Franchisee is not yet required to pay the Minimum Royalty—but Franchisee is not obligated to pay the Minimum Royalty until the Minimum Fee Start Month (defined in section 19.59). For example, if the Minimum Fee Start Month is August, but Franchisee opens the Franchised Business in April and earns Gross Revenues in June, then Franchisee will be required to pay Franchisor a Royalty in July equal to 6% of the June Gross Revenues, even though Franchisee will not be required to pay the Minimum Royalty until August.

- (b) As an incentive to Franchisee to fully develop the Franchised Business, if Franchisee is in Good Standing, the Royalty Rate will be reduced for annual Gross Revenues in excess of certain benchmarks in each calendar year as provided in the following Table 5.1:

**Table 5.1**

Gross Revenue Benchmarks	Royalty Rate
The Royalty Rate on the first \$500,000 of annual Gross Revenues is 6%	
\$500,000	5% on Gross Revenues in excess of the Benchmark
\$2,000,000	4% on Gross Revenues in excess of the Benchmark
\$5,000,000	3% on Gross Revenues in excess of the Benchmark

- (c) The Royalty Rate at the beginning of each calendar year will be 6%. Each time Franchisee attains a higher Gross Revenues benchmark, if Franchisee is in Good Standing, the Royalty Rate will be adjusted to the rate opposite the benchmark in Table 5.1. Franchisee will not be entitled to any Royalty Rate adjustment if and for so long as Franchisee is not in Good Standing under this agreement or any other agreement between Franchisee or any Principal or Affiliate of Franchisee, on the one hand, and Franchisor or any of its Affiliates on the other. The adjusted Royalty Rate will apply only to Gross Revenues in excess of that benchmark that calendar year. All Royalty Rate adjustments will expire at the end of each calendar year. If Franchisee is not in Good Standing or is otherwise not entitled to an adjustment when Franchisee attains a new benchmark, Franchisor shall so notify Franchisee in writing. If Franchisee is not entitled to the adjustment because

Franchisee is not in Good Standing, but Franchisee subsequently returns to Good Standing and satisfies Franchisor thereof before December of that calendar year, then the Royalty Rate adjustment will become effective in the “Reinstatement Month”, i.e., the calendar month following the month in which Franchisee returned to Good Standing. In that case the Royalty Rate adjustment will not apply to all Gross Revenues in excess of the last benchmark, but only to Gross Revenues earned in the Reinstatement Month and thereafter for the duration of that calendar year or until Franchisee attains the next Gross Revenues benchmark, whichever occurs first. If Franchisee ceases to be in Good Standing at any time after qualifying for a Royalty Rate adjustment, then all year-to-date Royalty Rate adjustments will be forfeit and Franchisee shall resume paying at the Royalty Rate of 6% until Franchisee becomes in Good Standing.

(d) Beginning in the Minimum Fee Start Month and continuing until the monthly Performance Standard under section 1.7 is greater than zero, the Minimum Royalty will be \$500 for the Franchise operated under this agreement. Once the Performance Standard is greater than zero and continuing thereafter for the remainder of the Term, the Minimum Royalty for the Franchise operated under this agreement will equal the amount of the Performance Standard in effect for the preceding calendar month, multiplied by the applicable Royalty Rate based upon Franchisee’s actual year-to-date Gross Revenues through the preceding calendar month.

(e) If Franchisee operates another Home Helpers Franchise under a separate franchise agreement with Franchisor, the Minimum Royalty under the other agreement will be in addition to and aggregated with the Minimum Royalty under this agreement. For example, if Franchisee operates two other Home Helpers Franchises in addition to the Franchise operated under this agreement, and the other two franchise agreements also require Franchisee to pay a \$500 Minimum Royalty, the total Minimum Royalty for Franchisee will be \$1,500. The Minimum Fee Start Month for each Franchise will be determined as specified in the franchise agreement for that Franchise.

## 5.2 Branding Fee.

(a) Franchisee shall contribute, to the Branding Fund established in accordance with Article 11, a monthly “Branding Fee” of up to 2% of Franchisee’s Gross Revenues. Franchisee’s Branding Fee contribution for each calendar year will be based upon Franchisee’s Gross Revenues for the one-year period ending on October 31 of the previous year.

(b) In no event will the Branding Fee payable by Franchisee be less than the “Minimum Branding Fee”, except that Franchisee will not be obligated to pay the Minimum Branding Fee until the Minimum Fee Start Month. Beginning in the Minimum Fee Start Month and continuing until the monthly Performance Standard under section 1.7 is greater than zero, the Minimum Branding Fee will be \$500 per month (regardless of the number of Home Helpers Franchises operated by Franchisee). Once the Performance Standard is greater than zero and continuing thereafter for the remainder of the Term, the Minimum Branding Fee will be up to 2% a percentage (not to exceed 2%) of the Performance Standard, in accordance with Franchisor’s standard Branding Fee rates in effect at the time.

(c) Franchisor has the right to increase the amount of the Branding Fee, including the Minimum Branding Fee and notwithstanding subsection 5.2(a), at any time in its sole discretion. Any increase in the Branding Fee will be effective not less than thirty days after Franchisee’s receipt of written notice thereof.

(d) If Franchisee is executing this agreement in connection with a Transfer in accordance with Article 12, then for the duration of the calendar year in which the Transfer occurred, the monthly Branding Fee payable by Franchisee under this section 5.2 will be the same as the monthly Branding Fee that the transferor franchisee was paying (or that Franchisee was paying if the Transfer is of an Ownership Interest in Franchisee) immediately before the Transfer (in addition to the monthly Branding Fee, if any, that Franchisee was already obligated to pay before the Transfer pursuant to (an)other franchise agreement(s) between Franchisor and Franchisee in effect prior thereto). For the calendar year following the year in which the Transfer occurred, Franchisor shall calculate Franchisee's Branding Fee contribution based upon the Gross Revenues of the Franchise (whether earned or received before or after the Transfer) for the one-year period ending on October 31 of the previous year.

5.3 Technology Fee. Franchisee shall pay Franchisor an annual "Technology Fee" for technology tools provided or developed by Franchisor. Franchisor has the right to increase the amount of the Technology Fee at any time in its sole discretion. Any increase in the Technology Fee will be effective not less than thirty days after Franchisee's receipt of written notice thereof.

5.4 Late Fees.

(a) Franchisee shall pay each invoice for goods or services purchased from Franchisor, from the Branding Fund, or from an Affiliate of Franchisor, in accordance with its terms. Franchisee shall pay (to Franchisor or to the Branding Fund, as the case may be) a late fee of \$50.00 or 10% of the amount due, whichever is greater, on any payment (including amounts due for the Franchise Fee, Royalties, Branding Fees, Technology Fees, Transfer Fees, Renewal Fees, note payments, or goods or services provided by the Branding Fund, by Franchisor or any Affiliate of Franchisor) that is not received by Franchisor within five days after the due date.

(b) Any payment of any kind due Franchisor, the Branding Fund, or any Affiliate of Franchisor that is not received within thirty days after its due date will bear interest at the rate of 18% per annum, or the highest rate allowed by law, whichever is lower, from the date the payment is due to the date payment is received, regardless of any subordinate agreement that may be in effect to postpone payment.

(c) If Franchisee fails to submit any report required by this agreement (including the reports required by section 7.8) by its due date, Franchisee shall pay Franchisor a late fee of \$50 per report per day for each day after the due date until Franchisor receives the report.

(d) If Franchisee fails to invoice its clients for all Permitted Products and Services provided in the previous month, and post the invoiced amounts to the designated agency management and billing application, by the seventh of each month, Franchisee shall pay Franchisor a late fee of \$50 per day for each day after the seventh of the month until all clients are invoiced and the amounts posted.

5.5 Taxes on Amounts Paid to Franchisor. All payments required to be made by Franchisee to Franchisor pursuant to this agreement shall be the gross amount determined according to the applicable paragraph, without deduction for any sales, use, withholding, gross receipts, income, or other taxes that may be levied or assessed thereon by any state, county, or municipality in which the Franchised Business is located or operates, in which Franchisee resides, or which otherwise possesses the power to tax Franchisee or the Franchised Business. Franchisee shall remit to the appropriate taxing authorities all sales, use, withholding, gross receipts, income, or other taxes levied or assessed on amounts paid by

Franchisee to Franchisor which would otherwise be due from Franchisor, shall promptly deliver to Franchisor receipts of applicable governmental authorities showing that all such taxes were properly paid in compliance with Applicable Laws, and shall indemnify and defend Franchisor and hold Franchisor harmless from and against all liability for such taxes (including interest and penalties thereon). Franchisee shall fully and promptly cooperate with Franchisor to provide such information and records as Franchisor may request in connection with any application by Franchisor to any taxing authority with respect to any tax credits.

#### 5.6 Method of Payment.

(a) All payments that Franchisee is required to make under this agreement, including Royalties, Branding Fees, Technology Fees, Transfer Fees, Renewal Fees, referral fees, late fees, interest and legal expenses, must be received by Franchisor by the due date established by Franchisor from time to time (which for monthly payments will not be earlier than the fifth day of the month) through an electronic depository transfer account ("EDT Account") established at a national banking institution approved by Franchisor, or by such other method as Franchisor may require. Franchisee shall establish the EDT Account and execute and deliver to Franchisor an authorization for electronic funds transfer for direct debits from the EDT Account. At all times thereafter during the Term, Franchisee shall ensure that Franchisor has access to Franchisee's EDT Account for purposes of initiating electronic funds transfer payments, and Franchisee shall comply with procedures specified by Franchisor and perform such acts as may be necessary to accomplish payment by electronic funds transfer. Franchisee hereby authorizes Franchisor to initiate debit entries and credit correction entries to the EDT Account for payment of Royalties, Branding Fees, Technology Fees, interest, late fees, legal expenses, and any other amounts payable to Franchisor or any affiliate of Franchisor. Franchisee shall make funds available to its EDT Account in sufficient amounts to meet its obligations as they become due. If any debit properly initiated by Franchisor from Franchisee's EDT Account is denied or charged back due to nonsufficient funds or the closing of the EDT Account, Franchisee shall (1) pay Franchisor a \$50 charge-back fee, (2) reimburse Franchisor for all bank and transaction charges incurred by Franchisor as the result of the charge-back, and (3) pay interest on the unpaid amount going back to the date the payment was due. Franchisee may not close the EDT Account without Franchisor's consent. Franchisor reserves the right to require Franchisee to remit payments in any manner other than through the EDT Account.

(b) If Franchisee has not invoiced its clients for all Permitted Products and Services provided in the previous month and posted the invoiced amounts to the designated agency management and billing application by the seventh of each month, then Franchisor shall debit Franchisee's EDT Account by an amount equal to the monthly Branding Fee, plus 125% of the Royalty that Franchisor was entitled to debit in the prior reporting period, plus applicable late fees. If the amounts debited are less than the amounts Franchisee actually owes (once Franchisee has invoiced its clients and posted the invoiced amounts to the designated agency management and billing application), Franchisor shall debit the EDT Account for the balance of the Royalty due on the date specified by Franchisor. If the amounts debited are greater than the amounts Franchisee actually owes, Franchisor shall credit the excess against the amount Franchisor otherwise would debit from the EDT Account during the following month, without interest. Nothing in this paragraph is to be construed to waive, postpone, or suspend Franchisee's obligations to submit any reports, records, or other materials required by this agreement. Franchisee acknowledges that its failure to timely invoice its clients and post the invoiced amounts to the designated



agency management and billing application constitutes a breach of this agreement, notwithstanding the provisions of this paragraph.

(c) Franchisor may, after providing thirty days' notice, alter the payment period for the Royalty, Branding Fee, and any other required payments from monthly to weekly, biweekly, or such other period as Franchisor designates.

5.7 Application of Payments. As to Franchisee, Franchisor has the right to: (i) apply any payments received to any past-due, current, or future indebtedness of any kind, regardless of any instructions for the application of the payment from Franchisee or anyone else; (ii) set off from any amounts that may be owed by Franchisor, any amount owed to Franchisor or any Branding Fund; and (iii) retain any amounts received for Franchisee's account, whether rebates from suppliers or otherwise, as a payment against any amounts owed to Franchisor. Franchisor may exercise any of these rights in connection with amounts owed to or from Franchisor, any Franchisor-Related Person, and/or any Branding Fund.

## ARTICLE 6

### DUTIES OF FRANCHISOR

6.1 Assistance by Franchisor. Franchisor, at its sole expense and cost, shall provide the following assistance and make the following materials available to Franchisee:

- (a) a schedule of all equipment necessary to operate the Franchised Business;
- (b) training as described in section 7.1;
- (c) access to a current set of advertising and promotional assets;
- (d) approved and readily available sources for purchasing supplies, advertising and marketing materials, computer hardware and software, and other items necessary for the operation of the Franchised Business;
- (e) periodic assistance from Franchisor's representatives both onsite and remotely as and to the extent Franchisor deems necessary; and
- (f) such other materials, information and assistance as Franchisor may from time to time deem necessary.

6.2 Business and Reporting Forms. Following the execution of this agreement, Franchisor will provide Franchisee with access in a digital format to the business and reporting forms for use by Franchisee in the Franchised Business. Upon request, Franchisor will provide Franchisee with specifications for the proper preparation of the business and reporting forms, and Franchisee will have the option to purchase from a supplier who has complied with Franchisor's supplier approval guidelines as described in section 7.5

6.3 Manual. Franchisor shall make available to Franchisee, at no charge, one copy of Franchisor's current Manual in a digital format via Franchisor's franchisee intranet as described in Article 9.

6.4 Monitoring Services. Franchisor shall designate a vendor to provide Franchisee with two-way communication and monitoring services as described in this section ("Monitoring Services") at such rates as the vendor may establish from time to time. Franchisee shall pay each invoice for Monitoring Services in accordance with its terms. The Monitoring Services will include an "Emergency Response

Center” staffed and on-line twenty-four (24) hours per day, seven (7) days per week. The function of the Emergency Response Center(s) will be to:

- (a) receive and acknowledge signals transmitted from Direct Link Equipment placed in service by Franchisee;
- (b) display subscriber data from the Emergency Response Center database;
- (c) through the Direct Link Equipment, attempt to establish two-way voice communication between the Emergency Response Center monitor and Franchisee’s subscribers;
- (d) take such action as may be necessary and reasonable under the circumstances, including action designated on the subscriber agreement and/or requested by the subscriber;
- (e) provide a toll-free telephone number for use by the Direct Link Equipment; and
- (f) notify Franchisee when an emergency activation is received from Franchisee’s subscribers.

Franchisor shall have the unrestricted right to delegate, assign or subcontract Monitoring Services to a third party.

6.5 Direct Link Equipment. Franchisor shall designate a vendor to provide Franchisee with an adequate supply of medical alert, personal emergency response, medication management and telehealth systems and components for use by customers of Franchisee (“Direct Link Equipment”), at such prices as the vendor may establish from time to time. Franchisee shall pay each invoice for Direct Link Equipment in accordance with its terms. Franchisor may, in its sole discretion, require Franchisee to purchase or lease the Direct Link Equipment from one or more designated vendors (which may include Franchisor) in order to maintain quality standards, expand or upgrade the equipment offered, or take advantage of price discounts, benefits or other sales incentives.

6.6 Uniform Resource Locator. Franchisor shall designate, in its Business Judgment, a uniform resource locator (“URL”) to identify the Franchised Business, which determination will be final and binding on the parties. Franchisee shall not use any other domain name or URL in connection with the Franchised Business without Franchisor’s prior written approval. Franchisor shall own and control all domain names and URLs relating to the Franchised Business, any Permitted Products or Services, or any Competitive Business owned, operated or controlled by Franchisee, any Principal of Franchisee, or any Covered Person. Franchisee’s only interest in any such domain names and URLs is the right to use them pursuant to and during the term of this agreement.

## **ARTICLE 7**

### **DUTIES OF FRANCHISEE**

#### **7.1 Training.**

- (a) Within three months after the Effective Date and before the Opening Date, the Designated Individual must complete, to Franchisor’s satisfaction, a training program for new Home Helpers Franchisees (the “Pre-Opening Training”). The Pre-Opening Training may be held, in Franchisor’s Business Judgment, at Franchisor’s headquarters corporate office, at another facility selected by Franchisor, virtually via webinars and video and audio conferencing, or through a designated vendor. Unless the Designated Individual has already completed the Pre-Opening Training in connection with Franchisee’s operation of another Home Helpers Franchise under a separate

franchise agreement with Franchisor, the Pre-Opening Training is mandatory—if the Designated Individual fails to complete the Pre-Opening Training to Franchisor’s satisfaction within three months after the Effective Date, then Franchisor will have the right to terminate this agreement without further obligation to Franchisee and without refunding any money paid by Franchisee. If a Professional License is required by Applicable Laws and Franchisor has reason to anticipate that it is unlikely to be issued within four months after the Effective Date, Franchisor may, in its Business Judgment, postpone the Pre-Opening Training to a date nearer the anticipated issuance of the Professional License.

(b) The Designated Individual shall attend and complete, to Franchisor’s satisfaction, all refresher courses, seminars (whether in-person or online), and other training programs reasonably required by Franchisor from time to time. Refresher courses, seminars, and additional training programs may be held, in Franchisor’s Business Judgment, at Franchisor’s corporate headquarters, at the office of another Home Helpers Franchisee, at or in conjunction with a Network conference or national or regional meeting site, or at any other facility designated by Franchisor.

(c) For all training courses, seminars and programs (including the Pre-Opening Training), Franchisor shall provide and pay for the instructors, training facilities and training materials. Franchisor has the right to charge a reasonable fee for any training it provides after the Opening Date. Franchisee shall bear the cost of all other expenses for its Designated Individual and other personnel during the training, including the costs of travel, lodging, meals and wages.

7.2 System Standards. Franchisee acknowledges and agrees that every detail of the Operating System is important, not only to Franchisee but also to Franchisor and other Home Helpers Franchisees, in order to develop and maintain high and uniform operating standards, to increase the demand for the products and services offered by all franchisees, to establish and maintain a reputation for uniform, efficient, high-quality services, and to protect the goodwill of all Home Helpers Franchises. Franchisee further acknowledges and agrees that a fundamental requirement of the Operating System and this agreement is adherence by all Home Helpers Franchisees to the System Standards (defined in section 19.87). Accordingly, Franchisee agrees to comply with each and every System Standard, as periodically modified and supplemented by Franchisor in its sole and absolute discretion, during the Term. Franchisee further agrees that System Standards prescribed from time to time in the Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this agreement as if fully set forth in this agreement. All references to this agreement include all System Standards as periodically modified.

7.3 Products and Services. Franchisee shall offer and sell all products and services, and only those products and services, designated as Permitted Products or Services by Franchisor in the Manual or otherwise in writing. Franchisor may unilaterally add and remove products and services to or from the list of Permitted Products or Services at any time. Franchisor also has the right to designate any products or services as optional for all or any subgroup of Home Helpers Franchisees. Before offering or selling any Permitted Products or Services, Franchisee shall comply with all applicable laws and other requirements and submit proof of compliance therewith to Franchisor.

7.4 Fixtures and Furnishings. Franchisee, at its own expense, shall purchase and install the Communication and Information System as specified in section 7.15 below, and all fixtures, furnishings, signs, and other equipment as may be specified by the System Standards from time to time. Franchisee

shall not permit the installation of any fixtures, furnishings, signs, or other equipment not conforming to the System Standards.

7.5 Supplier Approval. Franchisor has the right to require Franchisee to purchase all goods and services used in the Franchised Business solely from suppliers designated by Franchisor, which may include Franchisor or its Affiliates. All goods and services for which Franchisor has designated a required supplier(s) must be purchased only from the required supplier(s) designated by Franchisor. The required suppliers will be listed in the Manual or otherwise communicated to Franchisee in writing. Franchisor has the right to designate suppliers based upon benefits to Franchisor and/or its Affiliates based upon purchases by Home Helpers Franchisees. Franchisor and/or its Affiliates may derive income or receive benefits as a result of Franchisee's and/or other Home Helpers Franchisees' purchase of items. Franchisor has the right to require Franchisee to purchase certain goods or services exclusively from one or more designated suppliers, or to purchase cooperatively with Franchisor or other Home Helpers Franchisees, in order to maintain Franchisor's quality standards or to take advantage of price discounts, benefits, or other sales incentives. Franchisor and/or its Affiliates have the right to receive rebates, discounts, allowances and other payments from suppliers in respect of group purchasing programs and otherwise on account of the suppliers' dealings with Franchisee and other Home Helpers Franchisees, which Franchisor is entitled to retain and use without restriction for any purpose and without accounting to Franchisee. Franchisor has the unlimited right to change and add designated suppliers and to change the list of goods and services required to be purchased from designated suppliers at any time. Franchisor shall invoice Franchisee, upon such terms and conditions as Franchisor may establish from time to time, for any Monitoring Services, Direct Link Equipment, Call Center Services, Proprietary Products and Services, software and technology services, and other goods and services provided by Franchisor, and Franchisee shall pay each invoice promptly in accordance with its terms.

7.6 Business Operation.

(a) If (i) Franchisee is already operating a Franchise as of the Effective Date under another franchise agreement with Franchisor, or (ii) this agreement is a Successor Agreement to a prior agreement or Franchisee is otherwise executing this agreement in connection with the renewal of a franchise granted under a prior agreement with Franchisor or a predecessor of Franchisor, or (iii) the Franchised Business is a Conversion Franchise, or (iv) Franchisee is executing this agreement as a transferee in connection with a transfer of any interest in another Home Helpers Franchisee, any interest of another Home Helpers Franchisee in a franchise agreement with Franchisor, or any interest in a Franchise owned by another Home Helpers Franchisee, then the Opening Date (defined in section 19.66) will be the Effective Date. In all other cases the Opening Date must occur: (1) if no Professional License is required by Applicable Laws to operate the Franchised Business, no later than three months after the Designated Individual completes the Pre-Opening Training; or (2), if a Professional License is required by Applicable Laws, within (i) one month after the Professional License is issued, or (ii) six months after the Effective Date, whichever occurs first. If Franchisee demonstrates to Franchisor's satisfaction that it has complied with section 7.6(b) below, but Franchisee is unable to obtain the Professional License within six months after the Effective Date, then Franchisor shall extend the deadline for the Opening Date for an additional period to be determined in Franchisor's reasonable discretion, but which will not exceed six months. Franchisor shall notify Franchisee of the Opening Date at least one month in advance. After the Opening Date, Franchisee shall maintain the Franchised Business in continuous operation during the Term. Franchisee shall not use or permit the use of the Franchise Premises for any other purpose or activity other than the operation of the

Franchised Business without Franchisor's prior written consent (this restriction will not apply if Franchisee's residence is the Franchise Premises).

(b) If a Professional License is required by Applicable Laws, Franchisee shall apply for the Professional License promptly after the Effective Date (but in no event later than one month after the Effective Date) and shall use its best efforts to prosecute the application diligently and expeditiously, with haste and in good faith, in order to obtain the Professional License as quickly as reasonably possible.

(c) At all times during the Term, the Designated Individual shall devote his or her full time, energy and best efforts to the management and operation of the Franchised Business. The Franchised Business must at all times be under the direct supervision of the Designated Individual. The Designated Individual may not have any other employment after the Opening Date.

7.7 Payment of Liabilities and Taxes. Franchisee shall pay its distributors, lessors, contractors, suppliers, trade creditors, employees, and other creditors promptly as the debts and obligations to such parties become due, and pay all taxes on real and personal property, leasehold improvements and fixtures and equipment, and all sales and use, income, payroll and other taxes promptly when due and hold Franchisor harmless therefrom. Franchisee's failure to do so shall constitute a breach of this agreement. All taxes shall be paid directly to the taxing authorities prior to the delinquent date. If Franchisee shall fail to pay any such obligations promptly as the debts to such parties become due, or if any taxes become delinquent, Franchisor, in addition to its other remedies provided in this agreement, may elect to pay any such obligation or delinquent tax on behalf of Franchisee, together with late charges, penalties and interest, if any, and Franchisee shall, upon demand, reimburse Franchisor for any sums so paid by Franchisor, together with interest at the rate of 18% per annum, or the highest rate allowed by law, whichever is less, from the date of payment by Franchisor to the date of reimbursement by Franchisee.

7.8 Records. During the Term, Franchisee shall maintain and preserve, for at least seven years from the date of their preparation, full, complete and accurate books and records of account, prepared in accordance with generally accepted accounting principles, and client files and records pertaining to the Franchised Business granted pursuant to this agreement, all in the form and manner prescribed by Franchisor in the Manual or otherwise in writing. In connection with its maintenance of such accounts and records, Franchisee, at its expense, shall:

(a) submit to Franchisor, on such basis and at such intervals as Franchisor may specify from time to time (*e.g.*, weekly, monthly, quarterly, annually, *etc.*), all such data or information about the Franchised Business or Franchisee as Franchisor may require (including Business Records as defined in subparagraph (i) below), in such form as Franchisor may prescribe, and if requested by Franchisor, certified by Franchisee or by the Designated Individual;

(b) submit to Franchisor, within three months after the end of each calendar year, an income statement for the preceding calendar year and a balance sheet as of the end of the preceding calendar year, presented on an accrual basis and certified by Franchisee or by the Designated Individual as accurately reflecting the results of operations of the Franchised Business for the preceding calendar year and its financial position as of the end of such period, together with such other information as may be prescribed by Franchisor;

(c) ~~(e)~~ submit to Franchisor signed copies of Franchisee's complete federal income tax return, inclusive of all forms and schedules, for the previous tax year, as filed with the Internal Revenue

Service, on or before April 30 of each year, or, if Franchisee has received an extension of time to file and submits to Franchisor, by April 30, a signed, file-stamped copy of IRS Form 4868 or 2688, as applicable, then within fifteen days after the final due date for such return, but in no event later than October 30 of each year;

(d) submit to Franchisor, within ten days after request, such other forms, reports, bank statements, client files, records, information, and data as Franchisor may reasonably request;

(e) use only the chart of bookkeeping accounts prescribed by Franchisor in the Manual or otherwise communicated to Franchisee;

(f) purchase and/or install such equipment and programs, subscribe to such applications, and grant such authorizations as Franchisor may require to provide Franchisor with remote access to Franchisee's accounting records or automate the reporting of financial information and the payment of recurring fees by Franchisee pursuant to this agreement, including Internet or intranet reporting and pre-authorization of electronic funds transfer or bank debit;

(g) submit to Franchisor, upon request, all Medicare and Medicaid cost reports (both as submitted by Franchisee and as finalized), all applicable notices of program reimbursement, periodic interim payment reports, audit adjustments and work papers, final resolutions of reimbursement disputes and all documentation regarding prospective payments; and

(h) submit to Franchisor, within one month after the final day of the survey or audit, copies of the results (including cover letter and deficiency statement, if applicable) of any survey or audit conducted by any Federal, state or local government agency relating to the Professional License, Medicare or any other aspect of the Franchised Business.

(i) At all times during the Term and for a period of three years after a Transfer (defined in section 19.92) or the termination or expiration of this agreement, permit Franchisor or its designated agents at all reasonable times to examine, at Franchisor's expense and at such location as Franchisor may reasonably select, Franchisee's books and records of account, bank statements, canceled checks, client files, federal, state, and local income tax, sales tax, and payroll records and tax returns, and any other information or records pertaining to the Franchised Business (hereafter collectively referred to as Franchisee's "Business Records") and provide Franchisor or its designated agents with remote or onsite (in Franchisor's discretion) access to the Communication and Information System. If such an inspection should reveal that Gross Revenues (as defined in section 19.46 hereof) have been understated in any report to Franchisor, then Franchisee shall immediately pay Franchisor, upon demand, the Royalty payable on the amount of such understatement, plus the late fee and interest described in section 5.4. In addition, if an inspection discloses an understatement of Gross Revenues of 3% or more for any monthly period so inspected, or if an inspection is prompted by Franchisee's failure to maintain any records or to timely submit any report or other information required by this agreement, then Franchisee shall also reimburse Franchisor for any and all costs and expenses of such inspection (including wages paid by Franchisor to its employees, travel expenses, and reasonable accounting and attorneys' fees). Franchisee, upon Franchisor's request, shall provide Franchisor the tax returns of Franchisee's Principals if Franchisor reasonably suspects that Gross Revenues are understated. The foregoing remedies shall be in addition to any other remedies Franchisor may have. Franchisor shall also have the right, at all times during the Term and for a period of three years after the termination or expiration of this agreement, to have an independent audit made of Franchisee's Business Records.

The terms of this section 7.8 will survive the expiration, termination, or cancellation of this agreement.

#### 7.9 Indemnity and Insurance.

- (a) Franchisee shall indemnify and defend Franchisor against, hold Franchisor harmless from, and reimburse Franchisor for, all Claims of any kind or nature and by or from anyone whomsoever, arising, directly or indirectly, out of, related to, or otherwise connected with Franchisee's operation of the Franchised Business or failure to comply with this agreement (excluding, however, liabilities caused by (i) Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or (ii) Franchisor's negligence).
- (b) Franchisee shall, before the Opening Date and thereafter at all times during the entire Term, at its own expense, keep in force by advance payment of premium the following insurance coverages:
  - (i) All-Risk Insurance on all furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business, for their full replacement cost.
  - (ii) Commercial General Liability Insurance on an occurrence basis covering all claims for bodily and personal injury, death, property damage, product liability, and contractual liability based upon events occurring during the Term, with a minimum per occurrence limit of \$2,000,000 and a minimum general aggregate limit of \$4,000,000 per policy year.
  - (iii) Professional Liability Insurance on an occurrence basis covering all claims based upon events occurring during the Term, with a minimum per occurrence limit of \$2,000,000 and a minimum general aggregate limit of \$4,000,000 per policy year. The policy may contain a sublimit of not less than \$250,000 for abuse and molestation claims.
  - (iv) Automobile Liability Insurance covering owned, hired, and non-owned vehicles for all claims based upon events occurring during the Term, with a minimum combined single limit for each accident of \$1,000,000.
  - (v) Worker's Compensation Insurance that complies, at a minimum, with the statutory requirements of the state in which the Franchised Business is located and Employers' Liability Insurance with a minimum limit of \$100,000 or, if greater, the statutory minimum limit if required by state law. Franchisee must maintain Worker's Compensation and Employer's Liability Insurance coverages regardless of whether they are mandated by state law.
  - (vi) Employment Practices Liability Insurance with a \$500,000 minimum limit and a Vicarious Co-Defendant Coverage endorsement covering defense costs and damages (whether paid pursuant to judgment or settlement) for claims of sexual harassment, discrimination and wrongful termination (and, if coverage is available, wage and hour claims) based upon events occurring during the Term, with a third-party endorsement to respond to client allegations of similar wrongful acts.
  - (vii) A first-party and third-party Fidelity Bond (or Employee Dishonesty Insurance) with a minimum limit of \$25,000 per incident. The policy must NOT contain a Conviction Clause.

Franchisee shall maintain such other insurance as may be required by statute or rule of the state or locality in which the Franchised Business is located and operated and by any lease to which

Franchisee is a party. All policies of insurance that Franchisee is required to maintain hereunder (except for the Workers' Compensation Insurance) shall have a deductible of not more than \$1,000 and shall name Franchisor as an additional insured. All insurance is to be placed with insurance carriers and agencies designated by Franchisor and is not to be subject to cancellation except upon thirty days written notice to Franchisor. Franchisee shall submit to Franchisor, before the Opening Date, certifications of insurance (with a copy of the original policy attached) and a workers' compensation certificate of premium payment, showing full compliance with the requirements of this paragraph, and shall keep current certifications on deposit with Franchisor at all times during the Term. Franchisee shall not open or operate the Franchised Business or provide any goods or services until Franchisee has complied with all of the requirements of this paragraph. Franchisee shall cease operating the Franchised Business immediately if any required insurance policy lapses or expires. If Franchisee fails to maintain required insurance coverage (including the coverage required by section 14.1(n)) or furnish Franchisor with satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies under this agreement, has the right, but is not obligated, to obtain the required insurance and keep it in force and effect, and Franchisee shall pay Franchisor, upon demand, the cost thereof, together with interest thereon at the rate of 18% per annum, or the highest rate allowed by law, whichever is less. Franchisor, upon not less than one month's written notice to Franchisee, may reasonably increase the minimum coverage for any insurance required hereunder, decrease the maximum deductible, or require different or additional kinds of insurance coverage to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. The terms of this paragraph shall survive the expiration, termination, or cancellation of this agreement.

©(c) The insurance required by subparagraph (b) above is for Franchisor's protection. Franchisee is advised to consult with its own insurance agents and legal counsel to determine what types and levels of insurance protection may be needed or advisable in addition to the coverages and limits required by Franchisor.

#### 7.10 Limited Liability Entity.

(a) If Franchisee is a Limited Liability Entity (defined in section 19.56) when it signs this agreement, it must satisfy the following requirements at the time it signs this agreement:

- (1) Franchisee must be a newly organized Limited Liability Entity that has never operated or engaged in any business.
- (2) Franchisee's organizational or governing documents must (i) provide that its activities are confined exclusively to operating one or more Home Helpers Franchises, (ii) prescribe a maximum of ten Principals, and (iii) prohibit the issuance or Transfer of its Ownership Interests (defined in section 19.68) other than in compliance with the terms and conditions of this agreement.
- (3) Franchisee shall provide Franchisor with a Principal List, certified by the Designated Individual, containing the full legal name, home address, home telephone number, and ownership percentage of each Principal of Franchisee and of each Principal of any Franchisee Principal that is itself a Business Organization.
- (4) Each Principal of Franchisee, each Principal of a Franchisee Principal that is itself a Business Organization, and each grantor of a trust that is a Principal of Franchisee or a



Principal of a Franchisee Principal that is itself a Business Organization, must execute a separate agreement, in a form prescribed by Franchisor, unconditionally guaranteeing the full payment of Franchisee's obligations under this agreement and agreeing to be jointly and severally bound by all the provisions of this agreement, including the Post-Termination Provisions. The guarantee of a Principal that is a trust must be executed by all the trustees for and on behalf of the trust. The guarantee of a grantor of a trust must be executed by the grantor in his or her individual capacity. If all grantors of the trust are deceased, or when the last surviving grantor of the trust dies, then all the adult Beneficiary Principals (defined in section 19.4) of the trust must unconditionally guarantee the full payment of Franchisee's obligations under this agreement and agree to be jointly and severally bound by all the provisions of this agreement, including the Post-Termination Provisions.

(5) Each ownership certificate of Franchisee must bear a legend stating that the issuance and Transfer of any Ownership Interest in Franchisee are subject to the terms and conditions of this agreement. If Franchisee is a partnership or limited liability company without certificates evidencing ownership, Franchisee shall provide Franchisor with acceptable evidence that its partnership or operating agreement or other organizational documents contain provisions acceptable to Franchisor prohibiting the Transfer of any Ownership Interest in Franchisee other than in compliance with the terms and conditions of this agreement.

(6) Franchisee shall provide Franchisor with true and complete copies of its organizational and governing documents, including the resolutions of its Principals or governing body authorizing the execution of this agreement, and the organizational and governing documents of any Principal of Franchisee that is itself a Business Organization.

(7) The name of the Limited Liability Entity may not contain any of the words HOME HELPERS or DIRECT LINK in any order, separately or together, any variation thereof, or any of the other Marks.

(b) If Franchisee is not a Limited Liability Entity when it signs this agreement, then before the Designated Individual begins the Pre-Opening Training, Franchisee shall transfer all of its interest in the Franchised Business and all of its rights and obligations under this agreement to a Limited Liability Entity, comply with all of the requirements in subparagraph 7.10(a), and comply with the following additional requirements:

(1) The individual(s) who executed this agreement as Franchisee shall beneficially own all of the Ownership Interests in the Limited Liability Entity and, except as may be required by law, shall not diminish ~~his/her~~ their Ownership Interest therein without Franchisor's prior written approval. Any Transfer must comply with section 12.2.

(2) One of the individuals who executed this agreement as Franchisee shall act as the principal executive ~~(or manager)~~ and principal operating officer or manager of the Limited Liability Entity.

(3) Franchisee shall reimburse Franchisor for actual legal costs incurred by Franchisor in approving and effecting the transfer to the Limited Liability Entity ~~it~~ it.

- (c) If Franchisee is a Limited Liability Entity, then at all times while this agreement is in effect:
- (1) Franchisee shall not operate any other business or engage in any other business activities except the operation of one or more Home Helpers Franchises.
  - (2) Franchisee shall not cause or permit any provision of its organizational or governing documents to be modified or restated without Franchisor's prior written approval.
  - (3) Within ten days after Franchisor's request or after any change in any information on the Principal List, Franchisee shall provide Franchisor with an updated Principal List.
  - (4) Upon request, Franchisee shall provide Franchisor with true and complete copies, certified by the Designated Individual, of Franchisee's organizational and governing documents, as well as the organizational and governing documents of any Principal of Franchisee that is itself a Business Organization.
  - (5) Each new Principal of Franchisee and each grantor of a trust that is a Principal of Franchisee must execute an agreement, in a form prescribed by Franchisor, unconditionally guaranteeing the full payment of Franchisee's obligations under this agreement and agreeing to be jointly and severally bound by all the provisions of this agreement, including the Post-Termination Provisions. The guarantee of a Principal that is a trust must be executed by all the trustees for and on behalf of the trust. The guarantee of a grantor of a trust must be executed by the grantor in his or her individual capacity. If all grantors of the trust are deceased, or when the last surviving grantor of the trust dies, then all the adult Beneficiary Principals of the trust must unconditionally guarantee the full payment of Franchisee's obligations under this agreement and agree to be jointly and severally bound by all the provisions of this agreement, including the Post-Termination Provisions.

7.11 Compliance with Law. If a Professional License is required by Applicable Laws to operate the Franchised Business, Franchisee shall obtain the Professional License before the Opening Date. At all times during the Term, Franchisee shall comply with all Applicable Laws (including all federal health care industry standards, local health care regulations, licensing standards, HIPAA, HITECH, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Family Medical Leave Act, state or local fictitious or assumed name registration requirements, wage and hour, overtime, and all other federal, state and local laws of any kind), and obtain and maintain all Professional Licenses and any and all other licenses and permits required by any governmental agencies or otherwise necessary to conduct the Franchised Business in any jurisdiction in which it operates. Franchisee shall submit to Franchisor documented proof of its compliance with all licensing requirements necessary to lawfully provide particular Permitted Products or Services before providing such Permitted Products or Services. Franchisee shall submit documented proof of its compliance with all other local, state or federal laws or regulations within five days of Franchisor's request, unless Franchisor authorizes in writing a longer period of time for Franchisee's compliance. Franchisee agrees and acknowledges that Franchisee alone shall be responsible for compliance with the obligations under this paragraph, and that Franchisor shall have no obligation with respect to Franchisee's compliance under this paragraph.

7.12 Client Dispute Resolution. Franchisee acknowledges that client satisfaction is essential to Franchisee's success as well as the reputation and success of the Operating System and other Home Helpers Franchisees. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the satisfaction of each of Franchisee's clients; (ii) use good faith in all dealings with clients, potential clients, referral

sources, suppliers and creditors; (iii) respond to client complaints in a courteous, prompt, and professional manner; (iv) use its best efforts to promptly and fairly resolve client disputes in a mutually-agreeable manner; and (v) within seven days of receiving a request from Franchisor, provide Franchisor a written summary of the dispute. If Franchisee fails to resolve a dispute with a client, for any reason whatsoever, Franchisor, in its sole discretion and for the sole purpose of protecting the goodwill and reputation of the Operating System and the Marks, may (but shall not be obligated to) investigate the matter and take such action as Franchisor may deem necessary or appropriate to resolve the dispute fairly and promptly, including the issuance of a refund on Franchisee's behalf. Within ten days after receiving notice thereof, Franchisee shall reimburse Franchisor for any moneys refunded to a client on Franchisee's behalf. Nothing contained in this section or any other provision of this agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

**7.13 Background Review of Employees.** Franchisee acknowledges and understands that Franchisee's employees will be entering clients' residences for the purpose of selling and providing Permitted Products or Services. Accordingly, in order to maintain high standards of quality over the services provided by Franchisee, protect the integrity and reputation of the HOME HELPERS brand, and ensure the safety of Franchisee's clients and others, before hiring any prospective employee, Franchisee shall conduct a background review of each prospective employee's criminal history and any other histories (such as motor vehicle, medical and/or credit histories) that may be required by the System Standards, a Professional License, or any governmental agency having jurisdiction over the Franchised Business (whichever requirements are greater or more comprehensive). Franchisee shall update each employee's background review at least every TWO YEARS (or more often if and as required by the System Standards, a Professional License, or any governmental agency having jurisdiction over the Franchised Business). Franchisee shall not hire any prospective employee for any non-office position if such prospective employee's background review indicates, in Franchisee's reasonable discretion, a propensity for violent, dishonest, negligent, reckless or careless behavior, or a conviction for any crime within the past seven years. Franchisor will not be liable to Franchisee, any employee or prospective employee of Franchisee, or any third party for any act or omission of Franchisee or any employee or agent of Franchisee. Franchisee shall indemnify and defend the Franchisor-Related Persons against and hold them harmless from any and all Claims arising from any act or omission of Franchisee or any employee or agent of Franchisee (including refusal to hire or discrimination claims or claims asserted by third parties for intentional torts allegedly committed by any employee or agent of Franchisee).

**7.14 Designated Individual.** Before beginning the Pre-Opening Training, Franchisee shall designate, subject to Franchisor's reasonable approval, an individual (the "Designated Individual") who will be responsible for general oversight and management of the operations of the Franchised Business on behalf of Franchisee. The Designated Individual must be Franchisee or, if Franchisee is not an individual, an individual Principal of Franchisee. The Designated Individual must successfully complete the Pre-Opening Training and all other training that Franchisor designates as mandatory during the Term. Franchisor will have the right to rely upon the Designated Individual to have decision-making authority and responsibility regarding all aspects of the Franchised Business. If the person designated as the Designated Individual dies, becomes incapacitated, transfers his/her interest in Franchisee, or for any other reason ceases to supervise the operations of the Franchised Business, Franchisee shall promptly designate a new Designated Individual, subject to Franchisor's reasonable approval, who must successfully complete the next available Pre-Opening Training (but no more than two months) after assuming responsibility for the management of the Franchised Business.

7.15 Communication and Information System. To ensure the efficient management and operation of the Franchised Business and the transmission of data to and from Franchisor, Franchisee, at its own expense, shall install before the Opening Date and use throughout the Term, the Communication and Information System specified by the System Standards from time to time.

- (a) As used in this agreement, the term “Communication and Information System” means: hardware (including one or more computers and/or other computer components); software (including software as a service or “SaaS”) designed for the management and operation of the Franchised Business, as well as reporting and sharing information with Franchisor; electronic communications; and communication systems (including digital and analog modems, satellite, cable and other systems).
- (b) Franchisee shall lease and/or purchase its Communication and Information System only from vendors that Franchisor has approved in writing pursuant to the provisions of section 7.5 above. Franchisee shall not install, or permit to be installed, any devices, software or programs not approved by Franchisor for use with the Communication and Information System.
- (c) Franchisor may from time to time develop or authorize others to develop proprietary software programs (including SaaS) for use in the Operating System, which Franchisee may be required to purchase and/or license, and use, in connection with the Franchised Business. Franchisee agrees that it shall execute any license, sublicense, subscription or maintenance agreement required by Franchisor or any other approved licensor or approved vendor of such proprietary software programs.
- (d) Franchisee shall upgrade and update its Communication and Information System in the manner, and when, specified by Franchisor in writing, in accordance with section 9.3 below.
- (e) Franchisee is solely and completely responsible for the manner in which Franchisee’s Communication and Information System interfaces with other systems, including those of Franchisor and other third parties, and for all consequences that may arise if Franchisee’s Communication and Information System is not properly operated, maintained, and upgraded.
- (f) Franchisee shall: (1) promptly enter into its Communication and Information System and maintain all information required to be entered and maintained by Franchisor; (2) provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained; (3) no later than the seventh day of each month, invoice its clients and post the invoiced amounts to the designated agency management and billing application for all Permitted Products and Services provided in the previous month; and (4) permit Franchisor to access Franchisee’s Communication and Information System at all times via the Internet, modem or any other means chosen by Franchisor. Franchisee shall cooperate with Franchisor, and shall execute all documents required by Franchisor, to permit access to Franchisee’s Communication and Information System and data contained therein. The reporting requirements in this section are in addition to and not in lieu of the reporting requirements required by section 7.8.
- (g) Subject to the provisions of section 7.27 and Data Protection Laws (defined in section 19.22), Franchisor has the right to use any and all data collected or provided by Franchisee, downloaded or accessed from Franchisee’s Communication and Information System, and otherwise collected from Franchisee’s system by Franchisor and/or provided to Franchisor, in any manner that Franchisor deems appropriate without compensation to Franchisee, including the disclosure or distribution of such information to other franchisees of Franchisor, or the disclosure

of such information to prospective franchisees of Franchisor, by inclusion in Franchisor's franchise disclosure document or otherwise.

(h) Franchisee shall establish before the Opening Date and shall maintain throughout the Term the telephone service required by section 7.25.

(i) Before the Opening Date and at all times during the Term, Franchisee shall obtain and maintain a high-speed Internet connection via a commercial Internet service provider that is capable of receiving and sending attached files of a size specified by Franchisor in the Manual or otherwise communicated to Franchisee from time to time. If Franchisor provides Franchisee with an email address, Franchisee shall use the Franchisor-provided email address for all email communications with Franchisor and for the Franchised Business, including all email communications with clients of Franchisee. All communications to or from a Branded Email Address (defined in section 19.6) are the property of Franchisor, and neither Franchisee nor any officer, employee, or agent of Franchisee has a right or expectation of privacy with respect to any such communications. Subject only to the provisions of section 7.27 and Data Protection Laws, Franchisor has the otherwise unrestricted right to access, monitor, read, and use, in any manner that Franchisor deems appropriate, any communications to or from a Branded Email Address. Franchisee hereby consents for Franchisor to communicate with Franchisee via any Franchisor-provided email address and any personal email address of Franchisee, or any Principal of Franchisee, provided to Franchisor. Franchisee acknowledges that any Franchisor-provided email address is provided via subscription from Microsoft Corporation (or such other Internet service provider as Franchisor may designate), which may process Franchisee's data for the purpose of disclosing it to law enforcement or other governmental authorities as required by law, and Franchisee hereby irrevocably consents thereto.

(j) Franchisor shall have the right, but not the obligation, to establish a Website (as defined in section 19.94 below) or other electronic system providing private and secure communications (e.g., an intranet) between Franchisor, Franchisee, other franchisees, and other persons and entities as determined by Franchisor, in its sole discretion. If required by Franchisor, Franchisee shall establish and maintain access to the intranet in the manner specified by Franchisor, and shall from time to time execute such agreements and/or acknowledge and agree to comply with such policies concerning the use of the intranet as Franchisor may prepare.

(k) Subject to the provisions of section 7.27 and Data Protection Laws, any and all data collected or provided by Franchisee, downloaded or accessed from Franchisee's Communication and Information System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor, who has the right to use the data in any manner without compensation to Franchisee. Franchisee is hereby licensed, without additional compensation, to use such data solely for the purpose of operating the Franchised Business. This license will automatically and irrevocably expire, without additional notice or action by Franchisor, when this agreement terminates or expires.

**7.16 Required Purchases of Proprietary Products and Services.** Franchisee acknowledges and agrees that Franchisor has developed for use in the Operating System certain proprietary products and services that are identified with and essential to the operation and uniformity of all franchises (the "Proprietary Products and Services"). As a result of the importance of the quality and uniformity of the Proprietary Products and Services and the significance thereof in the Operating System, it is to the mutual benefit of Franchisor, Franchisee, and all other franchisees, that Franchisor closely control the production,

distribution, and provision of the Proprietary Products and Services. Accordingly, Franchisee shall use only Franchisor's Proprietary Products and Services and shall purchase from Franchisor or its affiliates (or from a source designated by Franchisor) all of Franchisee's requirements of Proprietary Products and Services. The Proprietary Products and Services presently consist of Direct Link Equipment and Monitoring Services and medication management and vital signs monitoring products and services, but shall also include any additional Proprietary Products and Services developed or designated by Franchisor for use in the Operating System.

**7.17 Compliance with Anti-Terrorism Laws.** Franchisee certifies that (i) neither Franchisee nor any of its Affiliates, Principals or employees is an Embargoed Person (defined in section 19.32); (ii) Franchisee has no knowledge or information that, if generally known, would result in Franchisee or any of its Affiliates, Principals or employees being designated as an Embargoed Person; (iii) Franchisee is not acting, and shall not at any time during the Term act, directly or indirectly, for or on behalf of any Embargoed Person; and (iv) Franchisee is not entering into this agreement, directly or indirectly, on behalf of any Embargoed Person. Franchisee shall not hire or have any dealings with any Embargoed Person. Franchisee shall comply with and assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (defined in section 19.2). In connection with such compliance, Franchisee certifies, represents, and warrants that none of its property or interests is subject to being "blocked" under any Anti-Terrorism Laws and that Franchisee and its Affiliates and Principals are not otherwise in violation of any Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities include Franchisee's obligations under this paragraph. Any misrepresentation by Franchisee under this paragraph or any violation of the Anti-Terrorism Laws by Franchisee, its Affiliates, Principals, or employees, will constitute grounds for immediate termination of this agreement.

**7.18 System Evaluations.** Franchisee shall participate in and fully comply with all client satisfaction programs Franchisor may establish from time to time, including the requirements to advertise and make known and available to clients all such programs and to honor the terms of all such programs. Franchisee is subject to and may be required to participate in any evaluation of standards or quality that Franchisor may conduct or sanction for all Home Helpers Franchises. Franchisee shall provide Franchisor and Franchisor's designees with access to Franchisee's books, records, files, employees, and independent contractors for this purpose.

**7.19 Disclosure of Franchisee Information.** Franchisee acknowledges that Franchisor may from time to time be required or find it necessary to disclose to third parties certain information about Franchisee and Franchisee's Principals, including Contact Information such as names, addresses and telephone numbers, and other information collected by Franchisor under this agreement. Franchisee hereby consents to Franchisor's collection, use, and disclosure of any information pertaining to the Franchised Business (including Contact Information of Franchisee and Franchisee's Principals) for Franchisor's reasonable business purposes and for any purpose described in Franchisor's privacy policy (as may be amended from time to time), subject to the limitations of this paragraph. Without limiting the generality of the foregoing sentence, Franchisee hereby consents to: (i) the collection, use and disclosure of any information about the Franchised Business, Franchisee and Franchisee's Principals (including Contact Information) to develop, modify and enhance the Operating System, to conduct credit checks or other personal history investigations, to develop general franchisee profiles, to comply with Applicable Laws, and to current or prospective National Accounts, third-parties who pay or reimburse Home Helpers Franchisees for Permitted Products and Services, and referral sources for client or employee leads; (ii) the transfer of any information (including Contact Information) to any third party

in order for Franchisor to fulfill its obligations under this agreement or attempt to obtain any benefit for Franchisor, Franchisee or the Operating System as a whole; and (iii) the release to Franchisee's landlord, lenders or prospective landlords or lenders, of any financial or operational information relating to Franchisee and/or the Franchised Business (without obligating Franchisor to do so). Franchisor shall protect confidential data and Contact Information of Franchisee's employees and clients and shall only disclose it when required by law, court order, or administrative or regulatory authority. If Franchisor discloses financial information of Franchisee in a franchise disclosure document, Franchisor shall not identify Franchisee or disclose any Contact Information of Franchisee in connection with the financial information without Franchisee's prior consent. "Contact Information" is any information about a person that can be used to uniquely identify, contact, or locate the person.

**7.20 Operational Inspections by Franchisor.** To provide assistance and guidance with respect to the operation and management of the Franchised Business, enforce brand standards, ensure quality standards and consistency within the Operating System, and ensure that Franchisee is complying with this agreement and the System Standards, Franchisor or Franchisor's agents have the right, but not the obligations, at any time during business hours and without prior notice to Franchisee, to conduct field visits to: (1) inspect the Franchise Premises, equipment, furniture, fixtures, displays, signs, operating materials, inventory, and supplies; (2) observe the operations of the Franchised Business at the Franchise Premises and on-site with clients, for such consecutive or intermittent periods as Franchisor deems necessary; (3) photograph or video record the Franchise Premises and Franchisee's clients and personnel; (4) interview Franchisee's personnel; (5) interview Franchisee's clients; (6) conduct written or telephonic surveys of Franchisee's clients or referral sources; (7) conduct an inspection described in section 7.8(i); and (8) inspect and copy any books, records and documents relating to the operation of the Franchised Business, including employment contracts, nondisclosure and noncompetition agreements, leases, and material and information generated by or contained in the Communication and Information System. Franchisee consents to the recording by Franchisor of any telephone conversations between Franchisor and Franchisee or its representatives. Franchisee shall cooperate fully with Franchisor in connection with each field visit and any inspection, observation, survey and interview in connection therewith. Franchisee shall present its clients with any evaluation forms Franchisor may periodically prescribe and ask them to participate in any surveys conducted by Franchisor on Franchisee's behalf. If Franchisee for any reason cancels a visit that was scheduled by agreement with Franchisee, then Franchisee shall reimburse Franchisor for all costs and expenses incurred by Franchisor in connection with the field visit or its cancellation. Franchisee acknowledges and agrees that Franchisor's rights under this paragraph to enter onto and inspect the Franchised Premises are not diminished, restricted, or limited in any way if the Franchised Premises are located in the residence of Franchisee or a Principal of Franchisee.

**7.21 Covenants of Management Employees and Agents.** Unless prohibited by Applicable Laws, Franchisee shall require each of its management employees (except those individuals required to execute a Restrictive Covenant Agreement pursuant to section 15.10), before the commencement of their management duties, to execute a "Confidentiality and Noncompetition Agreement" containing provisions:

- (a) requiring that all Confidential Information (defined in section 10.1) that may be acquired by or imparted to the person in connection with their association with Franchisee (including the Manual, any proprietary software provided by Franchisor, and all information contained therein) be held in strict confidence and used solely for the benefit of Franchisee during their association with Franchisee and at all times thereafter;

- (b) prohibiting the person, during their association with Franchisee, from diverting or attempting to divert any business or client of the Franchised Business or of any other Home Helpers Franchisee to a Competitive Business, by direct or indirect inducement or otherwise; and
- (c) prohibiting the person, during their association with Franchisee and for a continuous period of one year (or the maximum period permitted or enforced by Applicable Laws, if such period is less than one year) after the termination of their association with Franchisee, from operating, owning, maintaining, promoting, engaging in, or performing services for (as an employee or otherwise) a Competitive Business.

Upon request, Franchisee shall provide Franchisor with executed copies of all Confidentiality and Noncompetition Agreements required by this section. Franchisee may not grant any person serving in a capacity listed above access to any confidential aspect of the Operating System or the Franchised Business before their execution of a Confidentiality and Noncompetition Agreement. All Confidentiality and Noncompetition Agreements required by this section must be in a form satisfactory to Franchisor. Franchisee's failure to obtain the execution of all Confidentiality and Noncompetition Agreements required by this section or provide copies thereof to Franchisor upon request constitutes a material breach of this agreement.

7.22 Attendance at Franchisee Meetings and Conferences. Franchisor may, but is not obligated to, hold national and/or regional meetings and conferences with Franchisor's personnel and Home Helpers Franchisees at locations designated by Franchisor, to provide additional training, exchange sales, operating and marketing ideas and methods, introduce new software, marketing programs, promotional items, or System Standards, and for any other purpose determined by Franchisor. Franchisor has the right to charge Franchisee a reasonable fee for and/or require the Designated Individual to attend any meetings or conferences. As of the Effective Date of this agreement, the Designated Individual is required to attend the first national conference held after he or she completes the Pre-Opening Training and at least one national conference bi-annually thereafter. Franchisor has the right to charge Franchisee a "no-show" fee if Franchisee fails to attend a required meeting or conference, to reimburse Franchisor for a ~~Franchisee's pro-rata~~ portion of the total cost to plan, organize, and hold the meeting or conference thereof. Nothing in this agreement is to be construed to require Franchisor to hold, provide, sponsor, host, or organize any such meetings.

7.23 Promotion of Franchised Business. Franchisee shall use its best efforts to diligently promote the Franchised Business and maximize its Gross Revenues, and shall expend all reasonable efforts to develop and maintain substantial interest in the Franchised Business, including participating and cooperating in all marketing programs required by Franchisor. All such efforts must be in compliance with all Applicable Laws. It is Franchisor's intention to forward to Franchisee, without charge, any client leads and requests for services arising from any Website maintained by Franchisor under section 11.7, but Franchisor has the right to charge Franchisee a reasonable referral fee for client leads and requests for services provided by third-parties (including National Accounts), and Franchisee agrees to pay all such referral fees assessed by Franchisor or any third-party referral source promptly upon demand (subject to the provisions of section 5.4). Franchisee shall at all times faithfully, honestly, and diligently perform its obligations under this agreement and shall not engage in any business or other activities that will conflict with its obligations under this agreement.

7.24 Employees.

- (a) Generally. Franchisee shall hire, train and supervise the appropriate personnel necessary to conduct the Franchised Business. All such personnel are under Franchisee's responsibility and



direction and are employees of Franchisee and not of Franchisor. Franchisee may enter into a leased or shared employee relationship with a third party to provide employees for the Franchised Business, so long as Franchisee retains ultimate control over the hiring, compensation, supervision, training and other terms of their employment. Franchisee shall maintain employee information in its Communication and Information System, maintain all employee records required by Applicable Laws, and make such information and records available for inspection by Franchisor upon request. All individuals providing caregiving services for and on behalf of the Franchised Business must be employees of the Franchised Business and not independent contractors.

(b) Control. All caregivers and other employees engaged by Franchisee or other individuals who provide services to the Franchised Business or to its clients will be regarded as employees of Franchisee only and there will be no relationship between Franchisor and Franchisee's employees. The parties acknowledge and agree that Franchisor has no authority to and shall not exercise any control over the essential terms and conditions of employment of any personnel working for or hired by Franchisee. With respect to such personnel, and without limiting the generality of the preceding sentences, only Franchisee has the power, and hereby accepts the responsibility, to hire, pay, promote, discipline, fire, train, establish employment policies, provide an employee handbook, supervise and control their schedule and work conditions, determine pay rates and methods of payment, and maintain employment records. With respect to Franchisee's employees, Franchisor:

- (1) will not participate in hiring, firing, promotion, demotion, disciplinary, or scheduling decisions of Franchisee;
- (2) will not supervise the work to be performed;
- (3) is not responsible for the determination or payment of wages;
- (4) will not provide employment benefits (including workers' compensation, group health insurance, or retirement plans);
- (5) will not provide training, except such training as may be necessary to enforce brand standards or quality assurance;
- (6) will not supply tools or equipment; and
- (7) will not determine the applicability of minimum wage or overtime laws or exemptions;

and has no authority to do any of the foregoing.

(c) Employee Payments. Franchisee is responsible for all costs and overhead associated with the conduct of the Franchised Business except as otherwise specifically provided in this agreement. Franchisee shall pay and be solely responsible for all wages (including overtime pay), salaries, commissions, bonuses, fringe benefits, insurance premiums, payroll taxes and other items required by Applicable Laws, if any, to all personnel working for or hired by Franchisee, whether classified as employees or independent contractors. Without prejudice to the foregoing, Franchisee shall make all statutory deductions and contributions and is solely responsible for complying—and shall comply—with all Applicable Laws relating to the employment of its employees, including all wage and hour laws, the classification of workers as employees or independent contractors, and the classification of employees as exempt or non-exempt under

applicable minimum wage and overtime laws. Employment of Franchisee's employees will be at Franchisee's own risk and expense and its employees will not have any claims against Franchisor for wages (including overtime pay), commissions, bonuses, fringe benefits, insurance premiums, social welfare contributions, or any other form of compensation (including severance compensation).

(d) Training. Franchisee shall establish a training program for all of Franchisee's employees. The training program must meet all Applicable Laws, Professional License requirements, and Franchisor's standards and training guidelines as set out in the Manual and other written materials provided by Franchisor upon request. Upon request, Franchisor shall advise and assist Franchisee in connection with the development of Franchisee's employee training program, but Franchisee retains all responsibility for and control over all training for its employees.

(e) Franchisee shall obtain from each of its employees, before the commencement of their employment, written acknowledgment, in a form satisfactory to Franchisor, that they understand the provisions of this section 7.24.

#### 7.25 Telephone Service.

(a) Franchisee shall establish before the Opening Date and shall maintain throughout the Term prompt and adequate telephone service (as prescribed in writing by Franchisor) for all potential and existing clients. Franchisee shall maintain at least one dedicated telephone line for use exclusively by the Franchised Business, which will be the Designated Number and which must be answered by an employee of Franchisee or by an answering service approved by Franchisor during all hours designated by Franchisor from time to time. Each telephone line must have all service features required by Franchisor from time to time. Franchisor has the right to require Franchisee to increase the number of telephone lines to accommodate Franchisee's call volume or to use a designated call center. All required lines must be operational and functional before the Opening Date and at all times during the Term.

(b) Before the Opening Date, Franchisee shall provide Franchisor with the Designated Number (defined in section 19.24) in writing and shall not change the Designated Number during the Term without Franchisor's prior written approval. Franchisee shall use the Designated Number and no other telephone number in or on all advertising (including Internet advertising), stationery, business cards, marketing and promotional materials, Directory Listings (defined in section 19.27) and other public materials relating to the Franchised Business. The Designated Number must be listed in all Directory Listings only under the trade or business name designated by Franchisor and a location within the Territory. All outgoing calls relating to the Franchised Business must display only the Designated Number and/or the trade or business name designated by Franchisor on the receiving party's caller identification, and Franchisee shall not block its outgoing caller identification information. As authorized by section 14.1(g), Franchisor has the option to assume, transfer, terminate or amend all Telephone Numbers (defined in section 19.89) and Directory Listings upon the termination or expiration of this agreement.

(c) Franchisor has the right, but not the obligation, to require Franchisee to maintain and use as the Designated Number an incoming remotely forwarded telephone number provided by a third-party vendor designated by Franchisor, in which event Franchisee shall maintain a second, local telephone line to receive incoming calls remotely-forwarded from the Designated Number and to use for outgoing calls. If Franchisor requires Franchisee to maintain a telephone number

provided by a designated vendor, Franchisee shall pay the third-party provider directly or reimburse Franchisor for the cost thereof, at Franchisor's election.

**7.26 Notice of Potential Adverse Public Relations Event.**

(a) A "Potential Adverse Public Relations Event" is any event, occurrence or action (including criminal misconduct, a legal action, suit or proceeding, or the issuance of an order, writ, injunction, award or decree of any court, agency or other governmental instrumentality) involving Franchisee, any Affiliate, Principal, director, officer, employee or client of Franchisee, or the Franchise Premises, that may (i) adversely affect the operation or financial condition of the Franchised Business or (ii) harm, tarnish, impair, adversely affect or reflect unfavorably upon the reputation, name, services or operation of Franchisee, the Franchised Business, Franchisor, the Operating System, the Network, the Marks, or the goodwill associated therewith.

(b) Franchisee shall notify Franchisor in writing within twenty-four hours after Franchisee's discovery of any Potential Adverse Public Relations Event. Franchisee shall reimburse Franchisor or the Branding Fund, as the case may be, upon demand for all costs and expenses incurred—in Franchisor's Business Judgment—to respond to, refute, ameliorate, or mitigate the effect of any Potential Adverse Public Relations Event, including attorney fees, fees paid to an advertising or public relations agency, travel expenses for any of the foregoing or for Franchisor's personnel, and ad placement costs. Without limiting the generality of sections 7.9(a) and 17.2, Franchisee's indemnification obligations thereunder specifically include all Claims caused by, resulting from or attributable to any Potential Adverse Public Relations Event.

(c) Within five business days after receipt by Franchisee, Franchisee shall provide Franchisor with a copy of any inspection report, warning, certificate, citation, or rating by any governmental agency relating to any employment, labor, health or safety law, rule or regulation that reflects or alleges Franchisee's noncompliance or less than full compliance with any Applicable Laws, or Franchisee's failure to meet and maintain the highest applicable rating.

**7.27 Data Protection.**

(a) In this section 7.27, "process" and/or "processing" in relation to any data means collecting, obtaining, recording or holding the data or carrying out any operation or set of operations on the data including:

- (1) organization, adaptation or alteration;
- (2) retrieval, consultation or use;
- (3) disclosure by transmission, dissemination or otherwise making available; or
- (4) alignment, combination, blocking, erasure or destruction.

(b) Franchisee shall process any Franchise Data (defined in section 19.36) strictly in accordance with Data Protection Laws that may apply from time to time during the course of this agreement and, in particular:

- (1) only insofar as is necessary for the purpose of performing its obligations under this agreement;

- (2) in accordance with Franchisor's instructions except where to do so would infringe Data Protection Laws or any other statutory provision that prevents Franchisee from complying with such instructions;
  - (3) before processing any data, inform the person to whom the data relates of (i) the purpose(s) for which any processing is to be carried out, (ii) the availability of the option to remove their personal information, and (iii) the address, telephone number and identification of Franchisee in compliance with Applicable Laws;
  - (4) obtain the approval and authorization of the person to whom the data relates for handling of their personal data;
  - (5) not disclose the Franchise Data to or allow access to it other than by its or Franchisor's employees and/or any third parties engaged by Franchisee to perform the obligations imposed on Franchisee by this agreement and ensure that any such employees and/or third parties execute appropriate written contractual covenants concerning the protection of the Franchise Data from unauthorized access, use or disclosure;
  - (6) without prejudice to any other obligations imposed upon Franchisee by this agreement, use all reasonable efforts to assist Franchisor to comply with such obligations as are imposed on the Franchisor by Data Protection Laws.
- (c) Franchisor shall provide such co-operation as is reasonably required to enable Franchisee to ensure compliance with its obligations under Data Protection Laws, including entering into such additional agreements as may be required to ensure that there are adequate safeguards for the Franchise Data and that the transfer of Franchise Data to Franchisor complies with Data Protection Laws.
- (d) Insofar as Franchisee acts as a data processor and processes any Franchise Data on its own and/or Franchisor's behalf, Franchisee shall comply with the obligations placed on a data controller by Data Protection Laws.
- (e) Without prejudice to any of Franchisee's other obligations under this agreement, Franchisor has the right to notify Franchisee from time to time of any consent (the "Consents") that Franchisor requires Franchisee to obtain from its clients or prospective clients (or other data subject) in relation to any processing of Franchise Data to be undertaken either by Franchisee or Franchisor and the manner in which the Consents are to be detailed.
- (f) In order to comply with Data Protection Laws, Franchisor may notify Franchisee from time to time of a nominated third party within who will be authorized to receive and process the Franchise Data on Franchisor's behalf. The possibility of having Franchise Data processed by a third party must also be disclosed to the person to whom the data relates.
- (g) Except where the express consent of a data subject has been obtained to the processing of personal data, Franchisee shall process only such personal data as may lawfully be processed under Data Protection Laws in the absence of such consent.
- (h) Franchisee shall indemnify Franchisor against all Claims made or brought by any person (i) arising out of or alleging any failure to comply with any provision of Data Protection Laws in relation to any Franchise Data processed by Franchisee or Franchisee's employees or agents, whether on Franchisee's behalf or as Franchisor's agent, or (ii) arising out of Franchisor's failure or alleged failure to comply with any provision of Data Protection Laws in relation to any Franchisee

Data processed by Franchisor or Franchisor's employees or agents, if such failure arises as a result of Franchisee's failure to obtain Consents or otherwise comply with Franchisee's obligations under this agreement and/or Data Protection Laws.

(i) Franchisee consents to Franchisor's use of data relating to Franchisee and/or its business, and Franchisee shall do all such things as Franchisor may require and will use (and demonstrate to Franchisor that it has used) its best efforts to obtain, and enable Franchisor to process, data relating to Franchisee's clients including (but not limited to) Franchise Data, and Franchisee agrees that Franchisor may use and process all such data as is referred to in this section 7.27 for its own business purposes, including but not limited to marketing, monitoring the growth and performance of the Franchised Business and compliance with Franchisee's obligations, comparing such data to that of other Home Helpers Franchisees, advising Franchisee and other Home Helpers Franchisees on improving their performance and business operations, and to make all such data available to third parties selected by Franchisor, including but not limited to its Affiliates.

(j) Franchisee shall comply with Franchisor's standards and policies pertaining to data processing and the privacy of information about clients or other individuals. If there is a conflict between Data Protection Laws and Franchisor's privacy standards and policies, Franchisee shall: (i) comply with the requirements of Data Protection Laws; (ii) immediately provide Franchisor with written notice of the conflict; and (iii) promptly and fully cooperate with Franchisor's counsel as Franchisor determines the most effective way, if any, to reconcile Franchisor's privacy standards and policies with Data Protection Laws. Except for Franchisor's obligations under this section 7.27, Franchisee is solely responsible for identifying, interpreting and complying with Data Protection Laws. Franchisee shall neither publish nor implement a privacy policy without Franchisor's prior written approval of the policy.

## ARTICLE 8

### PROPRIETARY MARKS

8.1 Use by Franchisee. Franchisee's limited right to use the Marks as granted in Article 1 is limited to their use in connection with the operation of the Franchised Business within the Territory, and otherwise as described herein and as set forth in the Manual or as may be prescribed in writing by Franchisor from time to time. Franchisee shall operate the Franchised Business under the trade name HOME HELPERS® HOME CARE or such other trade name as Franchisor may designate, along with any ~~other~~ geographic appellation that Franchisor may designate. Franchisee shall not use any other trademark, trade name, geographic appellation, or assumed name in connection with the Franchised Business without Franchisor's prior written consent. Franchisor has the right to modify, discontinue, or replace any of the Marks and to adopt any new or substitute Marks at any time and from time to time in its Business Judgment, whereupon Franchisee shall, within a reasonable time after receipt of written demand by Franchisor and at Franchisee's sole cost and expense, modify or discontinue its use of a Mark or adopt any modified, new, or substitute Mark selected or designated by Franchisor. Franchisor will not be required to reimburse Franchisee for any expenses incurred by Franchisee to change the Franchised Business's signage or to promote a modified, new or substitute Mark, or for any loss of revenue due to the modification or discontinuance of any Mark.

8.2 Exclusive Property of Franchisor. Franchisee acknowledges Franchisor's right, title and interest in and to the Marks, along with the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in the Operating System. Franchisee is a "related company"

within the meaning of 15 U.S.C. § 1127 and Franchisee's use of the Marks pursuant to this agreement inures solely to the benefit of Franchisor. Except as expressly provided by this agreement, Franchisee shall acquire no right, title or interest therein, and any and all goodwill associated with the Operating System and the Marks shall inure exclusively to Franchisor's benefit. Upon the expiration or termination of this agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Operating System or the Marks.

8.3 Infringement by Franchisee. Franchisee acknowledges that the use of the Marks outside of the scope of this agreement or after the expiration or termination (regardless of the reason therefor) of this agreement without Franchisor's prior written consent is an infringement of Franchisor's rights, title and interest in and to the Marks. Franchisee expressly covenants that during the Term and after the expiration or termination hereof, Franchisee shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or take any other action in derogation thereof.

8.4 Infringement by Others. Franchisee shall promptly notify Franchisor of any use of the Marks, any other trademark, logo, or trade name in which Franchisor has or claims a proprietary interest, or any variation thereof, by any party other than Franchisor or any of its representatives, agents, or other franchisees. Franchisee further agrees to notify Franchisor promptly of any litigation instituted by any party against Franchisor or Franchisee involving the Marks. In the event Franchisor, in its sole discretion, undertakes the defense, prosecution, or settlement of any litigation relating to the Marks, Franchisee agrees to execute any and all documents, and to render such assistance as may, in the opinion of Franchisor, be reasonably necessary to carry out such defense, prosecution or settlement. Franchisee acknowledges that the nature of trademark law makes it impossible for Franchisor to guarantee or warrant the exclusivity of Franchisor's right to use any of the Marks, and that nothing in this agreement or in any other document or promotional material provided by Franchisor to Franchisee or to any other party shall be construed to guarantee, warrant, or imply that Franchisor's right to use any of the Marks is exclusive or superior to the rights of any other party. In the event that any party demonstrates, to Franchisor's sole satisfaction, a superior right to use any of the Marks, Franchisee shall, upon demand by Franchisor, discontinue its use of such Mark(s) and adopt, at Franchisee's sole cost and expense, any Mark(s), if any, selected by Franchisor to replace such discontinued Mark(s), and Franchisor shall have no liability therefor to Franchisee.

8.5 Improper Use. Franchisee shall not use any of the Marks, or any derivative or colorable variation thereof: (i) as part of Franchisee's corporate or other legal name; (ii) on or as part of any Website, domain name, URL, Web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or other similar services without prior written approval; (iii) with any modifying or additional words, terms, designs, or symbols (including the word "Inc.") other than those specifically authorized by Franchisor; or (iv) in any modified form. Franchisee shall not register any of the Marks, or any derivative or colorable variation thereof, as a service mark, trademark, or Internet domain name, or hold out or otherwise employ the Marks to perform any activity or to incur any obligation or indebtedness in such a manner as could reasonably result in making Franchisor liable therefor or that may harm, tarnish, or impair Franchisor's reputation, name, services or Marks. If Franchisor provides Franchisee with any contracts, agreements, forms, or other documents that contain any of the Marks, Franchisee shall not alter or modify such contracts, agreements, forms, or documents without Franchisor's prior written consent.

8.6 Non-exclusive Use. Franchisee expressly acknowledges and agrees that this license to use the Marks is non-exclusive, and Franchisor has and retains the rights, among others:

- (a) To grant other licenses for the use of the Marks, in addition to those already granted to existing franchisees and to Franchisee;
- (b) To develop and establish other systems and programs utilizing the same or similar Marks, or any other proprietary marks, and to grant franchises therein without granting Franchisee any rights therein; and
- (c) To identify clients or potential clients as National Accounts, to service National Accounts, and to award the right to service National Accounts to any Home Helpers Franchisee, in Franchisor's sole and absolute discretion;

*provided, however,* that Franchisor shall not, within Franchisee's Territory, (i) grant other licenses to use the Marks or (ii) establish, or franchise another to establish, a business substantially similar to the Franchised Business (except as otherwise permitted by Article 1).

8.7 Use by Others. Franchisee shall not permit any third party to imprint the Marks on any products, materials, documents and supplies utilized by Franchisee in connection with the operation of the Franchised Business without first obtaining the consent of Franchisor and causing such third party to execute a License Agreement as specifically provided for in section 6.2 herein.

8.8 Improvements Developed by Franchisee. If Franchisee or any of its Principals, affiliates, directors, officers, or employees conceives, develops, or acquires any improvements or additions to the Operating System or the services or products offered by or the method of operation of a Home Helpers Franchise, or any advertising or promotion ideas related to a Home Helpers Franchise or the Franchised Business (collectively, "Improvements"), Franchisee shall, in each instance, promptly and fully disclose the Improvement to Franchisor without disclosure of the Improvement to others, and obtain Franchisor's written approval before using the Improvement. Any Improvement may be used by Franchisor and Home Helpers Franchisees without any obligation to Franchisee or its Principals, affiliates, directors, officers, or employees for royalties, licensing fees, or other compensation. Franchisee shall assign to Franchisor or Franchisor's designee(s), without charge, all rights, including the right to grant sublicenses, to all Improvements. If for any reason Franchisee and not Franchisor is deemed to own any right to an Improvement, then this agreement will operate as an agreement to irrevocably transfer and assign all rights in and to the Improvement. Franchisee shall take no steps to appropriate any Improvement for itself. Franchisee shall, at Franchisor's request, execute all assignments, certificates or other instruments (and, if necessary, require its Principals, affiliates, directors, officers, employees and independent contractors to execute such documents as well) as Franchisor may from time to time deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend Franchisor's rights, title or interest in or to any Improvement or to otherwise carry out the provisions of this paragraph. In return, Franchisor shall authorize Franchisee to use any Improvement developed by Franchisor or another Home Helpers Franchisee that Franchisor makes part of the Operating System. As used in this paragraph, the term "Improvements" includes intellectual property and all advertising, marketing, promotional, public relations or sales concepts, plans, programs, techniques, activities, materials, or Websites proposed or developed by Franchisee for the Franchised Business, whether or not they bear the Marks.

## ARTICLE 9

### CONFIDENTIAL MANUAL

9.1 Business Operations. In order to protect the reputation and goodwill of Franchisor and to maintain uniform standards of operation under the Marks, Franchisee shall conduct its operations hereunder in accordance with Franchisor's Manual (defined in section 19.57), as the same may be amended or modified from time to time, which Franchisee acknowledges having received on loan from Franchisor.

9.2 Confidentiality. The Manual shall at all times remain the sole property of Franchisor. Franchisee shall treat the Manual and all information contained therein as confidential and proprietary, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall also ensure that its employees treat the Manual and all information contained therein as confidential and proprietary. Franchisee shall not at any time, without Franchisor's prior written consent, copy, duplicate, record, or otherwise make the same available to any unauthorized person.

9.3 Modification. Franchisor shall have the right to add to or otherwise modify the Manual from time to time to reflect changes in any of the System Standards, provided that no such addition or modification shall alter the Franchisee's fundamental status and rights under this agreement. Without limiting the generality of the foregoing, Franchisor has the right, during the Term, to require Franchisee to make Enhancements (defined in section 19.33) to the Communication and Information System at Franchisee's expense, and Franchisee agrees to acquire (or acquire the right to use for the remainder of the Term), within one month after receipt of written notice from Franchisor, the Enhancement specified by Franchisor and take all actions necessary to enable it to operate as specified by Franchisor. Any Enhancement may require Franchisee to incur costs to purchase, lease, and/or license new or modified computer hardware and/or software or other equipment and to obtain different and/or additional service and support services during the Term. Franchisee acknowledges that Franchisor cannot estimate the costs of future maintenance or Enhancements to the Communication and Information System or other aspects of the Franchised Business, and that any maintenance or Enhancements s required by Franchisor may involve additional investment by Franchisee during the Term. Franchisee shall at all times insure that its copy of the Manual is kept secure, current, and up to date, and in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling. Upon Franchisor's request, Franchisee will cooperate in the efficient return of all Manuals that have been identified by the Franchisor as obsolete.

## ARTICLE 10

### CONFIDENTIAL INFORMATION

10.1 Use of Confidential Information. Franchisee shall not, during the Term or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation, any proprietary or confidential information, knowledge, or know-how concerning the Franchised Business, the Operating System, or methods of operation that may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's business operations under the terms of this agreement ("Confidential Information"). "Confidential Information" includes the identities and personal and contact information of clients of the Franchised Business, financial statements, results of operations, sales, income, expense and other financial information and records of the Franchised Business, and all electronic information, lists and data related to past, present and future clients of any Franchise, including any Franchise operated by Franchisee. Franchisee shall divulge



Confidential Information only to such of its employees, agents, or professional advisors as must have access to it in order to operate the Franchised Business as described herein, or with Franchisor's prior written consent. In connection therewith, Franchisee shall be fully responsible for ensuring that its employees, agents and professional advisors comply with this section.

10.2 Remedies. Franchisee acknowledges that any failure to comply with section 10.1 will cause Franchisor irreparable injury, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, specific performance of, or any injunction against a violation of, the requirements of section 10.1.

10.3 Preservation of Confidentiality. Franchisee shall require (i) each Principal, director, officer, and management employee of Franchisee, at the time of the commencement of their association with Franchisee, and (ii) each Covered Person who has or will have access to Confidential Information, before being granted such access, to execute a confidentiality agreement, in a form approved by Franchisor, requiring that all Confidential Information that may be acquired by or imparted to such person in connection with their association with Franchisee be held in strict confidence and used solely for the benefit of Franchisee and Franchisor, at all times during their association with Franchisee and thereafter. Franchisee shall require each prospective purchaser of the Franchised Business, the license granted under this agreement, or any interest in Franchisee, prior to disclosing any Confidential Information to such person, to execute a confidentiality agreement, in a form approved by Franchisor, requiring that all Confidential Information that may be disclosed will be held in strict confidence and used solely to evaluate the contemplated transaction. All confidentiality agreements described in this paragraph must include a specific identification of Franchisor as a third-party beneficiary with the independent right to enforce the agreement.

10.4 Rights to Material Developed by Franchisee. All instructional materials, concepts, plans, programs, methods, techniques, activities and other materials proposed or developed by or on behalf of Franchisee for the promotion or provision of Permitted Products or Services must be approved by Franchisor, and may be used by Franchisor and other Franchises without any compensation to Franchisee. Any and all copyrights, trademarks and other proprietary rights in and to such materials that are proposed or developed by or on behalf of Franchisee will be the sole property of Franchisor, without compensation to Franchisee, and Franchisee shall execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. If Franchisee is unable under Applicable Laws to grant such an assignment, Franchisee hereby grants and agrees to grant Franchisor an exclusive, irrevocable, worldwide, royalty-free right to make, use, sell, copy, distribute, create derivative works of, and otherwise exploit any such rights in such materials that Franchisee may have or otherwise acquire, without any claim to compensation.

10.5 Ownership of Confidential Information. Franchisee agrees that Franchisor owns and controls all Confidential Information. Franchisee's only interest in any Confidential Information is the right to use it pursuant to and during the term of this agreement.

10.6 Client List. Franchisee shall maintain the Client List in the Communication and Information System and make it available to Franchisor upon request. Ownership of the Client List and all information in it belongs to Franchisor at all times, and Franchisee will acquire no proprietary or ownership rights to the Client List or to service any clients of the Franchised Business other than the rights specifically granted under this agreement. Franchisee is permitted to use the Client List for the purposes of this agreement but for no other purpose. Without limiting the generality of the preceding

sentence, Franchisee shall not disclose or transfer the Client List to any person except to Franchisor or as part of a Transfer that complies with Article 12. The Client List is considered Confidential Information and Franchisee shall treat it as such at all times.

## **ARTICLE 11**

### **MARKETING**

11.1 Branding Fee. As required in section 5.2, Franchisee shall pay a Branding Fee to such advertising, marketing, or branding fund as Franchisor may establish. Franchisor shall, for each of its company-owned locations (if any), pay Branding Fees on the same basis as other Home Helpers Franchisees.

11.2 Branding Fund. Franchisor has the right, in its discretion, to establish such national or regional funds as Franchisor deems necessary or convenient, and to designate any geographical area as a region for establishing regional advertising, marketing, or branding funds. Franchisor shall maintain and administer such funds (collectively referred to in the singular as the “Branding Fund”) as follows:

- (a) The Branding Fund is for the benefit of the entire Network and is intended to maximize general public recognition and acceptance of the Marks and the HOME HELPERS brand for the benefit of all Home Helpers Franchises or all those within a region, as the case may be. In administering the Branding Fund, Franchisor is not obligated to make expenditures for Franchisee that are equivalent or proportionate to Franchisee’s contributions, to ensure that any particular Franchisee benefits directly or pro rata from the placement of advertising, or to spend equal or pro rata amounts on Home Helpers Franchisees.
- (b) The Branding Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, researching, directing, and preparing advertising and/or promotional activities and developing new advertising, promotional and marketing materials for the Network and for Home Helpers Franchisees, and the solicitation of National Accounts.
- (c) Franchisor shall, for each of its company-owned locations (if any), contribute to the Branding Fund on the same basis as assessments required of comparable Home Helpers Franchisees.
- (d) Franchisee shall contribute to the Branding Fund by separate payment in the manner required by section 5.6. All sums paid by Franchisee to the Branding Fund shall be maintained in an account separate from the other moneys of Franchisor. Such sums shall not be used to defray any of Franchisor’s operating expenses, except for such reasonable salaries, overhead, and administrative, accounting, legal (including the defense of any claims against Franchisor and/or Franchisor’s designee regarding the management of the Branding Fund) and other costs, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Branding Fund or advertising programs for Home Helpers Franchisees, including the costs of enforcing contributions to the Branding Fund required under this agreement and the costs of preparing a statement of operations. The Branding Fund and its earnings shall not otherwise inure to the benefit of Franchisor.
- (e) It is anticipated that all contributions to and earnings of the Branding Fund will be expended for advertising, marketing and/or promotional purposes during the taxable

year within which the contributions are made. If, however, excess amounts remain in the Branding Fund at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.

(f) Franchisee agrees that Franchisor (and any designee of Franchisor) shall not have any direct or indirect liability or obligation to Franchisee, to the Branding Fund, or otherwise with respect to the management, maintenance, direction, or administration of the Branding Fund. Franchisee further agrees that Franchisor shall not be liable for any act or omission, whether with respect to the Branding Fund or otherwise, which is consistent with this agreement or other information provided to Franchisee, or which is done in subjective good faith. Franchisee and Franchisor, each having a mutual interest and agreeing on the critical practical business importance of their relationship being governed solely by written instruments signed by the parties to be bound (and not having either party subject to the uncertainty inherent in the application of legal or other concepts not expressly agreed to in writing by both parties), agree that their rights and obligations with respect to the Branding Fund and all related matters are governed solely by this agreement and that neither this agreement nor the Branding Fund are in the nature of a “trust,” “fiduciary relationship” or similar special arrangement, but is only an ordinary commercial relationship between independent businesspersons for their independent economic benefit.

11.3 Termination of Branding Fund. Although Franchisor intends the Branding Fund to be of perpetual duration, Franchisor maintains the right to terminate any Branding Fund. No Branding Fund shall be terminated, however, until all moneys in the Branding Fund have been expended for advertising and/or promotional purposes or returned to contributors on the basis of their respective contributions during the one-year period immediately preceding the termination.

11.4 Advertising Materials. In addition to the requirements described in section 11.1, Franchisee shall obtain and maintain an adequate supply of advertising, marketing and promotional assets of such kind and size as Franchisor may reasonably require from time to time in the Manual or otherwise in writing. Franchisee acknowledges that it shall be solely responsible for advertising and marketing the services offered by the Franchised Business.

11.5 Delegation of Franchisor’s Duties. Franchisor shall have the right to delegate and redelegate its responsibilities and duties under this Article 11 to any designee(s) of its choosing; provided, however, that the right of final approval of all advertising programs shall be retained at all times by Franchisor.

11.6 Approval of Advertising. All advertising by Franchisee in any medium shall be conducted in a dignified manner, shall be completely accurate and truthful, shall conform to such standards and requirements as Franchisor may specify from time to time in writing and to all Applicable Laws relating to consumer advertising, and shall give notice that the Franchised Business is independently owned and operated. Franchisee shall submit to Franchisor, for Franchisor’s prior approval (except with respect to prices to be charged), samples of all advertising and promotional plans and materials, including signs, and all other materials displaying the Marks that Franchisee desires to use and that have not been prepared or previously approved by Franchisor. Franchisee shall display the Marks in the manner prescribed by Franchisor on all signs and all other advertising and promotional materials used in connection with the Franchised Business. Franchisee specifically acknowledges and agrees that the word “advertising” as used in this agreement includes signs (including signs on motor vehicles and the

interior or exterior of the Franchise Premises) and all Electronic Distribution Channels (defined in section 19.31).

11.7 Website. Franchisee specifically acknowledges and agrees that any Website (defined in section 19.94) will be deemed “advertising” under this agreement, and will be subject to (among other things) Franchisor’s approval under this Article 11. In connection with any Website, Franchisee agrees to the following:

- (a) Franchisor has the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Marks, the Operating System, any or all of the Permitted Products or Services, any products or services offered by Home Helpers franchised or company-owned locations, and/or the offer and sale of Home Helpers or other franchises. Franchisee shall use all Websites relating to the Franchised Business required by Franchisor. Franchisor shall have the sole right to control all aspects of the Website, including its design, content, functionality, links to the Websites of third parties, legal notices, and policies and terms of usage. Franchisor also has the right to discontinue the operation of the Website at any time in its business judgment.
- (b) Franchisee shall not directly or indirectly establish, maintain, or operate a **separate** Home Helpers Website (defined in section 19.52) without Franchisor’s prior written consent (which is rarely granted). Any Home Helpers Website established, maintained, or operated by Franchisee must contain a link to and from Franchisor’s Website and Franchisor has the right to require modifications of the content, appearance, and format of Franchisee’s Home Helpers Website.
- (c) Franchisee shall not, without Franchisor’s prior written consent, establish or permit or aid any other person to establish any link to any Website or any other electronic or computer-generated advertising or communication arrangement that Franchisor may establish.
- (d) Franchisor shall have the right, but not the obligation, to designate one or more Web page(s) to describe Franchisee, the Franchised Business, and/or Franchisee’s location, with such Web page(s) to be located within Franchisor’s Website, or to provide Franchisee with a separate Home Helpers Website or pages for such purposes. Franchisee shall comply with Franchisor’s policies with respect to the creation, maintenance, and content of any such Web pages, and Franchisor shall have the right to limit and/or discontinue the content and/or operation of such Website and web pages.
- (e) In order to maintain the goodwill in the Operating System and in the business of Franchisor and Franchisor’s licensees, Franchisor has the right to impose conditions and standards requirements on Franchisee’s use of Electronic Distribution Channels, including any Home Helpers Website maintained by Franchisee, including the following:
  - (i) Franchisor is to own all rights to all domain names and URLs containing any of the Marks or relating to the Franchised Business, any Permitted Products or Services, or any business that offers or sells products or services that compete with any products or services offered by Home Helpers Franchises. Franchisee shall not register in its own name any domain name or URL containing any of the Marks or relating to the Franchised Business, or any Permitted Products or Services, or any business that offers or sells products or services that compete with any products or services offered by Home Helpers Franchises.

- (ii) In order to maintain the common identity of the Operating System and the high-quality standards associated with the Operating System, Franchisee shall obtain Franchisor's prior written approval for any domain name or URL and for the form and content of any Home Helpers Website before Franchisee uses it on the Internet. Unless Franchisor's prior written approval has been obtained, no element of the Marks or similar words may be used as part of the domain name or URL.
- (iii) Any Home Helpers Website established or maintained by Franchisee must contain a hyperlink to Franchisor's Website and all other hyperlinks to third-party Websites must be previously approved in writing by Franchisor.
- (iv) Any modifications to a Home Helpers Website established or maintained by Franchisee must first be approved in writing by Franchisor.
- (v) Before establishing a Home Helpers Website, Franchisee shall obtain appropriate legal advice regarding the content and to ensure that the Website complies with all relevant legislation and regulations.
- (vi) Franchisee shall fully indemnify Franchisor against all and any claims arising out of any Website established or maintained by Franchisee.
- (vii) Franchisee shall comply fully with its terms and conditions of business over the Internet and shall ensure that such terms and conditions of business receive Franchisor's prior written approval.
- (f) Franchisee shall not participate in or register with any Internet group, Website or similar medium which has as its aim (whether stated or not) or its effect the denigration of Franchisor or the Operating System.
- (g) Franchisee shall not open an account or profile on a social media site relating to the Franchised Business or using any of the Marks without Franchisor's prior written consent, which may be given subject to conditions, which may include the grant to Franchisor of administrator rights, and subject to Franchisee's compliance with the provisions of the Manuals relating to social media sites.
- (h) Franchisee shall not, without Franchisor's prior written consent, redirect Internet traffic from another domain name or URL to any Home Helpers Website established by Franchisee or any other Website containing any of the Marks or any content provided by Franchisor or relating to the Franchised Business.
- (i) Franchisor shall have the right to modify the provisions of this section 11.7 as Franchisor shall solely determine is necessary or appropriate for the best interests of the Operating System.

**11.8 Copyrights.** Franchisee acknowledges and agrees that any and all copyrights in and to contracts, forms, advertising, marketing, promotional public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by or on behalf of Franchisee that are used in the Franchised Business or that bear any of the Marks will be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any such materials proposed or developed by Franchisee for the Franchised Business or the

Operating System and approved by Franchisor may be used by Franchisor and other Home Helpers Franchisees without compensation to Franchisee.

11.9 Advertising Cooperative. Franchisor may, in its discretion, designate any geographical area in which at least two Home Helpers Franchises are located for the purpose of establishing a local or regional marketing and advertising cooperative ("Cooperative"). Franchisee shall take appropriate steps to establish and participate in a Cooperative if required to do so by Franchisor. If a Cooperative for the geographical area in which the Franchised Business is located has already been established before the Opening Date, then Franchisee shall immediately become a member of the Cooperative under the terms of its governing documents. If a Cooperative for the geographical area in which the Franchised Business is located is established during the Term, Franchisee shall immediately become a member of the Cooperative, and take all steps necessary to become a member. In no event will Franchisee be required to be a member of more than one Cooperative for the Territory under this agreement. The following provisions apply to each Cooperative:

- (a) Each Cooperative will be organized and governed in a form and manner prescribed or approved by Franchisor in writing, and will commence operations on a date specified by Franchisor. Any disputes arising between Franchisee and other franchisees in the Cooperative or the Cooperative, will be resolved in accordance with the rules and procedures in the Cooperative's governing documents.
- (b) Each Cooperative will be organized for the exclusive purpose of administering local or regional advertising programs and developing, subject to Franchisor's approval, standardized promotional materials for use by the members in local advertising and promotion.
- (c) No advertising, marketing, or promotional plans or materials may be used by a Cooperative or furnished to its members without the prior approval of Franchisor pursuant to the procedures in section 11.6.
- (d) Each month that a Cooperative is in existence for Franchisee's geographical area, Franchisee shall contribute to the Cooperative an amount specified by Franchisor or the Cooperative (the "Cooperative Contribution"). Franchisee's Cooperative Contribution will not be credited towards the Branding Fee required by section 5.2.
- (e) The members of the Cooperative will determine the amount of the Cooperative Contribution in accordance with its governing documents, but the Cooperative Contribution may not exceed three percent of Franchisee's Gross Revenues unless the members of the Cooperative, by a majority vote conducted in accordance with its rules, bylaws, or other governing documents, agree to a Cooperative Contribution in excess thereof. Franchisee shall pay its Cooperative Contribution, together with any statements or reports that Franchisor or the Cooperative (with Franchisor's prior written approval) may require, on a date each month determined by the Cooperative, but no later than the tenth day of each month.
- (f) For each Franchise operated by Franchisor or its Affiliate in a geographical area for which a Cooperative has been established, Franchisor shall make a Cooperative Contribution on the same basis as assessments required of, and will have the same voting rights as, comparable Home Helpers Franchisees that are members of the same Cooperative.
- (g) Cooperatives established by Franchisor are intended to be of perpetual duration. However, Franchisor maintains the right to terminate any Cooperative. Franchisor shall use any

unexpended monies from the terminated Cooperative only for advertising or promotional purposes for the Operating System.

11.10 Call Center. Franchisor may, in its discretion, establish, operate and provide (or designate or contract with one or more third parties, including Internet-based marketing companies, to provide) a call center or service- or lead-generating service (collectively, "Call Center Services") to Home Helpers Franchises, to charge fees therefor, which may include one-time set-up fees per business, monthly fees, and/or per-call or per-lead fees, and to require Franchisee to use the Call Center Services provided by Franchisor or Franchisor's designee. If Franchisee uses the Call Center Services, it shall comply with all rules, policies and requirements specified by the provider and Franchisor regarding such services.

11.11 Digital Marketing Services. Franchisee shall spend at least \$500 each month on digital marketing services with a designated supplier and provide Franchisor with verification thereof upon request.

## **ARTICLE 12**

### **TRANSFERS**

12.1 Transfer by Franchisor. Franchisor has the right to transfer or assign all or any part of its rights and/or obligations herein to any person or legal entity, including a subfranchisor specifically responsible for assisting Franchisee. Franchisee agrees to execute any forms that Franchisor may reasonably request to effectuate any transfer or assignment by Franchisor.

12.2 Transfer by Franchisee.

(a) Franchisee understands and acknowledges that the rights and duties set forth in this agreement are personal to Franchisee (or if Franchisee is a Business Organization, its Principal(s)), and that Franchisor has entered into this agreement in reliance upon the business skills and financial capacity of Franchisee or its Principal(s). Accordingly, no Transfer (defined in section 19.92), including a Transfer described in section 7.10(b), is valid without Franchisor's prior written consent. Any purported or attempted Transfer, by operation of law or otherwise, without Franchisor's prior written consent is null and void and constitutes a material breach of this agreement, for which Franchisor may terminate this agreement without prior notice or opportunity to cure. Franchisee may transfer only the entire Territory—no purported or attempted Transfer of Franchisee's right to operate the Franchised Business or use the Operating System or the Marks in less than the entire Territory will be valid.

(b) Except as provided in this Article 12, Franchisor shall not unreasonably withhold its consent to a Transfer, but its consent will be subject to the satisfaction of certain conditions, including but not necessarily limited to the following:

(1) All of Franchisee's accrued monetary obligations to Franchisor or any of its Affiliates and all other outstanding obligations related to the Franchised Business (including obligations under any promissory note in favor of Franchisor or its Affiliates) have been satisfied, and Franchisee is otherwise in Good Standing.

(2) The transferor's right to receive compensation pursuant to any Transfer is subordinate and secondary to Franchisor's rights to receive any outstanding monetary obligations or other outstanding obligations due from the transferor or Franchisee pursuant to this agreement, whether arising before or after the Transfer.

- (3) Franchisee (and the transferor if Franchisee is not the transferor) and its Principals execute a General Release effective as of the effective date of the Transfer.
- (4) Franchisor determines in its Business Judgement that its rights under this agreement are protected, that its revenue from the Franchised Business will not be materially impaired as the result of the Transfer, and that the terms of the Transfer are not so burdensome to the transferee as to impair or materially threaten the future operation of the Franchised Business.
- (5) The transferee authorizes Franchisor to conduct such background investigations as Franchisor deems necessary (which may include credit report/score, criminal record, and behavioral assessment), and demonstrates to Franchisor's satisfaction that it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise), has adequate financial resources and capital to operate the business.
- (6) The transferee (or, if Franchisee is not the transferor, then Franchisee) executes Franchisor's then-current form of franchise agreement and such other agreements as Franchisor may require.
- (7) At the transferee's expense, and upon such other terms and conditions as Franchisor may reasonably require, the transferee or its Designated Individual completes the Pre-Opening Training then in effect.
- (8) Any right of the transferor to any payments from the transferee resulting from the Transfer is subordinate to any claim or right of Franchisor against the transferee subsequent to the effective date of the Transfer, and Franchisee and the transferee executes any and all instruments reasonably required by Franchisor to evidence such subordination.
- (9) Either the transferor or the transferee pays Franchisor the Transfer Fee described in section 19.93 to reimburse Franchisor for its administrative, legal and other expenses (both internal and external) in connection with the Transfer. No Transfer Fee will be required in the case of a Transfer (i) by an individual Franchisee to Franchisee's spouse or child; (ii) by a Principal of Franchisee to the Principal's spouse or child; (iii) of less than 50% of the Ownership Interest of a Business Organization Franchisee; or (iv) of the entire Franchised Business to a Limited Liability Entity formed in full compliance with section 7.10(b). For purposes of clause (iii) of this subparagraph (9), all Transfers of an Ownership Interest in a Business Organization Franchisee occurring since the date the Business Organization first became Franchisee are to be aggregated to determine the percentage of Ownership Interest being transferred.
- (10) The transferor and the transferee acknowledge in writing that Franchisor was not involved in the negotiation of the Transfer, does not guarantee the accuracy of any information provided by the transferor or Franchisee to the transferee, and makes no representations regarding the transferee's investment in Franchisee or likelihood of success in operating the Franchise.



- (11) Franchisee and the transferor comply with the requirements of section 10.3 relating to the disclosure of Confidential Information to a prospective transferee.
- (12) Franchisee and the transferor comply with all laws that apply to the Transfer, including laws governing the offer and sale of franchises, business opportunities, securities and investments. Franchisee and the transferor shall indemnify and defend Franchisor and its agents against and hold them harmless from any and all Claims arising directly or indirectly from any alleged failure on the part of Franchisee or the transferor to comply with any franchise, business opportunity, security, investment or other law applicable to the Transfer.
- (13) The transferee (and Franchisee, if Franchisee is not the transferor), at their own expense, obtain all Professional Licenses and satisfy all licensing requirements required by Applicable Laws.
- (14) The transferee or all the Principals of the transferee attend a day-long presentation and meet with executives of Franchisor at Franchisor's offices.
- (15) Franchisee transfers the Client List to the transferee (subject to and in accordance with the HIPAA security and privacy rules).
- (16) If the transferee was already listed as a lead in Franchisor's franchise development database at the time Franchisee and the transferee began discussing the Transfer, Franchisee pays Franchisor a referral fee of \$10,000.
- (17) Franchisee pays all commissions, success fees and referral fees that Franchisor is required to pay as a result of or in connection with the Transfer.
- (18) In the case of a Transfer to a trust (the "Trust") of all the Ownership Interest in Franchisee held by the Principal of Franchisee: (a) Franchisee must be a Business Organization with only one Principal; (b) the Principal must be the grantor of the Trust; (c) the Principal must be and shall remain the trustee of the Trust so long as he or she is legally competent to serve thereas; (d) the Principal shall be the initial Designated Individual; and (e) the Principal shall execute Franchisor's then-current Personal Guaranty and Restrictive Covenant Agreement.
- (c) Notwithstanding the provisions of Subsection 12.2(b), neither Franchisee nor any Principal of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the Franchised Business, shall (i) pledge, mortgage, grant a security interest, or otherwise encumber (whether or not in connection with an absolute transfer of an interest in the Franchised Business) any interest in this agreement, in the Franchise granted hereunder, in any property or rights used in the operation of the Franchised Business, or in Franchisee, or (ii) in connection with a Transfer, accept or take a pledge, mortgage, security interest, or other encumbrance of any interest in a franchise agreement between Franchisor and the transferee, in the franchise granted thereunder or any property or rights used in the operation of the business franchised thereunder, or in the transferee or assignee of any asset or interest of Franchisee (whether or not in connection with an absolute transfer of an interest in the Franchised Business). Franchisor is not obligated to consent to any such Transfer, and any grant, transfer or acceptance or attempted grant, transfer or acceptance of an encumbrance prohibited by the previous sentence without Franchisor's prior written express consent will be null and void.

(d) Notwithstanding the provisions of subsection 12.2(b), Franchisor is not obligated to consent to any Transfer to a person that owns, operates, franchises, licenses, develops, consults with, manages, is involved in or employed by, or controls a Competitive Business. If Franchisor refuses to consent to a transfer under this paragraph, the sole remedy of Franchisee will be to seek a declaratory judgment in a court of competent jurisdiction to determine whether the proposed transferee is a person that owns, operates, franchises, licenses, develops, consults with, manages, is involved in or employed by, or controls a Competitive Business.

(e) In connection with any proposed Transfer, Franchisor has the right, and Franchisee expressly authorizes Franchisor and its employees and agents, to communicate candidly and truthfully with any prospective transferee and to make available for inspection by any prospective transferee all or any part of Franchisor's records relating to this agreement, the business operations, financial condition, contracts and history of the Franchised Business under Franchisee's ownership, or the history of the relationship of the parties, without any liability to Franchisee or its Affiliates, Principals, directors, officers, employees or agents. Franchisee hereby specifically consents to such disclosure by Franchisor and absolutely releases and agrees to hold Franchisor harmless from all Claims resulting therefrom.

(f) Franchisee acknowledges that Franchisor's consent to a Transfer does not imply or constitute Franchisor's approval, recommendation, warranty or guarantee—and is not a representation, statement, comment or opinion as to the fairness, advisability, enforceability or other attribute—of any provision of any contract or instrument between the transferor and the transferee, nor a guarantee of the Franchised Business's or transferee's success, nor a waiver of any claims Franchisor may have against Franchisee or any Principal of Franchisee or of Franchisor's right to demand the transferee's full compliance with this agreement.

**12.3 Franchisor's Right of First Refusal.** Before any Transfer, the transferor shall first obtain a bona fide, executed, written offer (a "Purchase Offer") from a responsible and fully disclosed purchaser and shall submit an exact copy thereof to Franchisor. For a period of one month after Franchisor's receipt of the Purchase Offer, Franchisor shall have the right, exercisable by written notice to Franchisee or any of its Principals, to purchase the property that is the subject of the proposed Transfer for the price and on the terms and conditions contained in the Purchase Offer, provided that Franchisor may substitute equivalent cash for any form of payment proposed in the Purchase Offer. Any purchase by Franchisor must be completed within two months after Franchisee's receipt of Franchisor's written notice of its intent to purchase. If Franchisor does not exercise its right of first refusal, the transferor may complete the sale of such property to the bona fide purchaser upon the same terms and conditions contained in the Purchase Offer, subject to Franchisor's approval of the transferee as provided in section 12.2. If the Transfer to such purchaser is not completed within four months after Franchisor's receipt of the Purchase Offer, Franchisor shall again have the right of first refusal herein provided.

**12.4 Right of Franchisee's Heirs Upon Death, Disability or Dissolution of Franchisee.** A Transfer to the heirs, surviving spouse, conservators, or personal or other legal representative of Franchisee or a Principal of Franchisee (collectively, "Involuntary Transferees") upon the death, dissolution or legal disability of Franchisee or its Principal, will not be subject to Franchisor's right of first refusal under section 12.3 or right to terminate for failure to obtain written approval under section 12.2(a), so long as the Involuntary Transferees (i) satisfy Franchisor that they are qualified to act as a Franchisee pursuant to section 12.2(b)(5) or retain an individual or entity to operate and manage the Franchised Business who is so qualified and who is approved in writing by Franchisor in accordance with section 7.14, and (ii) perform all other applicable acts required under section 12.2. The Transfer must be made within six

months after the death, disability, or dissolution of Franchisee or its Principal, as the case may be. Any subsequent Transfer by any Involuntary Transferees will be subject to Franchisor's right of written approval under section 12.2 and to Franchisor's right of first refusal under section 12.3. The Transfer Fee will not be assessed in connection with a Transfer to an Involuntary Transferee Under this paragraph, but the Involuntary Transferee(s) shall reimburse Franchisor for the actual legal costs it incurs to approve and complete the Transfer.

#### 12.5 Public or Private Offerings.

(a) Neither Franchisee nor its Principals may make a public or private offering of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in Franchisee or its Affiliates without Franchisor's prior written consent and without complying with this section 12.5. In addition to conditioning its consent on compliance with the requirements of sections 12.2, 12.3 and 12.5(b) and (c), Franchisor may require Franchisee to comply with such other policies and limitations as Franchisor may establish from time to time with respect to public or private offerings by Home Helpers Franchisees.

(b) Before using them in an exempt offering or filing them with any federal or state authority, Franchisee shall submit to Franchisor, in writing, for review and written approval, all materials proposed for use in any registration statement, prospectus or similar offering circular or memorandum. Franchisor's review of the materials and/or any offering will be limited solely to the subject of the relationship between Franchisee (or the issuer, if not Franchisee) and Franchisor, and its consent under this paragraph, if granted, does not imply or constitute its approval of the fact or method of financing, the offering literature submitted to Franchisor, or any other aspect of the offering, nor will it constitute an opinion as to any legal requirement. Franchisor assumes no responsibility for the offering whatsoever. Franchisee may not imply (by use of the Marks or otherwise) that Franchisor or any of its Affiliates is participating in an underwriting, issuance or offering of securities (of Franchisee, one of its Affiliates, or Franchisor), and the prospectus, memorandum or other literature utilized in any offering must contain the following language in bold-face type on the first textual page:

**“NEITHER H.H. FRANCHISING SYSTEMS, INC. NOR ANY OF ITS AFFILIATES IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED. NEITHER H.H. FRANCHISING SYSTEMS, INC. NOR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY WITH RESPECT TO THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION SET FORTH HEREIN, INCLUDING ANY STATEMENTS MADE WITH RESPECT TO ANY OF THEM. NEITHER H.H. FRANCHISING SYSTEMS, INC. NOR ANY OF ITS AFFILIATES ENDORSES OR MAKES ANY RECOMMENDATION WITH RESPECT TO THE INVESTMENT CONTEMPLATED BY THIS OFFERING.”**

(c) Franchisee shall (and if the offeror is not Franchisee, Franchisee shall obtain the offeror's written agreement to) indemnify and defend each of the Franchisor-Related Persons against and hold them harmless from any and all Claims incurred in the defense of claims, demands or liabilities arising from the offer or sale of securities by Franchisee or its Principals, whether asserted by a purchaser of any security or by a governmental agency. For each proposed offering, Franchisee shall pay Franchisor a non-refundable fee in such amount as Franchisor may determine necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including legal and accounting fees. Franchisee shall give

Franchisor written notice at least two months before the date of commencement of any offering or other transaction covered by this paragraph. Franchisor may request additional information, and Franchisee may be required to postpone the offering or transaction until all of Franchisor's requests are satisfied. Any offering subject to this section 12.5 is subject to all of the other provisions of this Article 12 (including Franchisor's right of first refusal under section 12.3) and to Franchisor's approval as to the structure and voting control of Franchisee (and the issuer, if Franchisee is not the issuer) after the financing is completed, and must comply with all written policies adopted and announced by Franchisor from time to time.

## **ARTICLE 13**

### **TERMINATION**

13.1 Events Allowing Termination. Franchisor may terminate this agreement, without refund of any moneys paid by Franchisee, if the Designated Individual fails to commence the Pre-Opening Training within three months after the execution of this agreement, or fails to complete the Pre-Opening Training to the satisfaction of Franchisor. The occurrence of any one or more of the following events shall constitute a default by Franchisee under this agreement, for which Franchisor may elect to terminate this agreement, subject to the notice provisions of section 13.2 below, without prejudice to any other legal or equitable rights or remedies Franchisor may have:

- (a) Franchisee fails to pay when due any sum required to be paid by Franchisee under this agreement, any promissory note payable to Franchisor or its Affiliate, or any other agreement or instrument to which Franchisor and Franchisee are parties, or pursuant to any invoice for goods or services purchased by Franchisee from Franchisor, the Branding Fund, or any Affiliate of Franchisor;
- (b) Franchisee fails to furnish when due any report required by this agreement;
- (c) Franchisee fails to operate the Franchised Business in compliance with the terms of this agreement, the Manual or the System Standards;
- (d) Franchisee fails to perform or breaches any provision of this agreement or any other agreement or instrument to which Franchisor and Franchisee are parties;
- (e) Franchisee understates its Gross Revenues in any report submitted to Franchisor;
- (f) Franchisee promotes, sells, or provides for compensation any Permitted Products or Services, or otherwise promotes or operates the Franchised Business, within a protected territory licensed to another Home Helpers Franchisee (except as may be expressly permitted by this agreement or the Manual), or otherwise infringes upon rights granted under franchise agreements with other Home Helpers Franchisees;
- (g) Franchisee fails to open the Franchised Business by the Opening Date or, after opening, fails to maintain the Franchised Business in continuous operation, or fails to devote his or her full time, energy, and best efforts to the management and operation of the Franchised Business;
- (h) Franchisee is declared bankrupt or insolvent or Franchisee is the debtor in a voluntary or involuntary bankruptcy proceeding under the U.S. Bankruptcy Code (this provision may not be enforceable under federal bankruptcy law);

- (i) A receiver is appointed for Franchisee or for any part of its property, or Franchisee makes an assignment for the benefit of its creditors, if not dismissed within fifteen days;
- (j) Franchisee abandons or closes the Franchised Business;
- (k) Franchisee fails, for a period of ten days after receipt of notification of noncompliance, to comply with any Applicable Law;
- (l) Any Transfer or attempted Transfer that fails to comply with the provisions of Article 12;
- (m) Franchisee knowingly maintains false books or records, or knowingly submits any false report (including information provided as part of Franchisee's application for this Franchise) to Franchisor;
- (n) The Franchised Business or Franchise Premises are seized, taken over, or foreclosed by a government official in the exercise of his duties, or seized, taken over, or foreclosed by a creditor, lien holder or lessor, if a final judgment against the Franchisee remains unsatisfied for one month (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this agreement or upon any property used in the Franchised Business that is not discharged within five days of the levy;
- (o) Any conduct or activity by Franchisee, or any Affiliate, Principal, director, or officer of Franchisee, that Franchisor believes may harm, tarnish, impair or reflect unfavorably upon the reputation, name, services or operation of the Franchised Business, Franchisor, the Operating System, the Marks, or the goodwill associated therewith, including any criminal misconduct of Franchisee, or any Principal, director, or officer of Franchisee;
- (p) Franchisee knowingly understates its Gross Revenues in any report submitted to Franchisor;
- (q) Franchisee fails to obtain and maintain in effect the insurance required by section 7.9(b);
- (r) Franchisee knowingly promotes, sells, or provides for compensation any Permitted Products or Services, or otherwise promotes or operates the Franchised Business, within a protected territory licensed to another Home Helpers Franchisee (except as may be expressly permitted by this agreement or the Manual), or otherwise knowingly infringes upon rights granted under franchise agreements with other Home Helpers Franchisees;
- (s) Franchisor makes a reasonable determination that the continued operation of the Franchised Business by Franchisee will result in immediate danger to public health or safety;
- (t) Franchisee employs any person or fails to discharge any employee that Franchisee knows or has reason to know has engaged in, been convicted of, or pled guilty or nolo contendere to any felony, fraud, elder abuse, or any crime involving moral turpitude;
- (u) Franchisee continues an unauthorized use of the Marks for more than three days after Franchisee receives a notice to cease from Franchisor;
- (v) Franchisee knowingly and without written authorization from Franchisor discloses the Manual to a third-party;

(w) Franchisee fails to maintain any license required by Applicable Laws to offer, provide, or sell any Permitted Products or Services; or

(x) Franchisee or any Principal or Affiliate of Franchisee is or at any time during the Term becomes an Embargoed Person.

### 13.2 Notice and Termination.

(a) If Franchisee fails to cure any default within thirty days after its receipt of a written notice of ~~default breach~~ from Franchisor, Franchisor may terminate this agreement, except that no written notice of default or opportunity to cure shall be required in the case of a default described in subsections 13.1(g) through (x). If Franchisee defaults on this agreement two separate times, for each of which Franchisee was given notice and an opportunity to cure, then Franchisor may terminate this agreement upon any subsequent default without providing notice or opportunity to cure. Termination of this agreement shall, at Franchisor's option, be effective automatically upon the expiration of the time period specified above (or such longer period as may be required by Applicable Laws) if Franchisee fails to cure the default within such period, or, if no notice of default is required, immediately upon Franchisee's receipt of a written notice of termination.

(b) If Franchisee fails to cure any default within thirty days after its receipt of a written notice of ~~default breach~~ from Franchisor, then the exclusivity of the Territory granted by section 1.3 shall be automatically suspended without further notice until the ~~default breach~~ has been cured.

13.3 Suspension of Franchise Rights During Default. In addition to and without limiting any other remedies provided in this agreement, at law or in equity, if Franchisor at any time has the right to terminate this agreement, then Franchisor, in its sole and unfettered discretion, also has the right to suspend Franchisee's license to use the Marks and the Operating System granted by this agreement until any and all breaches of this agreement have been cured.

~~13.4 Franchisor's Step-in Rights. In addition to and without limiting any other remedies provided in this agreement, at law or in equity, upon Franchisee's failure to cure any default within the applicable cure period (if any), Franchisor has the right, but not the obligation, to enter upon the Franchise Premises and exercise (or designate anyone else to exercise) complete authority with respect to the operation and administration of the Franchised Business until Franchisor determines that the default has been cured and that Franchisee is otherwise in compliance with this agreement. If Franchisor exercises such right, Franchisee shall pay Franchisor a management fee of \$500 per day and reimburse Franchisor for all reasonable expenses incurred by Franchisor in connection with operating the Franchised Business, including the costs of personnel for supervising and staffing the Franchised Business and their travel, food and lodging expenses. All fees and expenses are payable through the EDT Account prescribed by section 5.6 within ten days after invoice by Franchisor. If Franchisor operates the Franchised Business pursuant to this paragraph, Franchisee shall indemnify and defend each of the Franchisor-Related Persons against and hold each of them harmless from all Claims that may arise out of Franchisor's (or its designee's) operation of the Franchised Business (except Claims arising solely from the gross negligence or willful misconduct of Franchisor's employees).~~

### 13.45 Liquidated Damages.

(a) If Franchisor terminates this agreement before the Expiration Date due to a default by Franchisee (including its abandonment of the Franchised Business), or if Franchisee terminates

this agreement before the Expiration Date (which will also constitute a default under this agreement), Franchisee shall pay Franchisor, within fifteen days after the effective date of the termination and in addition to the other amounts specified in Article 5 and section 14.1(j), liquidated damages equal to the greater of:

- (1) the total Minimum Royalties and Minimum Branding Fees Franchisee would have paid under section 5.1(d) from the effective date of the termination through the Expiration Date ~~if this agreement had not been terminated~~ ~~Franchisee's Gross Revenues for such period equalled the cumulative Performance Standards under the applicable subparagraphs of section 1.7(b);~~
- (2) the average monthly Royalty and Branding Fee payable by Franchisee during the twelve months immediately preceding the effective date of the termination, multiplied by the number of months between the effective date of the termination and the Expiration Date; or
- (3) 8% of the monthly Performance Standard under section 1.7(b)(1)(ii), multiplied by thirty-six months.

(b) Franchisor and Franchisee acknowledge and agree that it would be impracticable to precisely determine the amount of damages Franchisor will incur as a result of this agreement's early termination. Some of those damages include loss of Royalties and Branding Fees, loss of goodwill, loss of representation in the market, consumer confusion, and expenses that Franchisor will incur to recruit, train and support a new franchisee for the market (collectively, "Brand Damages"). Franchisor and Franchisee acknowledge that Brand Damages are difficult to estimate accurately, and proof of Brand Damages would be burdensome and costly, although such damages are real and meaningful to Franchisor. Franchisor and Franchisee agree that this liquidated damages provision is a reasonable, good faith pre-estimate of those damages. Franchisee's payment of the liquidated damages to Franchisor will not be considered a penalty but, rather, a reasonable estimate of fair compensation to Franchisor for the Brand Damages it will incur because this agreement did not continue for the full length of the Initial Term due to Franchisee's default. Franchisee acknowledges that its payment of liquidated damages is full compensation to Franchisor only for the Brand Damages resulting from the early termination of this agreement and is in addition to, and not in lieu of, Franchisee's obligations to pay other amounts due Franchisor under this agreement as of the effective date of the termination, and to comply strictly with the Post-Termination Provisions. Franchisee further acknowledge that this liquidated damages provision does not cover any other damages to which Franchisor might be entitled as a result of Franchisee's actions or inaction.

**13.56 Liability for Default.** If Franchisee fails to cure any default within the applicable time period provided in section 13.2, Franchisee shall pay to Franchisor all damages, costs and expenses incurred by Franchisor as a result of any such default, including reasonable attorney and accounting fees. This provision will apply regardless of whether Franchisor exercises its right to terminate this agreement and will survive the expiration, termination, or cancellation of this agreement.

## ARTICLE 14

### OBLIGATIONS UPON TERMINATION

14.1 Franchisee's Obligations. Upon the termination or expiration of this agreement for any reason, Franchisee, at its own expense and in addition to its obligations under Article 15, shall take each and every action listed in the subparagraphs below:

- (a) Franchisee shall immediately and permanently cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former Home Helpers Franchisee.
- (b) Except as may be authorized under another franchise agreement in effect between Franchisee and Franchisor, Franchisee shall immediately and permanently cease all use of the Marks and any derivative or confusingly similar variation thereof. Without limiting the generality of the preceding sentence, Franchisee's obligations under this paragraph include permanently discontinuing and securing the removal of all advertising on all Electronic Distribution Channels that contains any of the Marks or any derivative or confusingly similar variation thereof.
- (c) Franchisee shall take such action as may be necessary to modify Franchisee's National Provider Identification registry listing and all other Directory Listings to remove the trademark HOME HELPERS and any of the other Marks, and shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within one month after the termination or expiration of this agreement.
- (d) Except as may be authorized under another franchise agreement in effect between Franchisee and Franchisor, Franchisee shall immediately and permanently cease to use, by advertising or in any manner whatsoever, the Operating System, Confidential Information, and all equipment and materials that display the Marks or any other distinctive forms, slogans, signs, symbols, or devices associated with or belonging to Franchisor. Without limiting the generality of the preceding sentence, Franchisee's obligations under this paragraph include permanently removing or obscuring the Marks and telephone numbers used in connection with the Franchised Business from the exterior of all vehicles owned or controlled by Franchisee or its employees or used in the operation of the Franchised Business.
- (e) Franchisee shall promptly make all modifications and alterations as are necessary to distinguish the Franchise Premises and all vehicles owned or controlled by Franchisee or used in the operation of the Franchised Business so clearly from their former appearance and from those of other Home Helpers Franchises as to prevent any possibility of confusion by the public and to prevent the operation of the Franchised Business or any Competitive Business on the Franchise Premises (including the changing of all telephone numbers, the removal of all distinctive signs and emblems, and the removal of all distinctive physical and structural features associated with the Marks). The determination of what modifications and alternations are necessary in order to prevent any possibility of confusion by the public will be made by Franchisor in its sole discretion. If Franchisee fails or refuses to comply with the requirements of this section, Franchisor will have the right to enter the Franchise Premises, without being guilty of trespass or any other tort or crime, for the purposes of making or causing to be made such changes as may be required, at the expense of Franchisee. Franchisee expressly acknowledges that its failure to fully comply with the provisions of this paragraph will cause irreparable injury to Franchisor, and consents to the entry, at Franchisee's expense, of any order by any court of competent jurisdiction, authorizing



Franchisor to take such action. The provisions of this paragraph apply even if the Franchise Premises is located in a residence or dwelling.

(f) Franchisee shall turn over to Franchisor or Franchisor's designee all advertisements, marketing materials, Manuals, instructions, correspondence, financial, and other business records and materials, including brochures, agreements, disclosure statements and any materials relating to the Franchised Business, which may be in Franchisee's possession, together with all copies thereof (all of which Franchisee acknowledges to be Franchisor's sole property).

(g) Within ten days after the termination or expiration of this agreement, Franchisee shall notify its telephone provider and all listing agencies of the termination or expiration of Franchisee's right to use the Telephone Numbers and Directory Listings and authorize the transfer of the Telephone Numbers and Directory Listings to Franchisor or its designee. Franchisee acknowledges that, as between Franchisor and Franchisee, Franchisor has the sole right to all Telephone Numbers and Directory Listings, and Franchisee hereby authorizes Franchisor, and appoints Franchisor and any officer designated by Franchisor, as Franchisee's attorney-in-fact, to direct the telephone company and all listing agencies to transfer the Telephone Numbers and Directory Listings to Franchisor or Franchisor's designee if Franchisee fails or refuses to do so. The telephone company and all listing agencies may accept such direction or this agreement as conclusive proof of Franchisor's exclusive rights in the Telephone Numbers and Directory Listings and Franchisor's authority to direct their transfer.

(h) Franchisee shall cancel or assign (at Franchisor's option) to Franchisor or Franchisor's designee all of Franchisee's right, title and interest in and to any and all Electronic Distribution Channels related to the Franchised Business, the Marks, or any Competitive Business.

(i) Franchisee shall delete all Confidential Information (including proprietary software) relating to the Franchised Business from all computers owned or controlled by Franchisee or any Principal, employee, or agent of Franchisee.

(j) Franchisee shall immediately pay all sums due and owing to Franchisor and provide Franchisor with a final accounting of Franchisee's Gross Revenues. Upon termination due to Franchisee's default, such sums will include actual damages, costs and expenses, and reasonable attorney fees incurred by Franchisor as a result of the default.

(k) Franchisee shall take such action as may be necessary to cancel any fictitious or assumed name or equivalent registration that contains the trademark HOME HELPERS or any of the other Marks, and furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within one month after the termination or expiration of this agreement.

(l) Franchisee shall immediately provide Franchisor with the current Client List and shall immediately stop using the Client List and retain no copies thereof, regardless of the format or medium, except as otherwise required by Applicable Laws, and shall destroy, in accordance with HIPAA, all copies of the Client List (including client files and other records) that Franchisee is not required by law to retain. After the termination or expiration of this agreement, Franchisee may not use or transfer the Client List or any information contained or included in the Client list for any purpose except to meet government audit or state licensing requirements or as otherwise required by Applicable Laws.

(m) In order to assure client safety and the continuity of their care and services, Franchisee shall cooperate with and assist Franchisor, and any other Home Helpers Franchisee designated by Franchisor, to arrange for the orderly transition of all clients to other Home Helpers Franchisees designated by Franchisor or, if there are no Home Helpers Franchisees available and able to accept the clients, to providers identified to and approved by Franchisor. Franchisor's approval will be based solely on its determination that the proposed client transition is not an attempt to circumvent the restrictions on Transfers and the operation of a Competitive Business in this agreement. Franchisor will control the transmission of client information to the transferee providers.

(n) If any insurance policy providing any of the coverages required by section 7.9(b) is a "claims made" policy, Franchisee shall obtain and maintain in effect tail coverage for the policy to extend the period in which claims may be asserted for a period of time not less than the applicable statute of limitations in the jurisdiction in which the Franchised Business is located, or for two years, whichever is less, and furnish Franchisor with a certificate of insurance evidencing compliance with this obligation within thirty days after the termination or expiration of this agreement and at least thirty days before each renewal date thereafter.

(o) Franchisee shall comply with all other Post-Termination Provisions of this agreement.

#### 14.2 Franchisor's Option to Purchase Certain Assets of the Franchised Business.

(a) If this agreement is terminated or expires without being replaced by a Successor Agreement, then Franchisor has the right and option, but not the obligation, to purchase any and all of the following from Franchisee: (1) the fixed assets of the Franchised Business at their book value, net of accumulated depreciation; (2) the leasehold interest in the Franchise Premises, by assignment of Franchisee's lease or a sublease for the full remaining term on the same terms and conditions as Franchisee's lease; and (3) all other assets of the Franchised Business (the "Other Assets") (excluding any unamortized portion of the Franchise Fee, cash, short-term investments and accounts receivable) at fair market value. This option to purchase is exercisable by giving Franchisee written notice within one month after the date of expiration or termination. Franchisor or its assignee will be entitled to all customary warranties and representations given by a seller of a business, including representations and warranties as to (i) ownership, condition and title to assets; (ii) absence of liens and encumbrances relating to the assets; and (iii) validity of contracts and liabilities inuring to Franchisor or affecting the assets, contingent or otherwise. Franchisor has the unrestricted right to assign this option to purchase.

(b) Fair market value is to be determined as of the date of termination or expiration of this agreement. Fair market value will not include any amount or factor for any trademark, service mark or other commercial symbol, or for any goodwill of the Franchised Business. If the parties cannot agree on fair market value within one month after Franchisor's exercise of this option, fair market value will be determined by two appraisers, with each party selecting one appraiser, and "fair market value" will be the average of their two appraisals. Each appraiser must be certified as an appraiser or business valuation analyst by a nationally recognized business valuation organization. Each party shall bear its own legal and other costs and share the appraisers' fees equally. If Franchisor elects to exercise this option, it will have the right to subtract, from any payment due Franchisee under this section 14.2, all fees and other amounts due Franchisor from Franchisee (including amounts due under Article 5 and sections 13.45 and 14.1(j)), and shall pay the remaining amount in cash.

(c) Franchisor shall pay the purchase price, as determined above, in cash or cash equivalent at the closing of the purchase, which must take place within two months after Franchisor's exercise of this option (unless fair market value is determined by appraisal, in which case the closing must take place within two months after the results of the appraisal are made available). At the closing, Franchisee shall: (i) deliver instruments transferring to Franchisor or its designee good and merchantable title to the assets being purchased by Franchisor, free and clear of all liens, encumbrances and liabilities, with all sales and other transfer taxes paid by Franchisee; (ii) transfer or assign to Franchisor or its designee all licenses or permits that are assignable or transferable; (iii) assign to Franchisor or its designee Franchisee's leasehold interest in the Franchise Premises or, if an assignment is prohibited, sublease the Franchise Premises to Franchisor or its designee for the full remaining term as Franchisee's lease, including renewal and/or purchase options; and (iv) assign to Franchisor or its designee any leases for other tangible assets used in connection with the Franchised Business.

14.3 Power of Attorney. Franchisee does hereby irrevocably constitute and appoint Franchisor as the true and lawful attorney-in-fact and agent for Franchisee to carry out Franchisee's obligations under this Article 14. Franchisee agrees to promptly execute, acknowledge and deliver to Franchisor any and all such documents as may be required to carry out Franchisee's obligations hereunder. The provisions of this Article 14 will survive the expiration, termination or cancellation of this agreement.

## **ARTICLE 15**

### **RESTRICTIONS ON COMPETITION**

15.1 Reasons for Restrictions. Franchisee understands and acknowledges that the Marks, the Operating System, the training and assistance provided by Franchisor, the knowledge of Franchisor's methods, operations and services, and the contacts and experience acquired by Franchisee during the Term, are of considerable value and would not be acquired except through the implementation of this agreement. Franchisee further acknowledges that Franchisor has devoted substantial time and expense in the development of the Operating System. As a result, Franchisee agrees that Franchisor has a proprietary interest in the Confidential Information, which the parties acknowledge is a trade secret owned by Franchisor subject to a restricted license to Franchisee for use during the Term in accordance with the terms and conditions of this agreement and the Operations Manual. Franchisee agrees that competition by persons associated with Franchisee (including family members of Franchisee or its Principals) or with the Franchised Business could seriously jeopardize Franchisor and the entire Network because Franchisee has received an advantage through the knowledge of the day-to-day operations and the Confidential Information related to the Operating System. Accordingly, Franchisee acknowledges and agrees that all of the restrictive covenants in sections 15.2 through 15.4 are reasonable both in time and in scope of geographic area and that the geographic and temporal restrictions on the ability of Franchisee and its Principals to compete with Franchisor and other Home Helpers Franchisees are reasonably necessary to protect Franchisor's business interests in the relevant markets. Franchisee also acknowledges and agrees that Franchisee and each of its Principals have sufficient resources, business experience and opportunities to earn an adequate living while complying with the terms of those covenants.

15.2 Covenants During Term. During the Term, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with, any person (including an Affiliate of Franchisee or a spouse, child, parent, or sibling of Franchisee or of a Principal of Franchisee) (each of which is a "Covered Person" for purposes of this Article 15):

- (a) divert or attempt to divert any business or client of the Franchised Business or of any other Home Helpers Franchisee to a Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the Operating System;
- (b) aid, assist, provide goods or services to (whether as an employee or independent contractor), or loan money to any Competitive Business;
- (c) own, maintain, engage in, operate, or have any interest in a Competitive Business, except as may be authorized under another franchise agreement in effect between Franchisee and Franchisor;
- (d) promote, sell, or provide for compensation any Permitted Products or Services, or otherwise operate the Franchised Business, within a protected territory licensed to another Home Helpers Franchisee (except as may be expressly permitted by this agreement or the Manual), or otherwise infringe upon rights granted under franchise agreements between Franchisor and other Home Helpers Franchisees; or
- (e) take any action injurious or prejudicial to the Operating System.

The restrictions in this section 15.2 have no geographic limitation.

### 15.3 Covenants After Term.

- (a) Franchisee shall not, for a continuous and uninterrupted period commencing upon the earlier of:
  - (i) the expiration of the Term~~this agreement or the Home Helpers Franchise granted hereunder~~, or
  - (ii) the termination (regardless of the cause) of this agreement or the Home Helpers Franchise granted hereunder,

and ending on the second anniversary thereof (the “Restrictive Period”), directly or indirectly, for itself or through, on behalf of, or in conjunction with a Covered Person:

- (1) except as may be authorized under another franchise agreement in effect between Franchisee and Franchisor (including a successor agreement upon the renewal of the franchise granted under this agreement), own, maintain, operate, engage in, have an interest in, aid, assist, provide goods or services to, or loan money to a Competitive Business that is or is intended to be located, or that operates, in or within 25 miles of the geographical boundaries of Franchisee’s Territory; or
- (2) except as may be authorized under another franchise agreement in effect between Franchisee and Franchisor (including a successor agreement upon the renewal of the franchise granted under this agreement), own, maintain, operate, engage in, have an interest in, aid, assist, provide goods or services to, or loan money to a Competitive Business that is or is intended to be located, or that operates, in or within 25 miles of the geographical boundaries of any other Home Helpers Franchisee’s protected territory; or
- (3) be employed by, or be engaged on a self-employed basis in, a Competitive Business that is or is intended to be located, or that operates, in or within 25 miles of the geographical boundaries of Franchisee’s Territory; or

(4) be employed by, or be engaged on a self-employed basis in, a Competitive Business that is or is intended to be located, or that operates, in or within 25 miles of the geographical boundaries of any other Home Helpers Franchisee's protected territory; or

(5) divert or attempt to divert any business or client of the Franchised Business to a Competitive Business or, for the benefit of a Competitive Business, have any commercial dealings with or solicit the custom of anyone who was a client of or received care from the Franchised Business at any time during the one-year period prior to the beginning of the Restrictive Period; or

(6) except as may be authorized under another franchise agreement in effect between Franchisee and Franchisor (including a successor agreement upon the renewal of the franchise granted under this agreement), promote, sell, procure, provide or solicit referrals for, or offer to sell, procure, provide or solicit referrals for any Permitted Products or Services or any other products or services that are offered in the Franchised Business, from any Shared Referral Sources (as defined in section 19.84) or in or within 25 miles of the geographical boundaries of Franchisee's or any other Home Helpers Franchisee's Territory.

(b) The parties agree that the full extent of the damages that Franchisor will incur if Franchisee fails to comply with its obligations under this section 15.3 is difficult to ascertain, but the parties nevertheless desire certainty in this matter. Accordingly, if Franchisee breaches or fails to comply with any of the provisions of subparagraph 15.3(a), Franchisee shall pay Franchisor, as liquidated damages and not as a penalty, a royalty equal to 15% of the gross amount of all income, sales, salary, wages, fees, dividends, distributions, and other compensation received or earned by Franchisee, any Principal of Franchisee, or any spouse, child, parent, or sibling of Franchisee or of any Principal of Franchisee, or to which any of those parties becomes entitled, as the result of the breach or noncompliance. The parties further agree that the royalty required by this paragraph is reasonable in light of the damages that Franchisor will incur. This payment is not exclusive of any other remedies that Franchisor may have, including equitable remedies, attorneys' fees, and costs.

(c) The time period referred to in subparagraph 15.3(a) will be stayed during any violation or breach of the terms thereof. The covenants in this section 15.3 will survive the expiration, termination, or transfer of this agreement.

15.4 Prohibition Against Sale to Competitor. During the Term and the Restrictive Period, Franchisee shall not sell, assign or otherwise transfer any of the assets used in the Franchised Business (including the title or right to possession of the Franchise Premises), or transfer any Ownership Interest in Franchisee, to a third party which, in either case, would enable the third party to directly or indirectly carry on business activities that, if carried on by a Covered Person, would be a breach of section 15.3(a). The time period referred to in this paragraph will be stayed during any violation or breach of its terms. The covenants in this paragraph will survive the expiration, termination or transfer of this agreement.

15.5 Exclusion for Publicly Traded Company. Sections 15.2 and 15.3 will not apply to the beneficial ownership by Franchisee of less than one percent (1%) of the outstanding equity securities of any Business Organization that is registered under the Securities and Exchange Act of 1934.

15.6 Independent Covenants; Severability. The parties agree that each of the covenants in sections 15.2 through 15.4 are severable and contain different but overlapping restrictions that shall be enforced simultaneously whenever permitted by Applicable Laws and shall be construed as independent of any

other covenant or provision of this agreement. If all or any portion of a covenant in this Article 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenants subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this Article 15, and the remaining provisions of Article 15 will be unaffected thereby.

15.7 Reduction of Covenants by Franchisor. Franchisee acknowledges and agrees that Franchisor has the right, in its Business Judgment discretion, to reduce the scope of any covenant set forth in sections 15.2 through 15.4, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of section 18.2 hereof.

15.8 Claims Against Franchisor No Defense. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 15.

15.9 Injunctive Relief. Franchisee acknowledges that Franchisee's violation of the terms of this Article 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available; and Franchisee accordingly consents to the issuance of, and agrees to pay all costs and expenses (including court costs, arbitration fees, expert witness fees, costs of investigation and proof of facts, reasonable attorneys' fees and travel expenses) incurred by Franchisor in obtaining, an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article 15.

15.10 Restrictive Covenant Agreements. Franchisee shall require each Principal, officer, and director of Franchisee, and each Covered Person who has or will have access to Confidential Information, to execute Franchisor's then-current form of Restrictive Covenant Agreement containing covenants similar in substance to those set forth in this Article 15 (including covenants applicable upon the termination of a person's relationship with Franchisee) and shall promptly provide Franchisor with a copy thereof. With respect to each person who becomes associated with Franchisee in one of the forgoing capacities after the Effective Date, Franchisee shall require them to execute Franchisor's then-current Restrictive Covenant Agreement and promptly provide Franchisor with a copy thereof. In no event shall any person enumerated above be granted access to any Confidential Information or any confidential aspect of the Operating System or the Franchised Business before they execute a Restrictive Covenant Agreement. All Restrictive Covenant Agreements required by this paragraph must be in form satisfactory to Franchisor. The failure by Franchisee to obtain the execution of the Restrictive Covenant Agreements required by this paragraph and provide the same to Franchisor will constitute a material breach of this agreement.

## **ARTICLE 16**

### **ENFORCEMENT**

16.1 Injunctive Relief. Notwithstanding the provisions of section 16.2 requiring the arbitration of all disputes, Franchisor expressly reserves the right to seek temporary and permanent injunctions and orders of specific performance, without bond, from a court of competent jurisdiction, to enforce the provisions of this agreement relating to: (a) Franchisee's use of the Marks; (b) Franchisee's obligations upon the termination or expiration of this agreement; (c) Franchisee's obligations under section 15.2, 15.3 or 15.4; (d) an assignment of this agreement or any ownership interest therein; or (e) as necessary to prohibit any act or omission by Franchisee or its agents: (i) that would constitute a violation of any

Applicable Laws: (ii) that is dishonest or misleading to Franchisor and/or Franchisor's other franchisees; or (iii) that, in Franchisor's reasonable judgment, may harm, tarnish, impair or reflect unfavorably upon the reputation, name, services or operation of the Franchised Business, Franchisor, the Operating System or the Marks.

## 16.2 Arbitration.

(a) Except as otherwise provided in this Article 16, any and all disputes between the parties (including their respective officers, directors, shareholders, members or agents), whether or not arising out of or related to this agreement, shall be submitted to a panel of three arbitrators as provided in this paragraph. Each claim or controversy shall be arbitrated on an individual basis and shall not be consolidated in any arbitration action with the claim of any other franchisee. The arbitration proceeding shall be administered by the American Arbitration Association (AAA) in accordance with the Federal Arbitration Act and the then prevailing Commercial Arbitration Rules of the AAA (the "AAA Rules"). The arbitration panel shall decide all questions of arbitrability, including challenges to the validity, enforceability, application, and scope of this arbitration provision. The arbitrators' award shall be in writing and shall be accompanied by a reasoned opinion.

(b) Within thirty days after receipt of the award, either party, by notifying the AAA and the other party, may appeal the decision of the initial arbitration panel by requesting a hearing de novo before a second panel of three arbitrators, constituted in accordance with the AAA Rules. None of the arbitrators who served on the original panel shall serve on the second panel. The second panel shall conduct a hearing de novo and may adopt the initial award as its own, modify the initial award, or substitute its own award for the initial award. The arbitrators' award shall be in writing and shall be accompanied by a reasoned opinion.

(c) The award of the second panel (or, if no appeal was timely filed in accordance with subparagraph (b) or if an appeal was filed but dismissed without the issuance of an award, then the award of the initial panel) shall be binding upon both Franchisor and Franchisee upon the confirmation of the award by a court of competent jurisdiction. Except as otherwise provided in this agreement, each party shall bear its own costs and expenses in connection with the arbitration, including travel expenses, out-of-pocket expenses such as copying and telephone charges, court costs, witness fees, and attorney and accounting fees. The administrative fees and arbitrators' fees shall be allocated equally between the parties. The arbitration proceedings shall take place in Hamilton County, Ohio.

(d) A party shall not have the right to appeal an award under subparagraph (b) of this section unless the party: (i) fully cooperated in the exchange of information and discovery as ordered by the arbitration panel in the initial arbitration; (ii) attended all evidentiary hearings after due notice in the initial arbitration; and (iii) paid all administrative fees, arbitrators' compensation, and other charges assessed or allocated to the party by the AAA in the initial arbitration.

(e) If either party fails to pay any administrative fee, arbitrators' compensation, or other charges assessed or allocated to the party by the AAA in connection with any arbitration brought under this section 16.2 (including any failure to participate in an arbitration that results in the non-payment of a fee), the other party may unilaterally reduce the number of arbitrators to one without the consent of the non-paying party, in which case the sole arbitrator is to be appointed in accordance with AAA Rules.

16.3 **Exception to Arbitration.** Notwithstanding the provisions of section 16.2 above, if the amount in controversy in any dispute between Franchisor and Franchisee exceeds \$100,000 in the aggregate, Franchisor shall have the right to require that the matter be adjudicated in either the Common Pleas Court of Hamilton County, Ohio or the United States District Court for the Southern District of Ohio, in lieu of arbitration. If an arbitration demand has already been filed in connection with such a dispute, Franchisor shall have the right to remove the matter to such court.

16.4 **WAIVER OF JURY TRIAL.** EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.

16.5 **Punitive Damages.** The parties agree to waive, to the fullest extent permitted by law, the right to or claim of any multiple, punitive, or exemplary damages against the other and agree that, in the event of a dispute between them, each will be limited to the recovery of actual damages sustained by it.

16.6 **LIMITATION OF CLAIMS.** Except for:

- (a) Claims for the nonpayment, underpayment or overpayment of any fees or charges assessed by this agreement,
- (b) Claims concerning the failure to report or underreporting of Gross Revenues,
- (c) Claims based upon or arising from either party's indemnification obligations under this agreement, at law or in equity, and
- (d) Claims to enforce the provisions of this agreement relating to Franchisee's use of the Marks, Franchisee's obligations upon the termination or expiration of this agreement, Franchisee's obligations under Articles 9, 10 or 15, a Transfer that fails to comply with Article 12, or any other Post-Termination Provision,

**ANY AND ALL DISPUTES, CLAIMS OR CONTROVERSIES ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE FRANCHISED BUSINESS, OR THE RELATIONSHIP BETWEEN THE PARTIES WILL BE BARRED UNLESS AN ARBITRATION OR LEGAL PROCEEDING IS COMMENCED BEFORE THE EARLIER OF: (y) THE DATE WHEN INSTITUTION OF LEGAL OR EQUITABLE PROCEEDINGS BASED ON SUCH CLAIMS WOULD BE BARRED BY THE APPLICABLE STATUTE OF LIMITATIONS; OR (z) ONE YEAR AFTER THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIMS.**

16.7 **Franchisee Remedies for Delivery Delays or Rejections.** Franchisor shall deliver to Franchisee any order for Direct Link Equipment or other goods accepted by Franchisor, except where failure or delay of delivery is due, in whole or in part, to any act of God or any cause beyond the control of Franchisor. Causes beyond the control of Franchisor shall include material transportation or utility shortages or curtailments, or labor disputes involving Franchisor's suppliers. If Franchisee rightly rejects or rightly revokes acceptance of any delivery, Franchisee's sole and exclusive remedy in this event shall be the recovery of any expense incurred by it in returning the goods (after first obtaining Franchisor's prior written consent to such return, which consent shall not be unreasonably withheld) to Franchisor and so much of the purchase price, if any, paid by Franchisee to Franchisor for such goods. Franchisor may, at its option, correct or remedy any deficiencies in such goods at Franchisee's premises in lieu of consenting to such return. In no event shall Franchisor be liable for any incidental, consequential or special damages arising out of any failure to deliver any goods to Franchisee, for any delay in the delivery thereof, or for any rejection or revocation of acceptance thereof by Franchisee.



## ARTICLE 17

### RELATIONSHIP OF PARTIES; INDEMNIFICATION; DISCLAIMER OF WARRANTIES

17.1 Independent Contractor. It is understood and agreed that nothing in this agreement creates a partnership, employment, agency or joint employment relationship between Franchisor and Franchisee, or authorize Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name. Franchisor shall in no event assume liability for, or be deemed liable as a result of, any such action by Franchisee. Franchisor shall not be liable to any third party for any act or omission of Franchisee in any of its operations hereunder (including any claim or action against Franchisee for minimum wage, overtime or other violations of wage and hour laws, negligent hiring, sexual harassment, or employment discrimination) or any claim or judgment arising therefor against Franchisee. FRANCHISEE SHALL DISPLAY PROMINENTLY ON ALL CORRESPONDENCE WITH THIRD PARTIES AND IN ANY PRINTED MATERIALS BEARING ITS NAME OR BUSINESS LOCATION, A STATEMENT THAT THE FRANCHISED BUSINESS IS INDEPENDENTLY OWNED AND OPERATED BY FRANCHISEE. FRANCHISEE SHALL ALSO DISPLAY PROMINENTLY AT ITS PLACE OF BUSINESS A STATEMENT THAT THE FRANCHISED BUSINESS IS INDEPENDENTLY OWNED AND OPERATED BY FRANCHISEE, THAT ALL EMPLOYEES OF THE FRANCHISED BUSINESS ARE EMPLOYEES OF FRANCHISEE ONLY AND NOT EMPLOYEES OF FRANCHISOR, AND THAT FRANCHISOR DOES NOT DICTATE OR CONTROL HIRING, DISCIPLINE, SUPERVISION, BENEFITS, WAGES OR THE DAY-TO-DAY OPERATION OF THE FRANCHISED BUSINESS.

17.2 Indemnification. Franchisee shall indemnify and defend the Franchisor-Related Persons against and hold them harmless from any and all Claims arising directly or indirectly from, as a result of or in connection with Franchisee's operation of the Franchised Business or any other act or failure to act by Franchisee or its Principals, officers, employees or agents, and shall pay all costs (including attorney and accounting fees) incurred by any Franchisor-Related Person in defending against and/or responding to them. Without limiting the generality of the foregoing sentence, Franchisee's indemnification obligations under this agreement specifically include Claims asserted by any government agency or any former or current actual or putative employee of Franchisee alleging negligent hiring, harassment, employment discrimination, unfair labor practice, or violation of any wage and hour or other employment law.

17.3 Disclaimer of Warranties. Franchisee acknowledges that Franchisor does not manufacture any of the Direct Link Equipment or other goods sold to Franchisee (the "Products"), and that Franchisor does not modify, change, improve, or otherwise alter any of the Products prior to delivering possession thereof to Franchisee.

(a) **DISCLAIMER OF WARRANTIES.** FRANCHISOR EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER AS TO ANY PRODUCT FURNISHED TO FRANCHISEE, INCLUDING, BUT NOT LIMITED TO, WARRANTIES AS TO MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSES, DESCRIPTION OR QUALITY OF THE PRODUCTS FURNISHED HEREUNDER.

Nothing herein contained shall be deemed a representation or warranty that the Products will prevent any personal injury or loss of life. Franchisee acknowledges that Franchisor can give no assurance of the elimination of the risks for which the Products are designed to monitor.

(b) Limitation of Liability. The limitation of liability provisions herein shall apply to any and all claims or suits brought against Franchisor, including any claim based upon negligence, breach of

contract, breach of warranty, strict liability or any other legal theories upon which liability may be asserted against Franchisor.

(c) Disclaimer as to Incidental, Consequential or Special Damages. Under no circumstance shall Franchisor be liable for any incidental, consequential or special damages to any person or entity, directly or indirectly, as a result of any defect in the Products or in the correction or alteration thereof made or furnished by Franchisor or others. "Incidental, consequential or special damages," as used herein, includes costs of transportation, lost sales, lost orders, lost profits, lost income, increased overhead, labor and material costs, and costs of manufacturing variances and operational inefficiencies.

(d) Franchisee's Warranties. If Franchisee makes any warranty or promise of any sort in connection with any sale, lease or other disposition of any Product, Franchisee shall conspicuously preface such warranty or promise with the following language:

"Your local HOME HELPERS® HOME CARE agency is an independently owned and operated franchisee of H.H. Franchising Systems, Inc. The following warranty is made solely by your local HOME HELPERS® HOME CARE agency, and H.H. Franchising Systems, Inc. expressly disclaims all responsibility and assumes no liability for such warranty."

Franchisee shall indemnify and defend the Franchisor-Related Persons against and hold each of the Franchisor-Related Persons harmless from all Claims that the Franchisor-Related Persons may incur, that may be asserted against them, or for which they may become liable, individually or collectively, on account of any such warranty given by Franchisee.

## **ARTICLE 18**

### **MISCELLANEOUS**

18.1 Merger and Integration. This written agreement, together with its exhibits, constitutes the final and entire agreement between the parties with respect to the subject matter hereof, and all prior discussions, offers, negotiations, representations, agreements, arrangements and understandings, whether written or oral, relating to the same subject are superseded by and merged into this written agreement. Nothing in this agreement is intended to disclaim any representation in the Franchise Disclosure Document provided to Franchisee prior to Franchisee's purchase of the Franchise.

18.2 Modification. This agreement may not be modified or amended except by written instrument signed by each of the parties.

18.3 No Waiver. No failure of any party to exercise any power or right reserved to it under this agreement, or to insist upon strict compliance by another party with any provision of this agreement, and no custom or practice of the parties in variance with the terms of this agreement, will be deemed to constitute a waiver of the party's right to demand exact compliance with the terms of this agreement. A waiver by any party of any breach or nonperformance by another party is not binding unless in writing and executed by the party sought to be charged, and does not affect or impair the non-breaching party's right with respect to any subsequent breach or nonperformance of the same or of a different nature. No delay, waiver, forbearance, or failure of any party to exercise any power or right arising out of any breach or nonperformance of any provision of this agreement by another party will affect or impair the non-breaching party's rights, or constitute a waiver by the non-breaching party of any right under this agreement or of the right to declare any subsequent breach or default. No single or partial exercise of

any right, power or remedy hereunder will preclude any other or further exercises thereof or the exercise of any other right, power or remedy.

18.4 Assignment. This agreement is binding upon and will inure to the benefit of each of the parties and their respective legal representatives, heirs, successors, and assigns. This agreement may not be assigned by Franchisee without first complying with the provisions of sections 7.10 and 12.2.

18.5 Governing Law. This agreement was accepted and executed by Franchisor in Ohio. Except to the extent governed by the U.S. Trademark Act of 1946 and the Federal Arbitration Act, the laws of the State of Ohio (without reference to Ohio conflict of laws principles) govern all aspects of this agreement, excluding any law regulating the sale of franchises or business opportunities, or governing the relationship between a franchisor and a franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this section; provided, however, that if any of the covenants contained in Article 15 would not be enforceable under the laws of Ohio and the Franchised Business is located outside of Ohio, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Business is located. Ohio law shall prevail in the event of any conflict of law, except as specifically provided otherwise by any applicable state franchise investment laws, rules or regulations. If any provision of this agreement relating to termination, nonrenewal or assignment of the franchise or choice of law, jurisdiction or venue is inconsistent with any applicable state franchise investment law, rules or regulations, such applicable state law shall apply. Any addendum to this agreement required by the regulatory authorities of any state for the purpose of disclosing salient provision of such state's law is hereby made a part hereof.

18.6 Jurisdiction and Venue. Subject to the provisions of section 16.2 relating to the arbitration of disputes, each party hereby irrevocably agrees that all lawsuits between the parties and/or their Affiliates shall be litigated only in courts having situs in Hamilton County, Ohio. Each party agrees that the following courts have personal jurisdiction over it in all lawsuits between the parties and/or their Affiliates, irrevocably submits to the jurisdiction of these courts, and irrevocably waives any defense based upon lack of personal jurisdiction in any lawsuit filed in these courts: (a) all courts included within the state court system of the State of Ohio; and (b) all courts of the United States of America sitting within the State of Ohio, including all United States District Courts within the State of Ohio. Each party agrees that venue shall be proper in any of the following courts in all lawsuits between the parties and/or their Affiliates and irrevocably waives any right to transfer or change the venue in any lawsuit filed in these courts: (a) the state court of the county where Franchisor has its principal place of business (presently Hamilton County, Ohio); and (b) the United States District Court for the Southern District of Ohio, Western Division. If any of these courts are abolished, venue shall be proper in the state or federal court in Ohio that most closely approximates the subject matter jurisdiction of the abolished court as well as any of these courts that are not abolished. All lawsuits filed by either party or its Affiliate against the other or its Affiliate (whether or not in breach of the arbitration provisions of this agreement) must be filed exclusively in one of these courts, except that claims for injunctive relief may be brought where the defendant is located. These exclusive choice of jurisdiction and venue provisions shall not restrict the ability of the parties to confirm or enforce arbitration awards in any appropriate jurisdiction. In all lawsuits between the parties and/or their Affiliates, Franchisee and its Principals consent to be served with process outside the State of Ohio in the same manner that service may be made within the State of Ohio by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction. Franchisee and its Principals hereby waive any defense they may have based upon insufficiency of service of process relating to such service. This method of service shall not be the

exclusive method of service available in such lawsuits, but shall be available in addition to any other method of service allowed by law.

18.7 Headings. The headings contained in this agreement are for reference purposes only and shall not affect the meaning or interpretation of any provision of this agreement.

18.8 Notices. All payments shall be made to the addresses listed below or to such other address as a party has specified by notice. All notices, requests, demands and other communications hereunder shall be in writing, shall be addressed as provided in this section or to such other address as a party has specified by notice, shall be made by personal delivery, by certified mail, postage prepaid, return receipt requested, ~~or by~~ overnight delivery service with proof of delivery, or by electronic mail.

Address of Franchisor: ~~H.H. Franchising Systems, Inc.~~  
10101 Alliance Road, Suite 300  
Blue Ash, Ohio 45242  
legal@homehelpershomecare.com

Address of Franchisee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(or to the address of the Franchise Premises)  
XXXXX@homehelpershomecare.com

A notice will be deemed delivered:

- (a) if personally delivered, upon delivery with (i) a signed receipt from the recipient, or (ii) acknowledgment by the person delivering the notice that the recipient refused to accept delivery of the notice;
- (b) if by overnight courier, upon receipt or refusal to accept delivery; and
- (c) if by certified mail, upon receipt or refusal to accept delivery, or if unclaimed, forty-eight hours after deposit in the United States mail, and
- (d) if by email, upon delivery if sent during normal business hours with a request for confirmation of delivery and without receipt of a notice of non-delivery.

18.9 Severability.

- (a) In the event that any provision of this agreement, in whole or in part (or the application of any provision to a specific situation), shall be held, by the final judgment of a court of competent jurisdiction after appeal or the time for appeal has expired, to be invalid, unenforceable or in violation of any federal, state or local law, regulation or ordinance applicable to this agreement, such invalidity shall be limited to such specific provision or portion thereof (or to such situation), and this agreement shall be construed and applied in such manner as to minimize such invalidity. All other provisions of this agreement shall otherwise remain in full force and effect.
- (b) If any applicable and binding law or regulation of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or regulation of any jurisdiction any provision of this agreement or any specification, standard, or operating procedure prescribed by Franchisor is invalid or unenforceable, then the prior notice

and/or other action required by such law or regulation shall be substituted for the comparable provisions hereof, and Franchisor shall have the unlimited right to modify such invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisor agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this agreement, that may result from striking from any of the provisions hereof, or from any specification, standard, or operating procedure prescribed by Franchisor, any portion or portions that a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Any such modifications to this agreement shall be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions.

18.10 Counterparts. This agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18.11 Electronic Signatures. The parties agree that this agreement and any amendment hereto may be electronically signed and that an electronic or facsimile signature, including a photocopied, faxed or electronically reproduced (such as PDF) copy of a handwritten signature, is binding for all purposes to the same extent as an original handwritten signature with regard to this agreement or any amendment hereto.

18.12 No Third-Party Beneficiaries. Nothing in this agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person not a party to this agreement.

18.13 Construction. The following rules of construction apply throughout this agreement.

- (a) If there is an inconsistency between the terms of this agreement and the Operations Manual, the terms of this agreement will control.
- (b) The singular includes the plural and vice versa, and the masculine includes the feminine or neuter and vice versa, wherever and whenever the context may require.
- (c) The words “include”, “includes” and “including” will be construed to include the words “without limitation.”
- (d) The word “day” means a calendar day unless the context specifically indicates otherwise.

18.14 Exercise of Business Judgment. In this agreement, the phrase “Business Judgment” means that Franchisor has the wholly unrestricted right to make decisions and take (or refrain from taking) actions even if a particular decision/action may have negative consequences for Franchisee, another Home Helpers Franchisee, or a group of Home Helpers Franchisees. In exercising its discretion, Franchisor will use its judgment based on its assessment of the interests it considers appropriate and is not required to consider Franchisee’s individual interests or the interests of any other Home Helpers Franchisee. Franchisor, Franchisee, and all other Home Helpers Franchisees have a collective interest in working within a franchise system with the flexibility to adjust to changing business conditions, including the competitive environment, regulatory developments, and emerging business opportunities. The exercise of Business Judgment is critical to Franchisor’s role as the franchisor of the Network and to Franchisor’s goals for the continuing improvement of the Operating System. Therefore the ultimate decision-making responsibility for the Network must be vested in Franchisor. So long as Franchisor acts in compliance

with the requirements of this agreement, it has no liability for the exercise of its discretion in accordance with the provisions of this agreement. This definition is not intended to incorporate principles related to the application of the business judgment rule in a corporate law context.

**18.15 Telephone Consumer Protection Act Consent.** Before the Designated Individual attends the Pre-Opening Training, Franchisee shall provide Franchisor with the current Mobile Numbers (defined in section 19.60) and during the Term shall provide Franchisor with updated Mobile Numbers within two business days after any of the Mobile Numbers is changed or cancelled or upon Franchisor's request. Franchisee hereby expressly and irrevocably consents for Franchisor to make voice calls—including those using an automatic telephone dialing system and artificial and pre-recorded voices—and send text messages to any of the Mobile Numbers for any business purpose (including advertising and marketing) at any time during the Term.

**18.16 Representations of Franchisee.** Franchisee represents and warrants that all information contained in the Franchise Development Form and/or other franchise application submitted to Franchisor by Franchisee or its Principals is true, accurate and complete as of the date submitted and as of the date hereof, that no representation made therein or in any exhibit thereto, and no written statement or document furnished or to be furnished pursuant thereto, contains or will contain any untrue statement of material fact or omits any material fact the omission of which would be misleading.

**18.17 Acknowledgment of Franchisee.**

- (a) Franchisee acknowledges receipt of Franchisor's Franchise Disclosure Document for Prospective Franchisees and exhibits thereto (including a list of franchisees, Franchisor's financial statements, and a copy of this agreement) at least fourteen days prior to the execution of this agreement.
- (b) Franchisee acknowledges and agrees that Franchisor's salesmen are not authorized to bind Franchisor in any way.
- (c) Nothing in this agreement is intended to disclaim any representation in the Franchise Disclosure Document provided to Franchisee prior to Franchisee's purchase of the Franchise.

## **ARTICLE 19**

### **DEFINITIONS**

To simplify this agreement and make it easier to read and understand, certain terms have been defined below and will be capitalized throughout the agreement. Capitalized words that are not defined below are defined in the section where they first appear.

**19.1 "Affiliate"** means a person that controls, is controlled by, or is under common control with another person. As to Franchisee, it includes an owner of any interest in Franchisee or the Franchised Business, any employee or agent of Franchisee, and any person controlled by any of the foregoing.

**19.2 "Anti-Terrorism Laws"** means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (31 C.F.R. Part 595), the Terrorism List Governments Sanctions Regulations (31 C.F.R. Part 596), the Foreign Terrorist Organizations Sanctions Regulations (31 C.F.R. Part 597), the Cuban Assets Control Regulations (31 C.F.R. Part 515), the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA PATRIOT Act"), the International Emergency Economic Powers Act (50 U.S.C. §§ 1701, et seq.), the

Trading with the Enemy Act (50 U.S.C. App. 1, et seq.), the Iraqi Sanctions Act (Pub.L. 101-513, 104 2047-55), the United Nations Participation Act (22 U.S.C. § 287c), the Antiterrorism and Effective Death Penalty Act, the International Security and Development Cooperation Act (22 U.S.C. § 2349aa-9), and all other present and future federal, state and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

19.3 “Applicable Laws” means all laws, statutes, regulations, rules, bylaws, ordinances, orders and requirements of the United States and the state, county, city, municipality, and all agencies, courts, executives and political subdivisions thereof, in which the Territory or the Franchised Business is located, or that have jurisdiction over Franchisee or the Franchised Business. Applicable Laws include Data Protection Laws.

19.4 “Beneficiary Principal” means a beneficiary (whether unconditional or contingent) of a trust that is a Principal of Franchisee.

19.5 “Brand Damages” is defined in section 13.45(b).

19.6 “Branded Email Address” means an email address provided by Franchisor or that contains any of the Marks in the username or domain name (e.g., @homehelpershomecare.com).

19.7 “Branding Fee” means the recurring fee Franchisee is required to pay under section 5.2 to a Branding Fund established under section 11.1.

19.8 “Branding Fund” is defined in section 11.2.

19.9 “Business Judgment” is defined in section 18.14.

19.10 “Business Organization” means a corporation, limited liability company, limited liability partnership, limited company, partnership of any kind, joint venture, unincorporated association, or other organization formed or operated for a commercial purpose.

19.11 “Business Records” is defined in section 7.8(i).

19.12 “Claims” means debts, claims (including tort claims), demands, damages (including actual, consequential, punitive, or exemplary), fines, losses, liabilities, rights, actions, causes of action, expenses, judgments, awards, suits, and costs reasonably incurred in the defense of any of the foregoing, including the reasonable fees of accountants and expert witnesses, legal expenses, costs of investigation and proof of facts, court costs and fees, other litigation expenses, and travel and living expenses related to any of the foregoing.

19.13 “Client List” means all information required by Franchisor or Applicable Laws about all past, present and prospective clients of the Franchised Business, including contact, purchasing, statistical, financial and personally identifiable information.

19.14 “Communication and Information System” is defined in section 7.15.

19.15 “Competitive Business” means a business (i) that offers, provides or sells any of the Permitted Products or Services; or (ii) that offers, provides or sells any products or services similar to those offered as part of the Operating System; or (iii) in which Confidential Information could be used to the disadvantage of Franchisor, Franchisee, or another Home Helpers Franchise; or (iv) that offers, provides or sells products or services that are otherwise competitive with or may be considered an alternative to

any products or services offered by Home Helpers Franchises; or (v) that franchises or licenses others to do any of the foregoing. Services that are “otherwise competitive with or may be considered an alternative” to services offered by Home Helpers Franchises include services that offer or provide alternatives to in-home care or other Permitted Products or Services, such as, *e.g.*, a senior group home. Notwithstanding the previous sentence, a senior group home will NOT be considered a Competitive Business if—and ONLY if—it is operated by an Affiliate of Franchisee (*i.e.*, not directly by Franchisee) and all caregiving services (*e.g.*, home care aide, personal care aide assistance, companion care, skilled medical services) used or required by the senior group home are provided exclusively by Franchisee at rates no less than Franchisee’s minimum private-duty rates for similar shifts.

19.16 “Confidential Information” is defined in section 10.1.

19.17 “Controlling Interest” means the direct or indirect ownership (legal or beneficial) or control of more than 50% of the equity, profits, or voting control of a Business Organization.

19.18 “Contact Information” is defined in section 7.19.

19.19 “Conversion Franchise” means a Competitive Business that enters into a franchise agreement with Franchisor and converts its existing business to a Home Helpers Franchise.

19.20 “Cooperative” is defined in section 11.10.

19.21 “Covered Person” is defined in section 15.2.

19.22 “Data Protection Laws” means Applicable Laws that regulate the privacy, or prohibit the disclosure or misuse, of information about individuals.

19.23 “Designated Individual” means an individual designated by Franchisee under section 7.14 who will be responsible for the general oversight and day-to-day management of the operations of the Franchised Business on behalf of Franchisee.

19.24 “Designated Number” means the telephone number for the Franchised Business used in or on all advertising (including Internet advertising), stationery, business cards, marketing and promotional materials, Directory Listings and other public materials relating to the Franchised Business.

19.25 “Direct Link Equipment” is defined in section 6.5.

19.26 “Direct Link Products or Services” means medical alert, personal emergency response, medication management and telehealth monitoring systems, and related products and services. Franchisor has the right to add or remove products and services from the Direct Link Products or Services, and to designate some Direct Link Products or Services as mandatory and others as optional, in its Business Judgment.

19.27 “Directory Listings” means all regular, classified, online and other telephone directory listings associated with any of the Marks or the Franchised Business.

19.28 “Dispute” means a claim, dispute, disagreement, or controversy between Franchisee or any of its Affiliates or Principals and Franchisor or its Affiliates pertaining to: the formation, execution, breach, enforcement, interpretation, validity or enforceability of all or any part of this agreement, the Manual, or any other agreement between Franchisor and Franchisee that is related to this agreement; the offer or sale of the Franchised Business to Franchisee; the relationship between Franchisor and Franchisee; or any specification, standard or operating procedure relating to the establishment or operation of the Franchised Business.



19.29 “EDT Account” is defined in section 5.6(a).

19.30 “Effective Date” means the date this agreement becomes effective and is specifically defined on the signature page.

19.31 “Electronic Distribution Channels” include the Internet, World Wide Web, Websites (including any Website established or maintained by Franchisor or Franchisee), URLs, domain names, email addresses, mobile applications, Internet listings, banners, advertisements, pop-up ads, pay-per-click programs, and other services, pages, or links on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, social media, web logs (or “blogs”), and similar services.

19.32 “Embargoed Person” means (a) a Specifically Designated National as identified by the Office of Foreign Assets Control of the U.S. Treasury Department; (b) a person who is listed in the Annex to Executive Order 13224 (<http://www.treasury.gov/offices/enforcement/ofac/sdn>); or (c) any person subject to trade restrictions under U.S. law, including any Anti-Terrorism Law, and any executive orders or regulations, with the result that a direct or indirect investment in a Home Helpers Franchise by the person is prohibited by law.

19.33 “Enhancement” means any modification, upgrade, update, enhancement or replacement of all or any part of the Communication and Information System.

19.34 “Expansion Franchise” means a Franchise granted to a Home Helpers Franchisee that was already a party to one or more other franchise agreements with Franchisor.

19.35 “Expiration Date” means the day before the tenth anniversary of the Effective Date, and is the last day of the Initial Term.

19.36 “Franchise Data” means personal data that may be collected or acquired by Franchisee, whether from its clients, employees or other sources.

19.37 “Franchised Business” means the Home Helpers Franchise that Franchisee is licensed to operate under this agreement.

19.38 “Franchisee” means the person licensed to operate a Home Helpers Franchise under this agreement and includes, in addition to the person or persons identified as “Franchisee” on Exhibit A, all persons who succeed to the interest of the original Franchisee or any Principal of Franchisee by permitted transfer or operation of law, and all Principals of the Business Organization that executes this agreement as Franchisee. By signing this agreement, each of the Principals of such Business Organization acknowledges and accepts the duties and obligations imposed upon each of them, individually, by this agreement. All Principals of Franchisee must, by separate agreement, personally guarantee all of Franchisee’s obligations to Franchisor and Franchisee’s performance under this agreement. If two or more individuals are the “Franchisee” under this agreement, each one’s liability to Franchisor is joint and several.

19.39 “Franchise Fee” means the one-time, non-refundable fee Franchisee is required to pay Franchisor under Article 4.

19.40 “Franchise Law” means a statute, regulation or rule that (i) regulates the sale of franchises, franchise investments, or business opportunities; (ii) regulates the relationship between a franchisor and a franchisee or between a business opportunity seller and purchaser; or (iii) requires the delivery,

filing, or registration of a pre-sale disclosure document in connection with the offer and/or sale of a franchise or business opportunity.

19.41 “Franchise Premises” is defined in section 3.1.

19.42 “Franchise” means a Home Helpers Franchise (see section 19.50).

19.43 “Franchisor-Related Persons” means Franchisor and each and all of the following, whether past, current, or future: persons acting through, in concert with, or as Affiliates of Franchisor or of any of the foregoing; Principals, officers, directors, agents, attorneys, accountants and employees of Franchisor or any of the foregoing; and predecessors, successors and assigns of Franchisor or any of the foregoing.

19.44 “General Release” is a release, in the form prescribed by Franchisor at the time the release is to be delivered, of any and all Claims of any nature, including those existing as of, and/or arising before, the date of the release, however arising, whether known or unknown, whether against Franchisor and/or any or all of the Franchisor-Related Persons, the Branding Fund, or any other branding, marketing, or advertising fund, and whether by Franchisee, any Principal of Franchisee, and/or any Affiliate of any of the foregoing.

19.45 “Good Standing” means that Franchisee and each of its Principals and Affiliates are in full compliance with each and every obligation to and all agreements with Franchisor and its Affiliates. Franchisee is not in Good Standing if Franchisee or any Principal or Affiliate of Franchisee is in default of any obligation to Franchisor or any of its Affiliates, whether arising under this agreement or any other agreement, the Manual, the System Standards, or any instrument (collectively, the “Obligations”), or if Franchisee or any Principal or Affiliate of Franchisee has been in default of any Obligation and the default is incurable by nature or part of a series of repeated defaults defined in this agreement.

19.46 “Gross Revenues” means, with respect to Franchisee, all income (including cash, credit, and all other consideration) recognized on an accrual basis (regardless of actual receipt) by Franchisee, any Affiliate or Principal of Franchisee, or any spouse, parent, or child of any of the foregoing: (i) in connection with the operation of the Franchised Business or any Competitive Business; (ii) from the sale of any Permitted Products or Services (as modified from time to time by Franchisor in accordance with this agreement) anywhere; or (iii) from the sale of any goods or services under, using, or in connection with the Marks. “Gross Revenues” does not include value-added, sales, use, excise, or other taxes that are separately stated and that are required by Applicable Laws to be collected and paid to any governmental taxing authority.

19.47 “HIPAA” means the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, 110 Stat. 1936 (1996), as amended, and regulations promulgated thereunder.

19.48 “HITECH” means the Health Information Technology for Economic and Clinical Health Act, as amended, and regulations promulgated thereunder.

19.49 “Holdover Period” means the period following the Expiration Date during which this agreement continues to be effective in accordance with section 2.3.

19.50 “Home Helpers Franchise” or “Franchise” is a business operating under a license granted by Franchisor that offers Permitted Products or Services using the Marks and Operating System.

19.51 “Home Helpers Franchisee” is a person who owns and operates a Home Helpers Franchise.

19.52 “Home Helpers Website” means a Website that displays any of the Marks, or a significant amount of the content of which relates to the Franchised Business, Franchisor, the Operating System, or any business that offers or sells products or services that compete with any products or services offered by Home Helpers Franchises.

19.53 “Improvements” is defined in section 8.8.

19.54 “Initial Term” means a period of ten years beginning on the Effective Date and ending at 24:00 hours on the Expiration Date.

19.55 “Involuntary Transferees” are defined in section 12.4.

19.56 “Limited Liability Entity” means a Business Organization for which the laws of the jurisdiction in which the organization was formed provide “limited liability” for the Principals of the organization, in that their liability for the organization’s debts is limited to the amount of their *capital investment* in the organization (i.e., the consideration each paid or agreed to pay to the organization in exchange for his or her ownership interest in the organization).

19.57 “Manual” means the proprietary and confidential documentation, binders, folders, books, documents, files, CD-ROMs or materials in any form or medium whatsoever, within which are documented the Operating System, the manner of use of the Marks, the System Standards, processes, procedures, trade secrets, instructions or any other information relating to the operation of a Home Helpers Franchise.

19.58 “Marks” means the business styles, trademarks, trade names, logos and other commercial symbols used or adopted by Franchisor or its Affiliates to identify the products and services offered under the Operating System, including the HOME HELPERS and DIRECT LINK marks, associated logos, and the goodwill associated therewith. Franchisor has the right to modify, discontinue, or replace any of the Marks and adopt any new or substitute Marks at any time and from time to time in its Business Judgment. The term “Marks” does not include trademarks, trade names and other commercial symbols used to identify the products and services offered by franchisees of another system (even if they are Competitive Businesses) acquired by Franchisor or its Affiliate.

19.59 “Minimum Fee Start Month” means, except as otherwise provided in subsections (a) and (b), the ~~sixth calendar month following the calendar month in which the Designated Individual completes the Pre-Opening Training~~ sooner of (1) the fourth calendar month following the calendar month in which the Opening Date occurs, or (2) the tenth calendar month after the month in which the Effective Date occurs.

(a) If (1) Franchisee has operated a Home Helpers Franchise under another franchise agreement with an effective date at least six months earlier than the Effective Date of this agreement; (2) this agreement is a successor agreement to a prior agreement or Franchisee is otherwise executing this agreement in connection with the renewal of a franchise granted under a prior agreement with Franchisor or a predecessor of Franchisor; or (3) Franchisee is executing this agreement as a transferee in connection with a transfer of any interest in another Home Helpers Franchise, any interest of another Home Helpers Franchise in a franchise agreement with Franchisor, or any interest in a Franchise owned by another Home Helpers Franchise, then the “Minimum Fee Start Month” is the calendar month following the calendar month of the Effective Date.

(b) If a Professional License is required by Applicable Laws, and Franchisee applies for the Professional License promptly after the Effective Date (in no event later than one month thereafter), and Franchisee demonstrates to Franchisor's satisfaction that it has made regular, diligent and good faith efforts to obtain the Professional License since the application date, but Franchisee is unable to obtain the Professional License before the first day of the Minimum Fee Start Month, then Franchisor shall extend the Minimum Fee Start Month for an additional period to be determined in Franchisor's reasonable discretion, but which will not exceed six months. During the extension period, Franchisee shall continue to use its best efforts in good faith to obtain the Professional License ~~by no later than the last day of the extension period~~ first day of the extended Minimum Fee Start Month.

Franchisee acknowledges and understands that there is no grace period for the percentage Royalty described in subsection 5.1(a)(1), which must be paid on any and all Gross Revenues regardless of when earned, even if Franchisee is not yet required to pay the Minimum Royalty.

19.60 "Mobile Numbers" means the primary personal wireless or cellular telephone numbers of (i) each Franchisee if Franchisee is an individual or group of individuals, (ii) each Principal and officer of Franchisee if Franchisee is a Business Organization, and (iii) the current Designated Individual.

19.61 "Monitoring Services" is defined in section 6.4.

19.62 "Month", whether or not capitalized, unless the context indicates otherwise means the period beginning on a given numerical day of one month and ending at 24:00 hours on the preceding numerical day of the following month of the Gregorian calendar, without regard to the number of days in either month. The parties acknowledge that a "month" may be 28, 29, 30 or 31 days. For example, the period from January 14 through February 13 and the period from February 14 through March 13 would each be considered a "month". A "month" that begins on January 30 or 31 ends at 24:00 hours on the last day of the next calendar month.

19.63 "National Account" means:

- (a) a client, a group of clients, or an organization that has the right, by common ownership, control, or legal status, to arrange for Permitted Products or Services to be provided at multiple locations and/or for multiple clients; or
- (b) (1) (A) a governmental agency that funds or administers a program that provides funds for or administers any Permitted Products or Services; or  
(B) an organization that has a member, subsidiary, Affiliate, or policy holder that provides funds for or administers any Permitted Products or Services;
- (2) and the activities of which are not confined to the territory of a single Franchise.

A National Account may be one of a variety of different types of organizations, such as a federal, state, or local government agency, an insurance company, or an institutional referral source, for example. Some of the National Account members, policyholders, clients, patients, residents, or offices may be located in Franchisee's Territory and some may be in the protected territory of other Home Helpers Franchisees.

19.64 "Network Hourly Gross Margin" is defined in section 1.11.

19.65 "Network" means the network of Home Helpers Franchises established by Franchisor.

19.66 “Opening Date” means the first date the Franchised Business is ready and able to offer and provide Permitted Products or Services to the general public.

19.67 “Operating System” means the distinctive business methods and features of the Network that have been developed by Franchisor for the operation of Home Helpers Franchises, including the Marks, the System Standards, and Franchisor’s distinctive business format, which includes distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, a Manual and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

19.68 “Ownership Interest” means a share of capital stock in a corporation, a partnership interest in a partnership, a membership interest in a limited liability company, or a right (whether contingent or unconditional) to a share of the income, revenue, profits, or assets of any other Business Organization or trust (other than the right to receive Royalties under this agreement or any other franchise or license agreement). For clarity, the interest of a beneficiary of a trust is an Ownership Interest.

19.69 “Performance Standard” is defined in section 1.7.

19.70 “Permitted Products or Services” are the goods and services that Franchisee is required or permitted to promote, offer, sell and provide (currently including homemaker, home care aide, companion, personal care, and personal care aide assistance services, Skilled Care Services, assistance with activities of daily living (ADLs) and instrumental ADLs, and Direct Link Products or Services), as more specifically described in the Manual or otherwise communicated in writing to Franchisee. Permitted Products or Services may be sold or provided to clients in apartments, single-family houses, group homes, independent living facilities, assisted living facilities, skilled nursing facilities, rehabilitation facilities, hospitals or other venues. Franchisor has the right to add or remove products and services from the Permitted Products or Services, and to designate some Permitted Products or Services as mandatory and others as optional, in its Business Judgment.

19.71 “Person”, whether or not capitalized, includes a Business Organization, estate, trust, charitable organization, government, governmental body and agency, commission, and any other entity or organization, as well as an individual.

19.72 “Post-Termination Provisions” are those obligations in this agreement that are intended by their nature to survive the expiration, transfer, repurchase or termination of this agreement for any reason. Post-Termination Provisions include the confidentiality, noncompetition, indemnification, de-identification, interpretation, jurisdiction, venue and dispute resolution provisions.

19.73 “Pre-Opening Training” means the initial training program for new Home Helpers Franchisees or their Designated Individuals as described in section 7.1(a).

19.74 “Principal” means (i) a legal or beneficial owner of an Ownership Interest in a Business Organization or (ii) a legal or beneficial owner of an Ownership Interest in any person that controls (whether directly, indirectly, or remotely through one or more Affiliates) the Business Organization.

19.75 “Principal List” means a list, certified by the Designated Individual, containing the full legal name, home address, home telephone number, and percentage Ownership Interest of each Principal of Franchisee if Franchisee is a Business Organization, and of each Principal of any Franchisee Principal that is itself a Business Organization.

19.76 “Products” is defined in section 17.3.

19.77 “Professional License” means a home care, personal care, or other professional license, certificate of need, or other certification that Franchisee is required to obtain by Applicable Laws in order to offer and provide Permitted Products or Services in the Territory.

19.78 “Proprietary Products and Services” is defined in section 7.16.

19.79 “Renewal Fee” means the fee imposed by section 2.2(g) as a condition to the renewal of the Franchise granted under this agreement. The amount of the Renewal Fee is 5% of Franchisor’s then-current Franchise Fee. The maximum Renewal Fee is \$10,000.

19.80 “Resale Franchise” means a Franchise acquired, by purchase, gift or otherwise, by Franchisee from another Home Helpers Franchisee.

19.81 “Restrictive Period” is defined in section 15.3(a).

19.82 “Royalty Rate” is defined in section 5.1(a).

19.83 “Royalty” means the recurring fee that Franchisee is required to pay Franchisor under section 5.1 in consideration of Franchisee’s continued right to use the Marks.

19.84 “Shared Referral Source” means:

- (a) (i) a person or organization that, because of its purpose or the nature of its business, frequently encounters opportunities to recommend, to its customers, clients, patients, members, or to the general public, providers of goods and services similar to those offered by a Home Helpers Franchise; or
- (ii) a location or venue that, because of its purpose or features, attracts potential clients of a Home Helpers Franchise;
- (b) and, though it may be physically located within one Home Helpers Franchisee’s territory, typically serves a geographic area that is larger than a single Franchise territory.

Examples of Shared Referral Sources (by way of illustration and not limitation) are local chapters of the National Council on Aging, hospitals, medical offices, certain charitable organizations, government agencies, and similar organizations.

19.85 “Skilled Care Services” means services that require the oversight of a licensed medical professional and include, by way of example, medication management, care management, vital sign monitoring, oxygen monitoring, colostomy care management, diabetic care management, and minor wound care. Franchisee may not offer Skilled Care Services without Franchisor’s prior written approval in accordance with section 1.12.

19.86 “Successor Franchise” is a Home Helpers Franchise that Franchisee may be granted under section 2.2 upon Franchisee’s exercise of its option to renew the license granted under this agreement, as a successor to the Franchised Business, for an additional term following the expiration of this agreement.

19.87 “System Standards” means the uniform plans, specifications, standards, operating procedures and rules prescribed by Franchisor for the construction, development and operation of the Franchised Business and other Home Helpers Franchises, as periodically supplemented, modified or withdrawn by Franchisor, in its Business Judgment, via the Manual or otherwise communicated to Franchisee in

writing. The System Standards constitute provisions of this agreement as if fully reproduced in this agreement.

19.88 “Technology Fee” means the annual fee Franchisee may be required to pay Franchisor under section 5.3.

19.89 “Telephone Numbers” means all telephone numbers (including land, wireless, “dial-around” and toll-free numbers) that Franchisee or any Principal of Franchisee has the right to use, and that (i) are or were at any time identified, listed, advertised, promoted, or published anywhere in conjunction with any of the Marks or as a telephone number used by the Franchised Business, or (ii) that were otherwise used in connection with the operation of the Franchised Business at any time. The term “Telephone Numbers” includes the Designated Number.

19.90 “Term” means the Initial Term and Holdover Period, if any.

19.91 “Territory” means the geographic area for which Franchisee is granted limited rights of exclusivity under section 1.3. The Territory is described in Exhibit B.

19.92 “Transfer” means (i) any voluntary or involuntary, direct or indirect assignment, sale, gift, exchange, pledge, hypothecation, or other transfer of this agreement, of Franchisee, of the Franchised Business, of more than 10% of the Franchised Business’s clients in any one-year period, of an Ownership Interest in Franchisee, of the Client List, or of any interest in any of the foregoing, and (ii) any other event that may create, terminate, increase or decrease an Ownership Interest in Franchisee or change the legal or beneficial title to any Ownership Interest in Franchisee, including a merger, reorganization or consolidation of Franchisee, the issuance of additional Ownership Interests in Franchisee, the cancelation, retirement, redemption, or relinquishment of any Ownership Interest in Franchisee, a transfer in a divorce, insolvency, corporate dissolution proceeding, or otherwise by operation of law, and a transfer by will, declaration of or transfer in trust, or under the laws of intestate succession.

19.93 “Transfer Fee” means the fee imposed by section 12.2(b)(9) as a condition to Franchisor’s approval of certain Transfers by Franchisee. The value of all consideration of any kind payable to the transferor in connection with the Transfer will determine the amount of the Transfer Fee, as set out in Table 19.93 below. If the transferee is another Home Helpers Franchisee (other than the Franchisee under this agreement) or a Principal of another Home Helpers Franchisee (other than the Franchisee under this agreement), then the amount of the Transfer Fee will be 80% of the applicable Transfer Fee listed in Table 19.93 below.

**Table 19.93**

<b>Consideration</b>	<b>Transfer Fee</b>
≤ \$500,000	\$10,000
> \$500,000 and ≤ \$1,000,000	\$15,000
> \$1,000,000 and ≤ \$2,000,000	\$30,000
> \$2,000,000 and ≤ \$3,000,000	\$40,000
> \$3,000,000 and ≤ \$4,000,000	\$50,000
> \$4,000,000 and ≤ \$5,000,000	\$60,000
> \$5,000,000	\$70,000

19.94 “Website” means an interactive electronic document, series of symbols or otherwise, that is contained in a network of computers and/or other devices linked by communications software, and includes Internet and World Wide Web home pages, social media pages and web logs (“blogs”).

[THE SIGNATURE PAGE FOLLOWS THIS PAGE, THE REMAINDER OF WHICH IS DELIBERATELY BLANK.]



## SIGNATURE PAGE

### HOME HELPERS FRANCHISE AGREEMENT NO. \_\_\_\_\_

The parties are signing this agreement on the dates written below, the latest of which is the "Effective Date" of this agreement.

**H.H. FRANCHISING SYSTEMS, INC.**, Franchisor

**<COMPANY NAME>**, Franchisee

By: \_\_\_\_\_  
Emma R. Dickison, CEO/President

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
**<FRANCHISEE>**

\_\_\_\_\_  
**<FRANCHISEE>**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISE AGREEMENT**  
**Exhibit A**

**IDENTIFICATION OF FRANCHISEE**  
Franchise No. \_\_\_\_\_

**INDIVIDUAL FRANCHISEE**

Name:

Home Address (P.O. Box not acceptable):

City:

State:

ZIP:

Home Phone:

Name:

Home Address (P.O. Box not acceptable):

City:

State:

ZIP:

Home Phone:

**ORGANIZATION FRANCHISEE**

Check One:    ☐ Corporation    ☐ Limited Liability Company    ☐ Partnership

Name of Organization:

Address:

City:

State:

ZIP:

Telephone:

EIN:

Date of Organization:

State of Organization:

Statutory/Registered Agent:

Address of Agent:

City:

State:

ZIP:

**OFFICERS**

President:

Vice President:

Treasurer:

Secretary:

Manager(s) or Managing Member(s) (for LLCs):

**SHAREHOLDERS | MEMBERS | PARTNERS**

Name:

Percentage of Ownership:

Home Address:

City:

State:

ZIP:

Name:

Percentage of Ownership:

Home Address:

City:

State:

ZIP:

Name:

Percentage of Ownership:

Home Address:

City:

State:

ZIP:

Name:

Percentage of Ownership:

Home Address:

City:

State:

ZIP:

The undersigned individual Franchisee, or each of the Principals of a non-individual Franchisee, hereby certify that the foregoing information is accurate and complete to the best of their knowledge and agree to notify Franchisor promptly of any change in any such information during the term of the Franchise Agreement to which this Exhibit A is attached.

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**<FRANCHISEE>**

Date: \_\_\_\_\_

---

**<FRANCHISEE>**

Date: \_\_\_\_\_

---

**<FRANCHISEE>**

Date: \_\_\_\_\_

---

**<FRANCHISEE>**

Date: \_\_\_\_\_

**FRANCHISE AGREEMENT**  
**Exhibit B**

TERRITORY  
Franchise No. \_\_\_\_\_

The Territory described in section 1.2 of the Franchise Agreement to which this Exhibit B is attached shall consist of the following Postal ZIP Codes located in the State of \_\_\_\_\_:


This Exhibit B is to be attached to, incorporated in and made a part of the Franchise Agreement between Franchisor and Franchisee. Franchisor and Franchisee agree that the total population of the Territory is approximately \_\_\_\_\_.

The parties are signing this Exhibit B on the dates below.

**H.H. FRANCHISING SYSTEMS, INC.**, Franchisor

By: \_\_\_\_\_  
Emma R. Dickison, CEO/President

Date: \_\_\_\_\_

**<COMPANY NAME>**, Franchisee

By: \_\_\_\_\_  
\_\_\_\_\_  
Print Officer's Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
**<FRANCHISEE>**

\_\_\_\_\_  
**<FRANCHISEE>**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# FRANCHISE AGREEMENT

## Exhibit C

### BUSINESS FOUNDATIONS KIT

HOME HELPERS® HOME CARE BUSINESS FOUNDATIONS KIT	
MARKETING	
Description	Qty
CARED-4 Trifold Brochures	<u>50</u> <del>250</del>
<u>CARED-4 Direct Link® Trifold Brochures</u>	<u>50</u>
Business Cards	500
Welcome Pocket folder	<u>25</u>
"About Us" Care Package	<u>100</u>
Blank Logo Card with Envelope	<u>50</u>
HOME HELPERS® Gift Bag	<u>10</u>
Spiral Notebook with Pen	<u>5</u>
<del>In-Home Care Assessment Folders</del>	<del>75</del>
<del>CARED-4 Clinical Referral Marketing Brochures</del>	<del>25</del>
<del>CARED-4 Non-Clinical Referral Marketing Brochures</del>	<del>25</del>
Name Tag	1
Basic Antiqua Flex Unisex Nike® Dri-Fit Polo Shirts	2
<i>Franchisee must pay sales tax and shipping to vendor at time of order</i>	
ANSWERING SERVICE	
<del>12 Month Standard Package</del>	
Local Business Number	
PUBLIC RELATIONS	
Press Release & PR Services	
TECHNOLOGY	
Technology Set Up	
WELLSKY	
One-year license (up to 20 clients/month)	
CAREERPLUG PRO	
<u>Recruiting &amp; Applicant Tracking Solution for one year</u>	
ACCOUNTING	
Unifi Accounting Services for one year	
ANNUAL CONFERENCE	
First Year Conference Registration	



**EXHIBIT G**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Additional Territory Rider**

## ADDITIONAL TERRITORY RIDER

Franchise No. \_\_\_\_\_

This rider is between H.H. FRANCHISING SYSTEMS, INC., an Ohio corporation ("Franchisor"), and \_\_\_\_\_ ("Franchisee").

Concurrently herewith, Franchisor and Franchisee are entering into a franchise agreement (the "Franchise Agreement").

Franchisor and Franchisee desire to modify the terms of the Franchise Agreement as set forth herein.

Therefore the parties agree to modify the Franchise Agreement as follows:

1. In addition to the area described on Exhibit B to the Franchise Agreement, Franchisee's Territory under the Franchise Agreement shall include the following postal ZIP Codes located in the State of \_\_\_\_\_:


Franchisor and Franchisee agree that the area described above has an aggregate population of not more than \_\_\_\_\_.

2. Concurrently with the execution of this rider, Franchisee shall pay Franchisor an additional franchise fee in the amount of \$\_\_\_\_\_ in cash or by check, money order or bank draft. Franchisee acknowledges that the additional franchise fee is fully earned upon the execution of this rider in consideration of Franchisor's grant of the additional territory described in section 1 of this rider. The additional franchise fee is not refundable under any circumstances.

3. In the event of a conflict between the Franchise Agreement and this rider, the terms of this rider control. Franchisor and Franchisee hereby ratify and affirm the Franchise Agreement in all other respects.

The parties are signing this rider to be effective as of and from the latest date written below.

**H.H. FRANCHISING SYSTEMS, INC.,** Franchisor

**<COMPANY NAME>**, Franchisee

By: \_\_\_\_\_  
Emma R. Dickison, CEO/President

By: \_\_\_\_\_

\_\_\_\_\_  
Print Officer's Name

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT H**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Conversion Addendum to Franchise Agreement**



## **CONVERSION ADDENDUM TO HOME HELPERS FRANCHISE AGREEMENT**

Franchise No. <FRAN#>

This addendum is dated \_\_\_\_\_ (the "Effective Date") and is between **H.H. FRANCHISING SYSTEMS, INC.** ("Franchisor") and <FRANCHISEE> ("Franchisee").

### PREAMBLE:

- A. Franchisor and Franchisee are parties to a Franchise Agreement signed concurrently herewith (the "Franchise Agreement") for Home Helpers Franchise No. <FRAN#> (the "Franchise").
- B. Before the Effective Date, Franchisee operated an independent home care agency that offered one or more of the following services (the "Existing Business") from an office located at \_\_\_\_\_ (the "Existing Business Premises"): homemaker, companion, personal care, skilled care, and medical alert monitoring services.
- C. Franchisee maintains a website to promote the Existing Business using the domain name <DOMAIN>.COM (the "Existing Business Website").
- D. As an inducement for Franchisee to join the Network, Franchisor has offered Franchisee the financial and other incentives set out in this addendum (the "Conversion Program").
- E. Franchisee wishes to convert the Existing Business to a Home Helpers Franchise and operate it in accordance with the Franchise Agreement, as amended by this addendum, in order to reap the benefits of participating in the Network.

THEREFORE the parties agree as follows:

- 1. This addendum is an integral part of, and is incorporated into, the Franchise Agreement. Nevertheless, this addendum supersedes any inconsistent or conflicting provisions of the Franchise Agreement. The parties hereby ratify and affirm the Franchise Agreement in all other respects. Capitalized terms used but not defined in this addendum are used as defined in the Franchise Agreement.
- 2. Accuracy of Information Provided by Franchisee. Franchisee represents and warrants to Franchisor that all balance sheets, income statements and other financial and other information furnished by Franchisee to Franchisor relating to the Existing Business are accurate and correct in all material respects. Franchisee acknowledges that Franchisor has relied upon such information as provided by Franchisee in determining Franchisee's qualification for the Conversion Program.
- 3. Client List. Within fifteen days after the Effective Date, Franchisee shall provide Franchisor with a Client List containing the name, complete home address and phone number, complete address where the services are rendered, and such other information as Franchisor may request. For clarification and not to limit the generality of section 19.11 of the Franchise Agreement, the term "Client List" includes all clients of the Existing Business as of the Effective Date.
- 4. Client Location Restrictions. Franchisee has read and understands the client location restrictions contained in the Franchise Agreement, including those set out in section 1.11 thereof. If Franchisee provided Permitted Products or Services (or products or services that compete with Permitted Products or Services) to one or more clients inside the protected territory of another Home Helpers Franchise

within seven days before the Effective Date, Franchisee may, in order to preserve the continuity of client care, continue to provide the same products or services to each such client (referred to as a “Grandfathered Client” in this addendum), but only for the duration of Franchisee’s engagement by the client. The discontinuance of services to any Grandfathered Client for more than fourteen consecutive days will be deemed to terminate the client’s engagement of Franchisee (regardless of whether the client subsequently requests Franchisee to resume the provision of services), and Franchisee may not thereafter provide any Permitted Products or Services (or products or services that compete with Permitted Products or Services) to that client at a location inside the protected territory of another Home Helpers Franchise unless (i) otherwise expressly permitted by Article 1 of the Franchise Agreement, or (ii) Franchisor or the other Home Helpers Franchise has granted Franchisee permission in writing to provide products or services to that client.

5. Representations and Warranties of Franchisee. Franchisee makes the following representations and warranties to Franchisor:

- (a) All balance sheets, income statements and other financial and other information furnished by Franchisee to Franchisor relating to the Existing Business are accurate and correct in all material respects. Franchisee acknowledges that Franchisor has relied upon such information as provided by Franchisee in determining Franchisee’s qualification for the Conversion Program.
- (b) There are no pending or threatened lawsuits, actions, judgments, liens, decrees, injunctions, orders, investigations, or proceedings against Franchisee in any court or arbitration panel, or before any arbitrator or federal, state, municipal or other governmental body, commission or agency (including the U.S. Department of Labor and federal and state EEOC and OSHA), or unsatisfied judgments or liens against Franchisee or its assets.
- (c) There have been no claims asserted or threatened by any current or former employee of Franchisee: (i) for unpaid wages or other compensation, or (ii) alleging the violation by Franchisee, or by another employee of Franchisee, of any minimum wage or overtime law, of the claimant’s civil rights, or of any other federal, state, or local labor or employment law (including claims for wrongful termination, discrimination, harassment, or retaliation).
- (d) Franchisee has timely filed, with the appropriate governmental agencies, all tax returns and tax reports due and required to be filed by Franchisee, including federal, state, and local income, sales, use, commercial activity, occupation, property, excise, FICA, withholding, payroll, and unemployment insurance, and has paid or has provided for the payment of all taxes and assessments due or becoming due through the Effective Date.
- (e) There are no pending audits or examinations pertaining to, or claims for, taxes or assessments asserted against Franchisee by any taxing authority in respect of any period before the Effective Date.
- (f) There have been no audits, there are no pending audits, and Franchisee is not aware of any scheduled or future audits, by any federal or state governmental body, commission or agency relating to the Medicare or Medicaid programs.
- (g) Franchisee will operate the Franchised Business from the Existing Business Premises.
- (h) The Existing Business Premises is located in the Territory.

(i) The Existing Business Premises is not presently used for any other operation or purpose other than the operation of the Existing Business.

(j) The Existing Business Premises is separate from any personal residence or nursing, assisted living or similar facility.

(k) Franchisee's execution of the Franchise Agreement and this addendum will not conflict with or result in a breach of any term or condition of, or constitute a default under, any agreement or other instrument to which Franchisee is a party or by which Franchisee or any of its assets may be affected.

(l) No representations or warranties in this addendum, nor any information, report, schedule, or exhibit furnished to Franchisor, nor any document delivered to Franchisor contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained therein not misleading.

6. Conversion Fee. In lieu of the Franchise Fee required by section 4.1 of the Franchise Agreement, Franchisee shall pay Franchisor a "Conversion Fee" of \$ \_\_\_\_\_. The Conversion Fee is fully earned upon receipt by Franchisor or when Franchisee signs the Franchise Agreement, whichever occurs first. The Conversion Fee is not refundable.

7. Royalty. Franchisee will not be assessed a Royalty (including the Minimum Royalty) on its Gross Revenues for a period of \_\_\_\_\_ full calendar months after the month in which the Effective Date occurs (the "Royalty Waiver Period"). After the Royalty Waiver Period, Franchisee shall pay the Royalty required by section 5.1 of the Franchise Agreement. For example, if the Effective Date is in January, Franchisee would not be required to pay a Royalty until <MONTH>, when it would pay a Royalty equal to the greater of 6% of its Gross Revenues for the preceding month or the Minimum Royalty set out in section 5.1(d) of the Franchise Agreement. For purposes of section 5.1 of the Franchise Agreement, "Minimum Fee Start Month" means <MONTH>. Section 19.57 of the Franchise Agreement is amended accordingly.

8. Branding Fee. For a period of twelve calendar months after the month in which the Effective Date occurs (the "Initial Year"), Franchisee shall pay, to the Branding Fund, a monthly Branding Fee equal to the Minimum Branding Fee described in section 5.2(b) of the Franchise Agreement. After the Initial Year, for the duration of the calendar year in which the last day of the Initial Year occurs, the Branding Fee payable by Franchisee will be determined as set out in section 5.2(a) of the Franchise Agreement, based upon Franchisee's Gross Revenues during the Initial Year. After the calendar year in which the last day of the Initial Year occurs, the Branding Fee payable by Franchisee will be determined as set out in section 5.2(a) of the Franchise Agreement based upon Franchisee's Gross Revenues for the one-year period ending on October 31 of the previous calendar year. For purposes of section 5.2 of the Franchise Agreement, "Minimum Fee Start Month" means the calendar month immediately following the month in which the Effective Date occurs. Section 19.57 of the Franchise Agreement is amended accordingly.

9. Franchisee Training. The Designated Individual must complete, to Franchisor's satisfaction, Franchisor's Pre-Opening Training within two months after the Effective Date. Section 7.1(a) of the Franchise Agreement is amended accordingly.

10. Conversion Plan. Within one month after the Effective Date, Franchisee and Franchisor shall jointly develop a written plan (the "Conversion Plan") for the transition of client contracts and information, transition of advertising (including websites), use of suppliers designated by Franchisor,

adoption of the Marks, and other matters necessary to convert and transition the Existing Business to a Home Helpers Franchise in full compliance with the Franchise Agreement and this addendum. The Conversion Plan must include the following key deadlines:

- (a) No later than three months after the Effective Date, Franchisee shall adopt and begin using only the trademarks, service marks trade names, logos, and commercial symbols authorized by Franchisor, and permanently stop using all other trademarks, service marks trade names, logos, and commercial symbols.
- (b) No later than six months after the Effective Date, Franchisee shall:
  - (1) adopt and begin using only the scheduling, billing and agency management application designated by Franchisor; and
  - (2) discontinue all Electronic Distribution Channels (including the Existing Business Website) except those authorized by Franchisor.
- (c) No later than one year after the Effective Date, Franchisee shall adopt and begin using the accounting application and chart of accounts designated by Franchisor.

11. Performance Standard. Franchisee shall meet or exceed the monthly Performance Standards set out below:

- (a) From the Effective Date through the \_\_\_\_\_ anniversary of the Effective Date, the monthly Performance Standard is zero (\$0.00).
- (b) From the \_\_\_\_\_ anniversary of the Effective Date through the 5th anniversary of the Effective Date, Franchisee's monthly Gross Revenues must meet or exceed \$30,000.
- (c) From the 5th anniversary of the Effective Date through the 7th anniversary of the Effective Date, Franchisee's monthly Gross Revenues must meet or exceed \$45,000.
- (d) From the 7th anniversary of the Effective Date through the end of the Term, Franchisee's monthly Gross Revenues must meet or exceed \$60,000.

Section 1.7 of the Franchise Agreement is amended accordingly.

12. Business Records. The term "Business Records," as used in the Franchise Agreement, includes the books and records of account, bank statements, canceled checks, client files, federal, state, and local income tax, sales tax, and payroll records and tax returns, and all other information or records pertaining to the Existing Business before the Effective Date. Section 7.8(i) of the Franchise Agreement is amended accordingly.

13. Indemnification by Franchisee. In addition to its indemnification obligations under sections 7.9 and 17.2 of the Franchise Agreement, Franchisee shall indemnify and defend the Franchisor-Related Persons against and hold them harmless from any and all Claims arising directly or indirectly from, as a result of or in connection with Franchisee's operation of the Existing Business before the Effective Date.

14. Opening Date. The term "Opening Date" means the Effective Date. Section 19.64 of the Franchise Agreement is amended accordingly.

15. Remaining Provisions Binding. All terms of the Franchise Agreement not deleted, modified or waived by this addendum remain binding on the parties.

16. Headings. The headings in this addendum are for reference purposes only and do not affect the meaning or interpretation of any provision of this addendum.

17. Receipt of Addendum by Franchisee. By signing this addendum, Franchisee acknowledges that it received a completed copy of this addendum, with all blanks filled in, at least seven days before Franchisee signed it.

18. This addendum becomes effective on the Effective Date.

The parties are signing this addendum on the dates below.

**H.H. FRANCHISING SYSTEMS, INC.**, Franchisor

**<FRANCHISEE>**, Franchisee

By:

Emma R. Dickison, CEO & President

By:

<Officer>, <Title>



**EXHIBIT I**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**VetFran Addendum to Franchise Agreement**

## VETFRAN ADDENDUM TO FRANCHISE AGREEMENT

Franchise No. \_\_\_\_\_

This addendum is between **H.H. FRANCHISING SYSTEMS, INC.** ("Franchisor") and **<FRANCHISEE>** ("Franchisee").

### RECITALS:

- A. Franchisor and Franchisee are parties to a franchise agreement signed concurrently herewith (the "Franchise Agreement") for Home Helpers Franchise No. \_\_\_\_\_.
- B. <Owner> is the legal and beneficial owner of a controlling Ownership Interest in Franchisee.
- C. <Owner> is an honorably discharged veteran of the United States Armed Forces.
- D. The parties desire to modify the Franchise Agreement to reflect a 20% discount from the Franchise Fee as part of the International Franchise Association's Veterans Transition Franchise Initiative ("VetFran") program.

THEREFORE the parties agree as follows:

- 1. Amendment of Franchise Agreement. This addendum is an integral part of, and is incorporated into, the Franchise Agreement. Nevertheless, this addendum supersedes any inconsistent or conflicting provisions of the Franchise Agreement. The parties hereby ratify and affirm the Franchise Agreement in all other respects. Capitalized terms used but not defined in this addendum are used as defined in the Franchise Agreement.
- 2. Discounted Franchise Fee. The Franchise Fee payable by Franchisee under Article 4 of the Franchise Agreement is reduced by \$\_\_\_\_\_ from \$\_\_\_\_\_ to \$\_\_\_\_\_.
- 3. Veteran Control of Franchisee. The VetFran discount described in section 2 is granted on the condition that one or more honorably discharged veterans of the United States Armed Forces, either individually or collectively, must legally and beneficially own a controlling Ownership Interest in Franchisee at all times during the Term.
- 4. Remaining Terms Unaffected. All terms of the Franchise Agreement not deleted, modified, or waived by this addendum remain binding on the parties.
- 5. Effective Date. This addendum becomes effective when signed by all the parties or when the Franchise Agreement becomes effective, whichever is later (the "Effective Date").

The parties are signing this addendum on the dates below.

**H.H. FRANCHISING SYSTEMS, INC.**, Franchisor

**<FRANCHISEE>**, Franchisee

By:

Emma R. Dickison, CEO & President

By:

<Officer>, <Title>

Date:

Date:



**EXHIBIT J**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Renewal Addendum to Franchise Agreement**



# RENEWAL ADDENDUM TO HOME HELPERS FRANCHISE AGREEMENT

Franchise No. \_\_\_\_\_

This addendum, dated \_\_\_\_\_ (the “Effective Date”), is between **H.H. FRANCHISING SYSTEMS, INC.** (“Franchisor”) and **<FRANCHISEE>** (“Franchisee”).

## PREAMBLE:

- A. Franchisee operates Home Helpers® Home Care Franchise No. \_\_\_\_\_ under a franchise agreement dated \_\_\_\_\_ between Franchisee and Franchisor (the “Original Agreement”).
- B. Franchisee has elected to exercise its option to renew Franchise No. \_\_\_\_\_ under section 2.2 of the Original Agreement.
- C. Concurrently with this addendum, the parties are executing a new Home Helpers franchise agreement (the “Successor Agreement”) as required by section 2.2(c) of the Original Agreement.
- D. The parties desire to modify the Successor Agreement as described in this addendum.

THEREFORE the parties agree as follows:

1. Amendment of Franchise Agreement. This addendum is an integral part of, and is incorporated into, the Successor Agreement. Nevertheless, this addendum supersedes any inconsistent or conflicting provisions of the Successor Agreement. The parties hereby ratify and affirm the Successor Agreement in all other respects. Capitalized terms used but not defined in this addendum are used as defined in the Successor Agreement.
2. Original Agreement Superseded. As of the Effective Date, the Successor Agreement supersedes and replaces the Original Agreement in all respects.
3. Most Favorable Royalty Rate Table. If the Royalty Rate Table in the Successor Agreement is different from a Legacy Royalty Rate Table, then Royalty Rate adjustments under sections 5.1(b) and 5.1(c) of the Successor Agreement will be determined using the Legacy Royalty Rate Table that is most favorable to Franchisee, so long as, and only so long as, the franchise agreement containing that Legacy Royalty Rate Table remains in effect. For purposes of this addendum, (i) “Royalty Rate Table” means Table 5.1 in section 5.1(b) of a Home Helpers franchise agreement (as it may be amended) between Franchisee and Franchisor, and (ii) “Legacy Royalty Rate Table” means a Royalty Rate Table in a Home Helpers franchise agreement (as it may be amended) between Franchisee and Franchisor that was executed before, and that remains in effect after-on, the Effective Date. For clarity, the Royalty Rate Table in the Original Agreement (defined in paragraph A above) is not a Legacy Royalty Rate Table.
4. Pre-Opening Training and Operating Assistance; Manual. The parties acknowledge and agree that Franchisor has fully satisfied its obligations to provide Franchisee with Pre-Opening Training and other pre-opening assistance and to make a copy of the Manual available to Franchisee under sections 6.2 and 6.3 and subsections (a) through (c) of section 6.1 of the Successor Agreement.
5. Exclusive Relationship. Franchisee and its Principals represent that, except for other Home Helpers Franchises operated under other franchise agreements with Franchisor, neither Franchisee nor any affiliate or Principal of Franchisee, nor any member of the immediate family of any affiliate or Principal of Franchisee: (a) has any interest as an owner or creditor of a Competitive Business; or (b) performs

services as a director, officer, manager, employee, consultant, representative, agent or in any other capacity for a Competitive Business.

6. Release.

(a) Each of the Releasing Parties (defined in section 6(i)) hereby waives, releases, acquits and forever discharges the Franchisor-Related Persons (defined in section 6(h)), individually and collectively, from any and all Claims (defined in section 6(g)) that the Releasing Party may have, individually or collectively, against any of the Franchisor-Related Persons at any time before the Effective Date.

(b) The Releasing Parties expressly acknowledge and agree that the Claims each of them is releasing include any and all Claims, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, accrued or contingent, intentional or unintentional, liquidated or unliquidated, and arising in tort, contract, statute, or otherwise. The Releasing Parties specifically waive the protection afforded by California Civil Code Section 1542 or any other statute or law in any jurisdiction, the purpose, substance or effect of which is to provide that a general release does not extend to claims that do not exist or that the Releasing Party does not know or suspect to exist in his or her favor at the time of executing the release, whether or not such claims, if known by him or her, would have materially affected his or her settlement with the released party. The Releasing Parties intend for this release to be as broad as is permitted by law and unqualifiedly general in scope and effect, and that any Claims against any of the Franchisor-Related Persons are hereby forever canceled and forgiven.

(c) The Releasing Parties expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by them, and it is their intention to forever settle, adjust and compromise any and all present and future disputes with respect to all Claims from the beginning of time up to and including the Effective Date, finally and forever, and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by the Releasing Parties are intended to constitute a full, complete, unconditional and immediate substitution for any and all Claims that exist, or might have existed, on the Effective Date. The Releasing Parties represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to, or released in or by this release as the Releasing Parties, in their independent judgment, believe necessary or appropriate. In executing this addendum and the related releases, the Releasing Parties have not relied on any statement, promise, or representation, whether of fact or law, or lack of disclosure of any fact or law, by any Franchisor-Related Person or anyone else, not expressly set forth herein.

(d) The Releasing Parties represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Releasing Parties may have against any or all of the Franchisor-Related Persons, all Claims having been fully and finally extinguished, and the Releasing Parties shall forever indemnify and hold the Franchisor-Related Persons harmless from any liability, claims, demands, damages, losses, costs, expenses, or legal fees incurred by any of the Franchisor-Related Persons as a result of anyone asserting any interest in any of the Claims or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer, or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor-Related Persons as a condition precedent to recovery against the Releasing Parties under this indemnity.

(e) If any of the Releasing Parties, or any person acting for or on behalf of the Releasing Parties or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commences, joins in, or in any manner seeks relief through any suit or other legal or equitable proceeding arising out of, based upon or relating to any of the Claims, or in any manner asserts any of the Claims against all or any of the Franchisor-Related Persons, the Releasing Parties shall pay all legal expenses and other costs incurred by the Franchisor-Related Persons in defending or otherwise responding to said suit or assertion, directly to the Franchisor-Related Persons incurring such costs.

(f) The releases granted under this section will be deemed effective as of the Effective Date. The liabilities and obligations of each of the Releasing Parties (and any other person providing releases to the Franchisor-Related Persons) will be joint and several.

(g) "Claims" means debts, claims, demands, damages, losses, liabilities, rights, actions, causes of action, expenses, contracts, promises, judgments, awards and suits of any kind whatsoever, whether known or unknown, foreseen or unforeseen, accrued or contingent, intentional or unintentional, and liquidated or unliquidated, arising from any right, duty, or obligation of any kind whatsoever, including obligations granted or imposed by any franchise agreement, from Franchisor's performance or nonperformance thereunder, or from the offer or sale of a franchise, including any misrepresentations in or omissions from any prospectus, disclosure document or offering circular provided by Franchisor to Franchisee or any Principal of Franchisee before Franchisee's execution of the Original Agreement, or any violation of the Sherman Antitrust Act, the Federal Trade Commission Act, the Federal Trade Commission Trade Regulation Rule entitled *Disclosure Requirements and Prohibitions Concerning Franchising* (16 C.F.R. 436), the Ohio Business Opportunity Plans Act, all regulations thereunder, all other laws and regulations of the states of Ohio and \_\_\_\_\_, any amendment or successor to any of the foregoing statutes or regulations, or any other federal or state securities, franchise, business opportunity, antitrust, consumer protection, or unfair or deceptive trade practices law. Notwithstanding the foregoing sentence, nothing in this addendum is intended to disclaim any representation in the Franchise Disclosure Document dated \_\_\_\_\_ that Franchisor provided to Franchisee in connection with Franchisee's renewal of Franchise No. \_\_\_\_\_ and execution of the Successor Agreement.

(h) "Franchisor-Related Persons" means Franchisor and each and all of the following, whether past, current, or future: persons acting through, in concert with, or as affiliates of Franchisor; partners, members, shareholders, principals, directors, officers, agents, attorneys, accountants, insurers and employees of Franchisor or any of the foregoing; and predecessors, assigns and successors-in-interest of Franchisor or any of the foregoing.

(i) "Releasing Parties" means Franchisee and each of the Principals of Franchisee, for themselves and on behalf of their respective affiliates, agents, investors, officers, directors, employees and legal representatives, and the heirs, assigns and successors-in-interest of each of them.

(j) Notwithstanding anything to the contrary in this agreement, if the jurisdictional requirements of any one or more of the following statutes are met, then the releases given by the Releasing Parties in this section 6 do not apply to any claim, liability or right arising under such applicable statute(s) or any rules or regulations thereunder: the Hawaii Franchise Investment Law, the Illinois Franchise Disclosure Act, the Indiana Franchise Disclosure Law, the Indiana Deceptive Franchise Practices Law, the Maryland Franchise Regulation and Disclosure Law, the Minnesota

Franchise Act, Article 33 of the General Business Laws of the State of New York, the North Dakota Franchise Investment Law, the Rhode Island Franchise Investment Protection Act, or the Washington Franchise Investment Protection Act.

7. Direct Link Franchise Agreement. If Direct Link Franchise Agreement \_\_\_\_\_ has not been previously terminated, it is hereby terminated as of the Effective Date.
8. Remaining Terms Unaffected. All terms of the Successor Agreement not deleted, modified or waived by this addendum remain binding on the parties.
9. Effective Date. This addendum becomes effective simultaneously with the Successor Agreement (the "Effective Date").

The parties are signing this addendum on the dates below.

**H.H. FRANCHISING SYSTEMS, INC.**, Franchisor

**<FRANCHISEE>**, Franchisee

By:

Emma R. Dickison, CEO & President

By:

<Officer>, <Title>

**The undersigned Principal(s) of Franchisee is/are signing this addendum in  
their ~~his/her~~ individual capacity solely for purposes of sections 5 and 6.**

**<OWNER1>**

**<OWNER2>**



**EXHIBIT K**

**to the**

**Home Helpers®**

**FRANCHISE DISCLOSURE DOCUMENT**

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**Remote Franchise Addendum**

## **REMOTE FRANCHISE ADDENDUM TO FRANCHISE AGREEMENTS <FRAN#1> AND <FRAN#2>**

This addendum, dated \_\_\_\_\_, is between **H.H. FRANCHISING SYSTEMS, INC.** ("Franchisor") and **<FRANCHISEE>** ("Franchisee").

### **RECITALS:**

- A. Franchisor and Franchisee are parties to a franchise agreement dated \_\_\_\_\_ for Home Helpers Franchise <FRAN#1> ("Franchise Agreement <FRAN#1>").
- B. Franchise <FRAN#1> is located entirely within the State of \_\_\_\_\_.
- C. Franchisor and Franchisee are entering into a second franchise agreement concurrently herewith for Home Helpers Franchise <FRAN#2> ("Franchise Agreement <FRAN#2>"). Franchise Agreement <FRAN#1> and Franchise Agreement <FRAN#2> are referred to collectively in this addendum as the "Franchise Agreements."
- D. Franchise <FRAN#2> is located entirely within the State of \_\_\_\_\_ and is more than 100 miles from Franchise <FRAN#1>.
- E. The parties desire to modify Franchise Agreement <FRAN#2> as provided in this addendum.

### **THEREFORE the parties agree as follows:**

- 1. Amendment of Franchise Agreement. This addendum is an integral part of, and is incorporated into, the Franchise Agreements. Nevertheless, this addendum supersedes any inconsistent or conflicting provisions of the Franchise Agreements or any prior amendment thereto. The parties hereby ratify and affirm the Franchise Agreements and all prior amendments thereto in all other respects. Capitalized terms used but not defined in this addendum are used as defined in Franchise Agreement <FRAN#2>.
- 2. Separate Franchises. For purposes of Franchisee's financial, operational, and reporting obligations under the Franchise Agreements, Franchisee shall operate Franchise <FRAN#2> as a business separate from Franchise <FRAN#1>. The Gross Revenues from the operation of Franchise <FRAN#2> are not to be aggregated with the Gross Revenues from the operation of Franchise <FRAN#1> for purposes of calculating the Royalties and Branding Fees payable under the Franchise Agreements. The Royalty Rate for each Franchise must be calculated using Table 5.1 of the Franchise Agreement for that Franchise based only upon the Gross Revenues attributable to that Franchise. Franchisee shall maintain separate licenses for the designated agency management and billing application (the "DAMBA," which is currently *We//Sky*) for Franchise <FRAN#1> and Franchise <FRAN#2>. Franchisee shall use Franchisee's current DAMBA license for Franchise <FRAN#1> solely for the operation of Franchise <FRAN#1>, and a new DAMBA license for Franchise <FRAN#2> solely for the operation of Franchise <FRAN#2>. Franchisee shall maintain separate books and records of account for the two Franchises for purposes of sections 7.8(a) and 7.8(b) of the Franchise Agreements.
- 3. Performance Standard. Subparagraphs (b)(2) and (b)(3) of section 1.7 of Franchise Agreement <FRAN#2> are deleted in their entirety and the first sentence of section 1.7(b)(1) is deleted and replaced with the following:

"Franchisee shall meet or exceed the monthly Performance Standards set out below:"

4. Business Foundations Kit. Section 4.2 and Exhibit C of Franchise Agreement <FRAN#2> are inapplicable and are hereby deleted.

5. Minimum Branding Fee. Subparagraph (b) of section 5.2 of Franchise Agreement <FRAN#2> is deleted and replaced with the following paragraph:

“(b) In no event will the Branding Fee payable by Franchisee for the Franchise operated under this agreement be less than the “Minimum Branding Fee,” except that Franchisee will not be obligated to pay the Minimum Branding Fee until the Minimum Fee Start Month (defined in section 19.59). Beginning in the Minimum Fee Start Month and continuing until the monthly Performance Standard under section 1.7 is greater than zero, the Minimum Branding Fee for the Franchise operated under this agreement will be \$500 per month. Once the Performance Standard is greater than zero and continuing thereafter for the remainder of the Term, the Minimum Branding Fee for the Franchise operated under this agreement will be up to 2% of the Performance Standard. The Minimum Branding Fee for Franchise <FRAN#1> will be determined separately as provided in Franchise Agreement <FRAN#1> and will be in addition to the Minimum Branding Fee under this agreement. The Minimum Fee Start Month for each Franchise will be determined as specified in the franchise agreement for that Franchise.”

6. Technology Fee. The Technology Fee payable under section 5.3 of Franchise Agreement <FRAN#2> will be in addition to the Technology Fee payable under section \_\_\_\_\_ of Franchise Agreement <FRAN#1>.

7. Training and Pre-Opening Assistance. Franchisee acknowledges and agrees that Franchisor has fully satisfied its obligations to provide Franchisee with initial training and other pre-opening assistance under section 6.2 and subsections (a) through (d) of section 6.1 of Franchise Agreement <FRAN#2>.

8. Business Operation. Section 7.6 of Franchise Agreement <FRAN#2> is deleted and replaced with the following:

“(a) If a Professional License (defined in section 19.77) is required by Applicable Laws to operate the Franchised Business, the Opening Date (defined in section 19.66) must occur by the earlier of (i) one month after the Professional License is issued to Franchisee, or (ii) six months after the Effective Date. If Franchisee demonstrates to Franchisor’s satisfaction that it has complied with section 7.6(b) below, but Franchisee is unable to obtain the Professional License within six months after the Effective Date, then Franchisor shall extend the deadline for the Opening Date for an additional period to be determined in Franchisor’s reasonable discretion, but which will not exceed six months. If no Professional License is required, the Opening Date must occur no later than three month(s) after the Effective Date. Franchisor shall notify Franchisee of the Opening Date at least one month in advance. After the Opening Date, Franchisee shall maintain the Franchised Business in continuous operation during the Term. Franchisee shall not use or permit the use of the Franchise Premises for any other purpose or activity other than the operation of the Franchised Business without Franchisor’s prior written consent.

“(b) If a Professional License is required by Applicable Laws, Franchisee shall apply for the Professional License promptly after the Effective Date (but in no event later than one month after the Effective Date) and shall use its best efforts to prosecute the application diligently and expeditiously, with haste and in good faith, in order to obtain the Professional License as quickly as reasonably possible.

“(c) At all times during the Term, the Designated Individual must devote his or her full time, energy and best efforts to the management and operation of the Franchised Business. The Franchised Business must be under the direct supervision of the Designated Individual at all times.”

9. Designated Individual. The second sentence of section 7.14 of Franchise Agreement <FRAN#2>, which is, “The Designated Individual must be Franchisee or, if Franchisee is not an individual, an individual Principal of Franchisee,” is deleted and replaced with the following sentence:

“The Designated Individual must be an individual Principal of Franchisee or a full-time employee of Franchisee.”

10. Definition of Gross Revenues Under Franchise Agreement <FRAN#2>. Section 19.46 of Franchise Agreement <FRAN#2> is deleted and replaced with the following paragraph:

“‘Gross Revenues’ means all income (including cash, credit, and all other consideration) recognized on an accrual basis (regardless of actual receipt) by Franchisee, any Affiliate or Principal of Franchisee, or any spouse, parent, or child of any of the foregoing: (i) in connection with the operation of the Franchised Business anywhere within the State(s) of \_\_\_\_\_; (ii) in connection with the operation of any Competitive Business anywhere within the State(s) of \_\_\_\_\_; (iii) from the sale of any Permitted Products or Services (as modified from time-to-time by Franchisor in accordance with this agreement) anywhere within the State(s) of \_\_\_\_\_; or (iv) from the sale, anywhere within the State(s) of \_\_\_\_\_, of any goods or services under, using, or in connection with the Marks. ‘Gross Revenues’ does not include value-added, sales, use, excise, or other taxes that are separately stated and that are required by Applicable Laws to be collected and paid to any governmental taxing authority.”

Nothing in this section 10 is to be construed to enlarge the Territory or change the ZIP Codes comprising the Territory as set out in Exhibit B to Franchise Agreement <FRAN#2>.

11. Definition of Gross Revenues Under Franchise Agreement <FRAN#1>. Section \_\_\_\_\_ of Franchise Agreement <FRAN#1> is deleted and replaced with the following paragraph:

“‘Gross Revenues’ means all income (including cash, credit, and all other consideration) recognized on an accrual basis (regardless of actual receipt) by Franchisee, any affiliate or Principal of Franchisee, or any spouse, parent, or child of any of the foregoing: (i) in connection with the operation of the Franchised Business anywhere other than the State(s) of \_\_\_\_\_; (ii) in connection with the operation of any Competitive Business anywhere other than the State(s) of \_\_\_\_\_; (iii) from the sale of any Permitted Products or Services (as modified from time-to-time by Franchisor in accordance with this agreement) anywhere other than the State(s) of \_\_\_\_\_; or (iv) from the sale, anywhere other than the State(s) of \_\_\_\_\_, of any goods or services under, using, or in connection with the Marks. ‘Gross Revenues’ does not include value-added, sales, use, excise, or other taxes that are separately stated and that are required by Applicable Laws to be collected and paid to any governmental taxing authority.”

Nothing in this section 11 is to be construed to enlarge the Territory or change the ZIP Codes comprising the Territory as set out in Exhibit B to Franchise Agreement <FRAN#1>.

12. Minimum Fee Start Month. Section 19.59 of Franchise Agreement <FRAN#2> is deleted and replaced with the following:



“19.59 “Minimum Fee Start Month” means, with respect to the Franchise operated under this agreement, the fourth calendar month following the calendar month in which the Opening Date occurs.”

13. Remaining Terms Unaffected. All terms of the Franchise Agreements not deleted, modified, or waived by this addendum remain binding on the parties.

14. This addendum becomes effective on the date in the preamble or when Franchise Agreement <FRAN#2> becomes effective, whichever is later.

The parties are signing this addendum on the dates below.

**H.H. FRANCHISING SYSTEMS, INC.,** Franchisor

**<FRANCHISEE>**, Franchisee

By:

Emma R. Dickison, CEO & President

By:

<Officer>, <Title>

Date:

2024.03.21

Date:



**EXHIBIT LK**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**State-Specific Additional Disclosures/Addenda**

## State-Specific Additional Disclosures and Riders

The following are additional disclosures and/or riders required by certain state franchise laws. A particular state's disclosures/riders only apply if you are covered by that state's franchise law.

### CALIFORNIA

The following additional disclosures are required by the California Franchise Relations Act:

We will comply with all appropriate laws governing any direct financing offered by us to you, including, if applicable, the California Finance Lenders Law.

California law may require an interest rate lower than 18%, in which case the interest rate will be the highest rate allowed by law.

The maximum rate of interest permitted in California may fluctuate below 10%.

California Business and Professions Code Sections 20000 through 22243 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

The Franchise Agreement requires binding arbitration. The arbitration will occur in Hamilton County, Ohio, and the fees and expenses for arbitration shall be paid by the losing party. This provision may not be enforceable under California law. California Business and Professions Code Sections 20000 through 22243 provide rights to the franchisee concerning the arbitration of disputes between the franchisee and franchisor. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

California Business and Professions Code Sections 20000 through 22243 provide rights to the franchisee concerning the choice of forum for disputes between the franchisee and the franchisor. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement requires application of the laws of the State of Ohio. This provision may not be enforceable under California law. California Business and Professions Code Sections 20000 through 22243 provide rights to the franchisee concerning the choice of which state's law governs your Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The length of the franchise term is 15 years. Your renewal right permits you to remain as a franchise after the initial term of your franchise agreement expires. If you wish to do so, and you satisfy the required pre-conditions to renewal, we will offer you the right to obtain 2 additional 15-year terms.

The following URL address is for the franchisor's website: [www.homehelpershomecare.com](http://www.homehelpershomecare.com)

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

THE FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT [www.dob.ca.gov](http://www.dob.ca.gov).

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

## CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this Addendum is attached is hereby amended as follows to comply with the California Franchise Relations Act:

1. Section 2.1 is deleted and replaced with the following:

“2.1 Term. Unless earlier terminated in accordance with the terms and conditions of this agreement, the Initial Term of this agreement is fifteen years beginning on the Effective Date (defined in section 19.27) and ending on the Expiration Date (defined in section 19.30).”

2. The first paragraph of Section 2.2 is deleted and replaced with the following:

“2.2 Renewal. Except for the Post-Termination Provisions (defined in section 19.61) and as provided in section 2.3, Franchisee’s rights and Franchisor’s obligations under this agreement terminate at the Expiration Date. For a period of one year before the Expiration Date, Franchisee will have the right, at its option and upon the conditions in this section 2.2, to renew its Franchise for an additional term of fifteen years beginning the day after the Expiration Date (a “Successor Franchise”). A Successor Franchise, if granted by Franchisor, will be upon the terms of Franchisor’s then-current franchise agreement (a “Successor Agreement”), with appropriate modifications to reflect the fact that it relates to a Successor Franchise. Franchisee will not be eligible to renew its Franchise unless and until Franchisee complies with all of the following conditions:”

3. Subsection 2.2(d) is deleted and replaced with the following:

“(d) At least two months before the Expiration Date, Franchisee must execute and deliver a Successor Agreement to Franchisor, which will supersede this agreement in all respects. A Successor Agreement may differ materially in economic and other aspects from this agreement and its requirements (including a different Royalty, Branding Fee and other fees), but start-up terms (e.g., Pre-Opening Training) will not apply and Franchisee will not be required to pay another Franchise Fee. The Successor Agreement must contain a provision substantially similar to this section 2.2 granting Franchisee the right to renew its Successor Franchise for one more term of fifteen years beginning the day after the expiration date of the Successor Agreement, subject to conditions substantially similar to those in subparagraphs (a) through (f) of this section 2.2.”

4. Section 16.2 is amended by the addition of the following sentences:

“California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning the arbitration of disputes between the franchisee and franchisor. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.”

5. Section 18.5 is amended by the addition of the following sentences:

“California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning the choice of which state’s law governs your franchise agreement. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.”

6. Section 18.6 is amended by the addition of the following sentences:

“California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning the choice of forum for disputes between the franchisee and the franchisor. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.”

7. “Data Protection Laws”, as defined in section 19.21, specifically includes the California Consumer Privacy Act, Cal. Civ. Code §1798.100 – 1798.199.

8. Section 19.34 is deleted and replaced with the following:

“19.35 ‘Expiration Date’ means the day before the fifteenth anniversary of the Effective Date, and is the last day of the Initial Term.”

9. Section 19.53 is deleted and replaced with the following:

“19.53 ‘Initial Term’ means a period of fifteen years beginning on the Effective Date and ending at 24:00 hours on the Expiration Date.”

10. Section 19.85 is deleted and replaced with the following:

“19.85 ‘Successor Franchise’ means a Home Helpers Franchise that Franchisee may be granted under section 2.2 upon Franchisee’s exercise of its option to renew the license granted under this agreement, as a successor to the Franchised Business, for an additional fifteen-year term following the expiration of this agreement.”

11. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the Franchise.

12. Franchisor and Franchisee hereby ratify and affirm the Franchise Agreement in all other respects.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

FRANCHISEE:

By: \_\_\_\_\_  
Emma R. Dickison, CEO & President

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

## ILLINIOS

The following additional disclosures are required by the Illinois Franchise Disclosure Act of 1987, as amended, and the Illinois Disclosure Rules and Regulations:

815 ILCS 705/41 provides that any condition, stipulation or provision in the franchise agreement that requires you to waive any of your rights under, or the franchisor's obligation to comply with any provision of, the Illinois Franchise Disclosure Act of 1987, as amended, the Illinois Disclosure Rules and Regulations, or any other law of Illinois, is void.

Nonrenewal of your franchise must comply with 815 ILCS 705/20. Termination of your franchise must comply with 815 ILCS 705/19.

Any provision in the franchise agreement that requires the application of the laws of another state is void with respect to a claim otherwise enforceable under the Illinois Franchise Disclosure Act.

Any provision in the franchise agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void with respect to any cause of action that otherwise is enforceable under the Illinois Franchise Disclosure Act.

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

To the extent this Addendum is inconsistent with any terms or conditions of the disclosure document or exhibits or attachments thereto, the terms of this Addendum shall govern.

## ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Illinois Franchise Disclosure Act of 1987, as amended, and the Illinois Disclosure Rules and Regulations:

1. Section 2.2 is amended by adding the following language: "Nonrenewal must comply with 815 ILCS 705/20."
2. Section 2.2(f) is deleted in its entirety.
3. Section 12.2(b)(3) is deleted in its entirety.
4. Section 13.1 is amended by adding the following language: "Termination must comply with 815 ILCS 705/19."
5. The waiver of jury trial in section 16.4 is void to the extent it violates 815 ILCS 705/41.
6. Section 16.6 is deleted to the extent that it is deemed to be prohibited by 815 ILCS 705/27.
7. Section 18.5 is amended by the addition of the following language:  
"Any provision in this agreement that requires the application of the laws of another state is void with respect to a claim otherwise enforceable under the Illinois Franchise Disclosure Act."
8. Section 18.6 is amended by the addition of the following language:  
"Any provision in this agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void with respect to any cause of action that otherwise is enforceable under the Illinois Franchise Disclosure Act."
9. Section 18.16(a) is deleted in its entirety.
10. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the Franchise.
11. To the extent this addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

FRANCHISEE:

By: \_\_\_\_\_  
Emma R. Dickison, CEO & President

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature



Date: \_\_\_\_\_

## INDIANA

The following additional disclosures are required by the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law:

### ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The franchise agreement does not expressly give you the right to terminate, but Indiana law may give you the right to terminate if we commit a substantial breach of the franchise agreement.

In any arbitration involving a franchise purchased in Indiana, the arbitration site will be in the State of Indiana.

Litigation may be brought in any court having jurisdiction over the parties and the subject matter of the suit.

In the event of a conflict of laws, the provisions of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law shall prevail.

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

## INDIANA ADDENDUM TO FRANCHISE AGREEMENT

The following terms amend the Franchise Agreement to which this addendum is attached, for the purpose of complying with the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law, and are hereby incorporated into the Franchise Agreement by this reference. The terms in this addendum control in the event of conflicting terms in the Franchise Agreement.

1. A general release required as a condition of renewal, assignment, or transfer shall not apply to any claim or liability arising under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law.

2. Any provision of this agreement restricting jurisdiction or venue to a forum outside the State of Indiana or requiring the application of the laws of a state other than Indiana is void with respect to a claim otherwise enforceable under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law.

3. Section 10.2 of the Franchise Agreement shall be deleted in its entirety, and in its place shall be substituted the following:

“10.2 Remedies. Franchisee acknowledges that any failure to comply with Section 10.1 will cause Franchisor irreparable injury. Accordingly, Franchisor shall have the right to seek specific performance of, or an injunction against a violation of, the requirements of section 10.1. Franchisee agrees to pay all court costs and reasonable attorneys’ fees incurred by Franchisor in successfully obtaining any such specific performance or injunctive relief.”

4. Section 15.9 of the Franchise Agreement shall be deleted in its entirety, and in its place shall be substituted the following:

“15.9 Injunctive Relief. Franchisee acknowledges that Franchisee’s violation of the terms of this Article 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Accordingly, Franchisor shall have the right to seek specific performance of, or an injunction against a violation of, the requirements of this Article 15. Franchisee agrees to pay all court costs and reasonable attorneys’ fees incurred by Franchisor in successfully obtaining any such specific performance or injunctive relief.”

5. Sections 16.4, 16.5 and 16.6 are deleted in their entirety.

6. Section 17.2 is amended as follows:

“Franchisee’s obligation to indemnify Franchisor hereunder shall not extend to liabilities caused by (i) Franchisee’s proper reliance on or use of procedures or materials provided by Franchisor or (ii) Franchisor’s negligence.”

7. Section 18.5 is amended as follows:

“In the event of a conflict of laws, the provisions of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law shall prevail.”

8. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the Franchise.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

FRANCHISEE:

By: \_\_\_\_\_

Emma R. Dickison, CEO & President

\_\_\_\_\_

Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

Signature

Date: \_\_\_\_\_

## **MARYLAND**

The following additional disclosures are required by the Maryland Franchise Registration and Disclosure Law:

### **Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The release required as a condition of renewal and/or assignment/transfer will not apply to any liability arising under the Maryland Franchise Registration and Disclosure Law.

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

## MARYLAND ADDENDUM TO HOME HELPERS FRANCHISE AGREEMENT

The following terms and conditions amend the Franchise Agreement to which this Addendum is attached, for the purpose of complying with the Maryland Franchise Registration and Disclosure Law, and are hereby incorporated into the Franchise Agreement by this reference. The terms of this Addendum control in the event of conflicting terms in the Franchise Agreement.

1. A general release required as a condition of renewal and/or assignment/transfer shall not apply to any claim or liability arising under the Maryland Franchise Regulation and Disclosure Law.
2. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
4. Section 18.16 of the Home Helpers franchise agreement is amended by adding the following sentence:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the Franchise.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

FRANCHISEE:

By: \_\_\_\_\_  
Emma R. Dickison, CEO & President

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

## MINNESOTA

The following additional disclosures are required by the Minnesota Franchise Act:

### 1. GOVERNING LAW, CHOICE OF FORUM, JURISDICTION AND VENUE

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

### 2. NOTICE OF TERMINATION AND NON-RENEWAL

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

### 3. RIGHT TO USE TRADEMARKS, SERVICE MARKS TRADE NAMES, LOGOTYPES OR OTHER COMMERCIAL SYMBOLS

Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

### 4. WAIVING OF RIGHTS, POSTING BOND

Minnesota law prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties, or judgment notes. The franchisee cannot consent to Franchisor obtaining injunctive relief, although Franchisor may seek injunctive relief. A court will determine if a bond is required. Any language to the contrary in the disclosure document or franchise agreement is null and void.

### 5. GENERAL RELEASE

Minn. Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. Any provision in the Franchise Agreement to the contrary is void.

### 6. STATUTE OF LIMITATIONS

Minn. Stat. Sec. 80C.17, Subd. 5 provides that an action may be commenced to enforce any provision of the Minnesota Franchise Act (Minn. Stat. Secs. 80C.01 to 80C.22, inclusive) or any rule or order thereunder within three years after the cause of action accrues. Any language to the contrary in the Franchise Disclosure Document or the Franchise Agreement is null and void.

### 7. QUESTIONNAIRES AND ACKNOWLEDGMENTS

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

## **MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT**

This addendum is attached to and incorporated in H.H. Franchising Systems, Inc.'s ("Franchisor") Franchise Disclosure Document and Franchise Agreement as required by the Minnesota Franchise Act and the administrative rules and regulations relating thereto. The terms of this addendum shall control in the event of conflicting terms in the Franchise Disclosure Document or Franchise Agreement.

### **1. GOVERNING LAW, CHOICE OF FORUM, JURISDICTION AND VENUE**

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

### **2. NOTICE OF TERMINATION AND NON-RENEWAL**

With respect to franchises governed by Minnesota law, Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

### **3. NOTICE OF TERMINATION AND NON-RENEWAL**

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

### **4. RIGHT TO USE TRADEMARKS, SERVICE MARKS TRADE NAMES, LOGOTYPES OR OTHER COMMERCIAL SYMBOLS**

Franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

### **5. WAIVING OF RIGHTS, POSTING BOND**

Minnesota law prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties, or judgment notes. The franchisee cannot consent to Franchisor obtaining injunctive relief, however, Franchisor may seek injunctive relief. A court will determine if a bond is required. Any language to the contrary in the disclosure document or franchise agreement is null and void.

### **6. GENERAL RELEASE**

Minn. Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. Any provision in the Franchise Agreement to the contrary is void.



## 7. STATUTE OF LIMITATIONS

Minn. Stat. Sec. 80C.17, Subd. 5 provides that an action may be commenced to enforce any provision of the Minnesota Franchise Act (Minn. Stat. Secs. 80C.01 to 80C.22, inclusive) or any rule or order thereunder within three years after the cause of action accrues. Any language to the contrary in the Franchise Disclosure Document or the Franchise Agreement is null and void.

## 8. QUESTIONNAIRES AND ACKNOWLEDGMENTS

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

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

FRANCHISEE:

By: \_\_\_\_\_  
Emma R. Dickison, CEO & President

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

## NEW YORK

The following additional disclosures are required by the New York General Business Law and the New York State Franchise Regulations:

### Item 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

In the State of New York, a Licensed Home Care Services Agency (LHCSA) license is required to offer or provide personal care services. ~~LHCSA applicants are required to demonstrate a public need for the agency as part of the LHCSA licensing application process. As of the date of this disclosure document, the New York State Department of Health had imposed an indefinite moratorium on the processing and approval of applications for LHCSA licenses. While the moratorium is in effect, Unless you can show a need, your franchised business will only be permitted to offer and provide companion care services, which do not require a license in the State of New York; you will not be permitted to offer or provide personal care services, which does not require a license in the State of New York. Should the moratorium be lifted, LHCSA applicants will be required to demonstrate a public need for the agency as part of the LHCSA licensing application process.~~

### Item 3. LITIGATION

Except as disclosed in Item 3 of the disclosure document, neither Home Helpers, its predecessor, any of the persons identified in Item 2, nor any affiliate offering franchises under Home Helpers' principal trademark:

A. Has an administrative, criminal or civil action pending against them alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B: Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the date of this disclosure document, 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.

C. 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.

### Item 4. BANKRUPTCY

Neither Home Helpers, nor any affiliate, predecessor, officer or general partner of Home Helpers, during the ten-year period immediately before the date of this 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 U.S. Bankruptcy Code; or (c) was a principal officer of a company or 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.

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

You may terminate the franchise agreement upon any grounds available by law.

The release required as a condition of renewal and/or assignment/transfer will not apply to any liability arising under the New York State Franchise Act or Regulations.

THE STATE OF NEW YORK MAY HAVE STATUTES WHICH SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. THE STATE OF NEW YORK ALSO HAS COURT DECISIONS WHICH MAY SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. A PROVISION IN THE FRANCHISE AGREEMENT WHICH TERMINATES THE FRANCHISE UPON THE BANKRUPTCY OF THE FRANCHISEE MAY NOT BE ENFORCEABLE UNDER TITLE 11, UNITED STATES CODE SECTION 101. THE STATE OF NEW YORK MAY HAVE COURT DECISIONS RESTRICTING THE IMPOSITION OF LIQUIDATED DAMAGES. THE IMPOSITION OF LIQUIDATED DAMAGES IS ALSO RESTRICTED BY FAIR PRACTICE LAWS, CONTRACT LAW, AND FEDERAL COURT DECISIONS. THE STATE OF NEW YORK HAS COURT DECISIONS LIMITING THE FRANCHISOR'S ABILITY TO RESTRICT YOUR ACTIVITY AFTER THE FRANCHISE AGREEMENT HAS ENDED.

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

The Franchisor represents that this prospectus does not knowingly omit any material fact or contain any untrue statement of a material fact.

## NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

The following terms and conditions amend the Franchise Agreement to which this addendum is attached, for the purpose of complying with the New York General Business Law and the New York State Franchise Regulations, and are hereby incorporated into the Franchise Agreement by this reference.

Sections 2.2(f) and 12.2(b)(3) of the Franchise Agreement shall be amended by adding the following language:

“Provided, however, that all rights arising in Franchisee’s favor from the provisions of Article 33 of the General Business Laws of the State of New York (“GBL”) and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, sections 687.4 and 687.5 be satisfied.”

No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the Franchise.

To the extent this addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

FRANCHISEE:

By: \_\_\_\_\_  
Emma R. Dickison, CEO & President

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

## NORTH DAKOTA

The following additional disclosures are required by the North Dakota Franchise Investment Law:

### ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The North Dakota Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees ([NDCC Section 51-19-09](#)):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to [NDCC Section 9-08-06](#), without further disclosing that such covenants will be subject to the statute.
2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
7. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
11. Questionnaires and Acknowledgments: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the North Dakota Franchise Investment Law:

1. A general release required as a condition of renewal and/or assignment/transfer shall not apply to any claim or liability arising under the North Dakota Franchise Investment Law.
2. Any provision of this agreement restricting jurisdiction or venue to a forum outside the State of North Dakota or requiring the application of the laws of a state other than North Dakota is void.
3. Section 15.3 shall be amended by adding the following sentence:  
  
“Covenants not to compete such as the one described above are generally considered unenforceable in the State of North Dakota.”
4. Sections 13.5, 16.4, 16.5, and 16.6 are deleted in their entirety.
5. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the Franchise.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

FRANCHISEE:

By: \_\_\_\_\_  
Emma R. Dickison, CEO & President

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

## **RHODE ISLAND**

The following additional disclosures are required by the Rhode Island Franchise Investment Protection Act:

The general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Rhode Island Franchise Investment Act.

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

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

To the extent this Addendum is inconsistent with any terms or conditions of the Franchise Disclosure Document, the Franchise Agreement, or any exhibits or attachments thereto, the terms of this Addendum shall control.

## RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

The following terms amend the Franchise Agreement to which this addendum is attached, for the purpose of complying with the Rhode Island Franchise Investment Act, and are hereby incorporated into the Franchise Agreement by this reference. The terms in this addendum shall control in the event of conflicting terms in the Franchise Agreement.

1. A general release required as a condition of renewal and/or assignment/transfer shall not apply to any claim or liability arising under the Rhode Island Franchise Investment Protection Act.
2. Any provision of this agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Protection Act.
3. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the Franchise.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

FRANCHISEE:

By: \_\_\_\_\_  
Emma R. Dickison, CEO & President

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_



## **SOUTH DAKOTA**

The following additional disclosures are required by the South Dakota Franchise Act:

Covenants not to compete upon the termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provided by law.

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act. Issues regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, all provisions of the franchise agreement will be subject to the governing law of the State of Ohio.

Pursuant to SDLC 37-5B, any condition, stipulation or provision purporting to waive compliance with any provision of this chapter or any rule or order thereunder is void. Any acknowledgement provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this chapter or a rule or order under this chapter.

In the event that either party shall make demand for arbitration, such arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

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

## **SOUTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT**

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the South Dakota Franchise Act, South Dakota Codified Laws, Title 37, Chapter 37-5B:

1. Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provided by law.
2. In the event that either party shall make demand for arbitration, the arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.
3. The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of the State of Ohio. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.
4. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the Franchise.
5. To the extent this addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

FRANCHISEE:

By: \_\_\_\_\_  
Emma R. Dickison, CEO & President

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

## **VIRGINIA**

THE FOLLOWING DISCLOSURES ARE REQUIRED UNDER THE VIRGINIA RETAIL FRANCHISING ACT, AND SHALL SUPERSEDE ANY INCONSISTENT DISCLOSURES CONTAINED IN THE FRANCHISE DISCLOSURE DOCUMENT.

### **ITEM 17            RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

In addition to the other curable defaults listed in row (g) of the table in Item 17 of the franchise disclosure document, you also have 30 days to cure any failure to comply with the franchise agreement, operations manual, or operating standards.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for H.H. Franchising Systems, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

## **WISCONSIN**

The following additional disclosures are required by the Wisconsin Franchise Investment Law and the Wisconsin Fair Dealership Law:

THE WISCONSIN FAIR DEALERSHIP LAW SUPERSEDES ANY PROVISION OF THE FRANCHISE AGREEMENT THAT IS INCONSISTENT WITH THAT LAW. THE STATE OF WISCONSIN MAY ALSO HAVE COURT DECISIONS WHICH MAY SUPERSEDE THE FRANCHISE RELATIONSHIP IN RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. THE STATE OF WISCONSIN MAY HAVE COURT DECISIONS WHICH RESTRICT THE IMPOSITION OF LIQUIDATED DAMAGES. THE IMPOSITION OF LIQUIDATED DAMAGES IS ALSO RESTRICTED BY FAIR PRACTICE LAWS, CONTRACT LAW, AND STATE AND FEDERAL COURT DECISIONS. A PROVISION IN THE FRANCHISE AGREEMENT WHICH TERMINATED THE FRANCHISE UPON THE BANKRUPTCY OF THE FRANCHISEE MAY NOT BE ENFORCEABLE UNDER TITLE 11, UNITED STATES CODE §101. THE STATE OF WISCONSIN MAY HAVE COURT DECISIONS LIMITING THE FRANCHISOR'S ABILITY TO RESTRICT YOUR ACTIVITY AFTER THE FRANCHISE AGREEMENT HAS ENDED.

We may revoke our approval of any previously approved supplier at any time if the quality of the product or the supplier's financial condition or ability to satisfy your requirements do not continue to meet our satisfaction.

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

## WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

The following terms amend the Franchise Agreement to which this addendum is attached, for the purpose of complying with the Wisconsin Fair Dealership Law, and are hereby incorporated into the Franchise Agreement by this reference. The terms in this addendum shall control in the event of conflicting terms in the Franchise Agreement.

Franchisor and Franchisee agree that Chapter 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement inconsistent with that law.

No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the Franchise.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

FRANCHISEE:

By: \_\_\_\_\_  
Emma R. Dickison, CEO & President

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_



**EXHIBIT ML**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**EFT Authorization**

**AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER**

The undersigned depositor ("DEPOSITOR") hereby authorizes H.H. FRANCHISING SYSTEMS, INC. ("PAYEE") to initiate debit entries and/or credit correction entries to the DEPOSITOR's checking account designated below, and authorizes the financial institution designated below ("BANK") to debit such account pursuant to PAYEE's instructions.

Name of Financial Institution

Branch

Address of Financial Institution

City

State

ZIP Code

Account Number

Bank Transit/Routing Number

This authority will remain in effect until BANK receives a written cancellation notification from DEPOSITOR in such time as to afford BANK a reasonable opportunity to act on it. DEPOSITOR may stop payment of any entry by notifying BANK at least three (3) business days before the entry is charged to DEPOSITOR'S account. DEPOSITOR may have the amount of any erroneous entry immediately credited to DEPOSITOR'S account by notifying BANK within fifteen (15) calendar days after BANK issues DEPOSITOR'S account statement containing the erroneous entry or forty-five (45) days after posting, whichever occurs first. These rights are in addition to any rights DEPOSITOR may have under federal and state banking or consumer protection laws.

Name of DEPOSITOR:

By:

Date:

A voided check must be attached to this form.



EXHIBIT NM

to the

*Home* **Helpers**<sup>®</sup>

FRANCHISE DISCLOSURE DOCUMENT

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**Personal Guaranty**



## PERSONAL GUARANTY

Franchise No. <FRAN#>

In consideration of, and as an inducement for, **H.H. FRANCHISING SYSTEMS, INC.**, an Ohio corporation ("Franchisor"), entering into a Franchise Agreement, Website Terms of Use Agreement, and Business Associate Agreement with **<COMPANY>** ("Franchisee") on \_\_\_\_\_ (collectively the "Franchise Documents"), each of the undersigned Personal Guarantors hereby personally and unconditionally, jointly and severally:

1. guarantees to Franchisor and the Franchisor-Related Persons and each of their successors and assigns, for the term of the Franchise Documents, and for any renewal/successor franchise term, and thereafter as provided in the Franchise Documents, that Franchisee will punctually pay and perform, each and every undertaking, agreement and covenant set forth in the Franchise Documents, as currently set forth and as amended or otherwise changed in the future, including any successor franchise agreement;
2. agrees to be personally bound by, and personally liable for, the breach of, each and every provision in the Franchise Documents (including all confidentiality, non-competition, indemnity, and post-termination provisions) as currently set forth and as amended or otherwise changed in the future, including any successor franchise agreement; and
3. agrees to be personally bound by, and personally liable for, each past, current and future obligation of Franchisee to Franchisor and the Franchisor-Related Persons and each of their successors and assigns.

Each of the Personal Guarantors intends that the guarantees and other obligations in this Guaranty be unqualifiedly general and without limitation in scope, nature and effect. Franchisor and the Franchisor-Related Persons, and each of their successors and assigns, need not bring suit first against any one or all of the Personal Guarantors in order to enforce this Guaranty, and may enforce this Guaranty against any or all of the Personal Guarantors as they choose in their sole and absolute discretion.

Each of the Personal Guarantors waives: presentment, demand, notice of demand, dishonor, protest, nonpayment, default and all other notices (including, but not limited to, acceptance and notice of acceptance, notice of any contracts or commitments, notice of the creation or existence of any liabilities under the Franchise Documents or otherwise and of the amounts, terms or otherwise thereof, notice of any defaults, disputes or controversies between Franchisor and Franchisee or otherwise, and any settlement, compromise or adjustment thereof); any right the Personal Guarantor may have to require that an action be brought against Franchisor, Franchisee or any other person as a condition of liability, and any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the Personal Guarantors consents and agrees that:

1. his or her direct and immediate liability under this Guaranty is joint and several;
2. he or she will render any payment or performance required under the Franchise Documents on demand if Franchisee fails or refuses to do so punctually;
3. his or her liability under this Guaranty is not contingent or conditioned on pursuit by Franchisor or otherwise of any remedies against Franchisee or any other person;
4. his or her liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor or any other person may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or

amend this Guaranty, which will be continuing and irrevocable during the term of the Franchise Documents and any renewal/successor franchise term;

5. the liabilities and obligations of the Personal Guarantors, whether under this Guaranty or otherwise, will not be diminished or otherwise affected by the termination, rescission, expiration, renewal, award of a successor franchise, modification or otherwise of the Franchise Documents; and
6. capitalized terms not defined in this Guaranty are used as defined in the Franchise Documents.

In connection with this Guaranty and Franchisor (a) not requiring that the Franchise be initially awarded in the name of one or more of the Personal Guarantors and (b) not requiring the payment of a full transfer fee in connection with any related transfer from the Personal Guarantors to Franchisee, each of the Personal Guarantors hereby grants a General Release (as defined in the Franchise Agreement) of any and all claims, liabilities and obligations, of any nature whatsoever, however arising, known or unknown, against Franchisor, the Franchisor-Related Persons, any Branding Fund, and each of their successors and assigns.

This Guaranty has been delivered in the State of Ohio, and the laws thereof will govern all aspects of this Guaranty. Jurisdiction and venue in any action to enforce this Guaranty will be exclusively in any state or federal court within the State of Ohio in the judicial district where Franchisor has its principal place of business, currently Hamilton County. Each of the Personal Guarantors consents to the exercise of personal jurisdiction by any such court and waives any defense of lack of personal jurisdiction or improper venue.

In this Guaranty, the term "Franchisor-Related Persons" means Franchisor and each and all of the following, whether past, current, or future: persons acting through, in concert with, or as affiliates of Franchisor or of any of the foregoing; Principals, officers, directors, agents, attorneys, accountants, and employees of Franchisor or any of the foregoing; and predecessors, successors, or assigns of Franchisor or any of the foregoing. The word "person" includes individuals, corporations, limited liability companies, partnerships of any kind, unincorporated associations, joint ventures, governments, governmental bodies or agencies, commissions, estates, trusts, charitable organizations, and all other entities and organizations of any kind.

The undersigned are signing this Guaranty on the dates below.

**PERSONAL GUARANTOR**

\_\_\_\_\_  
Personally and Individually (Printed Name)

\_\_\_\_\_  
Personally and Individually (Signature)

Date:\_\_\_\_\_

HOME ADDRESS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TELEPHONE NO.: \_\_\_\_\_

PERCENTAGE OF OWNERSHIP

IN FRANCHISEE: \_\_\_\_\_%

**PERSONAL GUARANTOR**

\_\_\_\_\_  
Personally and Individually (Printed Name)

\_\_\_\_\_  
Personally and Individually (Signature)

Date:\_\_\_\_\_

HOME ADDRESS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TELEPHONE NO.: \_\_\_\_\_

PERCENTAGE OF OWNERSHIP

IN FRANCHISEE: \_\_\_\_\_%



EXHIBIT ON

to the

*Home Helpers*<sup>®</sup>

FRANCHISE DISCLOSURE DOCUMENT

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**Restrictive Covenant Agreement**

# RESTRICTIVE COVENANT AGREEMENT

Franchise No. <FRAN#>

This agreement, dated \_\_\_\_\_, is between **H.H. FRANCHISING SYSTEMS, INC.**, an Ohio corporation ("Franchisor"), <COMPANY> ("Franchisee"), and <OWNER1> and <OWNER2> (each individually a "Covenantor" and collectively "Covenantors").

## RECITALS:

- A. Pursuant to a franchise agreement dated the same date as this agreement (the "Franchise Agreement"), Franchisor licensed Franchisee to operate a business offering senior care, home health care and medical alert monitoring services (the "Franchised Business") using Franchisor's unique business format, the Marks, and other intellectual property of Franchisor.
- B. Each Covenantor is a Principal, director or officer of Franchisee.
- C. Franchisor has expended substantial amounts of time and money in developing the Marks and Franchisor's distinctive franchise system, including, without limitation, unique sales and marketing methods, pricing techniques, promotional materials, new product development, financial information, and procedures for the efficient operation of a senior care, home health care and medical alert services franchise, all of which Covenantors acknowledge to be confidential and proprietary information.
- D. In connection with the operation of the Franchised Business, Covenantors will individually and collectively have access to such confidential and proprietary information.
- E. As a condition precedent to granting the Franchise to Franchisee, and in order to prevent Covenantors from competing unfairly with Franchisor, Franchisee and other Home Helpers Franchisees, all Principals, directors and officers of Franchisee must agree to the covenants contained herein.

THEREFORE each Covenantor hereby agrees as follows:

- 1. Confidentiality. Each Covenantor acknowledges the proprietary and confidential nature of Franchisor's Manual, unique sales and marketing methods, pricing techniques, promotional materials, new product/service development, financial information, client and referral lists, procedures for the efficient operation of a Home Helpers Franchise, and any other methods, procedures, processes, techniques, information, knowledge or know-how concerning the Operating System or the Franchised Business in particular that may not be commonly known to the public or to Franchisor's or Franchisee's competitors and that Franchisor or Franchisee have identified or may identify as proprietary and confidential information ("Trade Secrets"). Each Covenantor shall use such Trade Secrets solely for Franchisee's benefit and shall not, during the term of the Franchise Agreement or at any time thereafter, communicate, divulge or use any Trade Secrets to or for the benefit of any other person.
- 2. Intellectual Property. Each Covenantor acknowledges Franchisor's right, title and interest in and to the Marks and the Operating System. Each Covenantor further acknowledges that any use of the Marks or the Operating System outside the scope of the Franchise Agreement without Franchisor's prior written consent would be an infringement of Franchisor's rights therein. Each Covenantor expressly covenants that he/she shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or the Operating System or take any other action in derogation thereof during the term of the Franchise Agreement or after the expiration or termination thereof.

3. Covenants During Term of Franchise Agreement. Each Covenantor agrees that, so long as the Franchise Agreement is in effect, he/she shall not, either directly or indirectly, for him/herself or through, on behalf of, or in conjunction with, any other person (including a spouse, child, parent, or sibling of a Covenantor) (each of which is a "Covered Person" for purposes of this agreement):

- (a) divert or attempt to divert any business or client of the Franchised Business or of any other Home Helpers Franchisee to a Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the Operating System;
- (b) aid, assist, provide goods or services to (whether as an employee or independent contractor), or loan money to any Competitive Business;
- (c) own, maintain, engage in, operate, or have any interest in a Competitive Business, except as may be authorized under another franchise agreement in effect between Franchisee (or Covenantor) and Franchisor;
- (d) promote, sell, or provide for compensation any Permitted Products or Services, or otherwise operate the Franchised Business, within a protected territory licensed to another Home Helpers Franchisee (except as may be expressly permitted by the Franchise Agreement or the Manual), or otherwise infringe upon rights granted under franchise agreements between Franchisor and other Home Helpers Franchisees; or
- (e) take any action injurious or prejudicial to the Operating System.

4. Covenants After Termination of Franchise Agreement.

- (a) Each Covenantor agrees that he/she shall not, for a continuous and uninterrupted period commencing upon the earlier of:
  - (i) the expiration of the Franchise Agreement,
  - (ii) the termination (regardless of the cause) of the Franchise Agreement, or
  - (iii) the termination of Covenantor's relationship with Franchisee (as defined in section 4(d)) for any reason,

and ending on the second anniversary thereof (the "Restrictive Period"), directly or indirectly, for him/herself or through, on behalf of, or in conjunction with a Covered Person:

- (1) except as may be authorized under another franchise agreement in effect between Franchisee (or Covenantor) and Franchisor (including a successor agreement upon the renewal of the Franchise granted under the Franchise Agreement), own, maintain, operate, engage in, have an interest in, aid, assist, provide goods or services to, or loan money to a Competitive Business that is or is intended to be located, or that operates, in or within 25 miles of the geographical boundaries of Franchisee's Territory; or
- (2) except as may be authorized under another franchise agreement in effect between Franchisee (or Covenantor) and Franchisor (including a successor agreement upon the renewal of the Franchise granted under the Franchise Agreement), own, maintain, operate, engage in, have an interest in, aid, assist, provide goods or services to, or loan money to a Competitive Business that is or is intended to

be located, or that operates, in or within 25 miles of the geographical boundaries of any other Home Helpers Franchisee's protected territory; or

(3) be employed by, or be engaged on a self-employed basis in, a Competitive Business that is or is intended to be located, or that operates, in or within 25 miles of the geographical boundaries of Franchisee's Territory; or

(4) be employed by, or be engaged on a self-employed basis in, a Competitive Business that is or is intended to be located, or that operates, in or within 25 miles of the geographical boundaries of any other Home Helpers Franchisee's protected territory; or

(5) divert or attempt to divert any business or client of the Franchised Business to a Competitive Business or, for the benefit of a Competitive Business, have any commercial dealings with or solicit the custom of anyone who was a client of or received care from the Franchised Business at any time during the one-year period prior to the beginning of the Restrictive Period; or

(6) except as may be authorized under another franchise agreement in effect between Franchisee (or Covenantor) and Franchisor (including a successor agreement upon the renewal of the Franchise granted under the Franchise Agreement), promote, sell, procure, provide or solicit referrals for, or offer to sell, procure, provide or solicit referrals for any Permitted Products or Services or any other products or services that are offered in the Franchised Business, from any Shared Referral Sources or in or within 25 miles of the geographical boundaries of Franchisee's or any other Home Helpers Franchisee's Territory; or

(7) sell, assign or otherwise transfer any of the assets used in the Franchised Business (including the title or right to possession of the Franchise Premises), or transfer any Ownership Interest in Franchisee, to a third party which, in either case, would enable the third party to directly or indirectly carry on business activities that, if carried on by a Covered Person, would be a breach of this section 4(a).

(b) This section 4 will not apply to the beneficial ownership by Covenantor of less than 1% of the outstanding equity securities of any company that is registered under the Securities and Exchange Act of 1934.

(c) The time period referred to in subparagraph 4(a) will be stayed during any violation or breach of the terms thereof. The covenants in this section 4 will survive the expiration, termination, or transfer of this agreement.

(d) If Covenantor is a Principal of Franchisee, "the termination of Covenantor's relationship with Franchisee" occurs upon a Transfer of Covenantor's entire Ownership Interest in Franchisee. If Covenantor is an officer, director or manager of Franchisee, "the termination of Covenantor's relationship with Franchisee" occurs upon Covenantor's termination or resignation as officer, director or manager. If Covenantor is a Principal of a Principal of Franchisee, "the termination of Covenantor's relationship with Franchisee" occurs upon either the transfer of Covenantor's entire Ownership Interest in the Business Organization Principal of Franchisee, or upon the Transfer of the Business Organization Principal's entire Ownership Interest in Franchisee. If Covenantor has more than one relationship with Franchisee (*e.g.*, Covenantor is both a Principal and an officer of Franchisee), "the termination of Covenantor's relationship with Franchisee" occurs upon the termination of Covenantor's last relationship with Franchisee.

5. The parties agree that the full extent of the damages that Franchisor will incur if a Covenantor fails to comply with their obligations under section 3 or 4 is difficult to ascertain, but the parties nevertheless desire

certainty in this matter. Accordingly, if a Covenantor breaches or fails to comply with any of the provisions of section 3 or 4, they shall pay Franchisor, as liquidated damages and not as a penalty, a royalty equal to 15% of the gross amount of all income, sales, salary, wages, fees, dividends, distributions, and other compensation received or earned by Covenantor or any Covered Person, or to which any of those parties becomes entitled, as the result of the breach or noncompliance. The parties further agree that the royalty required by this paragraph is reasonable in light of the damages that Franchisor will incur. This payment is not exclusive of any other remedies that Franchisor may have, including equitable remedies, attorneys' fees, and costs.

6. Definition of Competitive Business. "Competitive Business" means a business (i) that offers, provides or sells any of the Permitted Products or Services; or (ii) that offers, provides or sells any products or services similar to those offered as part of the Operating System; or (iii) in which Trade Secrets could be used to the disadvantage of Franchisor, Franchisee, or another Home Helpers Franchise; or (iv) that offers, provides or sells products or services that are otherwise competitive with or may be considered an alternative to any products or services offered by Home Helpers Franchises; or (v) that franchises or licenses others to do any of the foregoing. Services that are "otherwise competitive with or may be considered an alternative" to services offered by Home Helpers Franchises include services that offer or provide alternatives to in-home care or other Permitted Products or Services, such as, *e.g.*, a senior group home. Notwithstanding the previous sentence, a senior group home will NOT be considered a Competitive Business if—and ONLY if—it is operated by an Affiliate of Franchisee (*i.e.*, not directly by Franchisee) and all caregiving services (*e.g.*, home care aide, personal care aide assistance, companion care, skilled medical services) used or required by the senior group home are provided exclusively by Franchisee at rates no less than Franchisee's minimum private duty rates for similar shifts.

7. Reasonableness of Covenants. Each Covenantor acknowledges and agrees that the geographic and temporal restrictions imposed by sections 3 and 4 on his/her ability to compete with Franchisor, Franchisee and other Home Helpers Franchisees are reasonable and necessary to protect Franchisor's and Franchisee's business interests in the relevant markets. Each Covenantor also acknowledges and agrees that he/she has sufficient resources, business experience, and opportunities to earn an adequate living while complying with the terms of those restrictions.

8. Reduction of Covenants by Franchisor. Each Covenantor acknowledges and agrees that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant in sections 1 through 4, or any portion thereof, without Franchisee's or either Covenantor's consent, effective immediately upon receipt by Covenantor of written notice, and Covenantor shall comply forthwith with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of section 12.

9. Injunctive Relief. Each Covenantor acknowledges that his/her violation of any of the covenants contained in this agreement would result in irreparable injury to Franchisor and Franchisee, for which no adequate remedy at law may be available, and accordingly consents to the issuance of, and agrees to pay all court costs and reasonable attorney fees incurred by Franchisor or Franchisee in obtaining, an injunction enjoining any conduct by Covenantor prohibited by the terms of this agreement. This remedy will be in addition to any and all other remedies that may be available to Franchisor or Franchisee.

10. Severability. Each of the covenants in this agreement contain different but overlapping restrictions that are to be enforced simultaneously whenever permitted by Applicable Laws and construed as severable and independent of any other covenant or provision of this agreement. If all or any portion of a covenant contained herein is held to be unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which either Franchisee or Franchisor is a party, each Covenantor expressly agrees to be bound by any lesser covenants subsumed within the terms of such covenant that imposes the maximum

duty permitted by law, as if the resulting covenants were separately stated in and made a part of this agreement, and the remaining provisions of this agreement will be unaffected thereby.

11. No Waiver. No failure of one party to exercise any power reserved to it under this agreement, or to insist upon strict compliance by another party with any provision of this agreement, and no custom or practice of the parties in variance with the terms of this agreement, constitutes a waiver of a party's right to demand exact compliance with the terms of this agreement. A waiver by one party of any breach or nonperformance by another party is not binding unless in writing and executed by the party sought to be charged, and does not affect or impair the non-breaching party's right with respect to any subsequent breach or nonperformance of the same or of a different nature; nor does any delay, waiver, forbearance, or omission of one party to exercise any power or right arising out of any breach or nonperformance by another party of any provision of this agreement, affect or impair the non-breaching party's rights, nor shall such constitute a waiver by the non-breaching party of any right under this agreement or of the right to declare any subsequent breach or default.

12. Modification. Except as provided in section 8, this agreement may be modified or amended only by a written instrument signed by all of the parties.

13. Assignment. This agreement may not be assigned by any party without the prior written consent of the other parties, except that Franchisor may, without the other parties' consent, assign this agreement to an affiliate or pursuant to a corporate reorganization, merger, acquisition, sale of all or substantially all of its assets to which this agreement relates, or other business combination transaction. No assignment will be effective unless the assignee agrees in writing to assume all rights and obligations under this agreement.

14. Governing Law. The laws of the State of Ohio will govern all aspects of this agreement.

15. Jurisdiction. Franchisor may enforce the terms of this agreement in an action filed in any state or federal court located in the State of Ohio in the judicial district in which Franchisor has its principal place of business (presently Hamilton County, Ohio), and Franchisee and each Covenantor hereby irrevocably consent to the exercise of personal jurisdiction by any such court and irrevocably waive all defenses based upon lack of personal jurisdiction, improper venue, or inconvenient forum for purposes of carrying out this provision.

16. Construction. In this agreement, the words "include," "includes" and "including" are to be construed to include the words "without limitation", and the word "person" includes corporations, limited liability companies, partnerships of any kind, joint ventures, unincorporated associations, estates, trusts, charitable organizations, governments, governmental bodies and agencies, commissions, and all other entities and organizations, as well as individuals. Capitalized terms used but not defined in this agreement are used as defined in the Franchise Agreement.

17. Counterparts; Electronic Signatures. This agreement may be executed in two or more counterparts, each of which will be an original, but all of which together constitute one and the same instrument. The parties agree that this agreement may be electronically signed and that an electronic or facsimile signature, including a photocopied, faxed or electronically reproduced (such as PDF) copy of a handwritten signature, is binding for all purposes to the same extent as an original handwritten signature with regard to this agreement or any amendment hereto.

The parties are signing this agreement as of the first date above.

**H.H. FRANCHISING SYSTEMS, INC.**, Franchisor

**<COMPANY>**, Franchisee

By: \_\_\_\_\_

By: \_\_\_\_\_



Emma R. Dickison, President & CEO

<Officer>, <Title>

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<OWNER1>, Covenantor

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<OWNER2>, Covenantor

2022.04.27



EXHIBIT PO

to the

*Home Helpers*<sup>®</sup>

FRANCHISE DISCLOSURE DOCUMENT

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**Power of Attorney**

## DURABLE IRREVOCABLE POWER OF ATTORNEY

[Business Entity Franchisee]

Franchise No. <FRAN#>

THIS POWER OF ATTORNEY is executed by <COMPANY> (the "Business Entity Franchisee") and by each of the undersigned owners of the Business Entity Franchisee ("Owners") in favor of **H.H. FRANCHISING SYSTEMS, INC.**, an Ohio corporation ("Franchisor"). The Business Entity Franchisee and the Owners are collectively referred to as the "Principals" throughout this instrument.

### PREAMBLE:

- A. Franchisor does business under, and licenses independently-owned franchisees to use, the names HOME HELPERS and DIRECT LINK.
- B. Franchisor owns and has registered the trademarks HOME HELPERS and DIRECT LINK with the United States Patent and Trademark Office (Reg. Nos. 2202376 and 2356367, respectively).
- C. Under a Franchise Agreement dated \_\_\_\_\_, Franchisor granted the Business Entity Franchisee the limited right to operate a senior care and home health care business (a "Home Helpers Franchise") using Franchisor's Marks (defined in the last paragraph of this instrument) and unique business format.
- D. The Business Entity Franchisee's use of Franchisor's Marks under the Franchise Agreement is conditioned upon, among other things, the execution of this Power of Attorney by all the Principals.
- E. Each of the Principals acknowledges that Franchisor has the right and the obligation to control the use of its trademarks, and that the purpose of this Power of Attorney is to protect Franchisor's rights in its Marks.

THEREFORE, to induce Franchisor's execution of the Franchise Agreement and as additional consideration for the rights granted to the Business Entity Franchisee thereunder, each Principal does hereby irrevocably constitute and appoint Franchisor as its true and lawful attorney-in-fact and agent, in the Principal's individual name, place and stead, to do or cause to be done all things, and to execute, acknowledge, certify, deliver, accept, record and file all agreements, certificates, instruments and documents, as may be necessary or advisable for the purpose of transferring to Franchisor, or to any person or entity designated by Franchisor in its sole and unfettered discretion, all of the Principal's rights and interest in, title to, and control over:

1. Each of the following telephone numbers, each of which is or has been used in connection with the Home Helpers Franchise operated by the Principal:

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2. All other telephone numbers that, at any time after the date of this Power of Attorney, have been used in connection with a Home Helpers Franchise operated by the Principal;
3. All Yellow Pages, White Pages, online directories, and other business listings that display or contain any of the telephone numbers listed or described in paragraphs 1 or 2 above;
4. All web sites, web pages, social media pages, web logs, banners, URLs, domain names, advertisements (including pay-per-click and Google keyword search programs and similar advertising programs), and other services and hyperlinks that (i) contain or display any of Franchisor's Marks, or (ii) use any of Franchisor's Marks as search keywords or metatags, or (iii) promote or relate to any Home Helpers Franchise, or (iv) link to or from Franchisor's web site (currently [www.homehelpershomecare.com](http://www.homehelpershomecare.com)) or any other web site or web page owned, established, or controlled by Franchisor or its other franchisees; and

5. All comments or postings by the Principal on any web site, web page, social media site, web log, forum or discussion group, if the comment or posting contains or references any of Franchisor's Marks or a hyperlink to or from Franchisor's web site (currently [www.homehelpershomecare.com](http://www.homehelpershomecare.com)) or any other web site or web page owned, established, or controlled by Franchisor or its other franchisees.

Each Principal hereby grants Franchisor full power and authority to transfer, modify, cancel or remove any service, listing, link, registration or posting described above and to execute and deliver on the Principal's behalf any Transfer of Service Agreement and all other transfer documentation required by any telephone service provider, Internet service provider, electronic mail service, domain registrar, online directory, communication provider, search engine, regulatory agency or other provider of services, or any other party.

Each Principal further grants Franchisor full power and authority to cancel, revoke and remove any trade name, assumed name, fictitious name, business name, trademark or equivalent registration filed in the name of the Principal with the Secretary of State, Attorney General, Department of Commerce, or other agency or office of any state, or filed with the clerk or recorder of any county of any state, or the National Provider Identification Registry of the National Plan & Provider Enumeration System established by the Centers for Medicare & Medicaid Services, if the registration includes the names HOME HELPERS or DIRECT LINK or any of Franchisor's other Marks, and to execute and deliver on the Principal's behalf any cancellation, termination or modification request and all other documentation required by any such state or county office or any other party.

Each Principal further grants Franchisor full power and authority to do and perform any and all acts and things that, in Franchisor's sole and unfettered discretion, are necessary or advisable to be done in order to carry out the purposes of this Power of Attorney, as fully to all intents and purposes as the Principal might or could itself do, hereby ratifying and affirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney, and regardless of whether a Principal has designated any other person to act as its attorney-in-fact or agent, no one dealing with Franchisor is required to ascertain the Franchisor's authority, see to the performance of the agency, or be responsible in any way for the proper application of funds or property paid or delivered to Franchisor or for the proper exercise of the authority granted to Franchisor hereunder. Anyone dealing with Franchisor shall be fully protected in acting and relying on Franchisor's certification that this Power of Attorney has not been revoked and is in full force and effect as of the date of such certification, and no Principal shall take any action against anyone who acts in reliance on such a certification or a copy of this Power of Attorney. Any instrument or document executed by Franchisor on behalf of any Principal will be deemed to include such a certification by Franchisor, whether or not expressed. This paragraph will survive the expiration of this Power of Attorney.

This Power of Attorney will expire on the twelfth anniversary of the date of the Franchise Agreement (indicated in paragraph C of the Preamble above). The expiration of this Power of Attorney will not affect the validity of any act of Franchisor that occurred before the date of expiration.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest. This Power of Attorney is a durable Power of Attorney and shall not be affected by the disability of any Principal or the lapse of time. The death of a Principal shall not revoke the power, authority or acts and actions of Franchisor who, without knowledge of the Principal's death, continues to act in good faith under this Power of Attorney, and any such actions so taken shall inure to the benefit of and be binding upon the Principal's heirs, successors, personal representatives and assigns. This Power of Attorney is delivered in the State of Ohio and the laws of the State of Ohio govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

As used in this instrument, the term "Franchisor's Marks" means Franchisor's registered HOME HELPERS and DIRECT LINK trademarks and other trademarks owned by Franchisor. Throughout this instrument the singular

includes the plural and vice versa and the masculine includes the feminine or neuter and vice versa, wherever and whenever the context may require.

**H.H. FRANCHISING SYSTEMS, INC.**, Franchisor

**<COMPANY>**, Franchisee

By:  
Emma R. Dickison, CEO & President

By:  
<Officer>, <Title>

Date:

Date:

**EXECUTION OF THIS INSTRUMENT BY THE BUSINESS ENTITY FRANCHISEE MUST BE NOTARIZED**

STATE OF OHIO, COUNTY OF HAMILTON

On \_\_\_\_\_, before me, a Notary Public in and for said county and state, personally appeared <Officer>, known to me or proven to me by satisfactory evidence to be the person whose name is subscribed to the foregoing instrument as <Title> of **<COMPANY>**, the Business Entity Franchisee named therein, and acknowledged the signing thereof to be his/her voluntary act and deed on behalf of said company for the uses and purposes described therein.

\_\_\_\_\_  
NOTARY PUBLIC

**INDIVIDUAL OWNERS OF THE BUSINESS ENTITY FRANCHISEE**

**<OWNER1>**

**<OWNER2>**

Date:

Date:



**EXHIBIT QP**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Website Terms of Use Agreement**

## WEBSITE TERMS OF USE AGREEMENT

This agreement is between **H.H. FRANCHISING SYSTEMS, INC.** ("we") and **<FRANCHISEE>** ("you").

### RECITALS:

- A. Under a franchise agreement (the "Franchise Agreement") executed simultaneously with this agreement, we granted you the limited right to operate a senior care and home health care business (a "Home Helpers Franchise") using our and unique business format, registered HOME HELPERS® trademark, and other trademarks that we own.
- B. We own one or more websites (the "Website") which we may make available for your use in connection with the operation of your Home Helpers Franchise.

THEREFORE, as a condition of your use of the Website, you agree as follows:

1. Capitalized terms and phrases used but not defined herein are used as defined in the Franchise Agreement.
2. You represent and warrant that you will not use the Website for any unlawful purpose or in any manner prohibited by the Home Helpers System Standards. By way of example, and not as a limitation, you agree that when using the Website, you will not:
  - (a) Violate any applicable laws or regulations, including privacy laws;
  - (b) Upload information that contains material protected by intellectual property laws, including without limitation material protected by patent, copyright, trademark, or trade secrets, or by rights of privacy or publicity unless you own or control the rights thereto or have received all necessary licenses and consents;
  - (c) Send, publish, post, upload, distribute or disseminate any inappropriate, threatening, abusive, profane, defamatory, infringing, obscene, indecent, or otherwise objectionable materials, or any materials which encourage conduct that would constitute a criminal offense, give rise to civil liability or violate any law;
  - (d) Harass, abuse, threaten or otherwise violate any legal rights of others;
  - (e) Attack, ridicule, denounce, impugn a person's character, or impute immoral or dishonorable attributes to members on the basis of race or ethnicity, gender, age, religion, national origin, or disability;
  - (f) Upload viruses, corrupted files or any other software or information that may damage the operation of another's computer or network;
  - (g) Use the Website for any unapproved purpose;
  - (h) Reproduce, re-transmit or re-present in any form, in whole or in part, any content, programming code, images or graphics without our express written permission;
  - (i) Use any meta tags or any other "hidden text" utilizing the names or trademarks without our prior written consent; or

(j) Without limiting the generality of the other restrictions set forth herein, access, monitor or copy any content or information of the Website using any "robot", "spider", "deep link", "scraper" or other automated means, methodology, algorithm or device or any manual process for any purpose.

3. We have no obligation to screen or monitor the Website; however, we reserve the right to review information or materials posted to the Website, to remove any such information or materials in our sole discretion, and to use any other forms of information available to us by virtue of your use of the Website. We reserve the right at all times, in our sole discretion, to post, delete, move, edit or to remove any information or materials from the Website.

4. At all times the Website shall remain our sole property. We have the right to access the Website, for administrative or any other purpose, at all times. We reserve the right, in our sole discretion, to terminate your use of the Website at any time without notice for any reason whatsoever.

5. We reserve the right at all times to disclose any information necessary to satisfy any applicable law, regulation, legal process or governmental request.

6. You agree to indemnify and defend us against and hold us harmless from all liabilities, expenses (including without limitation attorneys' fees) and damages arising out of claims based upon your use of the Website, including without limitation any claim of libel, defamation, violation of rights of privacy or publicity, loss of service by other members, and the infringement of intellectual property rights or other rights. We will notify you of any claim for which we seek indemnification and will afford you the opportunity to participate in the defense of any such claim, provided that your participation will not be conducted in a manner prejudicial to our interests, as we reasonably determine as our sole discretion.

7. WE MAKE NO REPRESENTATIONS ABOUT THE WEBSITE, INCLUDING, WITHOUT LIMITATION, THE WEBSITE'S SUITABILITY, RELIABILITY, OR AVAILABILITY. WE PROVIDE THE WEBSITE "AS IS" WITHOUT WARRANTY OF ANY KIND. TO THE FULL EXTENT PERMISSIBLE BY APPLICABLE LAW, WE DISCLAIM ALL WARRANTIES AND CONDITIONS WITH REGARD TO THE WEBSITE, INCLUDING ALL IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT OR WARRANTIES ARISING BY COURSE OF DEALING OR CUSTOM OF TRADE. WE MAKE NO REPRESENTATIONS OR WARRANTIES REGARDING POTENTIAL CONSUMER LEADS THAT MAY BE GENERATED FROM YOUR USE OF THE WEBSITE.

8. YOUR SOLE AND EXCLUSIVE REMEDY IF YOU ARE DISSATISFIED WITH ANY PORTION OF THE WEBSITE IS TO DISCONTINUE USING THE WEBSITE AFTER PROVIDING US WITH AT LEAST 30 DAYS' WRITTEN NOTICE. IN NO EVENT AND UNDER NO CIRCUMSTANCES WHATSOEVER WILL WE BE LIABLE FOR ANY DIRECT, INDIRECT, COMPENSATORY, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF USE, DATA OR PROFITS, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE USE OR PERFORMANCE OF THE WEBSITE, WITH THE DELAY OR INABILITY TO USE THE WEBSITE OR THE WEB SERVICES, THE PROVISION OF OR FAILURE TO PROVIDE SERVICES, OR FOR ANY INFORMATION, MATERIALS, SOFTWARE, PRODUCTS, SERVICES OR GRAPHICS OBTAINED ON OR THROUGH THE WEBSITE, SECURITY BREACHES, OR OTHERWISE ARISING OUT OF THE USE OF THE WEBSITE, WHETHER BASED ON CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, EVEN IF FRANCHISOR HAS BEEN ADVISED OF THE POSSIBILITY OF DAMAGES. ALSO, AND IN PARTICULAR, IN NO EVENT WILL WE BE HELD LIABLE FOR ANY DIRECT, INDIRECT, COMPENSATORY, PUNITIVE, INCIDENTAL, SPECIAL, CONSEQUENTIAL DAMAGES OR ANY DAMAGES WHATSOEVER ARISING OUT OF OR IN CONNECTION WITH THE INFORMATION PROVIDED ON OR THROUGH THE WEBSITE, INCLUDING WITHOUT LIMITATION IN



CONNECTION WITH THE USE OF TECHNIQUES OR PROCEDURES DISCUSSED ON OR THROUGH THE WEBSITE.

9. All provisions of the Franchise Agreement, specifically including the provisions regarding advertising, dispute resolution, jurisdiction and venue, shall govern and be fully applicable to this agreement.

The parties are signing this agreement on the dates below.

**H.H. FRANCHISING SYSTEMS, INC.**, Franchisor

By:  
Emma R. Dickison, CEO/President

Date:

**<FRANCHISEE>**, Franchisee

By:  
<Officer>, <Title>

Date:



**EXHIBIT RQ**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Business Associate Agreement**

# HIPAA BUSINESS ASSOCIATE AGREEMENT

Franchise No. <FRAN#>

THIS AGREEMENT is between <FRANCHISEE> ("Covered Entity") and H.H. FRANCHISING SYSTEMS, INC. ("Business Associate") as of \_\_\_\_\_ [*effective date of this agreement*].

## RECITALS:

- A. Covered Entity and Business Associate are parties to a HOME HELPERS franchise agreement (hereinafter the "Franchise Agreement").
- B. The nature of the relationship contemplated by the Franchise Agreement, and the services provided or made available by Business Associate to Covered Entity thereunder, require that Business Associate have access to Protected Health Information (as defined below).
- C. The Health Insurance Portability and Accountability Act, Public Law 104-191 ("HIPAA") and the Privacy Rule and Security Rule (as defined below) promulgated thereunder govern the uses and disclosures of Protected Health Information by and between Covered Entity and Business Associate.
- D. The parties have entered into this agreement for the purpose of setting forth their respective obligations with respect to Protected Health Information, pursuant to the requirements of HIPAA and the Privacy Rule and Security Rule.

THEREFORE the parties agree as follows:

## Article 1: Definitions

- 1.1. Terms used but not otherwise defined in this agreement have the same meaning as those terms have in the Privacy Rule and the Security Rule as in effect or as amended.
- 1.2. "Electronic Protected Health Information" or "ePHI" has the same meaning as the term "electronic protected health information" in 45 CFR 160.103.
- 1.3. "Individual" has the same meaning as the term "individual" in 45 CFR 160.103 and includes a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
- 1.4. "Privacy Rule" means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- 1.5. "Protected Health Information" or "PHI" has the same meaning as the term "protected health information" in 45 CFR 160.103, limited to the information created or received or accessed by Business Associate from or on behalf of Covered Entity, and includes, but is not limited to, all ePHI created, received or accessed by Business Associate from or on behalf of Covered Entity.
- 1.6. "Required By Law" has the same meaning as the term "required by law" in 45 CFR 164.501.
- 1.7. "Secretary" means the Secretary of the Department of Health and Human Services or his or her designee.
- 1.8. "Security Rule" means the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR part 160 and part 164, subparts A and C.

## Article 2: Obligations and Activities of Business Associate

- 2.1. Business Associate shall not use or disclose PHI other than as permitted or required by this agreement or as Required By Law.

- 2.2. Business Associate shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this agreement.
- 2.3. Business Associate shall 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 agreement.
- 2.4. Business Associate shall report to Covered Entity any use or disclosure of PHI not provided for by this agreement of which it becomes aware.
- 2.5. Business Associate shall ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this agreement to Business Associate with respect to such PHI.
- 2.6. Business Associate shall make internal practices, books and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to Covered Entity, or at the request of Covered Entity, to the Secretary, in a time and manner as designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- 2.7. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528.
- 2.8. Business Associate shall provide to Covered Entity or an Individual, in the time and manner as agreed by the parties, information collected in accordance with section 2.7 above, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528.
- 2.9. If Business Associate has PHI in a Designated Data Set, Business Associate shall provide access, at the request of Covered Entity and in the time and manner as agreed by the parties, 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 45 CFR 164.524.
- 2.10. If Business Associate has PHI in a Designated Data Set, Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526 at the request of Covered Entity or an Individual, and in the time and manner as agreed by the parties.
- 2.11. With respect to ePHI, Business Associate shall:
- (a) Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the ePHI it creates, receives, maintains, accesses or transmits on behalf of Covered Entity as required by the Security Rule;
  - (b) Ensure that any agent, including a subcontractor, to whom it provides such ePHI agrees to implement reasonable and appropriate safeguards to protect it; and
  - (c) Report to Covered Entity any security incident of which it becomes aware, including, without limitation, any attempted or successful unauthorized access, use, disclosure, modification or destruction of ePHI or interference with system operations in an information system.

### Article 3: Permitted Uses and Disclosures by Business Associate

3.1. Except as otherwise limited in this agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Franchise Agreement or which are otherwise provided to Business Associate's Home Helpers franchise system generally, provided that such use or disclosure would not violate the Privacy Rule or the Security Rule if done by Covered Entity or the minimum necessary policies and procedures of Covered Entity.

3.2. Except as otherwise limited in this agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

3.3. Except as otherwise limited in this agreement, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached.

3.4. Except as otherwise limited in this agreement, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 42 CFR 164.504(e)(2)(i)(B).

3.5. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 42 CFR 164.502(j)(1).

### Article 4: Obligations of Covered Entity

4.1. Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity in accordance with 45 CFR 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

4.2. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by any Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.

4.3. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI

### Article 5: Permissible Requests by Covered Entity

5.1. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or the Security Rule if done by Covered Entity.

### Article 6: Term and Termination

6.1. This agreement is effective as of the date hereof, and shall terminate on the later of (i) the termination for any reason of the Franchise Agreement, or (ii) when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such PHI, in accordance with the termination provisions in this Article 6.

6.2. Notwithstanding any other provision of this agreement, upon Covered Entity's knowledge of a material breach of this agreement by Business Associate, Covered Entity shall, at its option:

- (a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
- (b) Immediately terminate this agreement if Business Associate has breached a material term of this agreement and cure is not possible; or
- (c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

6.3. Except as provided in (d) below, upon termination of this agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

6.4. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon its determination that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

## Article 7: Miscellaneous

7.1. A reference in this agreement to a section in the Privacy Rule or the Security Rule means the section as in effect or as amended.

7.2. The Parties shall take such action as is necessary to amend this agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule, the Security Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191. This agreement may be modified or amended only by a written instrument signed by both parties.

7.3. The respective rights and obligations of Business Associate under Article 6 of this agreement will survive the termination of this agreement.

7.4. Any ambiguity in this agreement is to be resolved to permit Covered Entity to comply with the Privacy Rule and the Security Rule, as applicable.

7.5. All notices to be given under this agreement are to be in writing, delivered by personal delivery, overnight delivery, facsimile, electronic mail, or first class mail, to the recipient's principal place of business (which may be changed by written notice provided in accordance with this section). Notices of changes of addresses must be given at least ten business days in advance of any notification contemplated under this provision or the prior address on file will be deemed valid. Notice will be considered given at the time delivered by personal or overnight delivery, or one business day after sending by facsimile or electronic mail, or four business days after being placed in first class mail.

7.6. The terms of this agreement will be binding upon and will inure to the benefit of each of the parties and their respective legal representatives, heirs, successors and assigns.

7.7. The laws of the State of Ohio govern all aspects of this agreement.

7.8. Either party may institute an action against the other arising out of or relating to this agreement only in a state or federal court of general jurisdiction in the judicial district in which Business Associate’s principal office is located, presently Hamilton County, Ohio. Each party hereby irrevocably submits to the jurisdiction of any such court and waives any objection or defense it may have to either jurisdiction or venue in such court.

The parties are signing this agreement to become effective on the date in the first paragraph.

**<FRANCHISEE>**

**H.H. FRANCHISING SYSTEMS, INC.**

By:  
                    <Officer>, <Title>

By:  
                    Emma R. Dickison, CEO & President

Date:

Date:



**EXHIBIT SR**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

---

**WellSky SaaS License Agreement**



WellSky Corporation  
11300 Switzer Road  
Overland Park, KS 66210

**CLEARCARE, INC.**  
SAAS AGREEMENT ORDER FORM ~ E-SIGNATURE

Customer Name: \_\_\_\_\_

Franchisor: H.H. Franchising Systems Inc. (HHFS)

Effective Date: \_\_\_\_\_

This Order Form is effective as of the Effective Date (as identified above) for the purchase of services listed below from ClearCare, Inc. ("ClearCare"):

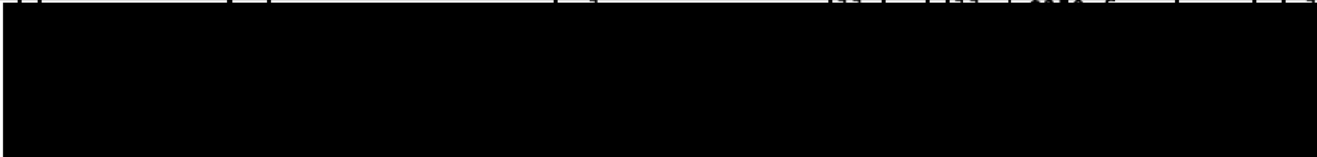
ClearCare services are provided under the Terms and Conditions and Business Associate Agreement found in Exhibits A and B respectively. By signing this Order Form, Customer hereby agrees to all the terms and conditions of ClearCare Terms and Conditions. This Order Form, the attached Business Associate Agreement, and the Terms and Conditions constitute the entire agreement ("Agreement"), superseding any terms (including, but not limited to, any Customer's purchase order terms).

BILLING & CONTACT			
Contact Name		Email Invoice to	
Contact Email		Company Address	
Effective Date		City	
Renewal Date		State	
Payment Frequency	Monthly	Zip Code	
Payment Terms	Due on receipt	Country	
Initial Term		Minimum Billable Amount	
Renewal Term			
Is a PO required? (Yes / No) <b>NO</b>		If yes, please send a copy of PO to <a href="mailto:billing@clearcareonline.com">billing@clearcareonline.com</a>	

PRODUCT	Initial Number of Active Clients	Price per Client	Activation Fee
ClearCare Platform PLUS		Reference Exhibit C	

ADDITIONAL TERMS
<ul style="list-style-type: none"><li>• Customer shall pay ClearCare an Activation Fee due upon the Effective Date. Effective through July 31, 2024, the Activation Fee is calculated as the greater of \$350 or the initial number of Clients multiplied by pricing in Exhibit C; after July 31, 2024, the Activation Fee for implementation shall be \$750 per Customer for ClearCare's then standard implementation package, unless otherwise agreed to in writing.</li><li>• In addition, there is a monthly fee, which Customer shall pay each month in arrears. Customer shall pay a monthly amount equal to the higher of pricing in Exhibit C multiplied by the actual number of Clients, as defined below, in the previous month, and the Minimum Billable Amount.</li><li>• Billing is based on Customer's highest total number of concurrently active or billed Clients during a billing period, regardless of whether Customer or its Users are using the Product Offering with each Client.</li><li>• Taxes will be added where applicable and shall be paid for by Customer.</li><li>• ClearCare and Customer acknowledge and agree that, unless explicitly stated to the contrary, this Agreement is for the sole benefit of the parties hereto and shall not be construed as a third-party beneficiary contract to confer on any person other than the parties hereto any legal or equitable rights hereunder.</li><li>• Customer authorizes ClearCare to provide Customer's franchisor with comprehensive access to Customer's ClearCare systems and data for use in HHFS' internal business purposes. Comprehensive access shall include data aggregation services for the aggregation of data across HHFS' franchisees.</li><li>• Onboarding date can be adjusted upon written agreement between Customer and ClearCare.</li><li>• HomeTrak data will continue to be made available through June 30, 2026. If ClearCare discontinues the HomeTrak platform, HHFS is responsible for data extraction and maintenance.</li></ul>

LOCATIONS / TERRITORIES
Please list territory id numbers here:



For any questions concerning this Order Form, please contact:

Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Each person signing this form hereby represents and warrants that he or she has full authority to execute this Agreement for the Party on whose behalf he or she is signing.

Executed and agreed:

**Customer:**

**ClearCare Inc.**

\_\_\_\_\_  
Signature  
  
Jordan w  
\_\_\_\_\_  
Name  
  
\_\_\_\_\_  
Title  
  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Name  
  
\_\_\_\_\_  
Title  
  
\_\_\_\_\_  
Date

## Exhibit A

### Terms and Conditions

ClearCare, Inc.

#### Software as a Service (SaaS) License Agreement

These terms and conditions apply to any document or agreement ("Agreement") made by and between ClearCare, Inc. ("ClearCare"), a Delaware corporation, located at 150 Spear Street, Suite 1550, San Francisco, CA 94105, and its customer ("Customer") that incorporates these terms and conditions by reference. References to the "Agreement" include these terms and conditions. The effective date of the Agreement is referred to herein as the "Effective Date".

### 1. DEFINITIONS.

- 1.1. **"Affiliate"** means any entity which directly or indirectly controls, is controlled by, or is under common control with the subject entity, where "control" (and its variants, including "controls," "controlled by," and "under common control with") means direct or indirect ownership or control of more than 50% of the voting interests of the subject entity.
- 1.2. **"Client"** means a person who during a specified period receives care from Customer or from any Customer Affiliate.
- 1.3. **"Customer's Data"** means all electronic data or information submitted by Customer to the Product Offering. Customer's Data does not include aggregated data developed for Customer's franchisor, H.H. Franchising Systems, Inc. (HHFS).
- 1.4. **"Malicious Code"** means viruses, worms, time bombs, Trojan horses and other harmful or malicious code, files, scripts, agents or programs.
- 1.5. **"Order Form"** means the order form, cover page or other document that incorporates these terms and conditions by reference.
- 1.6. **"Product Offering"** means the online, web-based applications and platform provided by ClearCare at <http://www.clearcareonline.com> (and/or other designated websites as described in the User Guide or another URL as specified by ClearCare from time to time) as further described on the Order Form, but excluding Third Party Applications.
- 1.7. **"Third-Party Applications"** means online, Web-based applications and offline software products that are provided by third parties, interoperate with the Product Offering, and are identified as third-party applications.
- 1.8. **"User Guide"** means the online user guide for the Product Offering, accessible via <http://www.clearcareonline.com>, as updated from time to time.
- 1.9. **"Users"** means individuals who are authorized by Customer to use the Product Offering, and who have been supplied user identifications and passwords by Customer (or by ClearCare at Customer's request). Users may include, but are not limited to, Customer's employees, consultants, contractors and agents, third parties with which Customer transact business, Clients, Client family members and other service providers to the Clients such as a Client's physician, trust manager or geriatric care manager.

### 2. PRODUCT OFFERING.

- 2.1. **Provision of Product Offering.** Subject to the terms and conditions of this Agreement, ClearCare shall make the Product Offering available to Customer pursuant to this Agreement during the term of this Agreement.
- 2.2. **Client Subscriptions.** Unless otherwise specified on the Order Form, (i) the Product Offering is purchased based on the higher of the number of Clients of Customer or the Minimum Billable Clients (set forth on the Order Form) and a subscription must be purchased for each Client of Customer, (ii) additional Clients shall be added during the term at the pricing then in effect at the time the additional Clients are added, and (iii) use of the Product Offering for all Clients (including added Clients) will terminate on the termination date of this Agreement. A Client subscription cannot be shared or used by more than one Client.

### 3. USE OF THE PRODUCT OFFERING

- 3.1. **ClearCare's Responsibilities.** ClearCare shall: (i) provide to Customer the ClearCare standard, basic training with respect to the use of the Product Offering including up to 150 minutes of training and support in month one of the Initial Term and 30 minutes of support in each additional month at no additional charge, and, if purchased separately, additional training and/or upgraded support at the price of \$1 per minute; wherein unused minutes do not accrue from month to month; wherein cancelled or missed appointments will be accounted for as 30 minutes of training and support, (ii) use commercially reasonable efforts to make the Product Offering available 24 hours a day, 7 days a week, except for: (a) planned downtime (of which ClearCare shall give at least eight hours notice via the Product Offering and which ClearCare shall schedule to the extent practicable during the weekend hours from 6:00 p.m. Pacific time Friday to 3:00 a.m. Pacific time Monday), or (b) any unavailability caused by circumstances beyond ClearCare's reasonable control, including, without limitation, acts of God, acts of government, flood, fire, earthquakes, civil unrest, acts of terror, strikes or other labor problems (other than those involving ClearCare's employees), or

Internet service provider failures or delays, and (iii) provide the Product Offering only in accordance with applicable laws and government regulations.

- 3.2. **Customer's Responsibilities.** Customer (i) is responsible for Users' and its Affiliates' compliance with this Agreement, (ii) is solely responsible for the accuracy, quality, integrity and legality of Customer's Data and of the means by which Customer acquired Customer's Data, (iii) shall use commercially reasonable efforts to prevent unauthorized access to or use of the Product Offering, and notify ClearCare promptly of any such unauthorized access or use, and (iv) shall use the Product Offering only in accordance with the User Guide and applicable laws and government regulations. Customer shall not (a) make the Product Offering available to anyone other than Users, (b) sell, resell, rent or lease the Product Offering, (c) use the Product Offering to store or transmit infringing, libelous, or otherwise unlawful or tortious material, or to store or transmit material in violation of third-party privacy rights, (d) use the Product Offering to store or transmit Malicious Code, (e) interfere with or disrupt the integrity or performance of the Product Offering or any data contained therein, or (f) attempt to gain unauthorized access to the Product Offering or their related data, systems or networks. CUSTOMER ACKNOWLEDGES THAT THE PROPER PROVISION OF CARE TO CUSTOMER'S CLIENTS IS SOLELY CUSTOMER'S RESPONSIBILITY AND THAT THE PRODUCT OFFERING IS DESIGNED TO BE USED IN CONJUNCTION WITH OTHER PROCESSES AND PROCEDURES TO ENSURE PROPER PROVISION OF CARE UNDER ANY CIRCUMSTANCES, INCLUDING UNANTICIPATED FAILURE OF THE PRODUCT OFFERING. AS SUCH, CUSTOMER SHALL MAINTAIN PAPER VERSIONS OF UPDATED CARE PLANS AND SCHEDULES AND TO PROVIDE THOSE PLANS AND SCHEDULES TO CAREGIVERS REGULARLY TO ENSURE THAT PROPER CARE IS PROVIDED TO CUSTOMER'S CLIENTS UNDER ANY AND ALL CIRCUMSTANCES.
- 3.3. **Number of Clients and Initial Data Entry.** ClearCare will perform initial data entry of names and contact information of Customer's Clients and caregivers as of the Effective Date, referenced by the "Initial Number of Clients" set forth in the Order Form, provided that said data is provided to ClearCare in Excel format. The Initial Number of Clients is the number of clients that will be receiving care in the month immediately after the Effective Date. Data to be entered must be provided to ClearCare within the first ten days of the Initial Term and will not deduct from free training and support time specified in Section 3.1. ClearCare provides data entry as a courtesy. Customer is responsible for reviewing the accuracy of all data entered by ClearCare.
- 3.4. **Data Access.** Customer authorizes ClearCare to provide the franchisor listed on the cover page ("Franchisor") with comprehensive access to Customer's ClearCare systems and data for use in Franchisor's internal business purposes. Comprehensive access shall include data aggregation services for the aggregation of data across Franchisor's franchisees.

#### 4. LICENSES.

- 4.1. **Product Offering.** Subject to the terms and conditions of this Agreement, ClearCare hereby grants to Customer a limited, non-exclusive, non-transferable (except as permitted by Section 14 below) license, without the right to sublicense, to use the Product Offering solely for its own internal business purposes.
- 4.2. **Customer Content.** Subject to the terms and conditions of this Agreement, Customer hereby grants to ClearCare a license, with the right to sublicense, to use the Customer's Data in connection with the provision of the Product Offering and the development, offering and delivery of ClearCare's products and services.

#### 5. THIRD PARTY PROVIDERS.

- 5.1. **Acquisition of Third-Party Products and Product Offering.** ClearCare may offer Third-Party Applications for sale. Any acquisition by Customer of third party products or services, including, but not limited to, Third-Party Applications and implementation, customization and other consulting services, and any exchange of data between Customer and any third party provider, is solely between Customer and the applicable third party vendor or provider. ClearCare does not warrant or support third party products or services, whether or not they are designated by ClearCare as "certified" or otherwise. No purchase of third party products or services is required to use the Product Offering.
- 5.2. **Third-Party Applications and Customer's Data.** If Customer installs or enables Third-Party Applications for use with Product Offering, Customer acknowledge that ClearCare may allow providers of those Third-Party Applications to access Customer's Data as required for the interoperation of the Third-Party Applications with the Product Offering. ClearCare is not responsible for any disclosure, modification or deletion of Customer's Data resulting from any access by Third-Party Application providers. The Product Offering will allow Customer to restrict that access by restricting Users from installing or enabling Third-Party Applications for use with the Product Offering.

#### 6. PROPRIETARY RIGHTS.

- 6.1. **Reservation of Rights.** Subject to the limited rights expressly granted hereunder, ClearCare reserves all rights, title and interest in and to the Product Offering, including all related intellectual property rights. No rights are granted to Customer hereunder other than as expressly set forth herein. There are no implied rights.

- 6.2. **Restrictions.** Customer shall not (i) permit any third party to access the Product Offering except as expressly permitted herein or on the Order Form, (ii) modify or create derivative works of the Product Offering, (iii) copy, frame or mirror any part or content of the Product Offering, other than copying or framing on Customer's own intranets or otherwise as reasonably required for Customer's own internal business purposes, (iv) reverse engineer, decompile, disassemble or otherwise attempt to discover the source code or underlying ideas or algorithms of the Product Offering, (v) remove any proprietary notices from the Product Offering or any other ClearCare materials furnished or made available hereunder, or (vi) access the Product Offering in order to (a) build a competitive product or service, or (b) copy any features, functions or graphics of the Product Offering.
- 6.3. **Ownership of Customer's Data.** As between ClearCare and Customer, Customer exclusively own all rights, title and interest in and to all of Customer's Data.
- 6.4. **Suggestions.** Customer hereby grants ClearCare a royalty-free, worldwide, transferable, sublicenseable, irrevocable, perpetual license to use or incorporate into the Product Offering any suggestions, enhancement requests, recommendations or other feedback provided by Customer, including Users, relating to the operation of the Product Offering.

## 7. FEES AND TAXES; PAYMENT.

- 7.1. **User Fees.** Customer shall pay ClearCare the fees described in this Section 7.1. On the Effective Date, Customer shall pay a fee equal in amount to the Initial Payment Amount set forth on the Order Form. In addition, Customer shall pay all fees specified on the Order Form. Unless otherwise instructed by Customer, each Client will be established at the base level of the Product Offering (i.e., the "ClearCare Platform" level). Except as otherwise specified herein or on the Order Form, (i) fees are quoted and payable in United States dollars (ii) fees are based on the number of Clients and not actual usage, (iii) payment obligations are non-cancelable and fees paid are non-refundable (except as expressly set forth in Section 10.1), and (iv) the number of Client subscriptions must equal the highest number of Clients of Customer during the applicable period. Subscription fees are based on monthly periods that begin on the Effective Date and each monthly anniversary thereof; therefore, fees for Client subscriptions added in the middle of a monthly period will be charged for that full monthly period and the monthly periods remaining in the term. For purposes of billing, the number of Client subscriptions billed will be equal to the highest number of concurrently active or billed Clients of Customer in the applicable period.
- 7.2. **Invoicing and Payment.** Except as otherwise agreed to by the parties in writing, invoicing and payment shall be handled by the parties in accordance with this Section 7.2. Customer shall provide ClearCare with valid and updated credit card information. Customer hereby authorizes ClearCare to charge that credit card for the Product Offering during the term of this Agreement. Without limiting Customer's rights under this Agreement, or at law, all payments by Customer are non-refundable (except as expressly set forth in Section 10.1). For payments made by Customer, upon request ClearCare will provide a receipt evidencing payment. Customer is responsible for maintaining complete and accurate billing and contact information in the Product Offering. Customer is also responsible for providing updated credit card information should a new card issue or an account close or change.
- 7.3. **Overdue Charges.** Except as otherwise agreed to by the parties in writing, if any payment is not received from Customer when due, then, at ClearCare's discretion, (a) such charges may accrue late interest at the rate of 2.5% of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower, from the date the payment was due until the date paid, and (b) ClearCare may require future payments to be made in advance.
- 7.4. **Suspension of Product Offering and Acceleration.** If any amount owing under this Agreement or any other agreement for ClearCare's services is five or more days past due, ClearCare may, without limiting ClearCare's other rights and remedies, accelerate Customer's unpaid fee obligations under this Agreement and the other agreements so that all such obligations become immediately due and payable, and suspend ClearCare's Product Offering to Customer until such amounts are paid in full.
- 7.5. **Taxes.** Unless otherwise expressly stated, ClearCare's fees do not include any taxes, levies, duties or similar governmental assessments of any nature, including but not limited to value-added, sales, use or withholding taxes, assessable by any local, state, provincial, federal or foreign jurisdiction (collectively, "Taxes"). Customer is responsible for paying all Taxes associated with Customer's purchases in connection with this Agreement. If ClearCare has the legal obligation to pay or collect Taxes for which Customer are responsible under this paragraph, the appropriate amount will be invoiced to and paid by Customer, unless Customer provide ClearCare with a valid tax exemption certificate authorized by the appropriate taxing authority. For clarity, ClearCare is solely responsible for taxes assessable against it based on ClearCare's income, property and employees.

## 8. TERM AND TERMINATION.

- 8.1. **Term of Agreement.** This Agreement commences on the Effective Date and, unless terminated sooner as provided herein, continues for the initial term specified on the Order Form ("Initial Term"). Following the end of the Initial Term, this Agreement will renew for renewal terms as specified on the Order Form (each, a "Renewal Term") unless either party notifies the other in writing of its intent not to renew this Agreement at least 90 days prior to the end of the then-

current term. Fees for Renewal Terms will be the same unless otherwise set forth in the Order Form or unless ClearCare notifies Customer at least 100 days prior to the end of the then-current term that the fees will be increasing. In the event of such notice, the fees will be at ClearCare's prices set forth in its notice.

**8.2. Termination for Cause; Termination by Customer for Duplicative Agreement.**

8.2.1. Either party may terminate this Agreement for cause: (i) upon 30 days' written notice to the other party of a material breach if such breach remains uncured at the expiration of such period, except that the cure period for non-payment is 15 days, or (ii) if the other party becomes the subject of a petition in bankruptcy or any other proceeding relating to insolvency, receivership, liquidation or assignment for the benefit of creditors. Any uncured default by Customer under its franchise agreement with Franchisor which would entitle Franchisor to terminate the franchise agreement will also constitute a material breach of this Agreement, for which ClearCare will have the right to terminate this Agreement without opportunity to cure, effective upon written notice from ClearCare. For purposes of terminating this Agreement under the preceding sentence, ClearCare will be entitled to conclusively rely on Franchisor's written certification of Customer's default under its franchise agreement.

8.2.2. Customer may terminate this Agreement upon written notice if Customer sells its franchised business and either (i) the buyer enters into a Software as a Service (SaaS) License Agreement with ClearCare for use of the ClearCare Platform or (ii) the buyer has a then-current Software as a Service (SaaS) License Agreement with ClearCare for use of the ClearCare Platform. In case of termination under this Section 8.2.2, Customer will have no obligation to pay ClearCare for amounts that would otherwise have become due and payable after the effective date of termination (including the amounts under Section 8.4). For the avoidance of doubt, Customer will remain responsible and shall pay ClearCare for all amounts due and owing through the effective date of termination.

8.3. **Early Termination.** Notwithstanding anything in this Agreement, this Agreement may be terminated by Customer for convenience upon written notice to ClearCare and payment of all outstanding fees then due and all fees that would otherwise have become due for the remaining term of this Agreement had the Agreement not terminated. Notwithstanding the foregoing, if Customer terminates this Agreement for convenience because Customer ceases to be a franchisee of Franchisor for any reason and, with its notice of termination, Customer provides ClearCare with proof that Customer had ceased to be a franchisee of Franchisor, then Customer shall be required to pay ClearCare the outstanding fees then due and the lesser of all outstanding fees for the remaining term of this Agreement or three months of fees (based on an average of the fees accruing over the three months immediately prior to the effective date of termination). Customer acknowledges and agrees that (i) such payment is a genuine pre-estimate of the loss that ClearCare would incur upon Customer's premature termination of this Agreement because ClearCare will allocate substantial staff and other resources to serve Customer, and ClearCare would incur substantial costs in reallocating such staff and other resources upon premature termination by Customer; and (ii) such payment is not a penalty. Any dispute, claim or controversy arising out of or relating to early termination by the Customer or the breach, termination, enforcement, interpretation or validity of this Section 8.3, including the determination of the scope or applicability of this Section 8.3, shall be submitted to and determined by final and binding arbitration in San Francisco, CA before one arbitrator. The arbitration shall be administered by JAMS pursuant to JAMS' Streamlined Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. In the event any proceeding or lawsuit is brought by either party in connection with an early termination by the Customer or the breach, termination, enforcement, interpretation or validity of this Section 8.3, including the determination of the scope or applicability of this Section 8.3, the prevailing party in the proceeding is entitled to receive its costs, expert witness fees and reasonable attorneys' fees, including costs and fees on appeal.

8.4. **Effect of Termination.** Upon any termination for cause by ClearCare, Customer shall, as a reasonable estimate of the actual damages and not a penalty, pay an amount equal to the fees that would be due over the remainder of the then-current term. In no event will any termination relieve Customer of the obligation to pay the fees payable to ClearCare for the period prior to the effective date of termination.

8.5. **Return of Customer's Data.** Upon request by Customer made within 30 days after the effective date of termination of this Agreement, ClearCare will make available to Customer for download a file of Customer's Data client and caregiver profile data in comma separated value (.csv). After that 30-day period, ClearCare has no obligation to maintain or provide any of Customer's Data and may thereafter, unless legally prohibited, delete all of Customer's Data in ClearCare's systems or otherwise in ClearCare's possession or under ClearCare's control.

8.6. **Surviving Provisions.** The provisions that by their nature continue and survive, including those of Section 6 (Proprietary Rights), 7 (Fees and Taxes; Payment), 8.3 (Early Termination), 8.4 (Effect of Termination), 8.5 (Return of Customer's Data), 8.6 (Surviving Provisions), 8.7 (Non-exclusive Remedy), 9 (Confidentiality), 10 (Warranty), 11

(Indemnification), 12 (Limitation of Liability), and 14 (General) shall survive any termination or expiration of this Agreement.

- 8.7. **Non-exclusive Remedy.** Termination or expiration of this Agreement, in part or in whole, shall not limit either party from pursuing other remedies available to it, nor shall either party be relieved of its obligation to pay all fees that are due and owing under this Agreement through the effective date of termination. Neither party will be liable to the other for any damages resulting from termination as permitted herein.

## 9. CONFIDENTIALITY.

- 9.1. **Definition of Confidential Information.** As used herein, "Confidential Information" means all non-public information disclosed by a party ("Disclosing Party") to the other party ("Receiving Party"), whether orally or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. Confidential Information does not include any information that (i) is or becomes generally known to the public without breach of any obligation owed to the Disclosing Party, (ii) was known to the Receiving Party prior to its disclosure by the Disclosing Party without breach of any obligation owed to the Disclosing Party, (iii) is received from a third party without breach of any obligation owed to the Disclosing Party, (iv) was independently developed by the Receiving Party, or (v) Protected Health Information as defined in 45 C.F.R. § 160.103 ("PHI"), which is addressed in the Business Associate Agreement between the Parties.
- 9.2. **Protection of Confidential Information.** Except as otherwise permitted in writing by the Disclosing Party, the Receiving Party shall (i) use the same degree of care that it uses to protect the confidentiality of its own confidential information of like kind (but in no event less than reasonable care) not to disclose or use any Confidential Information of the Disclosing Party for any purpose outside the scope of this Agreement, (ii) use any Confidential Information of the Disclosing Party solely to perform this Agreement or exercise rights hereunder, and (iii) limit access to Confidential Information of the Disclosing Party to those of its employees, contractors and agents who need such access for purposes consistent with this Agreement and who have signed confidentiality agreements with the Receiving Party containing protections no less stringent than those herein.
- 9.3. **Protection of Customer's Data.** Without limiting the above, ClearCare shall maintain industry standard administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of Customer's Data. ClearCare shall not (a) modify Customer's Data, (b) disclose Customer's Data except as compelled by law, as expressly permitted by this Agreement or as expressly permitted in writing by Customer, or (c) access Customer's Data except to provide the Product Offering or prevent or address service or technical problems, or at Customer's request in connection with customer support matters.
- 9.4. **Compelled Disclosure.** The Receiving Party may disclose Confidential Information of the Disclosing Party if it is compelled by law to do so, provided the Receiving Party gives the Disclosing Party prior notice of such compelled disclosure (to the extent legally permitted) and reasonable assistance, at the Disclosing Party's cost, if the Disclosing Party wishes to contest the disclosure. If the Receiving Party is compelled by law to disclose the Disclosing Party's Confidential Information as part of a civil proceeding to which the Disclosing Party is a party, and the Disclosing Party is not contesting the disclosure, the Disclosing Party will reimburse the Receiving Party for its reasonable cost of compiling and providing secure access to such Confidential Information.
- 9.5. **Terms of Agreement.** The parties agree that the terms of this Agreement are considered Confidential Information of both parties. Each party may provide a copy of this Agreement in confidence to its advisors, counsel, any bona fide potential investor, investment banker, acquirer, merger partner or other potential financial partner, or as required by the governmental action, including action by the United States Securities Exchange Commission or its equivalent, and in connection with legal action or proceedings concerning this Agreement.

## 10. WARRANTY.

- 10.1. **ClearCare's Warranties.** ClearCare warrants to Customer that (i) the Product Offering shall perform materially in accordance with the User Guide, and (ii) the functionality of the Product Offering will not be materially decreased during a subscription term. For any breach of either such limited warranty, Customer's exclusive remedy shall be for ClearCare, at ClearCare's option, to: (i) correct the issue so that the Product Offering performs as warranted at no additional cost to Customer within a reasonable period of time or (ii) (x) refund fees paid to ClearCare for the Product Offering for the period of time after Customer gives ClearCare written notice of the breach of such limited warranty and (y) terminate this Agreement upon notice.
- 10.2. **Mutual Warranties.** Each party represents and warrants to the other that (i) it has the legal power to enter into this Agreement, and (ii) it will not transmit to the other party any Malicious Code (except for Malicious Code previously transmitted to the warranting party by the other party).
- 10.3. **Disclaimer.** EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY MAKES ANY WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS AND EXCLUDES ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED,

INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS.

## 11. INDEMNIFICATION.

- 11.1. **Customer Obligations.** Customer shall defend ClearCare against any cause of action, suit or proceeding (each a "Claim") made or brought against ClearCare by a third party alleging that Customer's Data, or Customer's use of the Product Offering in violation of this Agreement, infringes or misappropriates the intellectual property rights of a third party or violates applicable law, and shall indemnify ClearCare for any damages finally awarded against, and for reasonable attorney's fees incurred by, ClearCare in connection with the Claim, on condition that ClearCare (a) promptly gives Customer written notice of the Claim; (b) gives Customer sole control of the defense and settlement of the Claim (provided that Customer may not settle any Claim unless the settlement unconditionally release ClearCare of all liability); and (c) provides reasonable assistance in connection with the defense (at Customer's reasonable expense).
- 11.2. **ClearCare Obligations.** ClearCare shall defend Customer against any Claim made or brought against Customer by a third party alleging that Customer's use of the Product Offering infringes or misappropriates the intellectual property rights of a third party or violates applicable law, and shall indemnify Customer for any damages finally awarded against, and for reasonable attorney's fees incurred by, Customer in connection with the Claim, on condition that Customer (a) promptly gives ClearCare written notice of the Claim; (b) gives ClearCare sole control of the defense and settlement of the Claim (provided that ClearCare may not settle any Claim unless the settlement unconditionally release Customer of all liability); and (c) provides reasonable assistance in connection with the defense (at ClearCare's reasonable expense).
- 11.3. **Exclusive Remedy.** This Section 11 (Indemnification) states the indemnifying party's sole liability to, and the indemnified party's exclusive remedy against, the other party for any type of claim described in this Section.

## 12. LIMITATION OF LIABILITY.

- 12.1. **Limitation on Liability.** IN NO EVENT SHALL AGGREGATE LIABILITY OF CLEARCARE ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR UNDER ANY OTHER THEORY OF LIABILITY, EXCEED THE LESSER OF \$100,000 OR THE AMOUNT PAID BY CUSTOMER HEREUNDER IN THE 12 MONTHS PRECEDING THE INCIDENT, NOTWITHSTANDING ANY FAILURE OF THE ESSENTIAL PURPOSE OF THIS AGREEMENT OR ANY LIMITED REMEDY HEREUNDER.
- 12.2. **Exclusion of Consequential and Related Damages.** IN NO EVENT SHALL CLEARCARE HAVE ANY LIABILITY TO CUSTOMER FOR ANY LOST PROFITS OR REVENUES OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, COVER OR PUNITIVE DAMAGES HOWEVER CAUSED, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR UNDER ANY OTHER THEORY OF LIABILITY, AND WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING ANY FAILURE OF THE ESSENTIAL PURPOSE OF THIS AGREEMENT OR ANY LIMITED REMEDY HEREUNDER. THE FOREGOING DISCLAIMER SHALL NOT APPLY TO THE EXTENT PROHIBITED BY APPLICABLE LAW.
- 12.3. **Acknowledgement of Customer's Sole Responsibility for Customer's Services.** CUSTOMER ACKNOWLEDGES THAT THE PROPER PROVISION OF CARE TO CUSTOMER'S CLIENTS IS SOLELY AND EXCLUSIVELY CUSTOMER'S RESPONSIBILITY AND CUSTOMER WILL NOT RELY SOLELY ON THE OFFERINGS OF CLEARCARE TO ENSURE PROPER FULFILLMENT OF CARE PLANS BY CUSTOMER'S CAREGIVERS. CUSTOMER AGREES TO MAKE REDUNDANT PRINTED COPIES OF ALL UPDATES TO CARE PLANS AND SCHEDULES ON A REGULAR BASIS AND TO MAKE THESE PRINTED PLANS AND SCHEDULES AVAILABLE TO CAREGIVERS TO ENSURE THAT PROPER CARE IS PROVIDED TO CUSTOMER'S CLIENTS UNDER ANY CIRCUMSTANCE WITHOUT REGARD TO THE FUNCTION OR PERFORMANCE OF THE PRODUCT OFFERING.
13. **MARKETING.** ClearCare may use Customer's name as part of a general list of customers and may refer to Customer as a user of the Product Offering in its advertising, marketing and promotional materials.
14. **GENERAL.** All notices to a party shall be in writing and sent to the addresses specified above or such other address as a party notifies the other party, and shall be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by confirmed facsimile; the day after it is sent, if sent for next day delivery by recognized overnight delivery service; and upon receipt, if sent by certified or registered mail, return receipt requested. Customer and ClearCare are independent contractors and neither party is the legal representative, agent, joint venturer, partner, franchisor, franchisee or employee of the other party for any purpose whatsoever. Neither party has any right or authority to assume or create any obligations of any kind or to make any representation or warranty on behalf of the other party, whether express or implied, or to bind the other party in any respect whatsoever. All indices, titles, subject headings, section titles and similar items contained in this Agreement are provided for the purpose of reference and convenience only and are not intended to be inclusive, definitive or to affect the meaning, content or scope of this



Agreement. ClearCare and Customer acknowledge and agree that, unless explicitly stated to the contrary, this Agreement is for the sole benefit of the parties hereto and shall not be construed as a third-party beneficiary contract to confer on any person other than the parties hereto any legal or equitable rights hereunder. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument. Neither party shall assign its rights under this Agreement nor delegate any performance (other than the right to receive payments) without the other party's prior written consent, except that ClearCare may, without Customer's consent, assign this Agreement to an affiliate or pursuant to a corporate reorganization, merger, acquisition or sale of all or substantially all of its assets to which this Agreement relates or other business combination transaction. Any attempted assignment in violation of this Section is void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties and their respective successors and permitted assigns. The laws of the State of California (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. The parties hereby submit to the jurisdiction of, and waive any venue objections against, the federal and state courts of San Francisco, California in all controversies arising out of, or relating to, this Agreement. No remedy is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise legally available to a party. Except with respect to payment obligations, neither party is liable for any failure of performance or equipment due to causes beyond its reasonable control, including, but not limited to, the following: (i) acts of God, fire, flood, earthquake, tsunami, storm, or other catastrophes; (ii) any law, order, regulation, direction, action, or request of any governmental entity or agency, or any civil or military authority; (iii) national emergencies, insurrections, riots, wars or acts of terrorism; (iv) unavailability of rights-of-way or materials; or (v) strikes, lock-outs, work stoppages, or other labor difficulties. The parties may waive this Agreement only by a writing executed by the party or parties against whom the waiver is sought to be enforced. No failure or delay (a) in exercising any right or remedy, or (b) in requiring the satisfaction of any condition, (c) under this Agreement, and no act, omission or course of dealing between the parties, operates as a waiver or estoppel of any right, remedy or condition. A waiver made in writing on one occasion is effective only in that instance and only for the purpose stated. A waiver once given is not to be construed as a waiver on any future occasion or against any other person. Customer shall comply with all applicable United States, foreign and local laws and regulations, including, without limitation, export control laws and regulations of the U.S. Export Administration. The parties may amend this Agreement only by a written agreement of the parties that identifies itself as an amendment to this Agreement. If any part of this Agreement is found invalid or unenforceable that part will be enforced to the maximum extent permitted by law and the remainder of this Agreement will remain in full force. This Agreement reflects the wording negotiated and accepted by the parties and no rule of construction shall apply against either party. This Agreement is proposed and executed in the English language only and any translation of this Agreement into any other language shall have no effect. All proceedings related to this Agreement will be conducted in the English language. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. All earlier and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement.

**Exhibit B**  
**BUSINESS ASSOCIATE AGREEMENT**

("Covered Entity"), and ClearCare, Inc., a Delaware corporation ("ClearCare" or "Business Associate"), hereby enter into this Business Associate Agreement ("Agreement"), effective as of \_\_\_\_\_ (the "Effective Date").

Recitals

- A. Covered Entity has retained ClearCare to provide certain products and services that may involve the use and/or disclosure of individually identifiable health information (the "Services"), as set forth in the Software as a Service (SaaS) License Agreement and the associated Order Form between the parties dated as of the date hereof ("Services Agreement").
- B. The parties acknowledge and agree that in order to perform the Services, certain of ClearCare's personnel may be required to access, maintain, retain, modify, record, store, destroy or otherwise hold, use, or disclose individually identifiable health information, and therefore ClearCare may be considered a "business associate" of Covered Entity as that term is defined in 45 C.F.R. § 160.103, and be subject to the federal Health Insurance Portability and Accountability Act ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act ("HITECH"), regulations promulgated under these laws, and state health information privacy laws (collectively, "Privacy Laws").
- C. Accordingly, the parties hereto agree to the terms and conditions set forth below:

Terms of Agreement

- 1. Definitions. The parties agree that any capitalized terms shall have the same definition as given to them under HIPAA, HITECH, and regulations promulgated under these laws.
- 2. Changes or Modifications to Law. The parties agree to work together in good faith to amend this Agreement from time to time as is necessary for Covered Entity and Business Associate to comply with the HIPAA, HITECH, applicable state laws and/or the regulations promulgated under such federal and/or state laws are modified, and/or additional regulations are issued thereunder.
- 3. Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits both Covered Entity and Business Associate to comply with the Privacy Rule or the Security Standards, as appropriate, consistent with the engagement of ClearCare.
- 4. Obligations of Business Associate. Business Associate agrees that it shall keep confidential all Individually Identifiable Health Information protected under federal law, including Protected Health Information as defined in 45 C.F.R. § 160.103 ("PHI"), that Business Associate receives from or on behalf of Covered Entity, except as permitted or required by this Agreement, the Services Agreement, or by law, and further agrees as follows:
  - 4.1. Safeguards. Business Associate shall use reasonable and appropriate safeguards to prevent use and/or disclosure of PHI other than as provided in this Agreement and shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity as required by applicable Security Standards.
  - 4.2. Minimum Necessary Use and Disclosure. Business Associate shall make reasonable efforts to request, use and disclose only the minimum amount of PHI necessary to accomplish the intended purpose of the request, use or disclosure. Business Associate is permitted, for Data Aggregation purposes to the extent permitted under HIPAA, to use, disclose, and combine PHI created or received on behalf of Covered Entity by Business Associate pursuant to this Agreement with PHI, as defined by 45 C.F.R. 160.103, received by Business Associate in its capacity as a Business Associate of other covered entities, to permit data analyses that relate to the Health Care Operations of the respective covered entities and/or Business Associate, or as otherwise necessary to meet Business Associate's obligations under its agreements with H.H. Franchising Systems Inc. Business Associate may de-identify any and all PHI created or received by Business Associate under this Agreement. Once PHI has been de-identified pursuant to 45 CFR 164.514(b), such information is no longer Protected Health Information and no longer subject to this Agreement.
  - 4.3. Disclosures to Subcontractors and/or Third Parties. Business Associate shall ensure that all representatives, subcontractors, persons and/or entities (other than entities that are merely conduits) to whom Business Associate discloses or provides the PHI execute a written Business Associate Agreement, as required under the Privacy Laws, in which such third persons and/or entities expressly agree to the same restrictions and conditions that apply to Business Associate hereunder. If a Business Associate Agreement is not required by the Privacy Laws, Business Associate shall obtain reasonable assurances from all persons and entities who have access to or are recipients of the PHI that: (i) the

PHI will be held confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the third party; and (ii) the third party will promptly notify Business Associate of any Compromise of PHI, and Business Associate will, in turn, notify Covered Entity.

- 4.4. Access to or Amendment of PHI. The parties agree that in connection with the Services provided to Covered Entity by Business Associate, Business Associate will not maintain a Designated Record Set in performing the Services, and therefore, if an individual contacts Business Associate directly to access or amend PHI, Business Associate will direct the individual to contact the Covered Entity.
- 4.5. Restrictions on PHI. Business Associate will comply with the restrictions on the Use and Disclosure of PHI requested by Covered Entity under Section 5.2 below (Restrictions).
- 4.6. Reporting of Violations and Security Incidents. Business Associate will promptly report to Covered Entity any impermissible use or disclosure under Privacy Laws that Compromises the security or privacy of the PHI ("Breach") and any attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system that does not Compromise the security or privacy of the PHI ("Security Incidents"). Business Associate will identify and respond internally to suspected or known Security Incidents, and will mitigate, to the extent practicable, their harmful effects, document their outcomes, and provide such documentation to Covered Entity upon request. The parties will meet and confer in good faith before notifying affected individuals and/or commencing any legal action (including notifying government agencies), regarding any suspected or actual Breach or Security Incident and/or breach of this Agreement, and will comply with applicable Privacy Laws regarding the need for and nature of any notification. If the parties are unable to agree during their meet and confer, Covered Entity will assume any and all obligations under Privacy Laws and Business Associate will not assume Covered Entity's obligations to provide notification under such Privacy Laws and specifically section 13402 of HITECH.
- 4.7. Accounting of PHI Disclosures. To the extent that Business Associate makes a disclosure of PHI, Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528. If an individual contacts Business Associate directly for such an accounting, Business Associate shall direct the individual to contact the Covered Entity.
- 4.8. Audits and Inspections. Business Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI, as defined under this Agreement, available to the Secretary of the United States, Department of Health and Human Services ("Secretary"), or the Secretary's designee, for purposes of determining the Covered Entity's and Business Associate's compliance with the applicable laws and regulations, and to Covered Entity for purposes of determining Business Associate's compliance with this Agreement. Records requested that are not protected by an applicable legal privilege will be made available in the time and manner specified by Covered Entity or the Secretary. If Covered Entity requests Business Associate to invoke and defend the attorney-client privilege, Covered Entity shall agree to pay the cost for such defense.
- 4.9. Prohibition on Sale of PHI and use of PHI for Marketing: Business Associate shall not directly or indirectly receive remuneration in exchange for any PHI, except with prior written consent of Covered Entity and in accordance with applicable patient authorization requirements as set forth in 45 C.F.R. § 164.508, or as allowed by Privacy Laws. Business Associate may only use or disclose PHI for Fundraising or Marketing purposes in compliance with Privacy Laws.
- 4.10. Management and Administration. Business Associate acknowledges it is authorized to use or disclose PHI for Business Associate's management and administration and to fulfill any of Business Associate's legal responsibilities. In using and/or disclosing PHI for management and administrative purposes, Business Associate will comply with all applicable Privacy Laws and with Covered Entity's obligations under subpart E of 45 CFR Part 164.
5. Obligations of Covered Entity.
  - 5.1. Authorizations. Covered Entity shall obtain from individuals any applicable consents, authorizations, and other permissions necessary or required by law for Covered Entity and Business Associate to fulfill their obligations under this Agreement. Covered Entity shall not require Business Associate to use or disclose PHI in any manner that would not be permissible under Privacy Laws.
  - 5.2. Restrictions. Covered Entity shall promptly notify Business Associate in writing of any restrictions in the use or disclosure of PHI, including patient requests for confidential communication pursuant to 45 C.F.R. 522(b), that may affect Business Associate's ability to perform its obligations under this Agreement and/or the Services Agreement.
  - 5.3. Revocations. Covered Entity shall promptly notify Business Associate in writing of any changes in, or revocation of, permission by an individual relating to the use or disclosure of PHI, if such changes or revocation may affect Business Associate's ability to perform its obligations under this Agreement.
  - 5.4. Provision of Notice of Privacy Practices. Covered Entity shall promptly provide Business Associate a copy of its Notice of Privacy Practices ("Notice") produced by Covered Entity in accordance with 45 C.F.R. § 164.520 as well as any changes to such notice.

- 5.5. Meet and Confer. Upon any suspected or actual "Breach" of "Unsecured Protected Health Information" as these terms are defined by the HITECH Act and any implementing regulations, or breach of this Agreement, Covered Entity will meet and confer in good faith with Business Associate before notifying affected individuals, and/or commencing any legal action.
6. Term and Termination.
- 6.1. Term. The term of this Agreement shall be effective as of the Effective Date, and shall terminate when Business Associate no longer performs the Services for Covered Entity.
- 6.2. Effect of Termination. Upon termination of this Agreement, at the request of Covered Entity, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, provided, however, to the extent state and federal laws (collectively, the "Laws") require or recommend that Business Associate maintain records containing such PHI, Covered Entity shall permit Business Associate to copy (if necessary) and maintain such records at Business Associate's sole cost and expense. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall extend that protections of this Agreement to such PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.
- 6.3. Breach: Without limiting the parties' rights under this Agreement, if either party breaches its obligations under this Agreement, the non-breaching party shall provide the breaching party with notice and may provide an opportunity to cure the breach within thirty (30) days. If the breaching party fails to cure the breach after such notice and opportunity to cure, or if such cure is not possible within thirty (30) days, the non-breaching party may terminate this Agreement immediately upon written notice and without further legal action or declaration.
7. Miscellaneous.
- 7.1. Counterparts. This Agreement may be executed in counterparts, by manual or facsimile signature, each of which will be deemed an original and all of which together will constitute one and the same instrument.
- 7.2. Entire Agreement. This Agreement and the Services Agreement, the consistent terms of which are incorporated herein, constitute the entire agreement between the parties and supersede all prior negotiations, discussions, representations, or proposals, whether oral or written, unless expressly incorporated herein, related to the subject matter of this Agreement. Unless otherwise expressly provided herein, this Agreement may not be modified unless in writing signed by the duly authorized representatives of the parties. If any provision or part thereof is found to be invalid, the remaining provisions shall remain in full force and effect.
- 7.3. No Third Party Beneficiaries. Except as otherwise provided for in the Privacy Standards or this Agreement, there are no third party beneficiaries to this Agreement. Business Associate's obligations are to Covered Entity only.
- 7.4. Successors and Assigns. This Agreement will inure to the benefit of and be binding upon the successors and assigns of the parties. However, this Agreement is not assignable by any party without the prior written consent of the other parties.
- 7.5. Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking, or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking, or condition. To be effective, a waiver must be in writing, signed and dated by the parties to this Agreement.
- 7.6. Privilege and Protection. Nothing contained herein shall be deemed to require the waiver of any applicable attorney-client privilege or attorney work product protection otherwise available.

IN WITNESS WHEREOF duly authorized representatives of the parties have executed this Business Associate Agreement as of the Effective Date.

**Covered Entity**

\_\_\_\_\_  
Signature  
Jordan w  
\_\_\_\_\_  
Name  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date

**Business Associate**

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Name  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date

Exhibit C

ClearCare Platform Subscription Pricing to HHFS Franchisees

Range Low	Range High	Platform Price	Comments
			Fixed Rate for Up to 20 Active Clients
			Per Active Client Per Month
			Per Active Client Per Month
			Per Active Client Per Month
			Per Active Client Per Month

Franchisee pricing example for a 100 Active Client Agency:

Range Low	Range High	Per Active Client	Total Per Month
Total Fees Per Month			

with at least thirty (30) days' prior written notice to .

Professional Services:

implementation and tra



**EXHIBIT IS**

to the

*Home Helpers*<sup>®</sup>

**FRANCHISE DISCLOSURE DOCUMENT**

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**Aloe Care Franchisee Joinder Agreement**

**Franchisee Joinder Agreement**  
**Dated** \_\_\_\_\_

A. Aloe Care Health, Inc. ("Aloe Care") and H.H. Franchising Systems, Inc. ("Home Helpers") have entered into a Distribution Agreement dated as of \_\_\_\_\_ (the "Distribution Agreement") pursuant to which certain Home Helpers franchisees shall have the right and agree to participate in the AC Program (as defined below) to market, distribute and make available the Aloe Care System (defined below) to their respective clients.

B. \_\_\_\_\_ ["Franchisee"] is a Home Helpers franchisee wishes to participate in the AC Program.

NOW, THEREFORE,

1. In this Agreement, the following terms are used as defined below and will be capitalized throughout:

a. The "AC Program" means a program to provide the System to clients of Franchisee as part of Home Helpers' "Cared-4" program or as a separate service to improve and coordinate in-home care for health consumers and their loved ones. Access to the System may be sold to any Client who wishes to avail of the Service.

b. "Client" means a client of Franchisee.

c. "Hardware" means the Aloe Care Essentials and Total Care Bundles and Mobile Companion. A detailed list of the components is set forth on Exhibit A.

d. "Service" means a monitoring service/personal response system pursuant to which a Subscriber is provided with a home communication unit, certain peripherals, and related equipment which provides safety monitoring to the Subscriber via automatic communication to one or more designated individuals as well as to Aloe Care/first responders (e.g., police, fire departments, etc.). The Service includes but is not limited to: Professional 24x7 Monitoring Center for Emergencies, App for unlimited # of users (iOS and Android), Cellular 4G LTE connection and Cellular Data Plan subscription, Customer Service, Technical Support, option to add and monitor peripheral accessories.

e. "Subscriber" means a Client who enrolls in the AC program by signing a Subscription Agreement and Dealer Supplemental Agreement.

f. "System" or "AC System" means the Hardware and the Services.

g. "Term" shall be the period from the date hereof through the first anniversary thereof. The "Term" shall be automatically extended on a month-to-month basis (the "Holdover Term") so long as the Distribution Agreement remains in effect. During the Holdover Term, either party may terminate this Agreement effective as of the last day of any calendar month (the "Termination Date") by providing the other party with written notice of termination at least thirty days before the Termination Date.

2. By signing this Joinder Agreement, Franchisee agrees to participate in the AC Program throughout the Term on the terms set forth below. Without limitation of the foregoing,

Franchisee agrees to promote and sell the System to their respective Clients, either as part of the Cared-4 package of services or as an independently sold product.

3. *[intentionally deleted]*

4. Aloe Care and Home Helpers will provide marketing and informational materials from time to time to assist Franchisee's efforts in developing Subscriber enrollment, where appropriate. In connection therewith, Aloe Care shall provide pre-approved messaging and communications intended for Client distribution via direct mail and email and will further build a co-branded informational and ecommerce website for Clients who wish to become Subscribers (the "AC HH Website"). The AC HH Website will include the ability to enroll in the AC Program online and will provide a dedicated phone number. Franchisee will use and distribute only those materials provided or pre-approved by Aloe Care.

5. Aloe Care will provide up to five (5) packages of the Hardware (each package consisting of all components comprising the Essentials, Total Care or Mobile Companion package; each such package, a "Unit"), as requested by Franchisee (pursuant to an Order Form, to be provided by Aloe Care), upon the execution of this Agreement. The cost of each Unit, and additional components, is set forth on Schedule A attached hereto. For clarity, title to the System shall at all times during the Term remain with Aloe Care. Subject to the terms of Section 10 below, the Hardware components of the System are leased (and not sold) and the software components of the System are licensed (and not sold), in each case, to Franchisee and the applicable Subscriber. Use of terms such as "sell," "purchase," and "price" used throughout this Agreement will be interpreted in accordance with the foregoing. Franchisee will not directly or indirectly: (i) modify, disassemble, decompile or reverse engineer the System (or any component thereof), except, and solely to the extent, if any, that applicable law requires that such activities be permitted; and (ii) use, distribute or otherwise dispose of the System (or any component thereof), except as expressly permitted under this Agreement. Franchisee shall label each Hardware component with branding stickers ("Direct Link Powered by Aloe Care" or such other service mark as determined by H.H. Franchising Systems, Inc. and approved by Aloe Care) prior to providing them to any Subscriber.

6. Franchisee shall a) procure a Subscription Agreement and the Dealer Supplemental Agreement between each Subscriber and Aloe Care (including securing the execution by each Subscriber) in the form set forth in Schedule D (or as updated by Aloe Care from time to time in accordance with this Section 6, the "Subscription Agreement") which incorporates Aloe Care's Terms of Service applicable to the Hardware and Services; b) provide a copy of such Subscription Agreement to Aloe Care promptly via email to [Homehelperssupport@getaloecare.com](mailto:Homehelperssupport@getaloecare.com) so as to enable the commencement of the Service; c) deliver the Hardware and assist its Subscribers in the installation, operation and support of the Hardware and the System; d) make such changes in the Subscribers' respective profiles, Hardware or other information as may be required to enable each Subscriber's continued use of the System; and e) collect appropriate subscriber charges from its Subscribers, as determined by Franchisee (the "Retail Monthly Fees"), and f) pay to Aloe Care the aggregate Monthly Subscription Fees to Aloe Care determined in accordance with Section 8 below. For clarity, it shall be Franchisee's responsibility to collect the Retail Monthly Fees; however, Franchisee shall be absolutely liable to Aloe Care for payment of Monthly Subscription Fees and failure to collect Retail Monthly Fees from its Subscribers shall not relieve Franchisee from its payment obligations to Aloe Care.



7. In performing its obligations hereunder, Franchisee will comply with Schedule C as well as all Aloe Care internal policies implemented by Aloe Care, with respect to Company Information and Personal Information (both as defined in Schedule C). In the event of any conflict between this Agreement and Schedule C, Schedule C shall prevail. If Franchisee is provided with access to Aloe Care's data dashboard or other Subscriber data, then in addition to the foregoing, Franchisee will comply with all privacy policies implemented by Aloe Care with respect thereto. It shall be the sole responsibility of Franchisee to be informed of such Regulations and Policies in their most updated format, provided that Aloe Care shall use commercially reasonable efforts to inform Franchisees within 30 days after any material updates. Without limitation of the foregoing, Franchisee shall conduct itself in accordance with the highest industry standard and will comply with all applicable Federal, State and local laws, rules and regulations in performing activities in connection with this Agreement, including all Federal, State and local laws applicable to the sale/license, implementation and operation of the System, and will at all times provide accurate information regarding the System to potential Subscribers.

8. For each Unit provided by Aloe Care and not returned by Franchisee, Franchisee shall pay to Aloe Care, on a monthly basis, the Monthly Subscription Fees set forth on Schedule B, commencing on the first day of the month following delivery of the Unit to Franchisee. Such amount shall be payable via ACH in advance, i.e., no later than the final day of the month prior to the month for which Services are being billed. Failure to make such payments on a timely basis shall be deemed a material breach of this Agreement and Aloe Care shall thereafter have the right to terminate this Agreement, in addition to all other rights and remedies which may otherwise be available to Aloe Care.

9. Either party may terminate this Agreement at any time a) in the event of a material breach by the other party of any of its obligations hereunder, which breach remains uncured 30 days after written notice thereof; or b) in the event the other party files a petition in bankruptcy, is insolvent or has sought relief under law due to its financial condition or its ability to meet its payment obligations; or has had an involuntary petition in bankruptcy filed against it or any relief under bankruptcy law has been sought by an of its creditors. In the event of early termination by Aloe Care in compliance with this paragraph, Franchisee shall encourage its Subscribers to transition to a direct subscription with Aloe Care, and shall assist Subscribers with such transitions.

10. Upon the termination of a subscription by a Subscriber, Franchisee shall notify Aloe Care promptly in writing (as directed by Aloe Care) of the effective date of such termination, and secure the Hardware from the former Subscriber within ten business days of the effective termination date; provided, however, that in the event of the termination of this Joinder Agreement, for any Subscriber who does not wish to transition to direct subscription with Aloe Care, Franchisee shall be obligated to a) return the Hardware within 15 business days to Aloe Care in good condition, ordinary wear and tear excepted, or, alternatively, b) pay the cost of the Hardware if more than one Unit is not so returned (or subject to Subscriber transition in accordance with Section 9 above) in accordance with the prices set forth on Schedule A. In the event of the termination of the franchise relationship between Franchisee and Home Helpers, Franchisee shall notify Aloe Care promptly in writing (as directed by Aloe Care) of the effective date of such termination. Aloe Care will then work with Franchisee and Home Helpers to smoothly transition the Subscribers to another Home Helpers franchise as directed by Home Helpers.

11. Franchisee shall have the right to reinstall a Hardware package from a terminated Subscriber in a new Subscriber's residence as soon as reasonably possible following the prior termination. If and to the extent it retains any Hardware components, it shall maintain such Hardware in a safe and secure environment so as to enable its continued operability.

12. Franchisee acknowledges that no Subscription shall be deemed valid and in effect until accepted and agreed to by Aloe Care.

13. Franchisee shall maintain sufficient insurance coverage to reasonably insure its activities in the fulfillment of their obligations under this Joinder Agreement, more particularly described in the attached Terms and Conditions. The parties agree that the minimum coverage will be \$1,000,000.00 per occurrence/\$3,000,000 in the aggregate for commercial general liability. Franchisee will name Aloe Care as an additional insured on such policy and will provide a certificate of insurance to Aloe Care to such effect. In the event of any changes in such policies, Franchisee will promptly inform Aloe Care of such changes, provided that Franchisee shall not have the unilateral right to reduce coverage.

14. Unless otherwise expressly provided, no provisions of this Agreement are intended or will be construed to confer upon or give to any person or entity, other than Aloe Care and Franchisee, any rights, remedies or other benefits under or by reason of this Agreement.

15. The Terms and Conditions set forth on Exhibit 1 are attached hereto and incorporated herein by reference. In the event of a conflict between the Terms and Conditions and this Joinder Agreement, this Joinder Agreement shall control.

16. As used in the Subscription Agreement, "Caregiver" means an agent, guardian or other representative of the Subscriber who is legally authorized to act on behalf of and bind the Subscriber. A "Caregiver," as used in the Subscription Agreement, is not an employee or agent of Franchisee.

This Agreement consists of this Joinder Agreement and the following schedules and exhibits, which are incorporated by reference herein:

- Schedule A: Hardware Schedule
- Schedule B: Monthly Fees
- Schedule C: Data Privacy and Security Addendum
- Schedule D: Form of Subscription Agreement and Dealer Supplemental Agreement
- Exhibit 1: Terms and Conditions

*[The signature page follows this page, the remainder of which is deliberately blank.]*

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date of last signature below, through their duly authorized representatives.

\_\_\_\_\_(“Franchisee”)

By: \_\_\_\_\_  
An authorized representative

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ACCEPTED and AGREED:

Aloe Care Health, Inc.

By: \_\_\_\_\_  
An authorized representative

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Schedule A Hardware/Cost**

### **a. Hardware**

#### **Essentials:**

- Hub
- Pendant / Wearable.

#### **Total Care:**

- Hub
- Pendant / Wearable
- Mobile companion
- 2 motion sensors
- Fall Sensor

#### **Mobile Companion**

### **b. The Service**

The Service is a monitoring service/personal response system pursuant to which a Subscriber is provided with a home communication unit, certain peripherals, and related equipment which provides safety monitoring to the Subscriber via automatic communication to one or more designated individuals as well as to Aloe Care/first responders (e.g., police, fire departments, etc.).

The Services includes but is not limited to: Professional 24x7 Monitoring Center for Emergencies, App for unlimited # of users (iOS and Android), Cellular 4G LTE connection and Cellular Data Plan subscription, Customer Service, Technical Support, option to add and monitor peripheral accessories. Hardware warranty can be found in the Subscription Agreement. Information about potential repair or, if needed, replacement, can be found on the Aloe Care website or by contacting Aloe Care directly at [Homehelperssupport@getaloecare.com](mailto:Homehelperssupport@getaloecare.com).

### **Cost**

Essentials: [REDACTED]

Total Care: [REDACTED]

Mobile Companion: [REDACTED]

Additional Care Button (per button): \$ [REDACTED]

Additional Motion Sensor (per sensor): \$ [REDACTED]

Additional Door Sensor (per sensor): \$ [REDACTED]

Additional Fall Sensor (per sensor): \$ [REDACTED]

Except as set forth in Section 10 of the Agreement to which this is attached, payment of the costs set forth above are hereby deferred indefinitely.

**Schedule B**  
**MONTHLY SUBSCRIPTION FEES**

The Monthly Subscription Fees shall be calculated pursuant to the charts set forth below, based on the aggregate number of paid subscriptions by and across ALL Home Helpers Franchisees. If and to the extent certain thresholds as set forth below are met, Aloe Care shall notify Franchisee of the change in Monthly Subscription Fee rates as well as the effective date of such change.

# of Subscriptions	Essentials Monthly Fees	Total Care Monthly Fees	Mobile Companion Monthly Fees
1-10	\$100	\$100	\$100
11-20	\$120	\$120	\$120
21-30	\$140	\$140	\$140
31-40	\$160	\$160	\$160
41-50	\$180	\$180	\$180
51-60	\$200	\$200	\$200

The monthly fees for additional equipment are as follows:

Additional \$100 per month per additional care button.

Additional \$100 per month per additional Motion Sensors (2).

Additional \$100 per month per additional Door Sensors (2).

Additional \$100 per month per additional Fall Sensor.

Additional \$100 per month per additional Mobile Companion.

## Schedule C

### Data Privacy and Security Addendum

This Data Privacy and Security Addendum (this “Addendum”) with an effective date of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the “Effective Date”), is made and entered into by and between Aloe Care Health, Inc., (“Company”) and \_\_\_\_\_ (“Franchisee”) and is incorporated by reference into the Joinder Agreement into which this Schedule C is incorporated. Pursuant to the Joinder Agreement (the “Agreement”), Franchisee will provide Company with access to certain Personal Information (as defined below), and Company may provide Distributor with access to certain Company Information, including information on Subscribers in its dashboard. Without limiting any confidentiality or security related obligation of Franchisee under the Agreement and/or any attachment thereto, to the extent of a conflict of terms between this Schedule and the Agreement or any other attachment thereto, the security requirements in this Schedule will take precedence and shall control. Parties are permitted to use qualified subcontractors to meet the requirements of this Schedule.

#### I. Definitions

- A. “Personal Information” has the meaning assigned to the terms “personal data” or “personal information” under applicable Data Protection Laws, and will, at a minimum, mean any information relating to an identified or identifiable natural person.
- B. “Company Information” shall mean Personal Information of Company, including without limitation Personal Information of all Subscribers and any other information uploaded by Subscribers as part of the Services.
- C. “Cloud Computing” or “Cloud Services” shall mean a model (whether “private,” “public,” “community” or “hybrid”) for enabling substantially ubiquitous network access to a shared pool of configurable computing resources, including but not limited to Infrastructure as a Service (IaaS), Software as a Service (SaaS), Platform as a Service (PaaS), or combinations or derivatives thereof, as defined by the National Institute of Standards and Technology.
- D. “Data Protection Laws” means all applicable data privacy, data protection, and cybersecurity laws, rules and regulations to which the Company Personal Information are subject. “Data Protection Laws” shall include, but not be limited to, the California Consumer Privacy Act of 2018 (“CCPA”).
- E. “Information Systems” shall mean a discrete set of electronic information resources organized for the Processing of Personal Information that is used by a Party, as well as any specialized system such as industrial/process controls systems, telephone switching and private branch exchange systems, and environmental control systems used by a Party to Process Company Information.
- F. “Offshore Location” shall mean any physical location outside of the United States or one of the United States Territories (*i.e.*, American Samoa, Guam, Northern Marianas, Puerto Rico, and Virgin Islands).
- G. “Personnel” shall mean employees and contractors and subcontractors.
- H. “Process” or “Processing” shall mean any operation or set of operations that are performed on Personal Information or on sets of Personal Information, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

- I. “Relevant Supplier” shall mean any subcontractor, supplier or other third party engaged by Franchisee that will have access to Information Systems or to Personal Information in connection with the Agreement.
- J. “Restricted Information” shall mean Personal Information that is any one of the following data elements: (i) Social Security number, (ii) drivers’ license number or non-driver identification card number, (iii) account number, credit or debit card number, (iv) any security code, access code or passwords, or (v) biometric records.
- K. “Risk Assessment” shall mean an assessment of (i) the reasonably foreseeable threats that could result in unauthorized disclosure, use, access, alteration, or disruption of a party’s IT infrastructure or Personal Information; (ii) likelihood and potential damage of the foregoing threats, taking into account the nature of the information; and (iii) the sufficiency of policies, procedures, a party’s IT infrastructure, and other arrangements in place to control risks and maintain the confidentiality, integrity and availability of a party’s Information Systems and Personal Information.
- L. “Security Incident” shall mean any actual or suspected compromise of the confidentiality, integrity or availability of Company Information or Information Systems; or any actual or suspected act or attempt, successful or unsuccessful, to gain unauthorized access to, disrupt or misuse any Information System or Company Information.
- M. “Security Risk Assessment” shall mean a Risk Assessment performed by or through Company Third Party Risk Governance program (“TPRG”) or by an independent inspection company designated by TPRG.

## **II. Protection of Information and Systems**

- A. Maintenance of WISP. At all times that Franchisee has access to Company Information, it shall maintain a comprehensive written Information Security Program (the “WISP”) commensurate with its size and complexity, nature and scope of the services, and the sensitivity of Company Information used or maintained and Information Systems consistent with a documented, periodic Risk Assessment and in compliance with relevant laws, regulations, orders and rules, and (ii) the obligations to protect the security, integrity and availability of information and systems imposed by all contracts between Franchisee and Company.
- B. Minimum Security Requirements. At a minimum, Franchisee’s Information Security Program shall include the following :
  - 1. Pseudonymization of Company Information where appropriate, and encryption of Company Information in transit and at rest;
  - 2. The ability to ensure the ongoing confidentiality, integrity, availability of Franchisee’s Processing and Company Information;
  - 3. The ability to restore the availability and access to Company Information in the event of a physical or technical incident;
  - 4. A process for regularly testing, assessing and evaluating the effectiveness of the Franchisee’s Information Security Program to ensure the security of its Processing and Company Information.
- C. Portable Devices and Mobile Computing. Except as required to perform its obligations or exercise its rights under the Agreement, Franchisee will not allow its Personnel to access Company Information on or from laptops, mobile phones, or other portable storage and/or computing devices (“Devices”) without the express written consent by an authorized Company representative. Notwithstanding the foregoing, Devices that encrypt the information at rest and in transit, utilize endpoint protection which includes a personal firewall and anti-malware protection and utilizes multi-factor authentication are considered approved without further written consent required.

Physical Security. Each Party shall use reasonable efforts to maintain and apply physical security measures and safeguards at its offices or other approved working spaces, including all home work spaces, for the ongoing protection of Company Information, whether stored electronically on servers or in hard copy or other form.

D. Limitations on Processing of Company Information

1. Franchisee shall not use Company Information in a non-production environment, such as development, testing or quality assurance.
2. In performing its services hereunder, Franchisee shall comply with (i) all applicable Data Protection Laws relating in any way to the privacy, confidentiality, integrity, availability, or security of Restricted Information and Company Information; (ii) all applicable industry standards concerning privacy, data protection, confidentiality, integrity, availability, or security of information, including without limitation, any obligations under the Health Insurance Portability and Accountability Act ("HIPAA") and Payment Card Industry ("PCI") Data Security Standard, (iii) the American Disabilities Act ("ADA") and compliance with Web Content Accessibility Guidelines ("WCAG") , and any other similar standards; and (iv) applicable privacy policies, statements or notices that are provided to Franchisee in writing; and (v) controls required by the Security Risk Assessment.
3. In the case where Franchisee is downloading and/or locally storing any Personal Information, Franchisee will implement a nightly purge process that will automatically and permanently delete any records that are download during the course of business. Additionally, Franchisee will implement a Data Loss Prevention product for the purpose of local machine files only. If Company requests files that are still being processed and within the 24-hour period, Franchisee shall supply those files in their native format back to Company and will then permanently delete them.

E. Security Risk Assessments

1. Franchisee agrees to cooperate in good faith during any Security Risk Assessment or investigation initiated by Company. Company agrees that Franchisee's assessment responses shall be treated as Confidential Information in accordance with the applicable confidentiality agreement in place between Company and Franchisee (including the Agreement). Company shall be solely responsible for any costs or expenses it incurs in connection with this Section O – Security Risk Assessments unless there is a finding a negligence by Franchisee.
2. Company (directly or through representatives and consultants) shall have the right, subject to Franchisee's security practices and procedures, on reasonable written request and reasonable notice, to access Franchisee's facilities having access to Company Information in order to (i) review all documents, records, books, files and other materials relevant to its Processing of Company Information, and (ii) assess the adequacy of safeguards including IT general controls relating to Company Information by having Franchisee complete Security Risk Assessment of reasonable length and answer follow up questions as needed. In lieu of providing Company with access to Relevant Suppliers' facilities, Franchisee may provide to Company reasonable evidence of Franchisee's review and monitoring of Relevant Suppliers' compliance with the requirements hereof.
3. All on-site monitoring and other audits and inspections by auditors and inspectors retained by Company and its affiliates pursuant to this Section shall be conducted in such a manner so as not to unreasonably interfere with Vendor's normal operations. Company shall ensure that Company Personnel shall observe the rules and requirements of Franchisee regarding security.
4. If any report, inspection, Risk Assessment, or Security Risk Assessment identifies material gaps or weaknesses in Franchisee's WISP or its ability to secure Company Information, the Parties shall work in good faith to resolve the material gap or weakness to the mutual satisfaction of the Parties.
5. Franchisee shall periodically be required to complete a new Security Risk Assessment but in no event more than once every twelve months unless a Security Incident occurs or material gaps in security are identified. In addition, any investigation or other review carried out under this Section O – Security Risk Assessments shall be limited to once per year.
6. During the term of the Agreement , Franchisee shall maintain, and provide for Company's review upon Company's request, (i) the WISP (including all versions thereof), in effect during all times during which Franchisee had access to Company Information or any of Company's Information Systems; and (ii) all other policies, procedures and other documents related to Company Information and Company's Information Systems of or accessible by Franchisee.



### **III. Subcontracting and Offshoring**

Franchisee may not subcontract or “offshore” (i.e., ex-U.S.) the Processing of Company Information under the Agreement without Company’s prior written consent, which may be withheld in its sole discretion.

### **IV. Monitoring and Incident Response**

- A. Continuous Monitoring. During the term of the Agreement, Franchisee may be requested to respond to, inform and provide updates regarding specific high-risk security gaps or exposures that exist for new or emerging security vulnerabilities that are made publicly known for systems, applications, hardware devices, etc. Franchisee will promptly respond to such Company requests and will provide specific details as to the questions asked to ensure that Company can evaluate the risk or exposure to Company Information.
- B. Security Incident Response; Obligation to report Security Events.
  - 1. Each Party shall establish and maintain a Computer Security Incident Response Team (the “CSIRT”). The CSIRT shall include the Information Security Program Designee(s) and shall be responsible for (i) investigating Security Incidents, (ii) reporting to the other Party any information regarding Reportable Security Incidents (as defined below), (iii) resolving any Security Incidents, and (iv) improving the Information Security Program based on Security Incidents. “Reportable Security Incident” means any Security Incident other than unsuccessful acts or attempts that do not have a reasonable likelihood of compromising the confidentiality, integrity or availability of Company Information or Information Systems (Franchisee or Company).
  - 2. The CSIRT (“Notifying Party”) shall notify the other Party of any Reportable Security Incident it experiences, without unreasonable delay, but in no event later than 72 hours after the Notifying Party’s discovery of the Reportable Security Incident, or such shorter notice period as required by law. If a Reportable Security Incident affects both Parties, the Parties agree to coordinate with respect to any communications or notifications that are sent to individuals and regulatory authorities regarding such Security Incident.

### **V. Indemnity**

Franchisee shall indemnify, defend, and hold harmless Company and its officers, directors, employees and agents from and against any claims, disputes, demands, liabilities, damages, losses, fines, and costs and expenses, including, without limitation, reasonable attorneys’ fees arising out of or relating to: (i) a Security Incident; (ii) Franchisee’s negligence or willful misconduct related to Company Information; and/or (iii) Franchisee’s breach of this Addendum. Franchisee’s obligations under this Addendum shall not be subject to any limitation or exclusion of liability provision in the Agreement.

### **VI. Termination**

The Parties, as applicable herein, will continue to extend the requirements of this Schedule to the extent that Company Information is retained and obligate any and all successors and assigns to the same obligations.

## Exhibit 1

### Terms and Conditions

#### I. Confidentiality:

A. Each party will not use the other party's Confidential Information, except as necessary for the performance of this Agreement, and will not disclose such Confidential Information to any third party, except (a) to those of its employees and subcontractors that need to know such Confidential Information for the performance of this Agreement, provided that each such employee and subcontractor is subject to a written agreement that includes binding use and disclosure restrictions that are at least as protective as those set forth herein; and (b) to those Franchisees that have executed a Joinder Agreement. Each party will use all reasonable efforts to maintain the confidentiality of all of the other party's Confidential Information in its possession or control, but in no event less than the efforts that it ordinarily uses with respect to its own confidential information of similar nature and importance. The foregoing obligations will not restrict either party from disclosing the other party's Confidential Information or the terms and conditions of this Agreement: (i) pursuant to the order or requirement of a court, administrative agency, or other governmental body, provided that the party required to make such a disclosure gives reasonable notice to the other party to enable it to contest such order or requirement; (ii) on a confidential basis to its legal or professional financial advisors; (iii) as required under applicable securities regulations; or (iv) on a confidential basis to present or future providers of venture capital and/or potential private investors in or acquirers of such party.

B. "**Confidential Information**" shall mean any and all non-public information shared pursuant to this Agreement that is denoted confidential or proprietary (either orally or by legend, notation or otherwise), or that the receiving Party should reasonably understand to be confidential or proprietary given the nature and circumstances of the information or the disclosure.

Confidential Information shall not include information that is (i) now or hereafter generally known to the public without breach of this Agreement, (ii) obtained from another source that does not have an obligation of confidentiality to the disclosing Party, (iii) independently developed by the receiving Party without reference to any Confidential Information of the disclosing Party, (iv) required by law to be disclosed in connection with a judicial, administrative or other governmental proceeding, provided that the receiving Party shall give the disclosing Party prompt notice of any such requested disclosure and shall comply with any valid protective order that is obtained by the disclosing Party. The terms and conditions of this Agreement shall be deemed Confidential Information of each of the Parties; except that the pricing set forth herein shall be the Confidential Information of Aloe Care.

C. The provisions of this Section will survive for a period of two (2) years following the expiration or earlier termination of this Agreement. Upon such expiration or termination, each Party shall promptly return or destroy (at the option of the disclosing Party) all Confidential Information in tangible form received from the other Party hereunder, all copies thereof, and shall destroy all summaries, reports and analyses prepared by the receiving Party to the extent they reflect or contain the other party's Confidential Information. Notwithstanding anything to the contrary, the receiving Party shall not be obligated to purge any information archived pursuant to its normal automated document retention practices if the obligations of

confidentiality herein continue to be observed. In the event of the destruction of such information, upon written request, the receiving Party shall provide a written certification of destruction.

## II. Intellectual Property

A. As used herein, "Intellectual Property Rights" shall mean patents (including, without limitation, patent applications and disclosures), copyrights, trademark, trade dress, trade secrets, moral rights, know-how and other intellectual property recognized in any country or jurisdiction throughout the world.

B. Franchisee acknowledges and agrees that, as between the parties, Aloe Care exclusively owns all Intellectual Property Rights in and to the Services, the Hardware and all other Intellectual Property Rights used by Aloe Care, including any and all trademarks, trade names, copyrights and other materials used in the course of its operations and business, and nothing in this Agreement shall be deemed to convey any right, title or interest to Franchisee in and to Aloe Care's Intellectual Property Rights. Any feedback provided to Aloe Care with respect to the Hardware, Services or other Intellectual Property Rights, as well as all derivatives thereof, shall be exclusively owned by Aloe Care. Franchisee will make commercially reasonable efforts to protect Aloe Care's Intellectual Property Rights in the course of performing activities in connection with this Agreement and will promptly report to Aloe Care any infringement or potential infringement of Aloe Care's Intellectual Property Rights to the extent it becomes aware of such infringement.

## III. Term and Termination

A. Termination. This Term of this Agreement shall be as outlined in Section 1.f. of the Joinder Agreement. Notwithstanding the foregoing, either party may terminate this Agreement at any time a) in the event of a material breach by the other party of any of its obligations or representations or warranties hereunder, which breach remains uncured 30 days after written notice thereof; or b) in the event the other party files a petition in bankruptcy, is insolvent or has sought relief under law due to its financial condition or its ability to meet its payment obligations; or has had an involuntary petition in bankruptcy filed against it or any relief under bankruptcy law has been sought by any of its creditors. In addition to the foregoing termination rights, Aloe Care shall have the right to terminate this Agreement in the event that the Distribution Agreement terminates.

B. Effects of Termination. In the event of any expiration or termination of this Agreement, Franchisee shall encourage its Subscribers to transition to a direct subscription with Aloe Care and shall assist Subscribers with such transitions. With respect to Subscribers who choose not to transition to a direct subscription with Aloe Care, Franchisee shall return all components of the Hardware to Aloe Care in good working order, reasonable wear and tear excepted, within 15 days after the termination date of the Agreement. If any such equipment is not returned, Franchisee shall be required to pay the cost of the Hardware set forth on Schedule A. Sections I, II, IV and VI will survive the termination or expiration of this Agreement.

C. Franchisee acknowledges that it has no expectation and has received no assurances that any investment by Franchisee in the promotion of the AC Program will be recovered or

recouped or that Franchisee will obtain any anticipated amount of profits by virtue of this Agreement.

#### IV. Limitation of Liability; Indemnification

A. Third Party Actions: Franchisee acknowledges and agrees that Aloe Care shall not be liable to Franchisee or any third party for the promptness, sufficiency or adequacy of the actions of any responder, phone service provider or any other third party, including police, fire and emergency medical technicians, which Aloe Care may notify pursuant to the operation of the Service. Aloe Care shall be entitled to rely absolutely and for all purposes upon statements of responders and of any other person who purports to act on behalf of, or in the interest of, any responder, caregiver or Subscriber, with respect to the location or whereabouts and condition of the Subscriber.

B. Limitation of Liability: ALOE CARE'S TOTAL AGGREGATE LIABILITY TO FRANCHISEE IN CONNECTION WITH THIS AGREEMENT FROM ALL CAUSES OF ACTION AND UNDER ALL THEORIES OF LIABILITY, SHALL BE LIMITED TO THE AMOUNT PAID TO ALOE CARE BY FRANCHISEE DURING THE SIX (6) MONTH PERIOD PRECEDING THE DATE A CLAIM FOR LIABILITY ARISES HEREUNDER.

C. Limitation of Damages: NO PARTY SHALL BE LIABLE TO THE OTHER PARTIES FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR REVENUE, LOSS OF USE, LOST BUSINESS OPPORTUNITIES OR LOSS OF GOODWILL), OR FOR THE COSTS OF PROCURING SUBSTITUTE PRODUCTS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER SUCH LIABILITY ARISES FROM ANY CLAIM BASED UPON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE, WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. THE PARTIES HAVE AGREED THAT THESE LIMITATIONS WILL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

D. Basis of Bargain. The parties expressly acknowledge and agree that Aloe Care has set its prices and entered into this Agreement in reliance upon the limitations of liability specified herein, which allocate the risk between Aloe Care and Franchisee and form an essential basis of the bargain between the parties.

E. Indemnification by Aloe Care: Aloe Care shall indemnify and defend Franchisee and its affiliates, officers, directors and shareholders (the "Franchisee Indemnified Parties") against and hold the Franchisee Indemnified Parties harmless from any and all claims, demands, damages, losses, liabilities, causes of action, expenses (including reasonable attorney fees), judgments, awards and suits (collectively, "Claims") that may be imposed upon, incurred by or asserted or awarded against the Franchisee Indemnified Parties, individually or collectively, as a result of, based upon or arising out of (i) its breach of its material obligations under this Agreement, or (ii) the gross negligence or willful misconduct by Aloe Care or its employees, agents or affiliates in providing the Services to Subscribers hereunder.

F. Indemnification by Franchisee: Franchisee shall indemnify and defend Aloe Care and its affiliates, officers, directors and shareholders (the "Aloe Care Indemnified Parties") from and against all Claims arising as a result of (i) its breach of its material obligations under this

Agreement, or (ii) the gross negligence or willful misconduct by Franchisee or its employees, agents, independent contractors and/or affiliates in performing their respective obligations hereunder.

G. Defense of Claims: In the event any Claim arises pursuant to which one party (the "Indemnitee") is entitled to indemnification by the other party (the "Indemnitor"), the Indemnitee shall promptly notify the Indemnitor in writing of such Claim. The Indemnitor shall be required to take all such action as may be reasonably necessary to defend or settle such Claim, but no such settlement shall be permitted hereunder which negatively impacts or affects the rights of the Indemnitee without the Indemnitee's prior written consent. If the Indemnitor fails to take such action promptly, the Indemnitee may take such action as may be required, including without limitation hiring counsel of its choosing, at the expense of the Indemnitor.

H. ALOE CARE MAKES NO WARRANTIES OR REPRESENTATIONS TO ANY FRANCHISEE OR TO ANY OTHER PERSON OR ENTITY REGARDING THE SYSTEM OR ANY PRODUCTS OR SERVICES PROVIDED BY ALOE CARE, EXCEPT AS SET FORTH IN ALOE CARE'S LIMITED WARRANTY ACCOMPANYING DELIVERY OF THE APPLICABLE HARDWARE (IF ANY). TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ALOE CARE DISCLAIMS ALL OTHER WARRANTIES AND REPRESENTATIONS, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, AND ANY WARRANTIES ARISING OUT OF COURSE OF DEALING OR USAGE OF TRADE. FRANCHISEE WILL NOT MAKE ANY WARRANTIES OR REPRESENTATIONS IN ALOE CARE'S NAME OR ON ALOE CARE'S BEHALF.

## V. Insurance

A. Franchisee shall secure and maintain throughout the Term Professional Liability and General Liability insurance coverage or such other insurance as is necessary to ensure coverage for any and all acts, omissions, and errors of Franchisee and its employees and independent contractors with respect to its services performed under this Agreement, with limits of not less than USD\$1,000,000 per occurrence and \$3,000,000 in the aggregate. Such insurance should also include coverage for the wrongful disclosure of any third party's proprietary information including, without limitation, trade secrets, and liability for interruption of Aloe Care's or any third party's business including, without limitation, claims for loss of use and loss of profits.

B. If at any time during the Term, any agreement between Franchisee and Home Helpers requires Franchisee to obtain and maintain Cyber/Privacy liability insurance coverage, then Franchisee shall obtain such coverage.

## VI. Miscellaneous

A. Authority. Each party represents and warrants that it has all necessary rights and authority to enter into this Agreement and perform its obligations hereunder. Each party represents and warrants that its entrance into this Agreement does not conflict with the provisions of any of its existing agreements. Neither party will have the power to bind the other party or to incur any obligations on its behalf, without the other party's prior consent.

B. Relationship of the Parties. Each party to this Agreement is an independent contractor in relation to the other party with respect to all matters arising under this Agreement. Nothing herein shall be deemed to establish a partnership, joint venture, association or employment relationship between the parties.

C. Notices. Any notice hereunder shall be deemed to have been duly given if in writing and directed to the Notice Information set forth below by (i) personal delivery, in which case notice shall be deemed to have been given on the date of delivery; or (ii) by a nationally-recognized delivery service, in which case notice shall be deemed to have been given the day after deposit of such notice with such service; or (iii) via e-mail, as directed below.

D. No Waiver. No waiver of any provision hereof shall be effective unless in writing and duly executed by the Party granting the waiver. No waiver of any provision hereof shall be deemed or construed as a continuing waiver, as a waiver in respect of any other or subsequent breach or default of such provision, or as a waiver of any other provision hereof unless expressly so stated in writing and signed by or on behalf of the Party to be charged therewith.

E. Amendment. No Amendment or other modification of any provision of this Agreement shall be effective unless in writing and duly executed by both Parties.

F. Severability. In the event a provision contained herein is held to be unlawful or unenforceable, such provision shall be severable from the remaining provisions of this Agreement, which shall remain in full force and effect.

G. Successors and Assigns. This Agreement may be assigned by either party without the consent of the other party solely to an entity controlling, controlled by or under common control with the assignor party, or to the successor-in-interest to the assignor party in the event of a change of control of the assignor party. Subject to the foregoing, this Agreement shall be binding on the parties and their respective successors and permitted assigns.

H. Governing Law: Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, excluding its conflicts of laws rules. The parties disclaim application of the United Nations Convention on Contracts for the International Sale of Goods. Any action at law or in equity arising from or relating to this Agreement must be brought, solely and exclusively, in the federal or state courts located in New York County, New York, and each Party irrevocably consents to personal jurisdiction in such courts in any such suit, action, or proceeding.

I. Further Assurances. Each party hereto covenants and agrees promptly to execute, deliver, file or record such agreements, instruments, certificates and other documents and to perform such other and further acts as the other party hereto may reasonably request or as may otherwise be necessary or proper to consummate and perfect the transactions contemplated hereby.

J. Force Majeure. Except for payment obligations, each party shall be excused from its performance under this Agreement to the extent and for so long as its performance may be hindered or prevented by fire, flood, earthquake, other acts of God, war, riot, strike, lockout, public health emergency, shortages of or inability to obtain energy, raw materials or supplies, governmental action or inaction, or any other circumstances beyond its reasonable control; provided, however, that the party seeking to be excused shall notify the other party in writing as soon as practicable after the commencement of the condition hindering or preventing its performance and shall make every reasonable effort to minimize the hindrance of such condition and recommence performance as soon as reasonably possible.

K. Entire Agreement. This Agreement (including all Schedules and exhibits hereto) contains the terms of the entire agreement among the parties with respect to the subject matter hereof and supersedes any and all prior agreements, commitments, understandings, discussions, negotiations or arrangements of any nature relating thereto, written or oral (including, but not limited to, any email communications between the parties).

L. Counterparts; Facsimile or PDF Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission or by e-mail in portable document format (PDF), shall for all purposes be treated as if it were delivered containing an original manual signature of the person whose signature appears in the facsimile or e-mail, and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.



EXHIBIT UT

to the

*Home Helpers*<sup>®</sup>

FRANCHISE DISCLOSURE DOCUMENT

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**UniFi Consent to Share Data**



# CONSENT TO SHARE DATA

## WHEREAS,

- A. the undersigned corporation or limited liability company ("Franchisee") is authorized to operate a franchised Home Helpers® Home Care agency (the "Franchised Business") pursuant to a franchise agreement (the "Franchise Agreement") with H.H. Franchising Systems, Inc. ("Franchisor");
- B. in order to provide support and assistance to Franchisee and as required by the Franchise Agreement, Franchisor requires access to the Business Records (defined below) of the Franchised Business on an ongoing basis;
- C. Franchisee has retained Correll Accounting, Inc., d.b.a. UNIFI, presently located at 28005 Smyth Drive, #202, Valencia, California, 91355 ("UniFi"), to provide bookkeeping services to Franchisee; and
- D. Franchisee desires for UniFi to share Franchisee's Business Records with Franchisor.

## THEREFORE:

1. Franchisee hereby authorizes UniFi to share with and disclose to Franchisor any and all of Franchisee's books and records of account, financial statements, bank statements, and any other financial information or records pertaining to the Franchised Business ("Business Records"), whether obtained from Franchisee or created or prepared by UniFi. Without limiting the generality of the foregoing sentence, Franchisee authorizes UniFi to provide Franchisor with a monthly balance sheet, income statement and all other financial statements and reports relating to the Franchised Business as may be requested by Franchisor.
2. Franchisee hereby releases and waives, and agrees to hold UniFi harmless from, all claims against UniFi that may result from any disclosures made under the authority of this consent.

The undersigned is signing this consent on the date below.

Name of Franchisee entity: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of individual signing  
on behalf of Franchisee: \_\_\_\_\_

Title: \_\_\_\_\_

Home Helpers Franchise No: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT VU**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Assignment Agreement**

## ASSIGNMENT AGREEMENT

Franchise No. <FRAN#>

This agreement, which is effective on \_\_\_\_\_ (the "Effective Date"), is between **H.H. FRANCHISING SYSTEMS, INC.**, an Ohio corporation ("Franchisor"), <OWNER>, an individual resident of \_\_\_\_\_ ("Assignor"), and <COMPANY>, a \_\_\_\_\_ ("Assignee").

### RECITALS:

- A. Assignor operates Home Helpers® Home Care Franchise No. <FRAN#> under a franchise agreement with Franchisor dated \_\_\_\_\_ (the "Franchise Agreement").
- B. Assignor desires to assign, transfer and delegate to Assignee all of Assignor's rights and obligations under the Franchise Agreement.
- C. Assignee desires to assume all of Assignor's rights and obligations under the Franchise Agreement.

THEREFORE the parties agree as follows:

1. Assignment. As of the Effective Date, Assignor hereby assigns and transfers to Assignee all of Assignor's rights and benefits, and delegates to Assignee all of Assignor's obligations under, the Franchise Agreement. Assignee hereby assumes and undertakes to perform all of Assignor's obligations and liabilities under the Franchise Agreement and agrees to comply with and be bound by all the terms and conditions thereof.
2. Consent of Franchisor. Franchisor hereby consents, upon the terms and conditions of this agreement, to the assignment and delegation to Assignee of Assignor's rights and obligations, respectively, in and under the Franchise Agreement.
3. Representations of Assignee. In order to induce Franchisor to consent to the assignment herein, Assignee hereby warrants and represents as follows:
  - (a) The assumption of Assignor's obligations under the Franchise Agreement and the execution of this Assignment Agreement have been duly authorized and approved by Assignee's board of directors.
  - (b) Assignor is the sole shareholder of Assignee.
4. Guaranty by Assignor. The assignment of Assignor's interest in the Franchise Agreement to Assignee does not relieve Assignor from any liability or obligation thereunder. Assignor specifically guarantees to Franchisor the prompt payment of all royalty and other fees required to be paid by the Franchisee under the Franchise Agreement, and the performance of all the provisions of the Franchise Agreement for and during the term thereof (including any renewals or extensions thereof). Assignor acknowledges that he/she will continue to be bound by all covenants, obligations and commitments of the Franchisee contained in the Franchise Agreement, including, without limitation, those covenants contained in Article 15 thereof.
5. Release. By execution of this agreement, Assignor and Assignee, their respective shareholders, officers, directors, agents, employees, and legal representatives, and the successors, heirs and assigns of each of them (collectively the "Releasing Parties"), hereby release and discharge Franchisor, its affiliates, shareholders, directors, officers, employees, affiliates, agents, insurers, successors and assigns (the "Released Parties"), from any and all claims, demands, actions, causes of action, judgments, awards and

suits of any kind for any debts, damages, losses, liabilities, rights, costs or expenses, whether known or unknown, foreseen or unforeseen, accrued or contingent, intentional or unintentional, and liquidated or unliquidated, that any of the Releasing Parties has against any of the Released Parties, individually or collectively, arising out of or related to any incident, matter, cause or event (including any and all acts and/or omissions) that occurred on or before the Effective Date.

The parties are signing this agreement as of the date in the preamble.

**H.H. FRANCHISING SYSTEMS, INC.**, Franchisor

**<COMPANY>**, Assignee

By: \_\_\_\_\_

Emma R. Dickison, CEO & President

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
**<OWNER>**, Assignor

Date: \_\_\_\_\_

Rev. 2022.04.27



EXHIBIT WV

to the

*Home Helpers*<sup>®</sup>

FRANCHISE DISCLOSURE DOCUMENT

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**Form of General Release**

## GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

H.H. FRANCHISING SYSTEMS, INC. ("we," "us," "our," or "Franchisor") and the undersigned franchise, \_\_\_\_\_ ("you," "your," or "Franchisee"), currently are parties to a certain franchise agreement dated \_\_\_\_\_ (the "Franchise Agreement") for the operation of a franchised Home Helpers® Home Care business designated Franchise No. \_\_\_\_\_. You have asked us to take the following action or to agree to the following request: *[insert as appropriate for renewal or transfer situation]*

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We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action nor agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our current and former officers, directors, shareholders, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "Franchisor Parties") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims") that you and any of the other Releasing Parties now have, ever had, or, but for this document, hereafter would or could have against any of the Franchisor Parties (1) arising out of or related to the Franchisor Parties' performance of their obligations under the Franchise Agreement before the date of your signature below or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Franchisor Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity that is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signature below, your transferring owners likewise grant to us the release and covenant not to sue provided above.

\*\*\*\*\*

**The following language applies only to transactions governed by the Maryland Franchise Registration and Disclosure Law:**

Notwithstanding the above, nothing contained herein shall act as a release, estoppel or waiver of any claim or liability arising under the Maryland Franchise Registration and Disclosure Law.



**EXHIBIT XW**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Table of Contents of Operations Manual**

# Operations Manual

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# Pre-Opening

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**EXHIBIT YX**

to the



**FRANCHISE DISCLOSURE DOCUMENT**

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**Parent Company Guarantee of Performance**

**Form F – Guarantee of Performance**

Rev. 3/01/13

**GUARANTEE OF PERFORMANCE**

For value received, HOME HELPERS HOLDINGS, INC., a Delaware corporation (the “Guarantor”), located at 10101 Alliance Road, Suite 300, Blue Ash, Ohio 45242, absolutely and unconditionally guarantees to assume the duties and obligations of H.H. FRANCHISING SYSTEMS, INC., located at 10101 Alliance Road, Suite 300, Blue Ash, Ohio 45242 (the “Franchisor”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its April 30, 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 10101 Alliance Road, Suite 300, Blue Ash, Ohio 45242, on April 26, 2024.

Guarantor: **HOME HELPERS HOLDINGS, INC.**

By: Emma R. Dickison  
Emma R. Dickison, CEO & President



EXHIBIT ZY

to the

*Home Helpers*<sup>®</sup>

FRANCHISE DISCLOSURE DOCUMENT

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**Franchise Fee Remittance Form**

## FRANCHISEE FEE REMITTANCE FORM

TO: H.H. Franchising Systems, Inc.  
10101 Alliance Road, Suite 300  
Blue Ash, Ohio 45242

Date: \_\_\_\_\_

Concurrently with this Remittance Form, the undersigned is/are also providing you with an ACH Authorization Form authorizing you to debit from the bank account described therein the amount of \$\_\_\_\_\_ (the "Remitted Funds") as partial or full payment of the initial Franchise Fee for a Home Helpers® Home Care franchise (as described in Item 5 of your Franchise Disclosure Document ("FDD"), a copy of which I have already received). I understand and agree that you will reserve, for up to 30 days after your receipt of the Remitted Funds, the ZIP Codes listed below that are not already part of another Home Helpers franchise territory or otherwise reserved as of the date you receive the Remitted Funds. I further understand and agree that the Remitted Funds are fully earned and non-refundable, in consideration of your removal of the territory from the market for 30 days and your lost or deferred opportunity to franchise it to others.

Please reserve the following territory for me:

(Insert ZIP Codes of Territory)

I understand and agree that the final ZIP Codes of my territory will be determined within the next 30 days after your receipt of this Remittance Form accompanied by the Remitted Funds, and that the final territory will be subject to (i) availability as of the date you receive the Remitted Funds and (ii) the population guidelines described in Items 5 and 12 of your FDD. I agree that if I do not enter into a Franchise Agreement with you within 30 days after your receipt of the Remitted Funds, you may keep \$10,000 of the Remitted Funds without granting me a franchise and without further obligation to me. This Remittance Form constitutes the entire agreement between us relating to the Remitted Funds, and supersedes all prior agreements and representations, oral or otherwise. This Remittance Form is governed by the laws of the state of Ohio, without regard to its conflict of laws principles. The federal and state courts located within Hamilton County, Ohio have exclusive jurisdiction in any controversy relating to or arising out of this Remittance Form and the Remitted Funds. Nothing contained in this Remittance Form shall act as a release, estoppel, or waiver of any liability arising under any state franchise law.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

## 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	<del>February 21, 2023</del> <u>February 21, 2024</u>
Florida	<del>February 10, 2023</del> <u>March 19, 2024</u>
Illinois	Exempt from registration
Indiana	Exempt from registration
Maryland	<del>May 3, 2023</del> <u>Pending</u>
Michigan	<del>May 8, 2023</del> <u>Pending</u>
Minnesota	<del>June 29, 2023</del> <u>Pending</u>
New York	Exempt from registration
North Dakota	<del>June 2, 2023</del> <u>Pending</u>
Rhode Island	<del>July 27, 2023</del> <u>Pending</u>
South Dakota	<del>April 27, 2023</del> <u>Pending</u>
Utah	<del>March 7, 2023</del> <u>February 21, 2024</u>
Virginia	<del>May 18, 2023</del> <u>Pending</u>
Wisconsin	<del>April 27, 2023</del> <u>Pending</u>

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.

## Item 23. RECEIPT

(Keep this copy for your records)

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 H.H. Franchising Systems, Inc. (HHFS) offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. Under Illinois, Iowa, Maine, Nebraska, New York, Oklahoma, Rhode Island or South Dakota law, if applicable, HHFS must provide this disclosure document to you at your first personal meeting to discuss the franchise, if earlier.

If HHFS 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 appropriate state agency listed on Exhibit B.

The name, principal business address, and telephone number of each Franchise Seller offering the franchise is: Emma Dickison, CEO & President; Bill Burlingham, CFO; Amanda Corrigan, COO; Barry Nelson, Executive Vice President & General Counsel; Jenelle Schneider, Vice President of Franchise Services; Emily Hall, Sr. Director of Marketing; Kara Ball, Sr. Director of Referral Marketing; Alan Wilson, Director of Technology Solutions; and:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

all at 10101 Alliance Road, Suite 300, Blue Ash, Ohio 45242, (513) 563-8339.

The issuance date of this Franchise Disclosure Document is April 30, 2024-2023.

We authorize the respective state officials listed on Exhibit A to receive service of process for us in each particular state.

I have received a Franchise Disclosure Document dated April 30, 2024-2023, that included the following Exhibits:

- |   |  |
|---|--|
| A Agents for Service of Process   | N <u>Personal Guaranty</u> <del>Restrictive Covenant Agreement</del>                               |
| B List of State Administrators  | O <u>Restrictive Covenant Agreement</u> <del>Power of Attorney</del>                               |
| C Financial Statements  | P <u>Power of Attorney</u> <del>Website Terms of Use Agreement</del>                               |
| D Franchisee List   | Q <u>Website Terms of Use Agreement</u> <del>Business Associate Agreement</del>                    |
| E Franchisees Who Have Left the System  | R <u>Business Associate Agreement</u> <del>WellSky SaaS License Agreement</del>                    |
| F Home Helpers Franchise Agreement  | S <u>WellSky SaaS License Agreement</u> <del>Aloe Care Franchisee Joinder Agreement</del>          |
| G Additional Territory Rider  | T <u>Aloe Care Franchisee Joinder Agreement</u> <del>UniFi Consent to Share Data</del>             |
| H Conversion Addendum   | U <u>UniFi Consent to Share Data</u> <del>Assignment Agreement</del>                               |
| I VetFran Addendum  | V <u>Assignment Agreement</u> <del>Form of General Release</del>                                   |
| J Renewal Addendum  | W <u>Form of General Release</u> <del>Table of Contents of Operations Manual</del>                 |
| K <u>Remote Franchise Addendum</u> <del>State Specific Additional Disclosures/Addenda</del> | X <u>Table of Contents of Operations Manual</u> <del>Parent Company Guarantee of Performance</del> |
| L <u>State Specific Additional Disclosures/Addenda</u> <del>EFT Authorization</del>         | Y <u>Parent Company Guarantee of Performance</u> <del>Franchise Fee Remittance Form</del>          |

M EFT Authorization~~Personal Guaranty~~

Z Franchise Fee Remittance Form

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name



## Item 23. 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 H.H. Franchising Systems, Inc. (HHFS) offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. Under Illinois, Iowa, Maine, Nebraska, New York, Oklahoma, Rhode Island or South Dakota law, if applicable, HHFS must provide this disclosure document to you at your first personal meeting to discuss the franchise, if earlier.

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Name: \_\_\_\_\_ Title: \_\_\_\_\_

all at 10101 Alliance Road, Suite 300, Blue Ash, Ohio 45242, 513-563-8339.

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| B | List of State Administrators  | O | <u>Restrictive Covenant Agreement</u> <del>Power of Attorney</del>                               |
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| H | Conversion Addendum   | U | <u>UniFi Consent to Share Data</u> <del>Assignment Agreement</del>                               |
| I | VetFran Addendum  | V | <u>Assignment Agreement</u> <del>Form of General Release</del>                                   |
| J | Renewal Addendum  | W | <u>Form of General Release</u> <del>Table of Contents of Operations Manual</del>                 |
| K | <u>Remote Franchise Addendum</u> <del>State Specific Additional Disclosures/Addenda</del> | X | <u>Table of Contents of Operations Manual</u> <del>Parent Company Guarantee of Performance</del> |
| L | <u>State Specific Additional Disclosures/Addenda</u> <del>EFT Authorization</del>         | Y | <u>Parent Company Guarantee of Performance</u> <del>Franchise Fee Remittance Form</del>          |
| M | <u>EFT Authorization</u> <del>Personal Guaranty</del>                                     | Z | <u>Franchise Fee Remittance Form</u>   |

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Date

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Signature

---

Print Name

---

Date

---

Signature

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Print Name