

## FRANCHISE DISCLOSURE DOCUMENT



• Senior Relocation • Downsizing • Estate Sales •

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A Caring Transitions franchise organizes and conducts sales of estate assets, personal belongings, and household goods and provides transition services, liquidations, and moving management services for individuals, businesses, and organizations.

The total investment necessary to begin operation of a Caring Transitions franchise is from \$75,760 to \$123,150. This includes \$58,900 that must be paid to the franchisor or an affiliate. If the population of your territory is greater than 200,000, you must pay an additional \$500 for all or part of every 1,000 people over 200,000.

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 governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of your disclosures in different formats, contact our contracts administrator at 4755 Lake Forest Drive, Ste. 100, Cincinnati, Ohio 45242 and (513) 999-9917.

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 Franchise Disclosure Document: April 1, 2026

## 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:

	<b>WHERE TO FIND INFORMATION</b>
<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 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>	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 Caring Transitions 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 Caring Transitions franchisee?</b>	Exhibits D and E list 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 A.

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

## Special Risks to Consider About *This Franchise*

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

**Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Ohio. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Ohio than in your own state.

**Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00 the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

**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, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48933 (517) 373-7117.**

## TABLE OF CONTENTS

ITEM	PAGE
1 The Franchisor, and any Parents, Predecessors, and Affiliates.....	1
2 Business Experience.....	3
3 Litigation .....	3
4 Bankruptcy .....	4
5 Initial Fees.....	4
6 Other Fees.....	6
7 Estimated Initial Investment .....	8
8 Restrictions on Sources of Products and Services .....	10
9 Franchisee's Obligations .....	13
10 Financing .....	14
11 Franchisor's Assistance, Advertising, Computer Systems and Training .....	15
12 Territory .....	20
13 Trademarks.....	22
14 Patents, Copyrights and Proprietary Information .....	23
15 Obligation to Participate in the Actual Operation of the Franchise Business.....	24
16 Restrictions on What the Franchisee May Sell .....	24
17 Renewal, Termination, Transfer and Dispute Resolution.....	25
18 Public Figures .....	26
19 Financial Performance Representations.....	27
20 Outlets and Franchisee Information.....	27
21 Financial Statements.....	34
22 Contracts.....	35
23 Receipt.....	Following Exhibits

### Exhibits

A Agents for Service of Process	K Right of First Refusal
B State Franchise Regulators	L Table of Contents of Operations Manual
C Financial Statements	M EFT Authorization Form
D Franchisee List	N Assignment Agreement
E Franchisees Who Have Left the System	O Franchisee Acknowledgment Statement
F Franchise Agreement	P State-Specific Disclosures/Riders
G Website Terms of Use Agreement	Q Form of General Release
H Personal Guaranty	R Addendum
I Restrictive Covenant Agreement	S Remittance Form
J Power of Attorney	

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

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

Caring Transitions is an Ohio corporation that was formed on April 20, 2006. Our principal business address is 4755 Lake Forest Drive, Suite 100, Cincinnati, Ohio, 45242. We do business under our name, C.T. FRANCHISING SYSTEMS, INC., and under our trade name, CARING TRANSITIONS. Our agents for service of process are listed in Exhibit A. We do not have any parents or predecessors.

**Caring Transitions Franchise.** We offer franchises to operate a business that organizes and conducts sales of estate assets, personal belongings, and household goods and provides transition services, liquidations, and moving management services for individuals, businesses, and organizations under the trade name CARING TRANSITIONS. You will provide your services to the administrators of decedents’ estates, heirs of deceased individuals, elderly individuals who are preparing to move into nursing or assisted living facilities, and other individuals who wish to downsize their household or dispose of excess household goods and personal property. You may market your services through advertising targeted to potential consumers of your services, and through personal solicitation of referral sources such as attorneys, bank trust departments, real estate agents and brokers, funeral homes, and senior care facilities. You will compete with other estate and household transition and liquidation and online auction services in the same geographic area, including those that may be franchised by other national franchise companies.

We will train you to operate your Caring Transitions franchise. Each state, county, or municipality may have different requirements for some or all of the services that you may provide as a Caring Transitions franchisee. We are presently aware that the states of Illinois, Kentucky, Mississippi, North Carolina, Ohio, Pennsylvania, and South Carolina require a license for online auctioning services. The state may require the payment of a fee to obtain the license. There may be other states with licensing or other requirements. The difficulty, cost, and procedures for obtaining these licenses may vary greatly from state to state.

As a Caring Transitions franchisee, you will be subject to numerous federal, state, and local laws and regulations that apply to businesses in general, and may be subject to laws and regulations that apply to estate and household liquidation and moving management businesses in particular. State or local laws may require the registration or bonding of your business or its personnel. These regulations may vary widely from one state, county, or municipality to another. Although we may 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, licenses, regulations, and requirements applicable to your business.

You will also be responsible for complying with employment, workers’ compensation, insurance, corporate, tax, and similar laws and regulations, as well as any federal, state, or local laws of a more general nature that may affect the operation of your franchised business. We strongly recommend that you consult with an attorney regarding the regulations that may apply to your franchised business.

Caring Transitions was formed solely for the purpose of selling and supporting estate and household liquidation and moving management franchises. We have offered franchises of this type since 2006. We have never operated a Caring Transitions franchise. A company named DMGI, Inc., which was

owned by the same individuals who founded Caring Transitions, operated a business similar to a Caring Transitions franchise from June 2006 through December 2007. We have never offered franchises in any other business or engaged in other business activities.

**Affiliates.** The following companies are affiliates of ours:

1. F.C. Franchising Systems, Inc. (“Fresh Coat”) offers franchises to operate painting businesses under the trade name FRESH COAT. Fresh Coat has offered franchises of this type since January 2005. Fresh Coat franchisees offer painting and wallpapering services to the general public, particularly homeowners, through direct mail advertising and through referral sources. As of December 31, 2025, Fresh Coat had 182 franchises. Fresh Coat does not offer franchises in any other line of business. Fresh Coat’s principal business address is 4755 Lake Forest Drive, Suite 100, Cincinnati, Ohio 45242.

2. T.B. Franchising Systems, Inc. (“TruBlue”) offers franchises to operate a residential maintenance, yard care, snow removal, and repair business under the trade name TRUBLUE. TruBlue has offered franchises of this type since June 2011. TruBlue franchises offer residential maintenance, yard care, and repair services to the general public through direct mail advertising and through referral sources. As of December 31, 2025, TruBlue had 135 franchises. TruBlue does not offer franchises in any other line of business. TruBlue’s principal business address is 4755 Lake Forest Drive, Suite 100, Cincinnati, Ohio 45242.

3. Pet Wants Franchise System, LLC (“Pet Wants”) offers franchises to operate a business that sells pet food and supplies at a retail location and/or through home delivery services. Pet Wants has offered franchises of this type since April 2015. Pet Wants franchisees offer products to dog and cat owners through advertising in various media and through referral sources. As of December 31, 2025, Pet Wants had 158 franchises. Pet Wants does not offer franchises in any other line of business. Pet Want’s principal business address is 4755 Lake Forest Drive, Suite 100, Cincinnati, Ohio 45242.

## ITEM 2. BUSINESS EXPERIENCE

### Chief Executive Officer, Director: Ray Fabik

Mr. Fabik has been the Chief Executive Officer of Caring Transitions since November 2025 and has been a member of its Board of Directors since February 2019. He served as President of Caring Transitions from February 2019 through November 2025. He has also served as President of our affiliate, Pet Wants, since February 2025.

### President: Joe Lewandowski

Mr. Lewandowski has been President of Caring Transitions since November 2025. He was Vice President of Operations for Caring Transitions from February 2022 through November 2025 and was its Director of Operations from July 2017 through January 2022.

### Vice President of Franchise Development: James Stapleton

Mr. Stapleton has been Vice President of Development for Caring Transitions since June 2019.

Vice President of Operations: Sherrie Henderson

Ms. Henderson has been Vice President of Operations for Caring Transitions since November 2025. She previously served as its Director of Franchise Business Coaching from April 2022 through November 2025 and as its Director of Business Development from 2014 through April 2022.

Vice President of Brand Development: Peter Eberly

Mr. Eberly has been Vice President of Caring Transitions and its affiliates TruBlue, Fresh Coat, and Pet Wants since August 2023. He served in this capacity for our former affiliate, G.C. Franchising Systems, Inc. in Cincinnati, Ohio from August 2023 through March 2026. Prior to this, he served as Senior Director of Marketing for Aeroseal in Miamisburg, Ohio from April 2021 through May 2023. From October 2020 through April 2021, Mr. Eberly was Senior Director of Marketing for LexisNexis in Miamisburg, Ohio.

Vice President of Marketing: Kyle Kosco

Mr. Kosco has been Vice President of Marketing for Caring Transitions since September 2023. He was Chief Operating Officer & Director of Marketing for Legion Logistics in Newport, Kentucky from May 2021 through September 2023. From June 2019 through May 2021, Mr. Kosco was Marketing Director for Sizemore & Company in Cincinnati, Ohio.

Chief Financial Officer: Peter McKnight

Mr. McKnight has been Chief Financial Officer for Caring Transitions and its affiliates Fresh Coat, TruBlue, and Pet Wants since October 2020. He was Chief Financial Officer of our former affiliate, G.C. Franchising Systems, Inc. in Cincinnati, Ohio from October 2020 through March 2026.

Director: Dan Murphy

Mr. Murphy has been a member of the Board of Directors of Caring Transitions since January 2012. He has been a member of the Board of Directors of our affiliate TruBlue since May 2011 and of our affiliate Fresh Coat since January 2012. Mr. Murphy has been chief executive officer of Strategic Franchising in Cincinnati, Ohio since March 2024. He was a member of the Board of Directors of our former affiliate, G.C. Franchising Systems, Inc., in Cincinnati, Ohio from December 2002 through March 2026.

General Counsel, Vice President, Secretary, Director: Jeff Siehl

Mr. Siehl has been General Counsel and Secretary of Caring Transitions since September 2007, Vice President since February 2018, and a member of its Board of Directors since January 2025. He has been General Counsel and Secretary of Caring Transitions' affiliates Fresh Coat since September 2007, of TruBlue since May 2011, of Pet Wants since August 2015, has been Vice President of these affiliates since February 2018, and a Director since January 2025. He was General Counsel and Secretary of our former affiliate, G.C. Franchising Systems, Inc., in Cincinnati, Ohio from September

2007 through March 2026, its Vice President from February 2018 through March 2026, and a director from January 2025 through March 2026.

### ITEM 3. LITIGATION

*Commonwealth of Virginia v. F.C. Franchising Systems, Inc.*; Case No. SEC-2020-00036. Our affiliate, F.C. Franchising Systems, Inc. dba Fresh Coat (“FCFSI”), entered into a Settlement Order with the Virginia State Corporation Commission's Division of Securities and Retail Franchising on March 3, 2021. The Division alleged that FCFSI's 2012 and 2013 disclosure documents did not disclose a material fact concerning one of its officers in violation of the Virginia Retail Franchising Act. After investigation, FCFSI discovered that an officer failed to inform it of a personal bankruptcy filed during the course of his employment and, as a result, the officer's personal bankruptcy was not disclosed. FCFSI agreed to offer to refund the initial franchise fees of three purchasers, offer a refund and rescission of the franchise agreement to another owner, and pay the Division \$8,000 in costs/penalties. The three franchise purchasers accepted the refund offers; the franchise owner declined the rescission offer and continued to operate its Fresh Coat franchise.

*Commissioner of Financial Protection and Innovation v. F.C. Franchising Systems, Inc.; G.C. Franchising Systems, Inc.; C.T. Franchising Systems, Inc.; T.B. Franchising Systems, Inc.; Pet Wants Franchise System, LLC.* We and our affiliates entered into a Consent Order with the California Commissioner of Financial Protection and Innovation on July 20, 2021 resulting from an officer/director's failure to inform us of a 2012 personal bankruptcy filing. We acknowledged that the personal bankruptcy was not disclosed in certain disclosure documents between 2012 and October 2016. Pursuant to the Consent Order, we agreed to comply with the Corporations Code.

*Commissioner of Financial Protection and Innovation v. F.C. Franchising Systems, Inc.; G.C. Franchising Systems, Inc.; C.T. Franchising Systems, Inc.; T.B. Franchising Systems, Inc.; Pet Wants Franchise System, LLC.* We and our affiliates entered into a Consent Order with the California Commissioner of Financial Protection and Innovation on December 13, 2021 acknowledging that the certified public accountant that audited our financial statements was not registered as a public accounting firm in Ohio as required by Ohio accounting regulations. Although we were unaware of the CPA's oversight, we agreed to pay an administrative penalty of \$5,000 and to comply with the Corporations Code. We received reimbursement from the CPA.

*LaBarbera v. C.T. Franchising Systems, Inc.*; Case No. 2024-cp-26-08455 (Horry Cty. Ct. Com. Pleas Dec. 27, 2024). An individual principal of a franchisee filed an action alleging that C.T. Franchising Systems, Inc. (“CTFSI”) did not comply with the South Carolina Business Opportunity Sales Act because it did not file a disclosure document with the secretary of state. The plaintiff sought a declaratory judgment voiding the franchise agreement and damages under the South Carolina Unfair Trade Practices Act. CTFSI disputed the claims on the basis that its ownership of a federal trademark registration exempted it from the definition of “business opportunity”, removed the action to federal court (Case No. 4:25-cv-00477-SAL Dist. S.C.), and filed a motion to transfer the action to the Southern District of Ohio. The plaintiff voluntarily dismissed the action on February 24, 2025.

Other than these 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

You must pay an initial franchise fee<sup>1</sup> when you sign the franchise agreement. The franchise fee for a territory with a population between 175,000 and 200,000 is \$58,900.

You can reserve a specific territory for up to 30 days by paying a \$5,000 deposit and sending us a Remittance Form. The deposit is fully earned and non-refundable upon our receipt, in consideration of our reservation and removal from the market of your territory for 30 days, and will be applied toward your initial franchise fee. The required deposit to reserve a second territory is \$10,000.

If the population of your territory exceeds 200,000, you must pay an additional \$500 for all or part of every 1,000 people over 200,000. For example, for a territory with a population of 206,135, the total franchise fee would be \$62,400 [\$58,900 + (7 x \$500)].

We presently offer the following discount programs:

During the first 24 months after you purchase your first franchise, you may be eligible for a 10% discount on the then-current initial franchise fee for each additional franchise that you purchase. To be eligible for this discount, you must pay the entire franchise fee at the time you sign the franchise agreement for the initial franchise and for each additional franchise. We may cancel or modify this discount policy at any time.

We are a member of the International Franchise Association and participate in the IFA's Veterans Transition Franchise Initiative ("VetFran Program"), which encourages franchise ownership by offering financial incentives to honorably discharged veterans of the U.S. Armed Forces. We offer a discount of up to 10% of the initial franchise fee to veterans who meet our requirements and those of the VetFran program.

You may receive only one discount or referral fee on the purchase of any franchise. We currently intend to impose each initial franchise fee uniformly except as stated otherwise in this Item 5. All initial fees are nonrefundable.

We presently offer a rebate program called "The Winners' Circle" for new Caring Transitions owners that meet our qualifications and that achieve certain revenue goals. For qualifying owners, we will rebate \$10,000 of the franchise fee they paid if they attain cumulative gross receipts of at least \$900,000 during the two-year period after the Commencement Date; we will rebate an additional \$10,000 of the franchise fee if they received the first rebate and attain cumulative gross receipts of at least \$1,600,000 during the three-year period after the Commencement Date; we will rebate an additional \$10,000 of the franchise fee if they received the first two rebates and attain cumulative gross receipts of at least \$2,300,000 during the four-year period after the Commencement Date; and we will rebate the remainder of the franchise fee they paid if they received the first three rebates and attain cumulative gross receipts of at least \$3,100,000 during the five-year period after the Commencement Date. The "Commencement Date" is the first day of the month following the month in which the training program for new owners is completed. If the owner fails to achieve any one of these revenue goals, then he or she will not be eligible to receive any additional rebate. To be eligible for any rebate, the owner must strictly comply with all obligations to us, including timely reporting all gross receipts and paying all royalties and fees required by the franchise agreement, must have attended all franchise system national conferences and regional conferences and all required on-site training centers, must sign a general release, and must have strictly complied with all other material terms and conditions of each agreement and instrument between us. If the Franchise Agreement is

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<sup>1</sup> All dollar figures refer to U.S. Dollars.

terminated for any reason prior to the end of its initial term, then Franchisee must return all rebates to Franchisor, if any. NOTE: The revenue goals above are not to be construed as projections or estimates of actual or potential earnings, sales, or receipts. We make no representation that you or any other Caring Transitions owner has or will be able to achieve any of the revenue goals required to receive a rebate under this program. We reserve the right to cancel or modify this rebate program at any time, but owners who have already been accepted into The Winners' Circle will be permitted to complete the program.

We may cancel your franchise agreement if, at any time during or within 15 days after you (or the person designated by you as responsible for the management of the franchised business) complete the initial training program, we conclude that you have not exhibited the aptitude, abilities, or personal characteristics necessary or desirable to successfully operate a Caring Transitions franchise. The initial franchise fee for a Caring Transitions franchise is non-refundable and fully earned when we sign the franchise agreement, in consideration of administrative and other expenses we incurred in granting you the franchise and investigating your qualifications, and for our lost or deferred opportunity to franchise to others.

Your franchise agreement does not give you any option, right of first refusal, or similar right to acquire additional franchises, but you may purchase up to two rights of first refusal to purchase an additional franchise territory. The price for a right of first refusal is \$5,000, which would be credited toward the initial franchise fee if you exercise the right of first refusal. A right of first refusal will give you the right to purchase a specific territory first if another prospective purchaser shows an interest in purchasing the territory within 1 year after you purchase the right of first refusal. You would have 7 calendar days after receipt of notice to exercise the right. Caring Transitions must receive the entire balance of the then current initial franchise fee for the right of first refusal territory by the seventh day after you receive the notice. A right of first refusal lasts for 1 year. The right of first refusal agreement is attached to this disclosure document as Exhibit K.

**ITEM 6. OTHER FEES**

**Item 6 Table  
OTHER FEES**

<i>Name of Fee</i>	<i>Amount</i>	<i>Due Date</i>	<i>Remarks</i>
Royalty fee – Notes 1 & 10	6% of Gross Receipts; \$300 monthly minimum for 12 months; \$500 monthly minimum thereafter – Note 2	Payable by the 5th day of each month – Note 1	Paid on Gross Receipts for preceding calendar month
National branding fee – Note 4	2% of Gross Receipts; \$350/month minimum	Payable by the 5th day of each month	Paid on Gross Receipts for the preceding month. See Item 11 of this disclosure document for an explanation of the national branding fees
Local Marketing	At least \$399/month; 4% of Gross Receipts annually thereafter	Monthly for first 12 months; annually thereafter	You are required to spend at least \$399 a month during your first 12 months of operation on local marketing with a designated supplier; 4% of Gross Receipts on an annual basis thereafter
Local Cooperative Advertising	Up to 3% of your Gross Receipts unless a majority of the cooperative members agree on a higher contribution – Note 3	Monthly	If an advertising cooperative is established or operating in your area, you must contribute

<i>Name of Fee</i>	<i>Amount</i>	<i>Due Date</i>	<i>Remarks</i>
Transfer Fee – Note 1	The greater of either \$15,000 or 10% of the purchase price, plus legal and administrative costs	Prior to consummation of transfer	Payable when you sell 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
Lead Referral Fee	\$10,000	Upon a transfer of your franchise to a buyer who was already listed in our sales database at the time you and the buyer began discussing a sale	Intended to partially reimburse us for our costs in developing leads who then purchase from existing franchise owners
Right of First Refusal Fee – Note 1	\$5,000	At the time you purchase a right of first refusal	Payable if you purchase an optional right of first refusal on another franchise territory.
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
Electronic Copies of Marketing Materials	Variable	Upon order by you	Should you request electronic copies of marketing materials you will need to reimburse the national branding fund for its costs in creating the materials
Technology/Software License Fee – Note 10	\$250	Monthly	You must pay us a fee for technology/proprietary software that we license or make available to you for use in the operation of the business
Call Center	\$100 - \$500/month depending on volume of use	Monthly	You must subscribe to a designated Call Center for use in operation of the business
Certified Relocation Transition Specialist continuing education requirements	\$650 - \$3,000	Annually	You must participate in training to maintain your status as a Certified Relocation Transition Specialist (CRTS) or to maintain other professional industry certifications.
Financial education presentation	\$250	Within 6 months after signing the franchise agreement	You must participate in this financial education presentation
EstateSales.org	\$60 - \$150	Monthly	You must have a monthly subscription to EstateSales.org Elite Package
Web hosting service	\$100	Monthly	You must pay the fee for the web hosting service for any URL that we make available to you
Membership and Association fees	\$1,500	As incurred	There is a fee to be a member of certain industry organizations, including the National Association of Senior Move Managers and the National Association of Professional Organizers
Franchisee Meetings	Currently \$899 per person	Prior to attending meeting	We may hold regional and/or national meetings with our support personnel and franchisees
Late Fee – Note 5	Greater of \$100 or 10% of payment; \$50 for ACH payments returned for insufficient funds; \$100 for late revenue reports and business records	On demand	You must pay a late fee on any payment or revenue report that we receive more than 5 days late
Interest – Note 6	18% – Note 7	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
Customer Refunds – Note 8	Amount of expense advanced plus 18% interest	On demand	Payable as necessary to protect the reputation of the franchise system if we determine that your customer is entitled to a refund

<i>Name of Fee</i>	<i>Amount</i>	<i>Due Date</i>	<i>Remarks</i>
Audit Fee – Note 1	Cost of audit plus 18% interest on under-payment – Note 7	On demand	Payable only if audit is prompted by your failure to maintain or submit records or audit shows an understatement of 3% or more for any week
Territory Amendment Fee	\$10,000	Prior to amending Territory	If we allow you to amend your franchise territory, you must pay a fee to compensate us for our costs
Sales/Use Taxes – Note 1	Variable	Payable with your royalty or national 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 us
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, customer 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
Step-In Fees	\$500 per day if incurred	As incurred	You could be required to pay this fee if we were to administer the business due to your default or incapacitation
Liquidated Damages	The average monthly royalty and branding fees from the prior 12 months	As incurred	Incurred if the franchise agreement is terminated due to an uncured default

**Notes:**

1. Payable to Caring Transitions. All fees are non-refundable. We currently intend to impose all fees uniformly except as otherwise stated in this Item 6. You must pay a monthly Royalty equal to the greater of 6% of actual Gross Receipts from the prior month or the Minimum Royalty. The Minimum Royalty is \$300 a month for 12 months after the minimum royalty start date and then \$500 a month. You are not required to pay the Minimum Royalty until the fifth day of the second month following the month in which you complete the training program held at our corporate headquarters. We will extend the Minimum Royalty start date for an additional month if you comply with System Standards for opening your business (including completing a business plan and recommended marketing activities), sign a general release, and are in full compliance with the Franchise Agreement.
2. “Gross Receipts” means all revenue on a cash basis relating to or arising from the operation of the franchised business, prior to deducting client distributions and other costs of doing business. For example, if you sell household items in an estate sale on behalf of a client for \$1,000, you would have Gross Receipts of \$1,000 and would pay a Royalty of \$60. Gross Receipts includes all revenue from the sale of any and all goods or services whatsoever under, using, or in connection with our trademarks regardless of whether such goods or services are typically provided by Caring Transitions franchise owners and all revenue billed through the franchised business.
3. Either we or the advertising cooperative will determine the amount of your monthly cooperative advertising contribution, but it cannot exceed 3% of your Gross Receipts unless a majority of the cooperative members agree on a higher contribution. Your cooperative contribution will not be credited toward your national branding fee. Each member of an advertising cooperative will have one vote for each franchise they own. Each franchised business operated by us or an affiliate of ours in an area in which an advertising cooperative has been established, if any, 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.

4. Payable to Caring Transitions National Branding Fund beginning on the fifth day of the second month following the month in which you complete the initial training program. We will extend the National Branding Fund start date for an additional month if you comply with System Standards for opening your business (including completing a business plan and recommended marketing activities), sign a general release, and are in full compliance with the Franchise Agreement. We reserve the right to increase the National Branding Fee in the future, but not by more than 10% per each year in which the franchise agreement has been in effect.
5. Late fees on royalty payments and revenue reports are payable to us. Late fees on national branding fee payments are payable to the National Branding Fund.
6. Interest on royalty payments and late revenue reports is payable to us. Interest on national branding fee payments is payable to the National Branding Fund.
7. Interest accrues from the date payment was due.
8. Refunds are payable to the customer, but you must reimburse us within 10 days if we issue a refund on your behalf.
9. The royalties, national branding fees, or other fees you pay to 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 national branding fee payment.
10. You must pay a monthly Technology Fee of \$250 for software licensing or development fees and other technology tools to be used for the operation of your business. In our most recent fiscal year, we received technology fees totaling \$726,075, or about 5.9% of our total revenues of \$12,403,516. The amount of the Technology Fee is subject to change upon reasonable notice, but will not be increased by more than 10% per each year in which the franchise agreement has been effective in addition to increases due to additional or different software and technology tools being added and price increases from third-party vendors. In our discretion, we may require you to purchase some or all of the technology tools directly from a third-party supplier.

ITEM 7. ESTIMATED INITIAL INVESTMENT

**YOUR ESTIMATED INITIAL INVESTMENT**

<i>Type of Expenditure</i>	<i>Amount</i>	<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
Initial Franchise Fee	\$58,900	See Note 1	Upon signing of franchise agreement	Caring Transitions
Furniture and Equipment	\$500 to 1,000	As Incurred	Prior to commencement of business	Suppliers
Computer System (See Note 2)	\$1,000 to 3,000	As Incurred	Prior to commencement of business	Suppliers
Travel & living expenses while training (See Note 3)	\$2,000 to 4,000	As Incurred	Prior to or at time of training	Hotel, airline, restaurants, employees
Initial Rent, Telephone, Bank and Other Deposits (See Note 4)	\$350 to 2,000	As Incurred	Prior to commencement of business	Suppliers
Additional Funds - 6 months (See Note 5)	\$4,000 to 38,000	As Incurred	As expenses are incurred	Employees, taxing authorities, suppliers, etc.
Grand-Opening Promotion (See Note 9)	\$3,000 to 4,000	As Incurred	1-2 months before opening	National branding fund and/or various suppliers
Sales employee (See Note 13)	\$2,500	As Incurred	As expenses are incurred	Employee(s)

<i>Type of Expenditure</i>	<i>Amount</i>	<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
Web hosting service	\$100	Monthly	Upon commencement of business	Supplier
Monthly Office Rental Payment (See Note 6)	\$200 to 1,000	Monthly	Depends on lease terms	Landlord
Insurance (See Note 7)	\$2,000 to 5,000	(See Note 7)	Prior to effective date of policy	Insurance Company
Certified Relocation Transition Specialist Training and Test (See Note 10)	\$650 -- 3,000	(See Note 10)	1-2 months before opening	Supplier
Membership and Association Fees (See Note 12)	\$500	As Incurred	1-2 months before opening	The applicable membership or association
Estatesales.org Elite Package (See Note 11)	\$60 - \$150	(See Note 11)	1 month before opening	Estatesales.org
Total (See Note 8)	\$75,760 to \$123,150			

Notes to Table:

1. The amount of the initial franchise fee for a Caring Transitions franchise is \$58,900 for a territory with a population between 175,000 and 200,000. If the population of your territory exceeds 200,000, you must pay an additional \$500 for all or part of every 1,000 people over 200,000.
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, rent or lease it.
3. We do not charge an additional fee for the initial training, but 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 \$750 to \$1,500, depending upon the distance and method of travel and the availability and quality of your hotel accommodations and living expenses during the training program.
4. You are required to maintain at least 1 dedicated telephone line for incoming calls from clients that will be answered by a live person or go to a central call center. The central call center line may be provided by a vendor designated by us. You may use only this central call center number in your advertising, stationery, and business cards. All calls to the central call center will be answered by a designated service and, if appropriate, will be re-routed to a second, local telephone line that you must maintain. Your local telephone service provider will typically require a normally refundable deposit for commercial use. You must maintain a separate checking account to be used only for your business, and your bank will require a nominal (\$60 - \$110) initial deposit when you open the account. Some states also require a deposit for workers' compensation coverage.
5. You should have approximately \$4,000 to \$38,000 of additional funds for the on-going costs of your business, such as payroll, utilities, advertising, taxes and similar items, to the extent that business costs are not covered by receipts during the first 6 months of operation. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business, that these amounts will be adequate, or that additional investment by you will not be necessary during the 3 months of initial operation or afterwards. New businesses (franchised or not) often have more expenses than income. Your costs will depend on factors such as how closely you follow our recommended methods and procedures; effectiveness of advertising; your management, marketing, and general business skills and

experience; local economic conditions; the local market for our products and services; the prevailing wage rate; local competition; and the sales level you achieve during the initial phase. You may also incur expenses for legal fees, accounting fees, and local permits and operating authorizations necessary to start your business, which may vary considerably from one area to another. In formulating the amount required for additional funds, we relied upon the experience of our executive team in starting and operating other businesses, and on the business model we have developed for Caring Transitions franchises; neither Caring Transitions nor any of our executives have ever operated a business similar to the franchised business.

6. 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. We recommend that you operate your franchise from your home.
7. 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 \$2,000 and \$5,000. The premium is typically due before 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.
8. The estimates listed in the above chart relate only to costs associated with the franchised business, not personal, "living," or other expenses you may have. The estimates do not include compensation for your time or labor or 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 estimated in the above chart, 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. You and your employees will use their own vehicles. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Since costs can vary with each franchise, we strongly recommend that you obtain, before purchasing a franchise or making any other expenditures or commitments, independent estimates from third-party vendors and your accountant of the costs that would apply to your proposed establishment and continued operation of a Caring Transitions franchise, and carefully evaluate the adequacy of your total financial reserves.
9. Grand-Opening Promotion. Before you open your Caring Transitions franchise, you will need to purchase marketing materials and advertising to promote the business. These pre-opening promotion expenses will range from \$3,000 to \$4,000, depending upon the size of your market, the marketing techniques you use, and the cost of advertising in your market. No part of the pre-opening promotion expenses will be refundable. You will purchase the advertising from various media located in your market. You may purchase marketing materials, such as brochures, mailers and promotional items bearing our trademarks, from our National Branding Fund, or you may purchase them from any approved supplier.
10. Before you open your Caring Transitions franchise, you will need to participate in training and take a test to become a Certified Relocation Transition Specialist. The cost of the training and test presently totals \$1,100, payable to an approved third-party that provides the training. The training takes a total of approximately 18 hours, which will be done on-line. Caring Transitions does not derive revenue from the fee that you pay to the approved third-party.

11. Before you open your Caring Transitions franchise, you will need to obtain a monthly Elite Package subscription to EstateSales.org. The cost is \$150 per month, but Caring Transitions has presently a negotiated arrangement with EstateSales.org that allows you to obtain the required subscription for \$60 per month. This monthly rate is subject to change at any time. Caring Transitions does not derive revenue from this subscription.
12. There is a fee to join certain industry organizations, including the National Association of Senior Move Managers and the National Association of Professional Organizers.
13. You must hire a salesperson within 90 days of attending training that is primarily dedicated to promoting the business for at least 15 hours a week.
14. All expenditures are non-refundable unless specifically noted otherwise.

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

**System Standards.** You should understand that every detail of your franchised business will be important, not only to you, but to us and to every other Caring Transitions franchisee as well, in order to develop and maintain high and uniform operating standards based on the concepts of quality, consistency, reliability, and professionalism; increase the demand for the products and services sold by Caring Transitions franchises; and establish and maintain a reputation for offering uniform services exemplifying high customer service standards, ethical business practices, and integrity. A fundamental requirement of your joining and remaining a part of the Caring Transitions system will be your commitment to the operation of your franchise in accordance with our system standards. During the term of the franchise agreement, you must, at all times, develop, maintain, and operate your Caring Transitions franchise in full compliance with all Caring Transitions system standards, as we may modify and supplement them in the future.

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 Web site.

**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 may purchase these items from any approved supplier, which are listed in the operations manual.

You may also purchase certain marketing materials and specialty items bearing our service marks and logo from the Caring Transitions national branding fund. The national branding fund may make these items available to our franchisees through a designated fulfillment company. For a fee, the fulfillment company offers our franchisees web-based procurement services to order marketing and promotional items online. The national branding fund did not derive any revenue from the sale of marketing materials to franchisees at our annual conference in the one-year period ending December 31, 2025. Except as disclosed in this Item, neither we nor any of our affiliates will derive revenue from your purchases of marketing materials. See Item 11 of this disclosure document for a more complete explanation of the national branding fund.

**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 covering claims for bodily and personal injury, death, property damage, product liability, and contractual liability with a minimum per occurrence limit of \$1,000,000 and a minimum general aggregate limit of \$1,000,000.
- Professional Liability Insurance with a minimum per occurrence limit of \$250,000 and a minimum general aggregate limit of \$250,000.
- Automobile Liability Insurance for owned, hired, and non-owned vehicles with a minimum combined single limit of \$1,000,000.
- Employee Dishonesty & Client Theft Insurance with a minimum limit of \$25,000.
- Bailee Insurance with a minimum limit of \$25,000.
- Worker's 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.
- An Umbrella Policy with a \$1,000,000 minimum limit.
- Cyber Insurance Policy with a \$500,000 minimum limit

All insurance policies must name us 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 may purchase your insurance from any approved supplier, 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.

**Computer System.** To operate your Caring Transitions franchise, you will need a computer system and certain required computer programs. 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 may be required to purchase or lease proprietary software from us, an affiliate of ours, or a third party designated by us.

We estimate that the cost of the goods purchased in accordance with the specifications described above will range from approximately 3% to 12% of your initial investment to commence the operation of your Caring Transitions franchise (the exact percentage will depend upon the amount of your other start-up expenses—see Item 7 above for a description of your initial investment) and approximately 20% to 40% of your ongoing operating expenses.

Except as disclosed above, neither we nor any affiliate of ours will derive revenue from your required purchases.

**Suppliers.** The operations manual contains a list of approved suppliers for the marketing materials, business cards, business stationery, equipment, and services you will need to operate the franchised business. Other suppliers may be approved by sending us a written request for approval along with a sample of the supplier's product. You will typically be notified whether the supplier is approved within 30 days after we receive all the necessary information. We do not charge a fee for approving suppliers. We may revoke approval of any approved supplier at any time if the quality of the product and the supplier's financial condition and ability to satisfy your requirements do not continue to meet

our satisfaction. Except as disclosed above, neither we nor any persons affiliated with us are currently an approved supplier and no officer of Caring Transitions has an ownership interest in any approved supplier.

Except as disclosed above, we have not established specifications for the equipment and supplies necessary to operate your Caring Transitions 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 you.

**Arrangements With Suppliers.** We have negotiated an arrangement with EstateSales.org to provide our franchisees an Elite Package subscription at approximately a 20% discount. This arrangement is subject to change without notice.

Some suppliers may pay fees for sponsorships or display space at our annual conference. These fees will defray our costs for the conference, but there are not specific restrictions on their use. We did not receive any such revenue in calendar year 2025.

Except as disclosed herein, neither we nor our affiliates derived revenue, rebates, or other material consideration based on required purchases or leases by franchisees, based on the most recent audited financial statements. We do not provide material benefits to you based upon your 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 your benefit. In the future, we may negotiate alliance programs or purchase arrangements with suppliers for the benefit of Caring Transitions 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 National 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, return rebates to franchisees pro rata based on their purchases from approved suppliers. Except for a local cooperative advertising fee, there are no minimum advertising expenditures you are required to make.

ITEM 9. FRANCHISEE’S OBLIGATIONS

**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.**

<i>Obligation</i>	<i>Section in Franchise Agreement</i>	<i>Item in Disclosure document</i>
a. Site selection and acquisition/lease	Article 3	11
b. Pre-opening purchases/leases	7.4 and 7.15	5, 7 & 8
c. Site development and other pre-opening requirements	Not Applicable	Not Applicable
d. Initial and ongoing training	7.1	11
e. Opening	Not Applicable	Not Applicable

<i>Obligation</i>	<i>Section in Franchise Agreement</i>	<i>Item in Disclosure document</i>
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	6
k. Territorial development and sales quotas	None	12 & 17
l. Ongoing product/service purchases	7.5	8
m. Maintenance, appearance and remodeling requirements	Not Applicable	Not Applicable
n. Insurance	7.9	7
o. Advertising	Article 11	8 & 11
p. Indemnification	7.9 & 7.13; Article 17	17
q. Owner's participation/management/ staffing	7.6 & 15.1	17
r. Records/reports	7.8 & 7.15	17
s. Inspections/audits	7.8	6 & 17
t. Transfer	Article 12	17
u. Renewal	2.2	17
v. Post-termination obligations	Article 14	17
w. Non-competition covenants	7.20, 15.2, 15.3 & 15.4, 15.10	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 or disapprove the boundaries that you submit for your franchise territory. Your territory must be a single, undivided geographic area delineated by postal code(s). If the Postal Service alters the boundary or number of the postal code(s) assigned to you, we will 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. Typically, we will have approved the boundaries of your franchise territory at the time you sign the franchise agreement. If we have not and if we cannot agree on the boundaries of your territory within 30 days after you complete the initial training program, we both have the right to terminate the franchise agreement. (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). You may purchase

certain marketing and promotional materials from the Caring Transitions national branding fund. See Item 8 for a more detailed explanation of the requirements for purchasing equipment and supplies.

(3) Provide you with access (via our intranet Web site) to a number of digital advertisements, layouts and images for use in various media, and a set of templates for business cards and stationery. (Franchise Agreement § 6.1).

(4) Make available to you one copy of our operations manual, which contains mandatory and suggested specifications, standards, and procedures. (Franchise Agreement § 6.1). The manual is confidential and remains our property. You will receive digital access to the manual when you begin the initial training program. We have the right to modify the manual from time to time, but the modification cannot alter your status and rights under the franchise agreement. (Franchise Agreement § 9.3). The total number of pages in the operations manual is 266 (including 84 pages for operations, 81 pages for administration, and 98 pages for marketing and sales). The table of contents of the manual is attached to this disclosure document as Exhibit L.

(5) Provide you with electronic access to the forms you will use to report your sales, order supplies, and otherwise communicate with us. (Franchise Agreement § 6.2).

(6) Provide an initial training program for you and your manager. (Franchise Agreement § 6.1).

During the operation of the franchised business, we will:

(1) Provide you with assistance via telephone, email, office visits, and Web-based programs to the extent we deem necessary. (Franchise Agreement § 6.1).

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

A “buyer’s premium” is paid by winning bidders for items won on our online auction website, [www.CTBids.com](http://www.CTBids.com). The buyer’s premium defrays our costs in providing, operating, and maintaining CTBids.com and the franchisee’s costs in conducting the auction, but there are no specific restrictions on its use. It is calculated as a percentage of the winning bid. For example, if an auction is won for \$50 and the buyer’s premium is 18%, the winning bidder will pay a buyer’s premium of \$9 (that is, 18% of \$50). From the buyer’s premium: (a) the franchisee will receive an amount equal to 15% of the winning bid (\$7.50 in the above example) during its first two years of operation and we will receive the balance of the buyer’s premium (\$1.50 in the above example); (b) the franchisee will receive an amount equal to 14% of the winning bid during its third year of operation and we will receive the balance; (c) the franchisee will receive an amount equal to 13% of the winning bid during its fourth and fifth years of operation and we will receive the balance; and (d) the franchisee will receive an amount equal to 12% of the winning bid during its sixth through tenth years of operation and we will receive the balance. Note: this is an example only and is not to be construed as a projection or estimate of actual or potential earnings, sales or receipts. We have the right, in our sole discretion, to establish a maximum and minimum buyer’s premium. Presently we have set a maximum and recommended buyer’s premium of 18%. We reserve the right to modify this policy after providing 30 days’ notice but the amount of the buyer’s premium that we receive will not exceed 6% of the winning bid. In calendar year 2025, we derived \$11,086, or about .1% of our total revenues of \$12,403,516, from the buyer’s premium. We do not otherwise presently set minimum or maximum prices at which you must sell products or services or otherwise assist in establishing prices although we reserve the right to do so. We may provide assistance with providing equipment, signs, fixtures, and supplies by providing the names of approved suppliers. We do not presently provide written specifications for such items and do not deliver or install the items.

**Computer Hardware and Software.** You must obtain and use the computer hardware and software complying with specifications that we periodically establish, including hardware components, dedicated telephone lines, modems, printers, and other computer-related accessories and peripheral equipment (the “Computer System”). You will be issued an e-mail account that is capable of receiving and sending attached files. You will need a high-speed Internet connection through a commercial Internet Service Provider (ISP) for purposes of accessing our franchisee intranet site, CTBIDS.com, Seller.CTBIDS.com and the Seller NG Mobile App as well as communicating via email. The Computer System may store some data and information about your clients, finances, and operations based on information you input. You must be able to open and edit Word® and Excel® documents to use any of our tools and resources. We estimate that the cost for the required Computer System will range from \$2,000.00 to \$3,000.00. The Computer System currently includes a laptop computer and data management software, mobile device with data plan, and peripherals. All employees of the franchisee must have access to the franchisee Computer System or have devices of equal to greater capacity/capabilities in order to handle functions of the business.

The minimum Computer System requirements include:

- Windows® 7
- 8 GB RAM
- Storage: 500 GB (HD) or 256 GB (SSD)
- Processor: 5<sup>th</sup> Generation i3 or newer
- a Microsoft Office 365 subscription
- Adobe® PDF reader
- Intuit QuickBooks® Online (you will use this as your accounting software; the data collected will consist of business accounts, expenses, payroll data, and financial statements)

For best Desktop Computer System performance, we recommend:

- Windows® 11
- 16 GB RAM
- Storage: 1 TB (HD) or 512 GB (SSD)
- Processor: 13<sup>th</sup> Generation or later
- Supported Browsers: Chrome, Edge, Firefox, Safari

For best Mobile Device performance, we recommend, at minimum:

- iOS Products:
- The latest Operating System (currently 16.4 in the U.S.)
- 4 GB RAM
- Storage: 64GB

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 and accounting applications described above. There are no other contractual limits on our right to access the information and data stored on your computer system. 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 \$250.00 to \$1,000.00. This estimate may vary depending on your specific IT needs, knowledge, and local market conditions. You are not required to establish, maintain, and/or troubleshoot any issues with your Computer System.

You are required to use certain data management reporting software program(s). The cost is \$600 for the first year, which is included in the table in Item 7 of this disclosure document.

**Franchise System Meetings.** We may 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. (Franchise Agreement § 7.21). You must attend all meetings we designate as mandatory, which presently includes national meetings. We may charge reasonable registration fees for these meetings. Currently, the registration fee for the national meeting is approximately \$899 per person. We will charge you the attendance fee if you do not attend a required meeting or if you register for any meeting and do not attend. All expenses, including travel and lodging, are your responsibility.

**Office Visits.** Although not required to do so by the franchise agreement, we may, in our discretion, visit your office from time to time in order to provide additional operational support. Presently we do not charge you a fee for such office visits, but we reserve the right to require you to reimburse us for the cost of our travel to your office and for related expenses. (Franchise Agreement § 7.19).

**Web Site.** Although we are not required to do so by the franchise agreement, we maintain a Web site to promote our franchisees’ services and the sale of our franchises and to provide contact information for Caring Transitions locations. (Franchise Agreement § 11.9). We may include your franchise contact information on a separate page on our Web site paid for by the national branding fund and on which you would be required to keep your contact information current at all times. We also may provide you with a Web site that we may require you to use in connection with the franchised business; we would retain ownership of any such Web site and would reserve the right to modify, revise, or cancel the Web site at any time. You may not establish your own Web site, Web page, blog, advertisement, or link on or to the Internet (including social networking Web sites or services such as Facebook, Twitter, etc.) or other similar services using our trademarks or otherwise in connection with the franchised business, without our prior written consent. We will provide you with an e-mail address containing our domain name, which you are required to use for all electronic communications with us and for the franchised business.

**Telephone Lines.** You must have a telephone line for incoming calls from clients that must be answered by a live person or go to a central call center. The central call center line must be provided by a vendor that we have approved. You may use only this central call center number in your advertising, stationery, and business cards. All calls to the central call center will be answered by a live person and, if appropriate, will be re-routed to a second, local telephone line that you must maintain. We will not receive revenue of any nature from your use of the central call center. You will use this local line for outgoing calls. You may procure the local telephone number from any telephone service provider.

**National Branding Fund.** We, in our discretion, make certain marketing materials and promotional services available to you through a national branding fund (the “National Branding Fund”). (Franchise Agreement § 11.3). Some of the services may include a periodic publication for your customers, the development of new marketing programs, and contests for services or promotional items. The

marketing materials available for purchase from the National Branding Fund include all brochures and mailers used in our marketing program and promotional items bearing our logos and service marks.

Each franchisee is required to pay a National Branding Fee of 2% of monthly Gross Receipts or \$350.00 per month, whichever is greater, to the National Branding Fund. (Franchise Agreement § 5.2). We may increase the amount of the National Branding Fee, but not by more than 10% per each year in which the franchise agreement has been in effect. Any increase in the National Branding Fee will be effective at least 30 days after you receive notice of the increase. All National Branding Fees are maintained in a separate bank account and may only be spent on advertising, promotion, and marketing of the services provided by Caring Transitions franchises, the development of new public relations campaigns and new advertising, promotional and marketing materials for the Caring Transitions system, the solicitation of National Accounts, employment of marketing personnel, and administrative costs associated with the maintenance of the National Branding Fund. Our current policy is to use the National Branding Fund for the development of new advertising, promotional and marketing materials and to advertise the services provided by franchisees in certain print media. However, we have the right to change this policy at any time and use the National 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 National Branding Fund. Each franchisor-owned location, if any, will contribute to the National Branding Fund on the same basis as you.

The National Branding Fund is administered by our accounting personnel. An unaudited annual financial statement of the National Branding Fund is available to you after April 1 of each year. We do not presently have the National Branding Fund audited by an independent certified public accountant, but we reserve the right to do so at the National Branding Fund's expense.

The National Branding Fund is not and will not be an asset of ours. The National 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 National Branding Fund. The National Branding Fees you pay 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 National Branding Fees you pay. We are not required to spend equal or pro rata amounts on each franchise. Except as disclosed above, neither we nor any of our affiliates receive any payment from the Fund. During the one-year period ending on December 31, 2025, the National Branding Fund had total receipts of \$2,483,434 and total expenses of \$2,307,805, of which 54.6% was spent on promotional programs, 22.4% for Web-based programs, and 22.9% for shipping and administration expenses.

No portion of the National Branding Fund is used for advertising that is principally a solicitation for the sale of franchises, although solicitations for the sale of Caring Transitions franchises may be an incidental part of advertising paid for by the National Branding Fund. If any of the National Branding Fees are not spent in the fiscal year in which they accrue, expenditures made from the 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 \$399 a month during your first 12 months of operation on local marketing with a designated supplier and provide us with verification of your expenditure upon request. Thereafter, you must spend at least 4% of your Gross Receipts on local marketing on an annual basis. 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 Web site) 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 email for approval. You will typically be notified whether the advertisement is acceptable within 30 days after we receive it. (Franchise Agreement §§ 11.1, 11.8). 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. 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. 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 Caring Transitions franchises. (Franchise Agreement § 11.11). Advertising cooperatives may be established for areas covered by advertising media relevant to particular geographic markets, Metropolitan or Micropolitan Statistical Areas, our industry or industry segment, 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 national branding fee. Either we or the cooperative will determine the amount of your monthly contribution, but it cannot exceed 3% of your Gross Receipts 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 franchisor-owned location 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.

**Location of Franchised Business.** You will operate the franchised business from at least one office site. We do not select or approve a site, or provide you with assistance in selecting a site, for your office. You may operate your franchise from an office in your home, provided that doing so will not violate any zoning or building code or other laws. You may also operate your franchise from rented office or warehouse space. Your office must be located in your territory unless your office is in your home 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 business address in your territory and the telephone number for your franchise must be listed under that address. We do not impose any other restrictions upon the location of your office. Your office should be near the more densely populated areas of your territory and convenient to major thoroughfares. You must provide us with the address of the office and notify us of any change in address by certified mail, return receipt requested, at least 30 days before the change. 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. (Franchise Agreement, Article 3).

**Length of Time to Open Franchise.** Franchisees typically begin operating their franchises 2 to 6 months after signing the franchise agreement, depending on how quickly they are able to attend our initial training program. Training programs are typically held every 4 to 6 weeks. Other factors that affect this time are the availability and timing of your financing, any previous employment commitments, and your ability to complete our training program, hire and train personnel, comply with any applicable licensing requirements (see Item 1), and schedule your initial marketing campaign.

You must open your franchise within 90 days after you complete the initial training program, or we have the right to terminate your franchise without refunding any fees you have paid. (Franchise Agreement § 7.6).

**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 someone to us who is not already in our sales system, then we will provide you a referral fee of \$7,500.00 if that person purchases a franchise from us or from one of our affiliates. If you “self-refer” within 30 days after your completion of the initial training program, then in addition to the referral fee, we will waive the minimum royalty on your second territory for six months. The referral fee is \$20,000 for the fifth referral within a 12-month period. You will not otherwise participate in the awarding of the franchise to the prospective franchise owner and are not authorized to make financial performance representations. You are entitled to the referral fee when payment in full is received for the new franchise, a franchise agreement has been signed, and the initial training program has been completed. We may cancel or modify this referral policy at any time.

Existing owners may receive a prospective franchisee conversation fee if they answer questions of prospective candidates who become franchise owners. There is a pool (currently \$500) that is split among all franchise owners who speak with a candidate who becomes a franchise owner. We do not control the content of any communications between existing owners and prospective owners, and existing owners do not act as our agents or representatives in any way. We may cancel or modify this conversation fee policy at any time.

**Training.** After you sign the franchise agreement and pay the initial franchise fee, you will begin our “Onboarding Program.” The Onboarding Program is a preliminary training phase that you will engage in at home. During the Onboarding Program, you will receive and read your operations manual, collect information about advertising media in your market, prepare a business plan, form a business entity to operate the franchised business, secure financing (if needed), obtain insurance, establish a bank account, and schedule your training dates. We will provide you with instructions and guidelines for the Onboarding Program and telephone support during this time.

If this is your first Caring Transitions franchise then, before you open your franchised business, we will train up to 2 people to operate the franchise. (Franchise Agreement § 7.1). All of the initial training is conducted at our corporate headquarters in Cincinnati, Ohio, by or under the supervision of our President, Ray Fabik (see Item 2 of this disclosure document for a description of Mr. Fabik’s background). Mr. Fabik has overseen the training and support of our franchisees since February 2019. We do not employ a separate staff whose sole function is to train franchisees. Training is conducted by employees with various administrative and operational responsibilities and by third-party vendors. 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 the person designated as responsible for the general oversight and management of the franchised business, must begin the training program within 90 days after you sign the franchise agreement and complete it to our satisfaction, or we have the right to terminate your franchise without refunding any fees you have paid. Training programs are typically scheduled on a monthly basis subject to demand. At the present time, we do not provide or require you to attend additional training programs after your

successful completion of the initial training program other than the on-site training described below, although we have the right to require additional training and to charge you a reasonable fee for it.

The agenda of our initial training program is described below.

### TRAINING PROGRAM

<i>Subject</i>	<i>Classroom Training Hours</i>	<i>On-the-Job Training Hours</i>	<i>Location</i>
Caring Transitions Business Model (Our Brand, Solutions, and Services)	8	0	Cincinnati, Ohio
Technology (Tools, Systems, Platforms)	8	0	Cincinnati, Ohio
Financial Management (Pricing, Profitability and Accounting)	5	0	Cincinnati, Ohio
Employee Hiring and Management	3	0	Cincinnati, Ohio
Marketing & Promotion	3	0	Cincinnati, Ohio
Preparation for Business Launch (Business Planning)	7	0	Cincinnati, Ohio
Business Plan Presentation	1	0	Cincinnati, Ohio

The instructional materials for our training program include the Operations Manual, handouts, and QuickBooks® Software. We reserve the right to extend the hours of the training program, to require additional training, or to require that training be conducted on-line. In addition, within 90 days after completing the Training Program, you are required to attend five days of on-site training at a regional location conducted by an experienced franchise owner. We do not charge you a fee to attend the on-site training, but you are responsible for your own expenses. We reserve the right to make additional training available to you.

#### ITEM 12. TERRITORY

We will grant you an exclusive protected territory delineated by postal codes. The exclusive territory you will receive for the base initial franchise fee will contain a population between 175,000 and 200,000. If the population of your territory exceeds 200,000, you must pay an additional \$500 for all or part of every 1,000 people over 200,000. There is no maximum limit on the population of your territory. The population will be determined using extrapolated census figures and a designated mapping system. You may operate from more than one location subject to our written approval.

There are no minimum sales quotas. You maintain the rights to your territory even if the population increases. If the Postal Service alters the boundary or number of the postal code(s) comprising your territory, 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. There are no other circumstances that would permit us to modify your territorial rights.

You may not operate your franchise in another franchisee's territory, except as disclosed in this Item 12. "Operate your franchise in another franchisee's territory" means advertising, soliciting, offering, providing, or selling products or services in another franchisee's territory. The exclusivity of your territory begins once you complete our initial training program and become fully operational.

Although we are not obligated to do so under the franchise agreement, we may permit you to operate your franchise in areas outside your territory that are not part of another Caring Transitions franchisee's territory. We may, in our discretion, allow you to continue serving existing clients located

in areas outside your territory after such area later becomes part of another franchisee's territory, but you must stop soliciting and serving new clients in any such area. Similarly, earlier Caring Transitions franchisees may have operated their franchises in areas that later became part of your territory; if so, they will be permitted to continue to provide services in your territory to clients they already had in your territory before you opened your franchise, but they will be prohibited from soliciting and serving any new clients in your territory once you open your franchise. In addition, we may permit you to operate in the territory of a franchisee that has been provided written notification of a default under the franchise agreement and who has not cured the default within 30 days. In this event, the exclusivity of the defaulting franchisee's territory could, in our discretion, be suspended until the default is cured. You do not acquire any rights to any areas outside your territory and you must immediately stop operating your franchise in areas outside your territory upon notification from us.

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.

The exclusivity of your territory does not extend to customers that we identify as National Accounts. A "National Account" is business, association, or other organization with members, affiliates, policyholders, offices, stores, plants, buildings or other facilities that are not confined to the territory of a single Caring Transitions franchisee. With our prior written consent, you may service National Accounts at or from locations in another franchisee's territory. We have the exclusive right to identify customers or potential customers as National Accounts, to service National Accounts, and to award the right to service National Accounts to any Caring Transitions franchisee, in our sole and absolute discretion.

The exclusivity of your territory does not extend to "shared referral sources" (such as attorneys, bank trust departments, real estate agents and brokers, funeral homes, senior care facilities, and similar organizations) that will be shared by all franchisees in a market. Other Caring Transitions franchisees may solicit referrals from and promote their services to shared referral sources located in your territory, and you may solicit referrals from and promote your services to shared referral sources located in another franchisee's territory. We have the exclusive right to identify the shared referral sources in each market on a case-by-case basis and resolve all disputes between franchisees relating to shared referral sources. 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.

We may not operate or grant another Caring Transitions franchise within your franchise territory, but nothing prohibits us from operating or granting other franchises under different trademarks or trade names within your territory. These franchises may offer some of the same services offered by Caring Transitions franchises so long as they are not "substantially similar" to a Caring Transitions franchise.

Except as provided in this Item 12, we do not reserve the right, under our principal trademarks or different trademarks, to provide competing services or to use any alternative distribution, including the Internet, within your territory. We will not solicit or accept orders inside your territory.

There are no 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, other than as disclosed in this Item 12.

Your franchise agreement does not give you any option, right of first refusal, or similar right to acquire additional franchises, but you may purchase a right of first refusal to purchase an additional franchise territory. The price for a right of first refusal is \$5,000, which would be credited toward the initial franchise fee if you exercise the right of first refusal. A right of first refusal will give you the right to purchase a specific territory first if another prospective purchaser shows an interest in purchasing the territory within 1 year after you purchase the right of first refusal. You would have 7 calendar days after receipt of notice to exercise the right. Caring Transitions must receive the entire balance of the then current initial franchise fee for the right of first refusal territory by the seventh day after you receive the notice. A right of first refusal lasts for 1 year. The right of first refusal agreement is attached to this disclosure document as Exhibit K.

We may not modify your territorial rights without your consent.

**ITEM 13. TRADEMARKS**

We will grant you the right to operate an estate and household liquidation and moving management franchise under the trade name CARING TRANSITIONS and to use the service mark CARING TRANSITIONS to identify the services offered by the franchise. You may also use our Caring Transitions logo (which is depicted on the cover of this disclosure document), and other trademarks we may adopt in the future. You may use no other name or trademark without our approval.

We have registered the mark listed below on the Principal Register of the U.S. Patent and Trademark Office (“USPTO”).

<i>Registration Number</i>	<i>Description of Mark</i>	<i>Registration Date</i>
3,451,176	CARING TRANSITIONS Word Mark	June 17, 2008
5,949,672	CTBIDS	December 31, 2019
6,225,802	CTBids logo	December 22, 2020

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 do not have a Principal Register federal registration for the CARING TRANSITIONS logo on the cover of this disclosure document. Therefore, that mark does not have as many legal benefits and rights as a Principal Register federally registered trademark. If our right to use the mark is challenged, you may have to change to an alternative mark, which may increase your expenses.

The service mark CARING TRANSITIONS was registered with the Canadian Intellectual Property Office on November 12, 2010 (Registration No. TMA782284).

You must follow our rules when you use our marks. You cannot use our name or marks as part of your corporate name. You cannot use our name or marks with modifying words, designs, or symbols other than those that we license to you. You cannot use our name or marks on or as part of any Web site, domain name, URL, Web page, email address, listing, banner, advertisement, or any other service or link on, to or with the Internet, World Wide Web, Internet service providers, email services, communication providers, search engines, or other similar services without our prior 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 us. 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, ®, SM, 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 Caring Transitions 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 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. We believe that there may be other businesses offering similar services and using the name CARING TRANSITIONS whose use predates our first use of the name. We and our franchisees may not be able to use the name CARING TRANSITIONS in the market areas of other estate or household liquidation and moving management businesses that are using the name CARING TRANSITIONS or similar names.

#### 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 developed by us. All such materials will bear copyright notices. All rights and interests in such materials will be retained by us. You must 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 Caring Transitions franchise.

We have developed distinctive systems for the operation of estate and household liquidation and moving management 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.

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

We do not require that you personally supervise the franchised business, although we recommend that you do so. The franchised business must be directly supervised “on-premises” by a manager who has been approved by us and has successfully completed our training program. The manager need not have an ownership interest in the franchise. The manager must sign a written agreement to maintain the confidentiality of any confidential information about Caring Transitions or your business that may be disclosed to him or her and a covenant not to compete with your business that is enforceable within your jurisdiction. If you acquire additional Caring Transitions franchised businesses, each franchised business must have its own fulltime manager. You must hire a business development representative for each franchised business that is dedicated to marketing the business.

You may not compete with, or own an interest in any business that competes with, your franchise anywhere during the term of your franchise agreement, or in or within 15 miles of your territory or any other franchisee’s territory for 2 years after the expiration or termination of your franchise agreement. You may not solicit any “shared referral sources” (wherever located) for 2 years after the expiration or termination of your franchise agreement (see Item 12 for an explanation of “shared referral sources”). If the franchisee is a corporation, partnership, limited liability company, or other entity, the restrictions in this paragraph also apply to all of the owners of the franchisee. If the franchisee is a corporation, partnership, limited liability company, or other entity, all of its owners must sign a written agreement to maintain the confidentiality of any confidential information about Caring Transitions or your business that may be disclosed to them, and a written agreement (a sample of this agreement is attached to this disclosure document as Exhibit H) personally guaranteeing all of the franchisee’s obligations under the franchise agreement. The spouse of an owner is not required to sign a guaranty unless he or she has an ownership interest in the franchise.

#### 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 CARING TRANSITIONS without our approval. You may not use any geographic appellation or assumed name in connection with the franchised business without our prior written consent.

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 permitted 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. The required services are estate and household liquidation and moving management/transition services. We have the right to designate some services as optional for franchisees. For example, a Caring Transitions franchisee may provide moving services with approval from us if they are qualified, meet all legal requirements for doing so, and maintain insurance that provides coverage for such services. We have the unlimited right to add or delete permitted products and services that you are required or permitted to offer. We have the right to designate some services as optional for franchisees or optional for franchisees in certain markets. We reserve the right to establish a maximum and minimum buyer’s premium charged on items auctioned through our website CTBids.com.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

**Item 17 Table**

**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.**

<i>Provision</i>	<i>Section in Franchise Agreement</i>	<i>Summary</i>
a. Length of the Franchise Term	2.1	10 years
b. Renewal or extension of the term	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 2 additional 10-year terms. You must sign our then-current franchise agreement for the renewal term, and this new agreement may have different terms and conditions (including, e.g., higher royalty and/or advertising contribution) from the agreement that covered your original term.
c. Requirements for you to renew or extend	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 acquire a successor franchise term of 10 years. If you wish to acquire a successor franchise term, 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, and comply with any new training requirements.
d. Termination by you	Not Applicable	None, subject to state law

<i>Provision</i>	<i>Section in Franchise Agreement</i>	<i>Summary</i>
e. Termination by us without cause	Not Applicable	Any grounds permitted by law
f. Termination by us with cause	7.1, 13.1 & 13.2	We can terminate your franchise if you do not complete the training program to our satisfaction or if you default.
g. "Cause" defined - defaults which can be cured	13.1, 13.2	You have 30 days to cure: non-payment of fees or notes, failure to submit reports, understatement of Gross Receipts, failure to operate the franchised business in compliance with the Manual and the System Standards, and any other default not listed in §13.1(g) through (r).
h. "Cause" defined - defaults which cannot be cured	13.1, 13.2	Non-curable defaults: failure to begin training within 90 days after franchise agreement signed, failure to complete training to our satisfaction, failure to open franchise within 90 days after you complete training, failure to maintain franchised business in continuous operation, certain assignments, abandonment, failure to comply with applicable law, unapproved transfers, misrepresentation, knowingly submitting false report or maintaining false books or records, knowing understatement of Gross Receipts, 3rd breach of any term(s), breach of §15.2, bankruptcy <sup>1</sup> , seizure of or execution against your franchise, unsatisfied or unappealed judgment against franchisee, certain criminal misconduct, conduct which reflects negatively on the system, danger to public.
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, obtain insurance tail coverage, pay outstanding amounts due and damages (also see r, below).
j. Assignment of contract by us	12.1	No restriction on our right to assign.
k. "Transfer" by you – definition	12.2	Includes transfer of contract or assets, ownership change, and encumbrance.
l. Our approval of transfer by you	12.2	We have the right to approve all transfers but may not unreasonably withhold consent.
m. Conditions for our approval of transfer	12.2	All your financial obligations and transfer fee paid, new franchisee qualifies, you release claims (if permitted by state law), new franchisee signs current agreement and completes training (also see r, below).
n. Our right of first refusal to acquire your business	12.4	We can match any offer for your business.
o. Our option to purchase your business	Not Applicable	Not Applicable
p. Your death or disability	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	7.20, 15.2, 15.10	No involvement in business that competes with Caring Transitions
r. Non-competition covenants after the franchise is terminated or expires	7.20, 15.3, 15.4 & 15.10	No involvement in business that competes with Caring Transitions for 2 years in or within 15 miles of any franchisee's territory (subject to state law) , no solicitation of customers for 2 years, no solicitation of referral sources in or within 15 miles of any franchise territory for 2 years (subject to state law).
s. Modification of the agreement	9.3 & 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.

<i>Provision</i>	<i>Section in Franchise Agreement</i>	<i>Summary</i>
t. Integration/merger clause	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, subject to state law.
u. Dispute resolution by arbitration or mediation	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, subject to applicable state law.
v. Choice of forum	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, subject to state law.
w. Choice of law	18.3	Except for claims arising under a franchise law of the state where the franchised business is located, Ohio law applies, subject to applicable state law.

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

#### 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 disclose 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 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.

Presented below are historic gross revenue and gross profit percentage figures for certain Caring Transitions franchises for the one-year periods ending December 31, 2022, December 31, 2023, December 31, 2024, and December 31, 2025. The data is presented by quartile and then cumulatively. Only data from franchises that were open for the entire year are included in the table. The information has been extracted from financial reports submitted to us by our franchisees. The financial reports submitted to us were prepared by the franchisee in most cases, not reviewed or audited by an independent accountant. We have not audited or independently verified this information.

**GROSS RECEIPTS AND PROFIT PERCENTAGE BY QUARTILE**

<b>First Quartile of Franchises</b>	<b>Year Ending 12/31/2022</b>	<b>Year Ending 12/31/2023</b>	<b>Year Ending 12/31/2024</b>	<b>Year Ending 12/31/2025</b>
<b>Average Gross Receipts</b>	\$633,235.64	\$669,658.61	\$655,439.73	\$633,235.64
<b>Median Gross Receipts</b>	\$509,928.49	\$590,638.01	\$572,548.85	\$509,928.49
<b>Highest Gross Receipts</b>	\$2,714,401.00	\$2,454,270.00	\$2,549,600.00	\$2,714,401.00
<b>Lowest Gross Receipts</b>	\$390,847.70	\$402,331.00	\$359,444.24	\$390,847.70
<b>Percentage of franchisees that attained or surpassed Average Gross Receipts</b>	30%	33%	30%	34%
<b>Average Gross Profit %</b>	62%	62%	64%	64%
<b>Highest Gross Profit %</b>	96%	93%	93%	91%
<b>Median Gross Profit %</b>	62%	64%	65%	65%
<b>Lowest Gross Profit %</b>	17%	15%	12%	27%
<b>Percentage of franchisees that attained or surpassed Average Gross Profit %</b>	49%	50%	57%	49%
<b># of Franchises</b>	53	58	63	77

<b>Second Quartile of Franchises</b>	<b>Year Ending 12/31/2022</b>	<b>Year Ending 12/31/2023</b>	<b>Year Ending 12/31/2024</b>	<b>Year Ending 12/31/2025</b>
<b>Average Gross Receipts</b>	\$311,961.78	\$296,060.74	\$275,970.51	\$285,268.93
<b>Median Range of Gross Receipts</b>	\$315,602.98	\$299,690.02	\$269,960.90	\$287,415.15
<b>Highest Gross Receipts</b>	\$382,465.66	\$400,942.09	\$358,068.96	\$369,208.38
<b>Lowest Gross Receipts</b>	\$225,868.00	\$209,758.24	\$202,811.24	\$222,918.19
<b>Percentage of franchisees that attained or surpassed Average Gross Receipts</b>	49%	53%	46%	52%
<b>Average Gross Profit %</b>	54%	59%	64%	64%
<b>Highest Gross Profit %</b>	100%	100%	100%	96%
<b>Median Gross Profit %</b>	57%	63%	67%	65%
<b>Lowest Gross Profit %</b>	5%	18%	12%	4%

<b>Percentage of franchisees that attained or surpassed Average Gross Profit %</b>	55%	58%	54%	52%
<b># of Franchises</b>	53	58	63	77

<b>Third Quartile of Franchises</b>	<b>Year Ending 12/31/2022</b>	<b>Year Ending 12/31/2023</b>	<b>Year Ending 12/31/2024</b>	<b>Year Ending 12/31/2025</b>
<b>Average Gross Receipts</b>	\$145,821.74	\$153,158.32	\$150,813.35	\$173,792.13
<b>Median Gross Receipts</b>	\$147,175.33	\$153,647.64	\$152,485.32	172,755.21
<b>Highest Gross Receipts</b>	\$224,946.96	\$206,412.78	\$200,604.37	\$222,918.19
<b>Lowest Gross Receipts</b>	\$93,847.00	\$104,954.05	\$112,126.66	\$126,012.39
<b>Percentage of franchisees that attained or surpassed Average Gross Receipts</b>	58%	51%	52%	47%
<b>Average Gross Profit %</b>	57%	64%	65%	65%
<b>Highest Gross Profit %</b>	100%	100%	100%	100%
<b>Median Gross Profit %</b>	78%	64%	63%	65%
<b>Lowest Gross Profit %</b>	59%	13%	13%	14%
<b>Percentage of franchisees that attained or surpassed Average Gross Profit %</b>	58%	49%	44%	51%
<b># of Franchises</b>	52	57	63	77

<b>Fourth Quartile of Franchises</b>	<b>Year Ending 12/31/2022</b>	<b>Year Ending 12/31/2023</b>	<b>Year Ending 12/31/2024</b>	<b>Year Ending 12/31/2025</b>
<b>Average Gross Receipts</b>	\$61,074.36	\$67,545.89	\$55,717.66	\$67,143.18
<b>Median Gross Receipts</b>	\$63,904.61	\$67,676.61	\$57,629.59	\$63,945.00
<b>Highest Gross Receipts</b>	\$93,099.46	\$104,673.41	\$111,848.00	\$125,712.00
<b>Lowest Gross Receipts</b>	\$13,235.16	\$9,757.96	\$4,625.00	\$14,535.00
<b>Percentage of franchisees that attained or surpassed Average Gross Receipts</b>	56%	51%	52%	49%
<b>Average Gross Profit %</b>	42%	67%	71%	67%
<b>Highest Gross Profit %</b>	58%	100%	100%	100%
<b>Median Gross Profit %</b>	47%	68%	70%	69%
<b>Lowest Gross Profit %</b>	3%	12%	16%	1%
<b>Percentage of franchisees that attained or surpassed Average Gross Profit %</b>	83%	51%	84%	54%
<b># of Franchises</b>	52	57	64	76

<b>Cumulative Franchises</b>	<b>Year Ending 12/31/2022</b>	<b>Year Ending 12/31/2023</b>	<b>Year Ending 12/31/2024</b>	<b>Year Ending 12/31/2025</b>
<b>Average Gross Receipts</b>	\$290,853.97	\$299,399.69	\$284,485.31	\$296,597.83
<b>Median Gross Receipts</b>	\$225,868.00	\$210,235.79	\$202,811.24	\$222,918.19
<b>Highest Gross Receipts</b>	\$2,714,401.00	\$2,454,270.00	\$2,549,600.00	\$2,775,950.00
<b>Lowest Gross Receipts</b>	\$13,235.16	\$9,757.96	\$4,625.00	\$14,535.00
<b>Number of franchises that attained or surpassed Average Gross Receipts</b>	88	87	87	106
<b>Percentage of franchises that attained or surpassed Average Gross Receipts</b>	42%	38%	34%	35%

<b>Highest Gross Profit %</b>	100%	100%	100%	100%
<b>Average Gross Profit %</b>	59%	63%	63%	65%
<b>Median Gross Profit %</b>	59%	64%	65%	65%
<b>Lowest Gross Profit %</b>	3%	12%	12%	1%
<b>Percentage of franchises that attained or surpassed Average Gross Profit %</b>	50%	53%	53%	52%
<b># of Franchises</b>	210	230	253	307

There were 423 Caring Transitions franchises in operation as of December 31, 2025, of which 307 were in operation for the entire year. There were 372 Caring Transitions franchises in operation as of December 31, 2024, of which 253 were in operation for the entire year. There were 314 Caring Transitions franchises in operation as of December 31, 2023, of which 230 were in operation for the entire year. There were 272 Caring Transitions franchises in operation as of December 31, 2022, of which 210 were in operation for the entire year.

There were 423 Caring Transitions franchises (each franchise consists of a single franchise territory) in operation as of December 31, 2025, which were owned by 296 franchise owners. Of these, 223 franchise owners were in operation for the entire year. Presented below are historic gross revenue and gross profit percentage figures for certain franchise owners for the one-year period ending December 31, 2025. The data is presented by quartile and then cumulatively. Only data from franchise owners that were open for the entire year are included in the table.

<b>First Quartile of Franchise Owners</b>	<b>Year Ending 12/31/2025</b>
<b>Average Gross Receipts</b>	\$964,873.33
<b>Median Gross Receipts</b>	\$793,609.07
<b>Highest Gross Receipts</b>	\$3,084,212.95
<b>Lowest Gross Receipts</b>	\$526,187.21
<b>Percentage of franchisees that attained or surpassed Average Gross Receipts</b>	34%
<b>Average Gross Profit %</b>	64%
<b>Highest Gross Profit %</b>	91%
<b>Median Gross Profit %</b>	57%
<b>Lowest Gross Profit %</b>	14%
<b>Percentage of franchisees that attained or surpassed Average Gross Profit %</b>	50%
<b># of Franchises</b>	56

<b>Second Quartile of Franchise Owners</b>	<b>Year Ending 12/31/2025</b>
<b>Average Gross Receipts</b>	\$382,321.65
<b>Median Range of Gross Receipts</b>	\$382,780.61
<b>Highest Gross Receipts</b>	\$523,370.49
<b>Lowest Gross Receipts</b>	\$285,044.00
<b>Percentage of franchisees that attained or surpassed Average Gross Receipts</b>	50%
<b>Average Gross Profit %</b>	70%

<b>Highest Gross Profit %</b>	96%
<b>Median Gross Profit %</b>	70%
<b>Lowest Gross Profit %</b>	4%
<b>Percentage of franchisees that attained or surpassed Average Gross Profit %</b>	55%
<b># of Franchises</b>	56

<b>Third Quartile of Franchise Owners</b>	<b>Year Ending 12/31/2025</b>
<b>Average Gross Receipts</b>	\$201,691.27
<b>Median Gross Receipts</b>	\$201,794.37
<b>Highest Gross Receipts</b>	\$272,709.00
<b>Lowest Gross Receipts</b>	\$146,508.68
<b>Percentage of franchisees that attained or surpassed Average Gross Receipts</b>	50%
<b>Average Gross Profit %</b>	64%
<b>Highest Gross Profit %</b>	100%
<b>Median Gross Profit %</b>	65%
<b>Lowest Gross Profit %</b>	20%
<b>Percentage of franchisees that attained or surpassed Average Gross Profit %</b>	50%
<b># of Franchises</b>	56

<b>Fourth Quartile of Franchise Owners</b>	<b>Year Ending 12/31/2025</b>
<b>Average Gross Receipts</b>	\$86,313.39
<b>Median Gross Receipts</b>	\$85,345.78
<b>Highest Gross Receipts</b>	\$142,522.00
<b>Lowest Gross Receipts</b>	\$14,535.00
<b>Percentage of franchisees that attained or surpassed Average Gross Receipts</b>	49%
<b>Average Gross Profit %</b>	67%
<b>Highest Gross Profit %</b>	100%
<b>Median Gross Profit %</b>	66%
<b>Lowest Gross Profit %</b>	4%
<b>Percentage of franchisees that attained or surpassed Average Gross Profit %</b>	49%
<b># of Franchises</b>	55

<b>Cumulative Franchise Owners</b>	<b>Year Ending 12/31/2025</b>
<b>Average Gross Receipts</b>	\$410,246.04
<b>Median Gross Receipts</b>	\$272,709.74
<b>Highest Gross Receipts</b>	\$3,084,212.95
<b>Lowest Gross Receipts</b>	\$14,535.00
<b>Number of franchisees that attained or surpassed Average Gross Receipts</b>	75

<b>Percentage of franchises that attained or surpassed Average Gross Receipts</b>	34%
<b>Highest Gross Profit %</b>	100%
<b>Average Gross Profit %</b>	65%
<b>Median Gross Profit %</b>	65%
<b>Lowest Gross Profit %</b>	4%
<b>Percentage of franchisees that attained or surpassed Average Gross Profit %</b>	52%
<b># of Franchise Owners</b>	223

For purposes of this Item 19, "Gross Receipts" means the total of all income arising from the operation of the franchised business. Gross Receipts does not include the amount of refunds and discounts made to clients, or 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. "Gross Profit" means Gross Receipts minus direct costs.

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

**Some of our franchisees have sold this amount. There is no assurance that you'll do as well.**

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 Jeffrey D. Siehl, General Counsel/Vice President, 4755 Lake Forest Drive, Suite 100, Cincinnati, Ohio 45242, (513) 999-9893, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary  
For Years 2023 to 2025

Outlet Type	Year	Outlets at Start of Year	Outlets at the End of Year	Net Change
Franchised	2023	272	314	+42
	2024	314	372	+58
	2025	372	423	+51
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	272	314	+42
	2024	314	372	+58
	2025	372	423	+51

Table No. 2

Transfers of Franchised Outlets from Franchisees to New Owners (other than the Franchisor)  
For years 2023 through 2025

STATE	YEAR	NUMBER OF TRANSFERS
ALABAMA	2023	0
	2024	0
	2025	1
CALIFORNIA	2023	5
	2024	0
	2025	2
COLORADO	2023	0
	2024	0
	2025	3
FLORIDA	2023	1
	2024	2
	2025	3
GEORGIA	2023	0
	2024	2
	2025	2
ILLINOIS	2023	0
	2024	1
	2025	5
INDIANA	2023	1
	2024	0
	2025	0

KENTUCKY	2023	0
	2024	1
	2025	0
MARYLAND	2023	1
	2024	1
	2025	0
MASSACHUSETTS	2023	0
	2024	0
	2025	1
MINNESOTA	2023	0
	2024	2
	2025	0
MISSOURI	2023	0
	2024	1
	2025	0
NEW JERSEY	2023	0
	2024	0
	2025	1
NEW YORK	2023	0
	2024	0
	2025	2
NORTH CAROLINA	2023	1
	2024	3
	2025	0
OHIO	2023	0
	2024	0
	2025	2
OKLAHOMA	2023	2
	2024	0
	2025	0
PENNSYLVANIA	2023	0
	2024	0
	2025	1
SOUTH CAROLINA	2023	2
	2024	0
	2025	3
TEXAS	2023	2
	2024	1
	2025	2
WASHINGTON	2023	0
	2024	0
	2025	3
WISCONSIN	2023	0
	2024	1
	2025	2
TOTALS	2023	15
	2024	15
	2025	33

TABLE NO. 3  
STATUS OF FRANCHISED OUTLETS  
FOR YEARS 2023 THROUGH 2025

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
ALABAMA	2023	4	1	0	0	0	0	5
	2024	5	1	0	0	0	0	6
	2025	6	0	0	0	0	0	6
ARIZONA	2023	10	2	0	0	0	0	12
	2024	12	1	0	0	0	0	13
	2025	13	3	1	0	0	0	15
ARKANSAS	2023	4	2	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
CALIFORNIA	2023	25	7	0	0	0	0	32
	2024	32	8	0	0	0	0	40
	2025	40	0	0	0	0	0	40
COLORADO	2023	11	1	0	0	0	0	12
	2024	12	3	0	0	0	0	15
	2025	15	3	0	1	0	0	17
CONNECTICUT	2023	2	2	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	1	0	0	0	0	5
DELAWARE	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
DISTRICT OF COLUMBIA	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
FLORIDA	2023	15	2	0	0	0	1	16
	2024	16	6	0	0	0	0	22
	2025	22	5	1	0	0	1	25
GEORGIA	2023	10	6	1	0	0	2	13
	2024	13	6	0	0	0	1	19
	2025	19	4	0	0	0	0	23
HAWAII	2023	3	0	0	0	0	0	3
	2024	3	0	1	0	0	0	2
	2025	2	0	0	0	0	0	2
IDAHO	2023	2	0	0	0	0	2	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
ILLINOIS	2023	4	0	0	0	0	0	6
	2024	6	4	0	0	0	0	10
	2025	10	1	0	0	0	0	11
INDIANA	2023	8	1	0	0	0	0	9
	2024	9	0	0	0	0	0	9
	2025	9	1	0	0	0	0	10
IOWA	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	1	0	0	4

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
KANSAS	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
KENTUCKY	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
LOUISIANA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	2	0	0	0	0	3
MAINE	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	1	0
MARYLAND	2023	5	0	0	0	0	0	5
	2024	5	1	0	0	0	0	6
	2025	6	4	0	0	0	0	10
MASSACHUSETTS	2023	6	1	0	0	0	0	7
	2024	7	3	0	0	0	0	10
	2025	10	0	0	1	0	0	9
MICHIGAN	2023	5	0	0	0	0	1	4
	2024	4	0	0	0	0	2	2
	2025	2	0	0	0	0	0	2
MINNESOTA	2023	9	1	0	0	0	0	10
	2024	10	1	0	0	0	0	11
	2025	11	3	0	0	0	0	14
MISSISSIPPI	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MISSOURI	2023	2	4	0	0	1	0	5
	2024	5	3	0	0	0	0	8
	2025	8	1	0	0	0	0	9
MONTANA	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NEBRASKA	2023	3	0	0	0	2	0	3
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NEVADA	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	3	0	0	0	0	6
NEW JERSEY	2023	5	0	0	0	1	0	4
	2024	4	1	0	0	0	0	5
	2025	5	1	0	0	0	0	6
NEW MEXICO	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	1 <sup>2</sup>	0
NEW YORK	2023	10	5	0	2	0	2	11
	2024	11	3	0	0	0	0	14

<sup>2</sup> A unit relocated to Vermont.

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
	2025	14	0	1	0	1	0	12
NORTH CAROLINA	2023	6	9	0	0	0	0	15
	2024	15	3	0	0	1	0	17
	2025	17	1	0	0	1	0	17
NORTH DAKOTA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
OHIO	2023	9	0	0	1	0	0	8
	2024	8	2	0	0	0	0	10
	2025	10	2	0	0	0	0	12
OKLAHOMA	2023	6	2	0	0	0	0	8
	2024	8	0	1	0	0	0	7
	2025	7	0	0	0	0	0	7
ONTARIO	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
	2025	0	0	0	0	0	0	0
OREGON	2023	1	0	0	0	0	0	1
	2024	1	2	0	0	0	0	3
	2025	3	0	0	0	0	0	3
PENNSYLVANIA	2023	10	2	0	1	0	0	11
	2024	11	4	1	0	0	0	14
	2025	14	2	0	0	1	0	15
RHODE ISLAND	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
SOUTH CAROLINA	2023	7	1	0	0	0	0	8
	2024	8	3	0	0	0	1	10
	2025	10	1	0	0	0	0	11
SOUTH DAKOTA	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	0	0	0	0	0	2
TENNESSEE	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	1	0	4
	2025	4	1	0	0	0	0	5
TEXAS	2023	29	3	0	0	0	0	32
	2024	32	2	2	0	1	0	31
	2025	31	13	1	0	0	0	43
UTAH	2023	2	1	0	0	1	0	2
	2024	2	2	0	0	0	0	4
	2025	4	0	0	0	1	0	3
VERMONT	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
VIRGINIA	2023	14	0	0	0	0	0	14
	2024	14	3	0	0	0	0	17
	2025	17	5	0	0	0	0	22
WASHINGTON	2023	12	3	0	0	0	0	15
	2024	15	2	0	0	0	0	17
	2025	17	2	0	0	0	0	19

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
WEST VIRGINIA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
WISCONSIN	2023	5	3	0	0	0	0	8
	2024	8	2	0	0	0	0	10
	2025	10	3	0	0	0	0	13
WYOMING	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
TOTALS	2023	272	60	1	4	5	8	314
	2024	314	70	5	0	4	3	372
	2025	372	65	4	3	4	3	423

TABLE NO. 4  
STATUS OF COMPANY-OWNED OUTLETS  
FOR YEARS 2023 THROUGH 2025

STATE	YEAR	OUTLETS AT START OF THE YEAR	OUTLETS OPENED	OUTLETS REQUIRED FROM FRANCHISEE <sup>3</sup>	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF YEAR
TOTALS	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

<sup>3</sup> Franchised outlets reacquired by franchisor were terminated at the time of reacquisition and are therefore not included in Table 4.

TABLE NO. 5  
PROJECTED OPENINGS  
As of December 31, 2025

<i>State</i>	<i>Franchise Agreements Signed but Outlets Not Opened</i>	<i>Projected New Franchised Outlets in the Next Fiscal Year</i>	<i>Projected Company-Owned Outlets in the Next Fiscal Year</i>
Arizona	0	1	0
California	0	3	0
Colorado	0	1	0
Florida	4	2	0
Georgia	1	1	0
Illinois	0	1	0
Indiana	0	2	0
Massachusetts	1	2	0
Michigan	1	2	0
Mississippi	1	0	0
Nevada	0	1	0
New Jersey	0	2	0
New York	1	0	0
North Carolina	0	2	0
Ohio	0	1	0
Oklahoma	0	0	0
Pennsylvania	1	3	0
South Carolina	0	2	0
Texas	0	2	0
Virginia	0	1	0
Washington	0	1	0
Totals	10	30	0

Exhibit D lists the names, business addresses, and telephone numbers of all current Caring Transitions franchises as of December 31, 2025 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 Caring Transitions franchisee who has had their franchise terminated, canceled, transferred, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the issuance 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 confidentiality restricting their ability to speak openly about their experience with us. While we encourage you to speak with current and former franchisees, be aware that not all such franchisees will be able to communicate with you.

#### ITEM 21. FINANCIAL STATEMENTS

Our audited financial statements for the fiscal years ended December 31, 2025, 2024, and 2023 are attached to this disclosure document as Exhibit C.

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 Caring Transitions franchise
- Exhibit G Website Terms of Use Agreement that authorizes you to use websites that we may make available to you
- Exhibit H The personal guaranty to be signed by the owners of a non-individual franchisee
- Exhibit I The restrictive covenant agreement to be signed by the owners of a non-individual franchisee and by employees with management responsibility (see Item 15 above)
- Exhibit J Power of Attorney that authorizes us to assume the telephone numbers and Internet- and World Wide Web-based rights relating to your franchised business after your franchise expires or terminates
- Exhibit K The agreement you will sign if you purchase a right of first refusal to buy an additional franchise
- Exhibit M Electronic Funds Transfer Authorization that authorizes us to debit your bank account for the Royalties, National Branding Fund contributions, and other fees you are required to pay us.
- Exhibit N An assignment agreement to assign your individual rights in the franchise agreement to a business entity
- Exhibit O Franchisee Acknowledgment Statement
- Exhibit P State-Specific Additional Disclosures and Riders
- Exhibit R This is an addendum that you will sign if you participate in the Winner's Circle program described in Item 5
- Exhibit S Remittance Form you will send us along with your deposit

## 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

## AGENTS FOR SERVICE OF PROCESS

### *California*

Commissioner of Financial Protection &  
Innovation  
2101 Arena Blvd.  
Sacramento, CA 95834

### *Hawaii*

Commissioner of Securities  
Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, HI 96813

### *Illinois*

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706

### *Indiana*

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 Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, MN 55101

### *New York*

New York Secretary of State  
99 Washington Avenue  
Albany, NY 12231  
518-473-2492

### *North Dakota*

Insurance Commissioner  
600 East Boulevard Avenue, Dept. 401  
Bismarck, ND 58505-0510

### *Ohio*

Jeffrey D. Siehl  
4755 Lake Forest Dr., Ste. 100  
Cincinnati, Ohio 45242

### *Rhode Island*

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

### *South Dakota*

Division of Insurance  
Securities Regulation  
124 S Euclid Suite 104  
Pierre, SD 57501

### *Virginia*

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

### *Washington*

Washington Department of Financial Institutions  
Securities Division  
150 Israel Road SW  
Tumwater, WA 98501

### *Wisconsin*

Commissioner of Securities  
101 East Wilson Street  
Madison, WI 53703

# EXHIBIT B

## STATE FRANCHISE REGULATORS

### *California*

Department of Financial Protection & Innovation  
2101 Arena Blvd.  
Sacramento, CA 95834  
(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*

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

### *Illinois*

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

### *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*

Minnesota Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, MN 55101  
(651) 539-1638

### *Nebraska*

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

*New York*

NYS Department of Law  
Investor Protection Bureau  
28 Liberty St. 21st Fl  
New York, NY 10005  
(212) 416-8285

*North Carolina*

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

*North Dakota*

North Dakota Insurance & Securities  
Department  
600 East Boulevard Avenue, Dept. 401  
Bismarck, ND 58505-0510  
(701) 328-2910

*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

*South Dakota*

Division of Insurance  
Securities Regulation  
124 S 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*

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



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

# Exhibit C

## **C. T. Franchising Systems, Inc.**

Financial Statements

December 31, 2025, 2024 and 2023

with Independent Auditors' Report

## TABLE OF CONTENTS

Independent Auditors' Report .....	1-2
Financial Statements:	
Balance Sheets.....	3
Statements of Operations and Retained Earnings .....	4
Statements of Cash Flows.....	5
Notes to the Financial Statements.....	6-11

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
C. T. Franchising Systems, Inc.  
Cincinnati, Ohio

### **Opinion**

We have audited the accompanying financial statements of C. T. Franchising Systems, Inc. (an Ohio corporation), which comprise the balance sheets as of December 31, 2025, 2024, and 2023, and the related statements of operations and retained earnings, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the 2025, 2024, and 2023 financial statements referred to above present fairly, in all material respects, the financial position of C. T. Franchising Systems, Inc. as of December 31, 2025, 2024, and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of C. T. Franchising Systems, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about C. T. Franchising Systems, Inc.'s ability to continue as a going concern within one year after the date that the financial statements were available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of C. T. Franchising Systems, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about C. T. Franchising Systems, Inc.'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.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
March 17, 2026

C. T. Franchising Systems, Inc.  
Balance Sheets  
December 31, 2025, 2024 and 2023

	2025	2024	2023
<b>Assets</b>			
Current assets:			
Cash	\$ 2,051,641	2,075,001	949,879
Restricted cash	204,480	239,784	170,591
Accounts receivable	1,202,291	706,468	532,863
Prepaid expenses	30,000	-	-
	3,488,412	3,021,253	1,653,333
Property and equipment:			
Internal-use software costs	1,569,494	1,277,414	982,694
Computer equipment	30,428	30,428	30,428
Leasehold improvements	40,610	40,610	40,610
	1,640,532	1,348,452	1,053,732
Accumulated depreciation	(513,464)	(367,508)	(253,387)
	1,127,068	980,944	800,345
Other assets:			
Franchise contract asset	330,880	279,182	194,035
Operating right-of-use asset	378,813	485,327	24,874
	709,693	764,509	218,909
	\$ 5,325,173	4,766,706	2,672,587
<b>Liabilities and shareholders' equity</b>			
Current liabilities:			
Accounts payable	\$ 98,583	77,008	84,511
Accrued expenses	279,759	312,523	350,935
Unearned franchise fees	413,710	509,400	155,210
Note payable, current portion	11,274	33,137	32,159
Operating lease liability, current portion	153,920	131,414	25,280
	957,246	1,063,482	648,095
Long-term liabilities:			
Franchise contract liability	2,021,097	1,685,564	1,349,008
Note payable, net of current portion	-	11,275	44,412
Operating lease liability, less current portion	237,530	360,040	-
	2,258,627	2,056,879	1,393,420
	3,215,873	3,120,361	2,041,515
Shareholders' equity:			
Common shares	100	100	100
Treasury shares	(367,528)	(367,528)	(367,528)
Additional paid-in capital	73,545	73,545	73,545
Retained earnings	2,403,183	1,940,228	924,955
	2,109,300	1,646,345	631,072
	\$ 5,325,173	4,766,706	2,672,587

See accompanying notes to the financial statements.

C. T. Franchising Systems, Inc.  
Statements of Operations and Retained Earnings  
Years Ended December 31, 2025, 2024 and 2023

	2025	2024	2023
<b>Revenue:</b>			
Revenue from franchise agreements	\$ 9,920,082	7,731,280	6,565,467
National Branding Fund revenue	<u>2,483,434</u>	<u>2,008,018</u>	<u>1,760,093</u>
	<u>12,403,516</u>	<u>9,739,298</u>	<u>8,325,560</u>
<b>Expenses:</b>			
Advertising & marketing	755,921	726,488	663,540
Bank & payroll fees	11,732	5,756	10,164
Computer expenses	158,304	197,874	156,949
Depreciation	74,975	48,334	56,596
Dues & subscriptions	391	692	1,627
Employee-related expenses	32,038	17,703	17,688
Insurance	24,381	24,161	14,569
Leased employees expenses	2,852,164	2,784,955	2,196,943
Licenses	4,608	4,418	4,723
National Branding Fund expenses	2,307,626	1,738,015	1,452,123
Office & supplies	18,447	15,916	14,690
Postage	4,721	4,327	4,583
Professional fees	377,801	321,350	275,662
Rent	127,412	118,615	113,918
Repairs & maintenance	202	1,221	680
Sales related expenses	492,615	541,980	559,221
Telephone	113,827	81,013	32,391
Training & meetings	241,026	230,038	165,798
Website expenses	<u>202,734</u>	<u>146,755</u>	<u>163,931</u>
Total expenses	<u>7,800,925</u>	<u>7,009,611</u>	<u>5,905,796</u>
Income from operations	<u>4,602,591</u>	<u>2,729,687</u>	<u>2,419,764</u>
<b>Other income (expense):</b>			
Interest income	21,767	24,656	9,850
Interest expense	(879)	(804)	(1,753)
Other income	571	689	150
State & local taxes	<u>(61,095)</u>	<u>(33,955)</u>	<u>(98,937)</u>
Total other expense	<u>(39,636)</u>	<u>(9,414)</u>	<u>(90,690)</u>
Net income	\$ 4,562,955	2,720,273	2,329,074
Retained earnings, beginning	1,940,228	924,955	543,380
Distributions	<u>(4,100,000)</u>	<u>(1,705,000)</u>	<u>(1,947,499)</u>
Retained earnings, ending	\$ <u>2,403,183</u>	<u>1,940,228</u>	<u>924,955</u>

See accompanying notes to the financial statements.

C. T. Franchising Systems, Inc.  
Statements of Cash Flows  
Years Ended December 31, 2025, 2024 and 2023

	2025	2024	2023
Cash flows from operating activities			
Net income	\$ 4,562,955	2,720,273	2,329,074
Adjustment to reconcile net income to net cash provided by operating activities:			
Depreciation	145,955	114,120	109,265
Non-cash lease expense	6,510	5,721	(944)
Net change in assets and liabilities:			
Accounts receivable	(495,823)	(173,605)	(143,068)
Prepaid expenses	(30,000)	-	-
Other receivable	-	-	6,463
Franchise contract asset	(51,698)	(85,147)	(68,345)
Accounts payable	21,575	(7,503)	29,975
Unearned revenue	(95,690)	354,190	(199,510)
Franchise contract liability	335,533	336,556	244,898
Accrued expenses	(32,764)	(38,412)	(3,203)
Net cash provided by operating activities	<u>4,366,553</u>	<u>3,226,193</u>	<u>2,304,605</u>
Cash flows from investing activities			
Property and equipment purchased	<u>(292,079)</u>	<u>(294,719)</u>	<u>(300,360)</u>
Net cash used by investing activities	<u>(292,079)</u>	<u>(294,719)</u>	<u>(300,360)</u>
Cash flows from financing activities			
Repayment of notes payable	(33,138)	(32,159)	(31,209)
Distributions	<u>(4,100,000)</u>	<u>(1,705,000)</u>	<u>(1,947,499)</u>
Net cash used by financing activities	<u>(4,133,138)</u>	<u>(1,737,159)</u>	<u>(1,978,708)</u>
Change in cash and restricted cash	(58,664)	1,194,315	25,537
Cash and restricted cash at beginning of year	<u>2,314,785</u>	<u>1,120,470</u>	<u>1,094,933</u>
Cash and restricted cash at end of year	<u>\$ 2,256,121</u>	<u>2,314,785</u>	<u>1,120,470</u>
Supplementary information:			
Cash paid for interest	<u>\$ 879</u>	<u>804</u>	<u>1,753</u>
Cash and restricted cash:			
Cash	\$ 2,051,641	2,075,001	949,879
Restricted cash	<u>204,480</u>	<u>239,784</u>	<u>170,591</u>
Total cash and restricted cash	<u>\$ 2,256,121</u>	<u>2,314,785</u>	<u>1,120,470</u>

See accompanying notes to the financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

### **Business activity**

C. T. Franchising Systems, Inc. (the Company) is an S-corporation organized under the laws of the State of Ohio on April 20, 2006. The Company was organized to promote, sell, and support franchises operating under the trade name of Caring Transitions™. The Company's franchisees offer comprehensive moving management and estate liquidation services specifically designed for families in transition: elderly parents downsizing into assisted living, death of parent, divorce, corporate and/or academic transfers. The Company provides distinctive methods and procedures for business operations, specially designed business forms, instructional manuals, training courses, marketing systems, and specially designed procedures for promotion and rendering of services.

As of December 31, 2025, 2024 and 2023, the Company had 423, 372, and 314 franchises, respectively, operating in North America.

### **Accounts receivable and allowance for credit losses**

Accounts receivable are uncollateralized customer obligations due under normal trade terms. The Company does not assess interest on past-due accounts. An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends, and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. Management has reviewed the Company's accounts receivable and determined that expected credit losses are not material.

### **Property and equipment**

Property and equipment is recorded at cost. The cost of fixed assets is depreciated over the estimated useful lives of the related assets which range from 5 to 15 years. Depreciation is computed on the straight-line method for financial reporting. Maintenance and repair costs are charged to operations when incurred.

### **Internal-use software and website development**

Costs incurred to develop software for internal use and Company websites are capitalized and amortized over the estimated useful lives of the assets, 5 to 15 years.

### **Revenue recognition**

The Company derives its revenues primarily from the sale of franchises and related royalty and technology fee income. The Company charges a franchise fee of \$53,900 (\$48,900 and \$44,900 prior to April 2025 and April 2024, respectively). The Company requires a \$5,000 nonrefundable deposit, and the balance of the franchise fee must be paid in full prior to commencement of the training program. No financing is offered, and the entire fee is nonrefundable once the franchisee begins the upfront training. Franchisees are then required to pay continuing monthly royalties of the greater of \$300 for the first year and \$500 thereafter or 6% (5% prior to April 2024) of their gross revenue (which covers continued use of the Company's brand and service marks and ongoing services), a \$250 (\$150 prior to April 2024) monthly technology fee (which covers software licensing and support), and beginning April 2025 a buyer's premium fee of 3% of the winning bid price from an item sold on CTBids.com in the first two years, 4% of

the winning bid price in the third year, 5% of the winning bid price in the fourth and fifth years and 6% of the winning bid price during the sixth through the tenth years of operation (which defrays cost of operating and maintaining CTBids.com). Franchise agreements typically have a 10-year term and can be renewed for two additional 10-year terms at no cost.

The Company's performance obligations under the franchise agreement consist of providing a license of the brand's intellectual property, a schedule of equipment necessary to operate the franchised business, initial training, advertising and promotional templates, a list of approved resources and vendors, periodic assistance as needed, and other materials and information deemed necessary.

The Company has identified its initial training program as a separate and distinct element of its contract satisfied at a point in time because upon completion, the franchisee has full knowledge of the Company's proprietary methods. Further, most of the Company's direct costs are associated with the recruiting and training of franchisees. The Company calculated the upfront revenue in reference to the total transaction price over the term of the initial franchise agreement and an allocation to the specific performance obligations based on their relative stand-alone values. Based on this calculation, the Company recognizes upfront revenue of 80% of the franchise fee. The contract liability resulting from the income deferral is amortized on a straight-line basis over the remaining nine years of the contract. Selling expenses paid when the franchise agreement is executed are recorded as a franchise contract asset and are amortized over the life of the agreement, consistent with the recognition of the deferred revenue.

The following table summarizes the assets and liabilities related to revenue from contracts with customers at December 31, 2025, 2024 and 2023 and January 1, 2023:

	December 31, <u>2025</u>	December 31, <u>2024</u>	December 31, <u>2023</u>	January 1, <u>2023</u>
Accounts receivable	\$ <u>1,200,126</u>	<u>701,322</u>	<u>531,218</u>	<u>375,520</u>
Contract liabilities	\$ <u>2,021,097</u>	<u>1,685,564</u>	<u>1,349,008</u>	<u>1,104,110</u>
Contract assets	\$ <u>330,880</u>	<u>279,182</u>	<u>194,035</u>	<u>125,690</u>

Revenue presented in the accompanying financial statements includes the following as of December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenue recognized at a point in time:			
Franchise fee income	\$ <u>2,687,238</u>	<u>2,523,511</u>	<u>1,932,821</u>
Revenue recognized over time:			
Franchise fee income	310,400	264,823	216,291
Royalty income	5,491,879	4,185,954	3,707,206
National Branding Fund income	2,483,434	2,008,018	1,760,093
Other	<u>1,430,565</u>	<u>756,992</u>	<u>709,149</u>
	<u>9,716,278</u>	<u>7,215,787</u>	<u>6,392,739</u>
	\$ <u>12,403,516</u>	<u>9,739,298</u>	<u>8,325,560</u>

In the event a franchise agreement is terminated, any remaining deferred fees are recognized in the period of termination. Royalties and buyer's premium fees are recognized as franchise sales are made and technology fees are recognized as revenue when earned.

**Income tax status**

The Company has elected, with the consent of its shareholders, to be taxed under provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company will generally not pay federal and state income taxes on its taxable income. Instead, the shareholders are liable for individual federal income taxes on the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

**Advertising expense**

Advertising costs are expensed as incurred.

**Leased employees**

The Company has contracted with a related party that leases employees. This firm has hired all the employees of the Company and is responsible for the payroll function including payroll taxes, benefits, and retirement.

**National Branding Fund**

The Company administers a National Branding Fund (NBF) on behalf of its franchisees. Each franchisee is required to contribute to the NBF, which is used to develop advertising and marketing materials and promote the Company's service marks and the franchisees' services on a local, regional, and national basis. All sums paid by franchisees to the NBF are maintained in an account separate from other moneys of the Franchisor. These funds are shown as restricted cash on the balance sheets as of December 31, 2025, 2024 and 2023.

The Company is deemed to be the principal in relation to the NBF and as such, advertising fund contributions and expenditures, including an allocation of depreciation expense, are reported on a gross basis in the statement of operations and retained earnings and the statement of cash flows.

**Concentrations of credit risk**

The Company maintains cash in bank deposit accounts at financial institutions where the balances, at times, may exceed federally insured limits. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Company has not experienced any losses and management believes it is not exposed to any significant credit risk of loss in cash.

There were no accounts receivable concentrations at December 31, 2025, 2024 and 2023. There were no revenue concentrations for the years ending December 31, 2025, 2024 and 2023.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported. Actual results may differ from those estimates.

### **Leases**

The Company considers an arrangement a lease if, at inception, the arrangement transfers the right to control the use of an identified asset for a period of time in exchange for consideration. Under leasing standards, control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in the balance sheets.

The lease term reflects the noncancellable period of the lease together with periods covered by an option to extend or terminate the lease when management is reasonably certain that it will exercise such option. The Company uses the risk-free rate for a period of time similar to the lease term, determined at the lease commencement date, in determining the present value of lease payments. The risk-free rate is used as the information necessary to determine the rate implicit in the lease and the Company's incremental borrowing rate is not readily available. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Short-term leases are less than one year without purchase or renewal options that are reasonably certain to be exercised and are recognized on a straight-line basis over the lease term. The right-of-use asset is tested for impairment in accordance with ASC 360.

### **Subsequent events**

The Company evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through March 17, 2026 the date on which the financial statements were available to be issued.

## **2. SHAREHOLDERS' EQUITY & NOTE PAYABLE:**

At December 31, 2025, 2024 and 2023 there were 55 voting shares and 31 non-voting shares outstanding. In 2019, 14 non-voting shares were purchased back from a shareholder for \$379,558. The purchase was recorded as a return of paid in capital of \$12,030; the balance was reported as treasury shares. The purchase was financed with a note payable of \$214,532. The note balance is payable over seven years at 3%. The note balance at December 31, 2025 is \$11,274, due to be repaid in 2026.

## **3. OPERATING LEASE AGREEMENT:**

The Company rents office space from a related party under a lease agreement that originally expired April 30, 2024. The lease was revised during 2023 and expired February 29, 2024. On March 1, 2024, the Company entered into a new operating lease agreement with a related party for office space requiring escalating monthly rent which expires on May 31, 2028. Variable lease costs, such as the Company's proportionate share of actual costs for utilities, common area maintenance, property taxes and insurance that are not included in the lease liability, are recognized in the period in which they are incurred. Short term lease cost represents the Company's cost with respect to leases with a duration of 12 months or less and is not reflected on the Company's balance sheet. The Company has no leases with variable costs or short-term leases at December 31, 2025.

Total operating lease expense for the years ended December 31, 2025, 2024, and 2023 was \$163,101, \$151,909 and \$147,877, respectively.

The following summarizes the weighted-average remaining lease term and weighted-average discount rate as of December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term	2.42 years	3.42 years	0.17 years
Weighted-average discount rate	4.17%	4.17%	0.87%

The following is an analysis of maturities of the lease liability as of December 31, 2025:

2026	166,769
2027	171,772
2028	<u>72,451</u>
Total lease payments	410,992
Less imputed interest	<u>(19,542)</u>
Total operating lease liability	\$ <u>391,450</u>

The following summarizes the supplemental cash flow information for the year ended December 31:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating cash flows from operating lease	\$ <u>156,591</u>	<u>146,188</u>	<u>148,820</u>
Right-of-use assets obtained in exchange for lease liabilities	\$ <u>-</u>	<u>593,717</u>	<u>-</u>
Amortization of the right-of-use asset	\$ 106,514	121,423	161,801
Less change in the lease liability	<u>(100,004)</u>	<u>(115,702)</u>	<u>(162,745)</u>
Non-cash portion of lease expense	\$ <u>6,510</u>	<u>5,721</u>	<u>(944)</u>

#### 4. RELATED PARTY TRANSACTIONS:

The Company leases office facilities from a related party under an agreement as disclosed in Note 3.

The Company shares its phone service, utilities, office supplies, and copier with other related parties that are owned by its shareholder. Each month the Company that pays an expense will bill the other entities for its portions. The reimbursements for such costs have been recorded in the specific expense categories. In addition, the Company contracts with a related party for its leased employees.

During 2025, 2024 and 2023, the Company incurred leased employee wages and related expenses from a related party of \$3,689,410, \$3,509,876, and \$2,713,448, respectively. During 2025, 2024 and 2023, the Company also paid marketing expenses of \$282,000, \$273,000, and \$271,250, respectively, to related parties.

Amounts due from related parties in accounts receivable totaled \$3,191 at December 31, 2024. There were no receivables from related parties at December 31, 2025 and 2023.

Amounts due to related parties in accounts payable totaled \$3,699 and \$337 at December 31, 2025 and 2024, respectively. There were no amounts due to related parties at December 31, 2023.



# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

### Franchisee List

December 31, 2025

As of the above date, there are a total of 433 Caring Transitions franchises of a type substantially similar to the Caring Transitions franchises offered in this disclosure document, 423 of which are operational. The names, business addresses, and telephone numbers are listed below.

#### ALABAMA

Brandi Weaver

353 North Broadnax St, Ste 7  
Dadeville, AL 36853  
(256) 269-0023

Robert and Kelley Massingill

905 Derbyshire Drive  
Dothan, AL 36303  
(334) 547-7777

Joanna and John Milkay<sup>4</sup>

166 Chestnut Lane  
Helena, AL 35080  
(205) 960-7037

Samantha King

5441 Highway 90 W Suite 1 #190391  
Mobile, Alabama 36619  
(251) 207-9811

Robert Alley

411 S Scott Street  
Scottsboro, AL 35786  
(256) 599-3743

#### ARIZONA

Chuck Wolf and Tina Patterson

1251 West Bartlett Way  
Chandler, AZ 85248  
(951) 961-6803

Jamie Lee Davis<sup>5</sup>

4191 S Granite Drive  
Chandler, AZ 85249  
(206) 612-1155

Sukhpal Kaur<sup>6</sup>

733 East Glacier Drive  
Chandler, AZ 85249

(510) 329-3606

Faun Dunns

5000 North Weatherford Road  
Flagstaff, AZ 86001  
(928) 300-4229

Miguel Denga

16160 W Pima Street  
Goodyear, AZ 85338  
(623) 335-1150

Cedric and Lisa Wade

1928 North 98th Place  
Mesa, AZ 85207  
(480) 332-1139

Denise DeRousse

2032 North 17th Lane  
Phoenix, AZ 85027  
(623) 492-9287

Ryan Kiser and Jessica Veriti<sup>7</sup>

7900 East Princess Dr. #1236  
Scottsdale, AZ 85255  
(612) 461-1910

Sherri Gillette<sup>8</sup>

10553 E. George Brookbank Pl.  
Tucson, AZ 85747  
(571) 436-3403

Tarek and Mila Elazizi

1 E Apache Road Suite P2  
Wickenburg, AZ 85251  
(602) 860-8866

#### ARKANSAS

Marti Dreamer

157 Peninsula Point

Hot Springs, AR 71901

(501) 617-4964

Krista and Andy Hughes<sup>9</sup>

17200 Chenal Prkwy, Ste 300-305  
Little Rock, AR 72758  
(501) 247-1887

Mark and Tara Piatt

5 Candlewood Cove  
Paragould, AR 72450  
(870) 476-0974

Greg Wise<sup>10</sup>

2901 S. Place, Apt. 3322  
Rogers, AR 72758  
(479) 236-1556

#### CALIFORNIA

Susan Rowan, Cathy Ramirez, Sandra Leal

11630 Sienna Drive  
Alta Loma, CA 91701  
(909) 483-5437

Flerinda Corcino<sup>11</sup>

801 S Anaheim Boulevard  
Anaheim, CA 92805  
(714) 421-4773

Trang Nguyen

159 East D Street, Ste F&D  
Benicia, CA 94510  
(707) 230-5402

Justin Martin

5391 Maple View Circle  
Camrillo, CA 93012  
(818) 620-1654

<sup>4</sup> Owns 2 territories

<sup>5</sup> Owns 2 territories

<sup>6</sup> Owns 2 territories

<sup>7</sup> Owns 2 territories

<sup>8</sup> Owns 3 territories

<sup>9</sup> Owns 2 territories

<sup>10</sup> Owns 2 territories

<sup>11</sup> Owns 2 territories

# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

Franchisee List  
December 31, 2025

As of the above date, there are a total of 433 Caring Transitions franchises of a type substantially similar to the Caring Transitions franchises offered in this disclosure document, 423 of which are operational. The names, addresses, and telephone numbers are listed below.

Rebecca Hasbrook  
2948 Del Loma Dr.  
Campbell, CA 95008  
(831) 900-8299

Sekou Kane  
10720 Palms Blvd #103  
Los Angeles, CA 90034  
(310) 733-0703

Shannon and Jeff Thompson<sup>15</sup>  
2801 Camino Del Rio S. Ste 201-4  
San Diego, CA 92108  
(619-272-6986

Robert Hess and Devon Carnahan  
1506 Dryland Street  
Loveland, CO 80538  
(970) 290-9312

Michael and Liana Thomas  
2190 Bravery Avenue  
Manteca, CA 95337  
(209) 275-1366

Wade Pantel  
2538 University Avenue #2065  
San Diego, CA 92104  
(619) 289-8964

Kevin and Jennifer Dixon  
11362 Warner Ave.  
Fountain Valley, CA 92708  
(949) 478-6587

Fahd Arafat  
4300 Admiralty Way #118  
Marina Del Rey, CA 90292  
(312) 772-7888

Hanna Milani-Walker  
714 Ashbury Street  
San Francisco, CA 94117  
(415) 267-9737

William Osborne  
9231 Shannon Avenue  
Garden Grove, CA 92841  
(714) 590-9836

Noel and Rydell Cajudo  
30214 Heatherfield Circle  
Menifee, CA 92584  
(951) 301-8081

Sharon Catalan  
6025 Indian Avenue  
San Jose, CA 95123  
(408) 315-6965

Consuelo Rachel Weissmann  
1220 Ruberta Avenue  
Glendale, CA 91201  
(818) 426-3148

John Harris  
1219 Ansley Lane  
Mentone, CA 92359  
(909) 794-8145

Luis Peralta<sup>16</sup>  
42248 Via Nortada  
Temecula, CA 92590  
(310) 469-2921

Jonathan and Marcia Edwards<sup>12</sup>  
29413 Ana Maria Lane  
Laguna Niguel, CA 92677  
(949) 424-9212

Wynesta & Steven Dale  
604 W. Hillcrest Boulevard  
Monrovia, CA 91016  
(626) 359-2224

Tim and Heather Baker  
1216 Date Avenue  
Torrance, CA 90503  
(310) 328-3936

MeShelle Sterling<sup>13</sup>  
30041 Tessier, Apt. 11  
Laguna Niguel, CA 92677  
(657) 465-4805

Jessica Isham  
2359 Mira Vista Avenue, Unit G  
Montrose, CA 91020  
(310) 691-0920

Barbara Bloxom<sup>17</sup>  
1131 E Main St., Suite 200  
Tustin, CA 92780  
(714) 244-8648

Jared and Victoria Erfle<sup>14</sup>  
42724 71st Street W  
Lancaster, CA 93536  
(661) 492-2996

Cheryll and Kale Evans  
9956 Fox Valley Way  
San Diego, CA 92127  
(858) 674-6422

**COLORADO**  
Asha Kawamoto<sup>18</sup>  
8332 Union Court  
Arvada, CO 80005  
(720) 253-6911

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<sup>12</sup> Owns 3 territories

<sup>13</sup> Owns 2 territories

<sup>14</sup> Owns 2 territories

<sup>15</sup> Owns 2 territories

<sup>16</sup> Owns 7 territories

<sup>17</sup> Owns 2 territories

<sup>18</sup> Owns 2 territories

# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

### Franchisee List

December 31, 2025

As of the above date, there are a total of 433 Caring Transitions franchises of a type substantially similar to the Caring Transitions franchises offered in this disclosure document, 423 of which are operational. The names, addresses, and telephone numbers are listed below.

Alex Vaughn 1711 Florence Street Aurora, CO 80010 (720) 234-3216	Robert Hess & Devon Carnahan <sup>22</sup> 1506 Dryland Street Loveland, CO 80538 (970) 290-9312	Millsboro, DE 19966 (302) 604-8689
Anne Kedi <sup>19</sup> 7358 South Steele Circle Centennial, CO 80122 (720) 642-8449	Andrea Robbins <sup>23</sup> 10443 Garland Drive Westminster, CO 80021 (720) 254-6623	<b>DISTRICT OF COLUMBIA</b> Kat Davis 4923 Albemarle St. NW Washington, D.C. 20016 (202) 982-1100
Wendell Jane and Judith Downing 6723 Cabin Creek Drive Colorado Springs, CO 80923 (719) 694-4199	<b>CONNECTICUT</b> Karen Warner 10 Franklins Way Guilford, CT 06437 (203) 589-6562	<b>FLORIDA</b> Erik Olson 2424 Hoffner Avenue Belle Isle, FL 32809 (407) 230-3957
Jennifer Williams <sup>20</sup> 1042 Pontiac Street Denver, CO 80220 (213) 300-7446	Bhudhiphol "Eddie" Suttiratana 101 Merritt 7 Corporate Park Ste 308 Norwalk, CT 06903 (310) 977-4603	Carl Newman 131 Enfield Street Boca Raton, FL 33487 (561) 617-6269
Roberta & David Seng 20860 Little Park Road Glade Park, CO 81523 (713) 530-7908	Jerry Frawley 44 Congress Avenue Shelton, CT 06484 (203) 892-1922	Zachary and Marlene Cohn 4326 SW 5 <sup>th</sup> Avenue Cape Coral, FL 33914 (239) 748-0695
Jessica and Charlie Watts <sup>21</sup> 2146 S Flora Court Lakewood, CO 80228 (303) 276-4950	Dave Alfano 190 Mandel Drive Southington, CT 6489 (860) 426-6268	Jose and Kerby Valverde 85011 Majestic Walk Boulevard Fernandina Beach, FL 32034 (904) 601-3100
Katie O'Brien and Jeremy Gomez 570 S Xenon Court Lakewood, CO 80228 (720) 280-7533	Kenneth Duenzl 188 Stoneheights Drive Waterford, CT 6385 (860) 439-1665	Leslie Pennington 15828 Bainbridge Drive Jacksonville, FL 32218 (313) 506-0008
An Nguyen 9980 Trainstation Circle #428 Lone Tree, CO 80124 (303) 909-8510	<b>DELAWARE</b> Stacey Himler <sup>24</sup> 24892 Magnolia Circle	Kendall and Chad Kennedy <sup>25</sup> 2971 S Tailwinds Road Jupiter, FL 33478 (906) 553-3270

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<sup>19</sup> Owns 2 territories

<sup>20</sup> Owns 2 territories

<sup>21</sup> Owns 2 territories

<sup>22</sup> Owns 2 territories

<sup>23</sup> Owns 2 territories

<sup>24</sup> Owns 2 territories

<sup>25</sup> Owns 2 territories

# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

### Franchisee List

December 31, 2025

As of the above date, there are a total of 433 Caring Transitions franchises of a type substantially similar to the Caring Transitions franchises offered in this disclosure document, 423 of which are operational. The names, addresses, and telephone numbers are listed below.

John and Jaime Mahramas  
2058 Lake Waters Place  
Lutz, FL 33558  
(813) 536-7111

Paul Yang  
24205 Royal Fern Drive  
Lutz, FL 33559  
(646) 479-7217

Leigh Ann DeVoe  
10405 Lakeview Drive  
New Port Richey, FL 34654  
(727) 862-1227

Pamela and Ronald McKillip  
4777 SE 25th Loop  
Ocala, FL 34480  
(352) 816-7477

Ken Leonard  
36181 East Lake Road, Suite 169  
Palm Harbor, FL 34685  
(727) 237-8413

Lisa and Antony Dorr<sup>26</sup>  
101 Marketside Avenue Suite 404  
PMP #343  
Ponte Vedra, FL 32081  
(703) 728-8449

Antoine Johnson<sup>27</sup>  
12647 Adventure Drive  
Riverview, FL 33579  
(305) 318-1944

Raymond Neff<sup>28</sup>  
700 John Ringling Boulevard, E215  
Sarasota, FL 34236  
(941) 928-0400

Angella Martin  
8282 Greenbriar Road  
Seminole, FL 33777  
(727) 539-6110

Jeff and Teresa Newcomb  
5825 La Puerta Del Sol Blvd S, #172  
St. Petersburg, FL 33715  
(727) 490-6809

Laura Bruce  
507 Suwanee Circle  
Tampa, FL 33606  
(904) 262-8716

William Sigmund  
2406 E. SR 60, Suite 1691  
Valrico, FL 33595  
(813) 515-2160

David and Annie McDonnell  
1617 Bob O Link Drive  
Venice, FL 34293  
(941) 800-2226

### GEORGIA

Denise Swords, Debra Goodwin &<sup>29</sup>  
Courtney Moss  
2100 Westshore Dr, Suite 224  
Cumming, GA 30041

Lisa Perez and Kay Sabrina  
12461 Veterans Memorial Highway 1<sup>st</sup>  
Floor  
Douglasville, Georgia 30134  
(530) 701-3899

John and Rebecca Beard<sup>30</sup>  
4780 Sharon Drive

Evans, GA 30809  
(706) 664-5447

Cynthia and Ronald Cox  
5434 Spinnaker Lane  
Gainesville, GA 30504  
(770) 527-8998

Emma Reynolds  
545 Heathgate Drive  
Lawrenceville, GA 30044  
(678) 524-3343

Kerri Oliver  
118 Maggie Court  
Leesburg, GA 31763  
(229) 302-4395

Jay McElrath  
3093 General Lee Road  
Macon, GA 31204  
(478) 808-0951

Brandon Doyle<sup>31</sup>  
4322 Dover Crossing Drive  
Marietta, GA 30066  
(678) 392-9453

Todd Keicker<sup>32</sup>  
1953 River Forest Drive  
Marietta, GA 30068  
(678) 923-1154

Monica Hyder  
230 Jasper Drive  
Palmetto, GA 30268  
(404) 977-3544

Lisa Malvea<sup>33</sup>  
4573 Chatsworth Overlook NE

<sup>26</sup> Owns 3 territories

<sup>27</sup> Owns 2 territories

<sup>28</sup> Owns 3 territories

<sup>29</sup> Owns 2 territories

<sup>30</sup> Owns 3 territories

<sup>31</sup> Owns 3 territories

<sup>32</sup> Owns 3 territories

<sup>33</sup> Owns 3 territories

# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

### Franchisee List

December 31, 2025

As of the above date, there are a total of 433 Caring Transitions franchises of a type substantially similar to the Caring Transitions franchises offered in this disclosure document, 423 of which are operational. The names, addresses, and telephone numbers are listed below.

Roswell, GA 30075 (770) 910-5628	14754 Cricketwood Dr. Homer Glen, IL 60491 (707) 337-3092	869 W Smith Valley Road Greenwood, IN 46142 (317) 318-3420
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Becky Harris and Ava Fletcher 104 Charnie Drive Thomasville, GA 31792 (229) 251-0019	Vikram Sarma <sup>36</sup> 825 S Waukegan Road Suite A8 Lake Forest, IL 60045 (513) 293-6569	Constance Brown 450 East Ohio St. #203 Indianapolis, IN 46204 (317) 590-3973
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Michael Deleon and Xiaoning Tuo 2479 Landeau Circle Tucker, GA 30084 (404) 640-6473	Kathleen Cantillon 516 N Lombard Oak Park, IL 60302 (312) 515-3506	Paul Ellsworth 5827 Nobel Drive Indianapolis, IN 46234 (317) 777-1014
--	---	--

Cilamina Villanueva 236 Crest Ridge Drive Waynesboro, GA 30830 (706) 535-3063	Deepti Shah 120 Allerton Drive Schaumburg, IL 60194 (224) 388-1668	Hank Minix 4060 E 400 S Knox, IN 46534 (574) 806-4255
--	---	--

#### HAWAII

Steve Tokita <sup>34</sup> 2166 Auhuhu Street Pearl City, HI 96782 (808) 203-0422	Mary Spizzirri 819 Queens Gate Circle Sugar Grove, IL 60554 (720) 346-2711	Timothy and Lisa McKinney 1494 Kathy Court Lawrenceburg, IN 47025 (812) 577-0389
--	---	---

#### ILLINOIS

Christen and Shaun Murphy  
207 N. Main, Suite 103C  
Columbia, IL 62236  
(618) 230-3432

Nicole and Nathan Sanchez<sup>35</sup>  
1315 Heather Lane  
Greenville, IL 62246  
(925) 903-9543

Phillip Anderson  
1333 Whirlaway Lane  
Hanover Park, IL 60133  
(630) 425-8172

Brian Noetzel

#### INDIANA

James Dulin  
200 South Rangeline Rd, Ste 129  
Carmel, IN 46032  
(317) 281-6679

Natalie Ward  
14505 Reeder Road  
Crown Point, IN 46307  
(708) 305-1971

John Morris  
5436 West County Road 925 N  
Farmersburg, IN 47850  
(812) 201-2255

Matthew Kresse

Christopher and Tai Crayton  
2743 W. 85th Avenue  
Merrillville, IN 46410  
(219) 616-7407

Josh and Jessica Grace  
8500 N Ravenwood Drive  
Muncie, IN 47303  
(502) 640-1711

#### IOWA

Jon Wessels<sup>37</sup>  
815 West First Street  
Cedar Falls, IA 50613  
(319) 290-8883

Clark Robken

---

<sup>34</sup> Owns 2 territories

<sup>35</sup> Owns 2 territories

<sup>36</sup> Owns 3 territories

<sup>37</sup> Owns 2 territories

# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

### Franchisee List

December 31, 2025

As of the above date, there are a total of 433 Caring Transitions franchises of a type substantially similar to the Caring Transitions franchises offered in this disclosure document, 423 of which are operational. The names, addresses, and telephone numbers are listed below.

622 Walnut Street  
Iowa City, IA 52240  
(563) 505-4287

TyWaunne L. Hill  
435 Erusha Drive  
Walford, IA 52351  
(319) 899-3637

#### **KANSAS**

Dolly Wittman<sup>38</sup>  
11944 W. 95th Street, Suite 203  
Lenexa, KS 66215  
(913) 526-1893

#### **KENTUCKY**

Chris Thompson & Amy McSharry  
920 McClain Drive  
Lexington, KY 40505  
(702) 499-5637

#### **LOUISIANA**

Ryan Kaiser  
506 Presbyterere Parkway  
Lafayette, LA 70503  
(307) 215-6548

James Sarpy<sup>39</sup>  
5518 LaSalle Street  
New Orleans, LA 70115  
(504) 957-4704

#### **MARYLAND**

Rebecca Snyder  
500 Hawthorn Road  
Baltimore, MD 21210  
(443) 768-3281

Brenda Thomas  
5177 Harpers Farm Road

Columbia, MD 21044  
(443) 456-4564

Heather Martin and Mark Warthen<sup>40</sup>  
4211 Wallingford Court  
Jefferson, MD 21755  
(240) 815-1837

Brenda Jackson  
30 Wagners Lane  
Essex, MD 21221  
(443) 550-1061

Joao Moreira<sup>41</sup>  
345 Marba Road  
Severna Park, MD 21146  
(410) 544-7879

#### **MASSACHUSETTS**

James White  
144 Southbrook Road  
East Longmeadow, MA 01028  
(413) 525-9211

Angela King and Jill Delaney<sup>42</sup>  
14 Brimfield Road  
Holland, MA 01521  
(413) 824-1770

Deena Cherenza  
11 Apex Dr., Suite 300A PMB 2057  
Marlborough, MA 01745  
(508) 375-3723

John Greene  
15 Scannell Road  
Randolph, MA 02368  
(617) 653-7934

Michael Marchand<sup>43</sup>

149 Fiske Street  
Tewksbury, MA 01876  
(978) 758-0245

Joseph Abbascia  
1180 Main Street, Unit 2  
Worcester, MA 01603  
(508) 688-9060

Cesar Burgos  
33 Ludlow Street  
Worcester, MA 01603  
(508) 499-9152

#### **MICHIGAN**

Achla Karnani  
1284 Waterways Drive  
Ann Arbor, MI 48108  
(734) 332-1490

Dane Ramsden  
23624 Ronita  
Macomb, MI 48042  
(586) 219-0560

#### **MINNESOTA**

Ernise Beckel and Jacqueline  
Uwimana  
6385 Old Shady Oak Road Suite 250  
Eden Prarie, MN 55344  
(763) 377-2916

Dennis Birchland  
18660 Dulaney Drive  
Farmington, MN 55024  
(651) 925-9093

James Fall and Spencer Korum<sup>44</sup>  
362 Brookwood Drive  
Hudson, WI 54016

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<sup>38</sup> Owns 2 territories

<sup>39</sup> Owns 2 territories

<sup>40</sup> Owns 3 territories

<sup>41</sup> Owns 4 territories

<sup>42</sup> Owns 2 territories

<sup>43</sup> Owns 2 territories

<sup>44</sup> Owns 2 territories

# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

### Franchisee List

December 31, 2025

As of the above date, there are a total of 433 Caring Transitions franchises of a type substantially similar to the Caring Transitions franchises offered in this disclosure document, 423 of which are operational. The names, addresses, and telephone numbers are listed below.

(612) 405-6729 Cindy Kasak 16377 Impatiens Court Lakeville, MN 55044 (952) 300-0477	Lee's Summit, MO 64064 (816) 651-0291  Albert Rutledge and Chad Kirtlan 1670 W Union Chapel Road Nixa, MO 65714 (417) 374-0460	Justin and Erica Beck <sup>49</sup> 6587 Plum Orchard Circle Las Vegas, NV 89142 (360) 593-3140  Bradford Kaune 1015 Alicia Way Reno, NV 89506 (775) 624-4957
Doug Lamoureux 109 Piccadilly Avenue Mankato, MN 56001 (507) 225-0073	Scott and Annette Hebert <sup>47</sup> 9726 Antonia Drive St. Louis, MO 63123 (314) 614-0635	<b>NEW JERSEY</b> Ashley and Tarik Seawright 309 Willow Street Bridgeport, NJ 06610 (475) 210-1681  Anthony Mauro 12 Highland Avenue Long Valley, NJ 7853 (908) 310-7819  Melinda Harrington 4 Knollwood Trail W. Mendham, NJ 7945 (908) 303-2506
Suzanne Austin <sup>45</sup> 15245 91 <sup>st</sup> Avenue North Maple Grove, MN 55369 (240) 938-4732	<b>MONTANA</b> Scott Urlacher 1742 Prescott Drive Billings, MT 59105 (406) 545-2500  Stefanie Silvan 3275 North Reserve Street Missoula, MT 59870 (949) 973-3432	Mohammed Ataula Tobacco Noor 64 Folsom Lane Morganville, NJ 07751 (201) 469-5300  Tara & Brian Nielsen 82 Briarcliff Road Mountain Lakes, NJ 07046 (973) 352-7379
Chester Sackie 829 3 <sup>rd</sup> Avenue SE #285 Rochester, MN 55904 (651) 461-3040	<b>NEBRASKA</b> Olivia Gerroll 1010 Martin Drive Bellevue, NE 68005 (402) 547-0742	Brian & Mary Lloyd 1609 Walnut Street Wall, NJ 7719 (530) 644-1163
Dawn Etmund 2233 Hamline Avenue N, Suite 614 Roseville, MN 55126 (651) 395-7818	<b>NEVADA</b> Julian Conradson & Miriam Irizarry <sup>48</sup> 10409 Pacific Palisades Avenue Las Vegas, NV 89144 (408) 787-7849  Julie Zorn and Kenneth Decker 10209 Dupage Avenue Las Vegas, NV 89135 (725) 275-3360	
<b>MISSISSIPPI</b> Carla Lunn 323 North Main Street Pontotoc, MS 38863 (662) 489-5129		
<b>MISSOURI</b> Bob and Mary DeClue <sup>46</sup> 1019 Baypointe Drive Imperial, MO 63052 (636) 575-1777		
Wendy and Danial Calvert 223 NW Shagbark		

<sup>45</sup> Owns 6 territories

<sup>46</sup> Owns 5 territories

<sup>47</sup> Owns 2 territories

<sup>48</sup> Owns 2 territories

<sup>49</sup> Owns 2 territories

# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

### Franchisee List

December 31, 2025

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#### NEW YORK

Rachel and Victorious Snow  
531 Fishkill Ave, #2  
Beacon, NY 12508  
(845) 391-3438

Alan Hirsh and Andrew Beckman<sup>50</sup>  
48 Brook Farm Road  
Bedford, NY 10506  
(516) 578-9254

Kimberley Bigby & Cassandra Dunn-Henry  
152 Tree Avenue  
Central Islip, NY 11722  
(914) 584-8567

Jennifer and Mike Novak  
8587 Showshoe Trail  
Cicero, NY 13039  
(315) 289-9163

Rachel Rohn  
189 Bedell Avenue  
Hempstead, NY 11550  
(646) 696-1193

Joel Bragen  
9 Sherwood Drive  
Huntington, NY 11743  
(914) 260-1871

Michael and Diane Zagariello  
223 Park Avenue  
Merrick, NY 11566  
(516) 771-0216

Neil Russell<sup>51</sup>  
385 French Road  
Pittsford, NY 14534

(585) 888-3032

Matthew Gardiner<sup>52</sup>  
7 Limestone Drive  
Williamsville, NY 14052  
(716) 580-4822

#### NORTH CAROLINA

Steve and Becky Shelton  
100 Larkhaven Place  
Apex, NC 27539  
(919) 522-9459

Jennifer and Stanley Faircloth  
3323 U.S. Highway 15-501  
Carthage, NC 28327  
(910) 947-3938

Andre and Rebecca Ogorzolka<sup>53</sup>  
809 Blackmar Street  
Cary, NC 27519  
(901) 334-1424

Andrew Asaro<sup>54</sup>  
976 MLK Boulevard, Suite 250  
Chapel Hill, NC 27514  
(919) 267-1440

Raissa Miller<sup>55</sup>  
6918 Evanton Loch Road  
Charlotte, NC 28278  
(219) 775-5056

Deedra and Stuart Senter  
378 Collinsville Road  
Columbus, NC 28722  
(803) 414-7207

Robert and Tracy Baker  
3899 Deer Run Drive NE

Conover, NC 28613  
(704) 657-5920

Christine Snow  
5603 W Friendly Ave Ste B #300  
Greensboro, NC 27012  
(828) 778-2258

Kenneth Johnson  
109 Olde Point Loop  
Hampstead, NC 28443  
(434) 534-8234

Nicole and Scott Smithers  
7231 Sloop Lane SE  
Leland, NC 28451  
(910) 939-6516

Meggan Wood  
1034 Woodview Ridge Trail  
Lewisville, NC 27023  
(336) 551-2190

Steve and Becky Shelton  
100 Larkhaven Place  
Raleigh, NC 27539  
(919) 637-0410

#### NORTH DAKOTA

Becky Pardeams  
2709 Boston Drive  
Bismark, ND 58504  
(701) 214-0933

#### OHIO

Gary Henry<sup>56</sup>  
125 Orange Tree Drive  
Chagrin Falls, OH 44022  
(216) 544-6412

<sup>50</sup> Owns 2 territories

<sup>51</sup> Owns 2 territories

<sup>52</sup> Owns 2 territories

<sup>53</sup> Owns 2 territories

<sup>54</sup> Owns 3 territories

<sup>55</sup> Owns 3 territories

<sup>56</sup> Owns 2 territories

# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

### Franchisee List

December 31, 2025

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Gina and David Siegel <sup>57</sup> 3840 Broadview Drive Cincinnati, OH 45208 (513) 533-1544	(405) 819-8752	275 Cherry Lane Kennett Square, PA 19348 (610) 554-4164
Shaun Brodie 690 Watch Hill Lane Cincinnati, OH 45230 (513) 254-1341	Kathleen Montgomery 8912 North 140 <sup>th</sup> East Ave Owasso, OK 74055 (918) 899-5166	Philip Berube 3D Gregory Place Lake Harmony, PA 18624 (785) 220-3253
Nathan and Sommer Bradds <sup>58</sup> 3229 Highlands Trail Lebanon, OH 45036 (513) 383-0421	Tia and Drayton Dunlap <sup>61</sup> 10903 North 1900 Road Sayre, OK 73662 (580) 799-0390	Alexander King 625 North Shippen Street Lancaster, PA 17602 (717) 333-9411
Justin and Amy Isaacson <sup>59</sup> 7421 Walker Wood Boulevard Lewis Center, OH 43035 (614) 893-2322	<b>OREGON</b> Felemon Belay <sup>62</sup> 7604 SW Bayberry Drive Beaverton, OR 97007 (503) 567-4584	Carolyn Doerr <sup>63</sup> 720 Coloniel Court Mechanicsburg, PA 17050 (570) 234-7713
Rachel Eberly 7532 Streebee Road Middletown, OH 45042 (513) 618-7445	John Hoge 3245 Felton Street South Salem, OR 97302 (970) 388-6810	Kevin Rarick 830 Grandell Avenue Reading, PA 19605 (319) 541-2696
Mike Ivan 27088 Dogwood Lane Olmstead Township, OH 44138 (440) 427-1630	<b>PENNSYLVANIA</b> Roberto Cirilo 521 Gala Drive Canonsburg, PA 15317 (412) 709-8866	Joan Bowen 313 Poplar Street Richland, PA 17087 (717) 403-6120
Amy Findley and Tami Herman 3130 Executive Parkway Toledo, OH 43606 (419) 283-6548	John Hall 1222 Tullamore Circle Chester Springs, PA 19425 (610) 331-3031	Karyl Bruno <sup>64</sup> 139 Packham Court Telford, PA 18969 (267) 470-6683
<b>OKLAHOMA</b> Margaret Gonzales & Jackie <sup>60</sup> Beckham 328 W. Lakewood Drive Guthrie, OK 73044	Leslie McKinney 150 Williams Point Evans City, PA 16033 (724) 612-2923	Scott Bowles 7601 Sawmill Road Tobyhanna, PA 18466 (773) 824-6339
	Lee Fulton	Michael Strouse

<sup>57</sup> Owns 2 territories

<sup>58</sup> Owns 2 territories

<sup>59</sup> Owns 2 territories

<sup>60</sup> Owns 3 territories

<sup>61</sup> Owns 3 territories

<sup>62</sup> Owns 2 territories

<sup>63</sup> Owns 2 territories

<sup>64</sup> Owns 2 territories

# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

### Franchisee List

December 31, 2025

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1105 Taylorsville Road Suite 320  
Washington Crossing, PA 18977  
(215) 801-6931

Suan and Brian Graveno  
2731 Halleck Drive  
Whitehall, PA 18052  
(610) 439-4828

#### **RHODE ISLAND**

Pete Lankarge  
41 Bristol Ferry Road  
Portsmouth, RI 02871  
(860) 930-3355

#### **SOUTH CAROLINA**

Roseann Russo  
337 Savannah Hwy, Apt. 911  
Beaufort, SC 29910  
(843) 970-9139

Jackie Duckson  
628 Wistria Vines Trail  
Fort Mill, SC 29708  
(757) 553-4836

Todd Carpenzano and Tiffany Vann<sup>65</sup>  
110 Carlyle Street  
Goose Creek, SC 29445  
(843) 860-8488

Sheila and Dale Cullum  
104 Maxwell Ave, Suite 704  
Greenwood, SC 29835  
(864) 881-7093

James and Kelly Houston<sup>66</sup>  
116 Greenside Drive  
Lexington, SC 29072  
(870) 635-2833

Charlene Blanton  
P.O. Box 2828  
Murrells Inlet, SC 29576  
(843) 997-5088

Donna and Kevin Sherer<sup>67</sup>  
9 Wakulla Court  
Simpsonville, SC 29680  
(864) 770-5570

#### **SOUTH DAKOTA**

Brad and Kristin Goodroad<sup>68</sup>  
1409 Holiday Drive  
Canton, SD 57013  
(605) 321-1906

#### **TENNESSEE**

Louise Goodman  
312 Lake Catherine Circle  
Crossville, TN 38558  
(931) 707-2798

Mark McClure  
1649 Wellington Green  
Franklin, TN 37064  
(856) 767-8590

Hector and Jessica Gonzalez  
507 Needlegrass Lane  
Knoxville, TN 37934  
(865) 582-6816  
Julie Bilyeau<sup>69</sup>  
275 Tennessee Circle  
Mooresville, TN 28117  
(910) 391-0360

#### **TEXAS**

Brandon Mirabal  
8216 Alophia Drive

Austin, TX 78739  
(512) 905-8009

Susan Bush  
14205 N Mopac Expsrwy, 5<sup>th</sup> Fl  
Austin, TX 78628  
(512) 627) 0175

Veronique and Sean Phelan<sup>70</sup>  
10303 Skyflower Drive  
Austin, TX 78759  
(512) 659-5100

Dershie Kurtz<sup>71</sup>  
555 Prado Crossing  
Boerne, TX 78006  
(210) 274-6676

Jared Meyer<sup>72</sup>  
2708 Mirkwood Court  
Bryan, TX 77807  
(979) 574-8879

Kristi Crowson and Jill Homeyer  
7801 Luke Court  
Bryan, TX 77808  
(979) 229-9689

Willette Glenn  
1846 E Rosemeade Pkwy #1175  
Carrollton, TX 75007  
(945) 523-0024

Cindi Skalicky  
2160 Senora Rdg  
Canyon Lake, TX 78133  
(830) 302-2024

Henrietta Holt  
509 3rd Street

<sup>65</sup> Owns 3 territories

<sup>66</sup> Owns 2 territories

<sup>67</sup> Owns 2 territories

<sup>68</sup> Owns 2 territories

<sup>69</sup> Owns 2 territories

<sup>70</sup> Owns 2 territories

<sup>71</sup> Owns 2 territories

<sup>72</sup> Owns 2 territories

# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

### Franchisee List

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Chandler, TX 75758  
(903) 714-0266

Granbury, TX 76048  
(817) 894-3183

New Braunfels, TX 78132  
(214) 701-8804

Stephanie Phillips  
5001 Strathmore  
Colleyville, TX 76034  
(817) 247-7414

Welton Crow  
1100 NASA Parkway Ste 420S  
Houston, TX 77591  
(409) 877-2950

Cristina Ceron  
3422 Business Center Dr. Ste 106-45  
Pearland, TX 77459  
(281) 250-2234

Marie Ellis and Stephanie Phillips  
5001 Strathmore Terrace  
Colleyville, TX 76034  
(817) 247-7414

Rachel Rivera  
23144 Cinco Ranch Blvd, Ste B  
Katy, TX 77494  
(281) 616-7448

Rex and Nancy Norris<sup>76</sup>  
1201 Chandler Circle  
Prosper, TX 75078  
(214) 577-8809

Heidi and Martin Russell  
9314 Casa Blanca Circle  
Cypress, TX 77433  
(281) 250-9238

Kerri and William Weller  
3722 Clover Creek Drive  
Kingwood, TX 77345  
(713) 775-3927

Daniel Lee  
8711 Glen Canyon Drive  
Round Rock, TX 78681  
(512) 922-0228

Richard Greco, Rex Norris  
6230 Emeraldwood Place  
Dallas, TX 75254  
(972) 991-1212

Steven and Evelyn Hughett  
5726 83rd Street  
Lubbock, TX 76424  
(806) 853-9105

Bobby Wilkinson<sup>77</sup>  
145 Alabama Street  
San Antonio, TX 78203  
(309) 532-4326

Irene and Jimmy Woodruff  
6898 Orizaba Avenue  
El Paso, TX 79912  
(915) 449-2059

Nicole Rea Maher<sup>73</sup>  
3913 Lakehill Lane  
McKinney, TX 75071  
(214) 504-1650

Christine Gutierrez  
1711 Argos Star  
San Antonio, TX 78245  
(210) 268-4131

Marc and Kimberly Moore  
13509 Lyndon B Johnson Fwy  
Garland, TX 75041  
(254) 652-4778

Cheri and Dean Blankenship<sup>74</sup>  
3702 Hawkins Court  
Missouri City, TX 77459  
(281) 995-3179

Gretchel Brown  
8637 Fredericksburg Rd. Ste 400-146  
San Antonio, TX 78240  
(512) 293-9815

Susan Bush  
712 Shepherd Road  
Georgetown, TX 78628  
(512) 627-0175

Monica Martinez  
333 County Road 301  
Nacogdoches, TX 75961  
(513) 468-9061

Scott Bleichwehl  
1011 Toad Pond  
San Antonio, TX 78260  
(830) 714-9394

Steven and Gina Dieterichs  
1204 E Apache Trail

Rodney and Roisean Surber<sup>75</sup>  
1631 Dirndl

Chad Hardin  
1205 N State Hwy 123 Suite 302

---

<sup>73</sup> Owns 3 territories

<sup>74</sup> Owns 3 territories

<sup>75</sup> Owns 2 territories

<sup>76</sup> Owns 2 territories

<sup>77</sup> Owns 2 territories

# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

### Franchisee List

December 31, 2025

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San Marcos, TX 78666  
(325) 642-1218

#### UTAH

Allison Conklin<sup>78</sup>  
540 W Boulder Point Road  
Midway, UT 84049  
(801) 815-0944

Sherry Newey & Amie Cecil  
158 E Angel Street  
Sandy, UT 84070  
(801) 906-1540

#### VIRGINIA

Brandon and Dan Troutman<sup>79</sup>  
5580 Seminary Road  
Alexandria, VA 22311  
(703) 899-8987

Dani Washington<sup>80</sup>  
13090 Fair Oaks Lane  
Ashland, VA 23005  
(804) 698-9013

Nan Coleman  
839 Harris Road  
Charlottesville, VA 22902  
(434) 284-2276

Todd Osborne<sup>81</sup>  
517 Hanbury Road West  
Chesapeake, VA 23322  
(757) 320-2918

Dominique and Jean Tervene<sup>82</sup>  
17937 Swans Creek Lane  
Dumfries, VA 22026  
(202) 997-1019

Scott Castleman  
7857 Bressingham Drive  
Fairfax Station, VA 22039  
(202) 302-1614

Jay Wright<sup>83</sup>  
14 Belle Crest Lane  
Fincastle, VA 24090  
(540) 473-4169

Thomas and Leiann Wade<sup>84</sup>  
16546 Lance Trail Court  
Hamilton, VA 20158  
(703) 402-2387

Rose Byrne Carrol  
20 Hanshew Lane  
Martinsburg, WV 25404  
(304) 433-1334

Robert Allen  
110 Wells Road  
Newport News, VA 23602  
(443) 745-4151

Terry Kern<sup>85</sup>  
11912 Bennett Road  
Oak Hill, VA 20171  
(703) 627-0556

Alan Sack  
6451 English Ivy Court  
Springfield, VA 22152  
(703) 286-7870

Gerreyl Fleming  
1008 Trilogry Loop  
Suffolk, VA 23435

(757) 277-4922

Susan Henderson  
2632 Sandfiddler Road  
Virginia Beach, VA 23456  
(757) 330-5492

#### VERMONT

Emily Patton and Trevor Block  
80 Eastwood Drive Apt 211  
South Burlington, VT 05403  
(505) 886-7822

#### WASHINGTON

Christine Visser<sup>86</sup>  
9236 NE 191st Street  
Bothell, WA 98011  
(206) 739-7510

Helsa Williams  
4562 Bay Vista Boulevard, J108  
Bremerton, WA 98312  
(360) 205-5039

Jennifer Black<sup>87</sup>  
16210 25th Avenue SW  
Burien, WA 98166  
(206) 330-0878

Maureen Mwaniki  
2525 Wetmore Avenue  
Everett, WA 98201  
(425) 953-7672

Jayson Sweet  
4570 Avery Lane SE Suite C288  
Lacey, WA 98503  
(360) 561-1290

<sup>78</sup> Owns 2 territories

<sup>79</sup> Owns 2 territories

<sup>80</sup> Owns 2 territories

<sup>81</sup> Owns 2 territories

<sup>82</sup> Owns 2 territories

<sup>83</sup> Owns 2 territories

<sup>84</sup> Owns 2 territories

<sup>85</sup> Owns 3 territories

<sup>86</sup> Owns 2 territories

<sup>87</sup> Owns 2 territories

# EXHIBIT D

## C.T. FRANCHISING SYSTEMS, INC

### Franchisee List

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Jeanne McDonald & Kristin Forth<sup>88</sup>  
13303 Wigen Road  
Lynnwood, WA 98087  
(206) 227-9202

Melody Bailey  
4303B Venable Avenue  
Charleston, WV 25304  
(304) 542-5598

Kelly Temeyer<sup>92</sup>  
2033 North 122nd Street  
Wauwatosa, WI 53226  
(262) 364-9590

Tina Nash Clark  
23436 SE 285th Street  
Maple Valley, WA 98038  
(206) 696-8800

**WISCONSIN**  
Erin Swoboda  
3517 Stein Boulevard  
Eau Claire, WI 54701  
(715) 214-9325

Mohamed Mohamed  
N4349 Ruby Lane  
West Salem, WI 54669  
(608) 612-0152

Erin and Brandon Schaeffer  
18904 4<sup>th</sup> Avenue SW  
Normandy Park, WA 98166  
(206) 778-0811

Don Ashbaugh  
5719 Merlin Street  
Fitchburg, WI 53711  
(608) 332-9840

**WYOMING**  
Susette Stiles-Hofland  
41 Red Bluff Road  
Beulah, WY 82729  
(307) 290-0572

Kathy Corliss  
1055 Spokane Avenue  
Prosser, WA 99350  
(509) 832-2805

Patrick Skorupski<sup>91</sup>  
W2368 Ethan Drive  
Freedom, WI 54913  
(920) 572-2599

Trisha and Joshua Isais  
4160 Dartford Court  
Casper, WY 82609  
(307) 797-0292

Alan and Carrie Dueck<sup>89</sup>  
7123 98<sup>th</sup> Street Ct. E  
Puyallup, WA 98373  
(253) 799-0825

Mary Kay Minnis  
1104 Devoy Lane  
Green Bay, WI 54313  
(920) 619-0128

As of the above date, we have entered into 10 franchise agreements with franchise owners that are not yet operational. The name, address, and telephone number of these owners are listed below.

Cristin Fishel Luebben  
8407 176<sup>th</sup> Avenue SW  
Rochester, WA 98579  
(360) 955-4014

James Fall and Spencer Korum  
362 Brookwood Drive  
Hudson, WI 54016  
(612) 405-6729

Diana Borrero & Ron Ugate<sup>93</sup>  
6695 E Liseron Rd.  
Boynton Beach, FL 33437  
(732) 371-3691

Teresa Murphy<sup>90</sup>  
278 Dungeness Meadows  
Sequim, WA 98382  
(360) 813-2367

Marina Pavlopoulos  
N8009 State Highway 42  
Sheboygan, WI 53083  
(920) 400-6050

Matthew Keener  
1904 N Mobile Villa Dr.  
Lutz, FL 33549  
(727) 215-7396

Munira Girnary  
19408 Richmond Beach Drive NW  
Shoreline, WA 98177  
(571) 344-4428

Elizabeth Beeghly  
2413 N Shorewood Blvd  
Shorewood, WI 53211  
(414) 644-3133

Nate Ploog & Craig Peterson  
2039 Scranton Ave.

## WEST VIRGINIA

<sup>88</sup> Owns 2 territories

<sup>89</sup> Owns 2 territories

<sup>90</sup> Owns 3 territories

<sup>91</sup> Owns 3 territories

<sup>92</sup> Owns 3 territories

<sup>93</sup> Owns 2 territories

## EXHIBIT D

### C.T. FRANCHISING SYSTEMS, INC

#### Franchisee List

December 31, 2025

As of the above date, there are a total of 433 Caring Transitions franchises of a type substantially similar to the Caring Transitions franchises offered in this disclosure document, 423 of which are operational. The names, addresses, and telephone numbers are listed below.

Orlando, FL 32826  
(407) 458-6558

Riley Wells  
8635 Birch Hollow Dr.  
Roswell, GA 30076  
(770) 868-6867

Joseph Burton  
5 West Ridge Dr.  
Sharon, MA 02067  
(617) 275-5414

Page LeGrow  
1093 Green Meadows Dr.  
Grand Blanc, MI 48439  
(810) 691-4816

Kendra Benschmuel  
166 Belle Point  
Madison, MS 39110  
(901) 907-9262

Johnna Kennedy  
1645 Johnson Rd.  
Glenville, NY 12302  
(518) 859-8514

Brian Watson  
409 Oakland Dr.  
Downington, PA 19335  
(610) 955-6159

# EXHIBIT E

## C.T. FRANCHISING SYSTEMS, INC FRANCHISEES WHO HAVE LEFT THE SYSTEM

Below are Franchisees who have left the system as of the fiscal year ending December 31, 2025 or who have not communicated with us within 10 weeks of the issuance of the disclosure document. If you buy a franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Sherri Wright and Shonda Smith <sup>94</sup> Mobile, AL 36609 (256) 864-0432	Oakland Park, FL 19002 (267) 820-0854	(908) 809-3235
Patricia Mazzeo Gilbert, AZ 85233 (949) 892-9401	Lisa Haskell <sup>100</sup> Lawrenceville, GA 30046 (770) 826-1287	Amajot Singh Dix Hills, NY 11746 (631) 215-3504
Michele McGregor <sup>95</sup> Palm Desert, CA 92260 (403) 835-4204	Todd Kiecker <sup>101</sup> Marietta, GA 30068 (678) 923-1154	Farzana Rahman Floral Park, NY 11001 (646) 427-4693
Kenneth Stocks <sup>96</sup> Castle Rock, CO 80104 (720) 254-4233	Bryan and Tracey Smith <sup>102</sup> Greenville, IL 62246 (618) 636-5608	Karen Menachof <sup>106</sup> Rochester, NY 14610 (585) 770-4404
Michele and Bradly Busby Colorado Springs, CO 80918 (214) 597-4872	Bruce Treadway <sup>103</sup> Woodstock, IL 60098 (815) 308-5532	Lance Cargill Charlotte, NC 28215 (704) 905-9717
Kerry Mayer <sup>97</sup> Littleton, CO 80127 (303) 907-0687	Toni Bell Des Moines, IA 50312 (515) 210-2837	Jean and Joseph Hodge <sup>107</sup> Cincinnati, OH 45230 (513) 306-8029
Michele Heine <sup>98</sup> Thornton, CO 80602 (703) 966-2947	Helen Johnson Lisbon, ME 04250 (207) 312-8176	Justin Lavadour <sup>108</sup> Franklin, OH 45005 (509) 954-2646
Tracey Cox Fort Myers, FL 33916 (813) 263-7355	Brian McGonigle <sup>104</sup> Bellingham, MA 02019 (774) 295-4044	Brian Gallagher <sup>109</sup> Ambler, PA 19002 (267) 932-7184
Dennis and Michelle Begg <sup>99</sup> Jacksonville, FL 32256 (904) 619-7767	Kendra MacLeod Pittsfield, MA 01201 (413) 551-7152	Katherine Tohanczyn Horsham, PA 19044 (267) 541-5547
Lawrence Cohen	George and Damian Pizzo <sup>105</sup> Berkeley Heights, NJ 07922	Charles Smith <sup>110</sup> Charleston, SC 29414 (842) 296-0617

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<sup>94</sup> Sold Territory

<sup>95</sup> Sold 2 Territories

<sup>96</sup> Sold Territory

<sup>97</sup> Sold Territory

<sup>98</sup> Sold Territory

<sup>99</sup> Sold 3 Territories

<sup>100</sup> Sold Territory

<sup>101</sup> Sold Territory

<sup>102</sup> Sold 2 Territories

<sup>103</sup> Sold 3 Territories

<sup>104</sup> Sold Territory

<sup>105</sup> Sold Territory

<sup>106</sup> Sold 2 Territories

<sup>107</sup> Sold Territory

<sup>108</sup> Sold Territory

<sup>109</sup> Sold Territory

<sup>110</sup> Sold 3 Territories

# EXHIBIT E

## C.T. FRANCHISING SYSTEMS, INC FRANCHISEES WHO HAVE LEFT THE SYSTEM

Below are Franchisees who have left the system as of the fiscal year ending December 31, 2025 or who have not communicated with us within 10 weeks of the issuance of the disclosure document. If you buy a franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

(206) 510-7855

Andrea Meachum and Shelly Rhodes

Allen, TX 75002

(918) 260-8381

Susan and Chlose Roddy<sup>114</sup>

Neenah, WI 54956

(920) 915-6892

James Boydston and Jason Norris<sup>111</sup>

Valley Mills, TX 76689

(254) 366-4509

Wynonah Keegan

Spanish Fork, UT 84660

(951) 323-5389

John and Jennifer Sevener<sup>112</sup>

Puyallup, WA 98374

(253) 324-1778

Joe Maassen<sup>113</sup>

DuPont, WA 98327

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<sup>111</sup> Sold 2 Territories

<sup>112</sup> Sold Territory

<sup>113</sup> Sold 2 Territories

<sup>114</sup> Sold 2 Territories

**CARING TRANSITIONS  
FRANCHISE AGREEMENT**

**BETWEEN**

**C.T. FRANCHISING SYSTEMS, INC.**  
FRANCHISOR

**AND**

\_\_\_\_\_  
**FRANCHISEE(S)**

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

## TABLE OF CONTENTS

<u>Article</u>		<u>Page No.</u>
1	APPOINTMENT .....	3
2	TERM AND RENEWAL .....	4
3	LOCATION OF BUSINESS .....	5
4	FRANCHISE FEE .....	5
5	PERIODIC FEES .....	5
6	DUTIES OF FRANCHISOR .....	8
7	DUTIES OF FRANCHISEE .....	9
8	PROPRIETARY MARKS .....	24
9	CONFIDENTIAL MANUAL .....	26
10	CONFIDENTIAL INFORMATION .....	27
11	ADVERTISING .....	28
12	TRANSFERABILITY OF INTEREST .....	33
13	TERMINATION .....	38
14	OBLIGATIONS UPON TERMINATION .....	42
15	COVENANTS .....	43
16	ENFORCEMENT .....	46
17	INDEPENDENT CONTRACTOR AND INDEMNIFICATION .....	48
18	MISCELLANEOUS.....	49
	Exhibit A — Identification of Franchisee(s)	
	Exhibit B — Territory	

THIS FRANCHISE AGREEMENT is between C.T. 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 "System") for the establishment and operation of a distinctive type of business that organizes and conducts sales of estate assets, personal belongings, and household goods and provides transition services, liquidations and moving management services to the general public (hereafter referred to as a "Caring Transitions franchise").

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

C. Franchisor has the exclusive right to use the service mark CARING TRANSITIONS®, any derivatives thereof, and certain other trade names, business names, service marks, trademarks, logos, designs and trade symbols (collectively referred to as the "Marks") as are now or may from time to time be designated in writing by Franchisor for use in connection with the operation of the 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 System, and to represent the System's high standards of quality, appearance and services.

E. Franchisee understands and acknowledges the importance of Franchisor's standards of quality, service, cleanliness and appearance, the necessity of opening and operating a Caring Transitions franchise in conformity with Franchisor's standards and specifications as presented in Franchisor's Manual and updates, and preserving the confidentiality of the System.

F. Franchisee desires to purchase and operate a Caring Transitions 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, to operate a business that organizes and conducts sales of estate assets, personal belongings, and household goods and provides transition services, liquidations and moving management services (the "franchised business") using Franchisor's System and (ii) a non-exclusive license to use solely the Marks and the 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 codes and more particularly described on an exhibit ("Exhibit B") to be attached to, incorporated in, and made a part of this agreement. If for any reason the boundaries or numbers of any postal code(s) that comprise the

Territory are moved, altered or eliminated, Franchisor shall re-define the boundaries of the Territory to correspond as nearly as possible, in Franchisor's sole and absolute discretion, to Franchisee's original Territory, and Franchisor's decision shall be final and binding upon both Franchisor and Franchisee. 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, Franchisee shall operate the franchised business only within the Territory described on Exhibit B.

1.3 Scope of Territorial Protection. During the term of this agreement, 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 1.10 and 8.6 of this agreement. Except as expressly described in this paragraph, Franchisee does not have any "exclusive territory" or any "exclusive," "protected," or "reserved" territorial or similar rights, and there is and will be no limitation on Franchisor's rights to locate and consent to the location of other Caring Transitions Franchises or other facilities of any type at any location, regardless of the distance from, impact on, or vicinity of, the franchised business or the number of Caring Transitions Franchises in an area or market. Except as permitted by Sections 1.4 and 1.5 below, Franchisee may not provide or sell products or services in a franchise territory granted to another franchisee of the System. 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 Franchisee's Territory (subject to Sections 1.4 and 1.5 below) shall begin once Franchisee has completed Franchisor's initial training program (see Section 7.1 below) and the franchised business has become fully operational.

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, and National Accounts are hereby specifically excluded from Franchisor's territorial restrictions in Section 1.3 above. Franchisee acknowledges that other franchisees of the System may provide products and services to National Accounts at or from locations in Franchisee's Territory. With Franchisor's prior written consent, Franchisee may provide products and services to National Accounts at or from locations in a franchise territory granted to another franchisee of the System. A "National Account" means a special customer (which may be, but is not limited to, a national or regional customer, other large business, or government agency) designated as such by Franchisor from time-to-time in its business judgment. A National Account will typically (though not necessarily) be a customer whose offices, stores, plants, buildings, or other facilities are not confined to the territory of a single Caring Transitions Franchise. Franchisor retains the sole and exclusive right to identify customers or potential customers as National Accounts, to service National Accounts, and to award the right to service National Accounts to any franchisee of the System, in Franchisor's sole and absolute discretion. All disputes between franchisees of the System relating to National Accounts will be resolved by Franchisor, whose decision will be final and binding upon all parties.

1.5 Shared Referral Sources. The rights granted to Franchisee by this agreement do not include the exclusive right to solicit referrals from and promote services to Shared Referral Sources, and Shared Referral Sources are hereby specifically excluded from Franchisor's territorial restrictions in Section 1.3 above. Franchisee acknowledges that other franchisees of the System may solicit referrals from and promote their services to Shared Referral Sources located in Franchisee's Territory. Likewise, Franchisee may solicit referrals from and promote its services to Shared Referral Sources located in a franchise territory licensed to another franchisee of the System. A "Shared Referral Source" is a person or organization that: (i) because of its purpose or the nature of its business, frequently encounters opportunities to recommend, to its customers, members, or to the general public, providers of services

similar to the services offered by a Caring Transitions franchise; and (ii) though it may be physically located within one franchise territory, serves a geographic area larger than that franchise territory. Examples of Shared Referral Sources (by way of illustration and not limitation) are attorneys, bank trust departments, publications of a general circulation, real estate agents and brokers, funeral homes, senior care facilities, and similar organizations. Franchisor retains the sole and exclusive right to identify Shared Referral Sources on a case-by-case basis, in Franchisor's sole and absolute discretion. All disputes between franchisees of the System relating to Shared Referral Sources will be resolved by Franchisor, whose decision will be final and binding upon all parties. Nothing in this paragraph authorizes or permits Franchisee to offer, sell or provide Permitted Products and Services outside the Territory described in Exhibit B, or to sell or provide products or services to a Shared Referral Source located in a franchise territory licensed to another franchisee of the System.

1.6 Clients. Franchisee acknowledges and agrees that it acquires no rights in or to its clients or client list other than those specifically granted under this Agreement. Upon the expiration or termination of this Agreement for any reason, Franchisor may notify Franchisee's clients thereof and, without compensation to Franchisee, authorize one or more other Caring Transitions franchisees or any other third party to provide Permitted Products and Services to Franchisee's former clients. All client data is solely owned by Franchisor. Franchisor may access client data from the Communication and Information System at any time. If a franchisee provides Permitted Products and Services in a franchise territory before Franchisor grants such territory to a new franchisee, then Franchisor may, in its discretion, allow the pre-existing franchisee to continue to provide Permitted Products and Services to pre-existing clients, but the pre-existing franchisee may not thereafter solicit or accept new clients in any part of the new franchisee's franchise territory.

1.7 Permitted Activities. The rights granted to Franchisee under this Agreement are limited to the sale of Permitted Products and Services to clients within the Territory. Franchisee shall not promote, offer, sell, provide, or distribute any other goods or services without Franchisor's prior written approval.

1.8 Reserved Rights of Franchisor. Franchisor specifically reserves all rights not expressly granted to Franchisee in this agreement.

1.9 Acquisition of Competing System. If Franchisor merges with, acquires, or is acquired by another system of 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 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. Except as permitted by section 1.4, 1.5, or 8.6, Franchisee shall not directly or indirectly: (i) engage in advertising, marketing, or promotional activities in, or that are directed or targeted primarily to, the protected territory of another Caring Transitions franchisee; or (ii) conduct in-person assessments, provide Permitted Products and Services, or provide products and services that compete with Permitted Products and Services, in the protected territory of any other Caring Transitions franchisee. Any violation of any of the restrictions of this section by Franchisee will constitute a material default of this Franchise Agreement. Within 10 days after receiving written notice of such violation, Franchisee shall remit to Franchisor all Gross Receipts earned or received from any activities prohibited by this section. If Franchisee receives a request for services to be provided in the protected territory of another Caring Transitions franchisee, then Franchisee shall promptly notify such other franchisee of the request and provide appropriate contact information for the potential client.

## ARTICLE 2

### TERM AND RENEWAL

2.1 Initial Term. Except as otherwise provided, the term of this Agreement shall commence on the Effective Date (as defined in the last paragraph of this Agreement) and expire on the tenth anniversary of the Effective Date (the "Expiration Date").

2.2 Renewal. Except as provided in Section 2.3, Franchisee's right to operate the Franchised Business under this Agreement terminates at the Expiration Date. Franchisee may, at its option, renew the license granted under this Agreement for two additional consecutive terms of ten years each, provided that Franchisee complies with the following requirements:

(a) Franchisee shall 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 not be in default under any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement or instrument between Franchisor and Franchisee, and must have substantially complied with all of the terms and conditions of all such agreements during the respective terms thereof;

(c) At least 30 days before the Expiration Date, Franchisee shall execute Franchisor's then-current form of Franchise Agreement (the "Successor Agreement") with appropriate modifications to reflect the fact that it relates to the renewal of a franchise. The Successor Agreement will supersede this Agreement in all respects and may contain terms that differ from the terms of this Agreement, including, without limitation, different rates for National Branding Fees and Royalties, except that Franchisee will not be required to pay an initial franchise fee;

(d) At least 30 days before the Expiration Date, unless prohibited by the laws of the state in which Franchisee is located, Franchisee must sign Franchisor's then-current form of general release in favor of Franchisor and its subsidiaries and affiliates, and their respective officers, directors, agents and employees, in their corporate and individual capacities; and

(e) Franchisee shall comply with Franchisor's then-current qualification and training requirements, including, without limitation, any training requirements specifically designed for renewing franchisees.

2.3 Holdover Period. If Franchisee does not sign 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 Date, 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 section, Franchisee has no right to continue to operate the Franchised Business after the Expiration Date. If Franchisee does not sign a Successor Agreement before the Expiration Date but Franchisor nevertheless permits Franchisee to renew the license granted under this Agreement, then Franchisee must pay to Franchisor a fee of \$1,000 per month for every month of the Holdover Period, up to Franchisor's then-current initial franchise fee.

### ARTICLE 3

#### LOCATION OF BUSINESS

Franchisee shall lease, purchase or otherwise secure suitable premises for the operation of the franchised business (the "Premises"). Franchisee may operate the franchised business from Franchisee's residence if permitted by, and so long as Franchisee fully complies with, all applicable building, zoning and licensing laws, ordinances, requirements and restrictions. If the residence used as the Premises is located outside the Territory, Franchisee shall, before opening the franchised business, obtain and maintain at all times during the Term a mailing address located in the Territory. If the Premises are not the residence of Franchisee or a principal of Franchisee, the Premises must be located in the Territory. Franchisee shall provide Franchisor with the address of the Premises prior to opening the franchised business, and shall notify Franchisor in writing by certified mail, return receipt requested, of any change in the location of the Premises, any change in Franchisee's business address, or any change in Franchisee's e-mail address at least thirty days before the change.

### ARTICLE 4

#### FRANCHISE FEE

Franchisee shall pay to Franchisor a "Franchise Fee" of \$58,900.00<sup>115</sup>. The Franchise Fee is fully earned, due and payable to Franchisor upon the execution of this agreement, in consideration of 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. This Article 4 is not applicable if: (i) this agreement is a successor agreement to a prior franchise agreement or Franchisee is otherwise signing this agreement in connection with the renewal of a franchise granted under a prior franchise agreement; or (ii) Franchisee is signing 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 fee of 6% of Franchisee's Gross Receipts for the preceding month, or the "Minimum Royalty" (defined in subparagraph (b) below), whichever is greater. The royalty fee is solely in consideration of Franchisee's continued right to use the Marks. All Royalties are payable on or before the fifth day of each month and are based upon Franchisee's Gross Receipts of the preceding month. Franchisee is not obligated to pay the Minimum Royalty until the fifth day of the second calendar month following the month in which Franchisee or the

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<sup>115</sup> All dollar figures are in United States currency.

Designated Individual completes the initial training program required by Section 7.1 (the “Minimum Royalty Effective Date”), unless (1) Franchisee has operated a Caring Transitions franchise under another franchise agreement with an effective date at least six months earlier than the Effective Date of this Agreement; or (2) Franchisee acquired the Territory from another Caring Transitions franchisee.

(b) The Minimum Royalty is: (1) \$300 a month for the first 12 months beginning on the Minimum Royalty Effective Date; and (2) \$500 a month for each month thereafter.

(c) If Franchisee operates another Caring Transitions 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. The Minimum Royalty Start Date for each Franchise will be determined as specified in the franchise agreement for that Franchise.

5.2 National Branding Fee. Franchisee shall pay, to the Fund established in accordance with Article 11 of this Agreement, a National Branding Fee of 2% of Franchisee’s Gross Receipts for the preceding month, or \$350.00 per month, whichever is greater. All National Branding Fees shall be payable on or before the fifth day of each month. Franchisee is not obligated to pay the National Branding Fee until the fifth day of the second calendar month immediately following the month in which Franchisee or the Designated Individual completes the initial training program required by Section 7.1, unless: (1) Franchisee has operated a Caring Transitions franchise under another franchise agreement with an effective date at least six months earlier than the Effective Date of this Agreement; or (2) Franchisee acquired the Territory from another Caring Transitions franchisee. Franchisor reserves the right to increase the amount of the National Branding Fee at any time in its sole discretion. Any increase in the National Branding Fee shall be effective thirty days after Franchisee’s receipt of written notice thereof.

5.3 Late Payment. Franchisee shall pay (to Franchisor or to the Fund, as the case may be) a late fee of \$100.00 or 10% of the amount due, whichever is greater, on any payment (including, without limitation, amounts due for Royalties, National Branding Fees, or goods or services provided by the Fund, by Franchisor or any affiliate of Franchisor) that is not received by Franchisor within five days after the due date. Franchisee shall pay to Franchisor a late fee of \$100 for any Revenue Report, tax return, or other Business Record that is not received by Franchisor within five days after the due date. Any payments that are not received by Franchisor within thirty days after its due date shall bear interest at the rate of 18% per annum, or the highest rate allowed by law, whichever is lower, from the date payment is due to the date payment is received by Franchisor, regardless of any subordinate agreement that may be in effect to postpone payment.

5.4 Gross Receipts. The term “Gross Receipts” means all receipts (cash, credit, and all other consideration) on a cash basis by Franchisee or any spouse or child of Franchisee or its principal or guarantor: (i) in connection in any way with the operation of the franchised business or any competing business or billed through the franchised business or any competing 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 (whether or not permitted) under, using, or in connection with the Marks. “Gross Receipts” are determined prior to distributions to clients and do not include value-added, sales, use, excise, or other taxes that are separately stated and that Franchisee is required by law to collect and does collect from clients and pays to any governmental taxing authority. Franchisor reserves the right to require accrual accounting in determining Gross Revenues.

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, or other taxes (other than income) 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, or other taxes (other than income) 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 law, 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) Franchisee shall make all payments to Franchisor, including Royalties, National Branding Fees, Technology Fees, interest, late fees, and legal expenses, through an electronic depository transfer account ("EDT Account") established at a national banking institution approved by Franchisor. Within two months after the Effective Date and before opening the franchised business, or at such time thereafter 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 of this agreement, Franchisee shall ensure that Franchisor has access to Franchisee's EDT Account for purposes of receiving 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, National 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 fifth day of the month in which 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 timely reported Franchisee's Gross Receipts to Franchisor for any reporting period, then Franchisor shall debit Franchisee's EDT Account by an amount equal to the prescribed fee in Section 5.3, plus 125% of the Royalty and National Branding Fee that Franchisor was entitled to debit in the prior reporting period. If the amounts debited are less than the amounts Franchisee actually owes (once Franchisor determines Franchisee's true Gross Receipts for the reporting period), Franchisor shall debit the EDT Account for the balance of the Royalty and National Branding Fee due on the date specified by Franchisor. If the amounts debited are greater than the amounts Franchisee actually owes (once Franchisor determines Franchisee's true Gross Receipts for the reporting period), 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 accurately report Gross Receipts when due 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, National Branding Fee, and any other required payments from monthly to weekly, biweekly, or such other period as Franchisor designates.

5.7 Technology Fee. Franchisee shall pay, to Franchisor or a designated third-party, a Technology Fee of \$250 by the fifth day of each month, for Internet marketing, web hosting, search engine optimization, email addresses, and other technology tools mandated, provided, or developed by Franchisor. Franchisee shall be required to pay the Technology Fee beginning on the fifth day of the third month following the month in which Franchisee or the Designated Individual completes the initial training program required by Section 7.1, unless (1) Franchisee has operated a franchise under another franchise agreement with an effective date at least six months earlier than the Effective Date; or (2) Franchisee acquired the Territory from another Caring Transitions franchisee, in which case the Fee is required immediately. We reserve the right to increase the Fee after providing 30 days written notice.

## ARTICLE 6

### DUTIES OF FRANCHISOR

6.1 Assistance by Franchisor. Franchisor, at its sole expense and cost, shall, following the execution of this agreement, 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) Access to a current set of advertising and promotional templates;
- (c) 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;
- (d) Periodic assistance from Franchisor's representatives either onsite and/or remotely as and to the extent Franchisor deems necessary; and
- (e) Such other materials, information and assistance as Franchisor may from time to time deem necessary.

6.2 Training. Before the opening the Franchised Business, Franchisor shall provide, without charge, the Training described in section 7.1(a) for up to two individuals, one of which must be either Franchisee's Designated Individual (defined in section 7.14) or Franchisee if Franchisee is an individual at the time.

6.3 Products, Supplies and Materials. Following the execution of this agreement, Franchisor will provide Franchisee with access to the business and reporting forms for use by Franchisee in the franchised business. Upon request, Franchisor may provide Franchisee with specifications for the proper preparation of the business and reporting forms, and Franchisee may purchase them from a supplier who has complied with Franchisor's supplier approval guidelines in Section 7.5.

6.4 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. Any additions and modifications to the Manual as Franchisor may issue from time to time, in its discretion, to incorporate new developments or other changes in System Standards, specifications, procedures, and techniques (including, by way of example, the maximum, minimum, or other prices or related to the Buyer's Premium or Permitted Products and Services), and the list of approved suppliers will be provided to Franchisee.

## ARTICLE 7

### DUTIES OF FRANCHISEE

#### 7.1 Training.

(a) Franchisee (or, if Franchisee is other than an individual, the Designated Individual) shall complete, to Franchisor's satisfaction, Franchisor's initial training program. Franchisor shall provide and pay for the instructors, training facilities, and training materials used in the initial training program. Franchisee shall pay all other expenses incurred by Franchisee and its trainees, including, without limitation, the cost of travel, room, board, wages and payroll taxes. If Franchisee or the Designated Individual fails to begin the training program within ninety days after the Effective Date of this agreement, then Franchisor may terminate this agreement without refunding any money paid by Franchisee.

(b) Franchisee acknowledges that the grant of the franchise under this agreement is conditioned upon the successful completion of Franchisor's initial training program by Franchisee (or, if Franchisee is other than an individual, the Designated Individual). If, during the course of the initial training program or within fifteen days thereafter, Franchisor concludes that such individual has not exhibited the aptitude, abilities, or personal characteristics necessary or desirable to successfully operate the franchised business in accordance with the System Standards, Franchisor may, in its sole discretion and judgment, cancel this agreement and all rights hereunder by giving notice to Franchisee. Upon the cancellation of this agreement pursuant to this paragraph, Franchisee shall return to Franchisor the Manual and all other materials, information, and other items that Franchisee received from Franchisor, including all copies thereof and notes thereon, and all provisions of this agreement applicable upon, or which are intended to survive, its termination shall apply, except for sections 15.3 and 15.4 relating to post-termination competition and solicitation.

(c) Franchisor may require that Franchisee (or its Designated Individual) attend refresher courses, seminars and other training programs from time to time. Franchisor may charge a fee for such additional or ongoing training. Franchisee shall pay all expenses incurred by Franchisee and its trainees, including, without limitation, the cost of travel, room, board and wages, and any training fee charged by Franchisor.

7.2 System Standards. Franchisee acknowledges and agrees that every detail of the System is important, not only to Franchisee but also to Franchisor and other Caring Transitions 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 Caring Transitions franchises. Franchisee further acknowledges and agrees that a fundamental requirement of the System, this agreement, and other Caring Transitions franchises is adherence by all franchisees to the uniform specifications, standards, operating procedures and rules prescribed by Franchisor for the development

and operation of the franchised business (hereafter referred to as “System Standards”). Accordingly, Franchisee agrees to comply with each and every System Standard (including, by way of example and not limitation, a designated maximum or minimum for a Buyer’s Premium or for other Permitted Products and Services), as periodically modified and supplemented by Franchisor in its sole and absolute discretion, during the term of this agreement. 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, authorized by Franchisor and specified in the Manual or as designated in writing by Franchisor (“Permitted Products and Services”). Franchisor may unilaterally add and delete products or services to or from the Permitted Products and Services at any time. Franchisor may also designate any products or services as optional for all or any subgroup of franchisees. Optional services currently include moving services. 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; and 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 an affiliate. Franchisor has the right to condition its approval of any supplier upon benefits to Franchisor and/or its affiliates based upon purchases by Caring Transitions franchisees. Franchisor and/or its affiliates may derive income or receive benefits as a result of Franchisee’s and/or other Caring Transitions 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 Caring Transitions 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 Caring Transitions 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.

7.6 Business Operation. Franchisee must open the franchised business within ninety (90) days after Franchisee or Franchisee’s designee completes the initial training program required by Section 7.1 above. After opening, Franchisee shall maintain the franchised business in continuous operation during the term of this agreement. Franchisee shall not use or permit the use of the Premises on which the franchised business is located for any other purpose or activity other than the operation of the franchised business, without first obtaining the written consent of Franchisor (*provided, however*, that this restriction shall not apply to Franchisee’s operation of a business under a license or franchise agreement with an affiliate of Franchisor, or if Franchisee’s residence is the Premises). The franchised business must at all times be under the direct supervision of the Franchisee, or such person as has been approved in writing by Franchisor and has successfully completed Franchisor’s initial training program and any other mandatory training programs, who must devote his full time, energy, and best

efforts to the operation of the franchised business. If Franchisee owns more than one franchised business, Franchisor may require that each franchised business have its own full-time manager. Franchisee must have a business development representative dedicated to marketing the franchised business.

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 eighteen percent (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 of this agreement, Franchisee shall maintain and preserve, for at least six 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 customer 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, by the 5th day of each month, a Revenue Report in the form prescribed by Franchisor and certified by Franchisee or by the Designated Individual, accurately reflecting all Gross Receipts during the preceding calendar month, together with such other data or information as Franchisor may require. Franchisor may, after providing 30 days written notice, require the reporting of Revenue Reports to be weekly, biweekly, or at such other interval as Franchisor designates;
- (b) Submit to Franchisor, within ninety (90) days after the end of each calendar year, an income statement for the preceding calendar year, certified by Franchisee or by the Designated Individual as accurately reflecting the results of operations of the franchised business for the preceding calendar year, together with such other information as may be prescribed by Franchisor. Franchisee shall pay to Franchisor a late fee of \$250 for any annual income statement, financial statement, or tax return that is not received by Franchisor within five days after the due date;
- (c) Submit to Franchisor signed copies of Franchisee's federal income tax return 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 (15) 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, customer files, records, information, accountings of transactions, and data as Franchisor may request;

(e) Use only the chart of bookkeeping accounts prescribed by Franchisor in the Manual or otherwise communicated to Franchisee;

(f) Purchase and install such equipment as Franchisor may require to automate the reporting of financial information and the payment of recurring fees by Franchisee pursuant to this agreement, including, but not limited to, Internet or intranet reporting and pre-authorization of electronic funds transfer or bank debit; and

(g) At all times during the term of this agreement and for a period of three (3) years after 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, customer files, federal, state, and local income tax, sales tax, and payroll 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 Receipts (as defined in Section 5.4) 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 5.3 hereof. In addition, if an inspection discloses an understatement of Gross Receipts of 3% or more for any 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, without limitation, 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 Receipts 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 of this agreement and for a period of three (3) years after the termination or expiration of this agreement, to have access to and an independent audit made of Franchisee's Business Records. The terms of this paragraph shall survive the expiration, termination, or cancellation of this agreement.

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, hold harmless, and defend Franchisor against and from, and reimburse Franchisor for, all fines, proceedings, claims, demands, or actions 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, prior to the opening of the franchised business and thereafter at all times during the entire term of this agreement, 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 claims for bodily and personal injury, death, property damage, product liability, and contractual liability with a minimum per occurrence limit of \$1,000,000 and a minimum general aggregate limit of \$1,000,000.
- (iii) Automobile Liability Insurance covering owned, hired, and non-owned vehicles with a minimum combined single limit for each accident of \$1,000,000.
- (iv) Worker's 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;
- (v) Bailee Insurance with a minimum limit of \$25,000;
- (vi) Professional Liability Insurance on an occurrence basis with a minimum per occurrence limit of \$250,000 and a minimum aggregate limit of \$250,000 per policy year. The policy must not contain a Conviction Clause;
- (vii) An Umbrella Policy with a \$1,000,000 minimum limit;
- (viii) Employee Dishonesty & Client Theft Insurance with a minimum limit of \$25,000; and
- (ix) Cyber Insurance Policy with a \$500,000 minimum limit.

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 shall be placed with an insurance carrier or carriers approved in writing by Franchisor and shall not be subject to cancellation except upon thirty days written notice to Franchisor. Franchisee shall submit to Franchisor, before commencing business, 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 of this agreement. Franchisee shall not open or operate the franchised business until and unless Franchisee has complied and remains in compliance with all of the requirements of this paragraph. If Franchisee fails to comply with these requirements, Franchisor may (but shall not be 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 eighteen percent (18%) per annum, or the highest rate allowed by law, whichever is less. Franchisor, upon not less than thirty (30) days 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 Business Entity.

(a) If Franchisee is a limited liability business entity (such as a corporation or limited liability company) 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 business entity that has never operated or engaged in any business.

(2) Franchisee's organizational and governing documents must (i) provide that its activities are confined exclusively to operating one or more Caring Transitions Franchises, (ii) prescribe a maximum of ten Principals, and (iii) prohibit the issuance or transfer of its ownership interests other than in compliance with the terms and conditions of this agreement.

(3) Franchisee shall provide Franchisor with a list of principal owners, certified by the Designated Individual, containing the full legal name, home address, home telephone number, and ownership percentage of each principal of Franchisee.

(4) Each principal of Franchisee 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 Covenants After Termination.

(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 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.

(7) The name of the Limited Liability Entity may not contain any of the words CARING TRANSITIONS, CARING, TRANSITIONS, or CT in any order, any variation thereof, or any of the other Marks.

(b) If Franchisee is not a limited liability business entity when it signs this agreement, then within 90 days after signing this agreement, 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 business 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 a controlling interest in the limited liability business entity and shall not diminish his/her/their ownership Interest therein, except as may be required by law.

(2) One of the individuals who executed this agreement as Franchisee shall act as the principal executive (or manager) and operating officer of the limited liability business entity.

(3) Franchisee shall reimburse Franchisor for actual legal costs incurred by Franchisor in approving and effecting the transfer to the limited liability business entity.

(c) At all times while this agreement is in effect:

- (1) The limited liability business entity shall not operate any other business or engage in any other business activities except the operation of one or more Caring Transitions 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 list of principals.
- (4) Upon request, Franchisee shall provide Franchisor with true and complete copies, certified by the Designated Individual, of Franchisee's organizational and governing documents.
- (5) Each new 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 Covenants After Termination.
- (6) Franchisee acknowledges that any limited liability business entity through which Franchisee derives Gross Receipts or provides Permitted Products and Services is closely related to and bound by this Agreement, including its jurisdiction and arbitration clauses.

7.11 Compliance with Law. Franchisee shall comply with all laws, regulations and requirements of federal, state, municipal, and other governmental entities and agencies (including, without limitation, 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 to obtain and maintain any and all 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 documented proof of its compliance with any local, state or federal law or licensing regulation 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 Customer Dispute Resolution. Franchisee acknowledges that customer satisfaction is essential to Franchisee's success as well as the reputation and success of the System and other Caring Transitions franchisees. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the satisfaction of each of Franchisee's customers; (ii) use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; (iii) respond to customer complaints in a courteous, prompt, and professional manner; (iv) use its best efforts to promptly and fairly resolve customer 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 customer, for any reason whatsoever, Franchisor, in its sole discretion and for the sole purpose of protecting the goodwill and reputation of the 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, without limitation, 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 customer 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 customers' residences for the purpose of selling and providing Permitted Products and Services. Accordingly, in order to maintain high standards of quality over the services provided by Franchisee, protect the integrity and reputation of the Marks, and ensure the safety of Franchisee's customers and others, prior to hiring any 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 System Standards, as updated from time to time, and update each employee's background review at least every TWO YEARS. Franchisee shall not hire any prospective employee for any position involving entrance to a customer's residence or handling customer property if Franchisee determines that the prospective employee's background review indicates a propensity for violence, dishonesty, negligent, reckless or careless behavior, or a conviction for any crime within the previous seven years. Franchisor is not 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, and Franchisee shall indemnify, hold harmless and defend Franchisor against and from any and all claims, demands or actions arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, 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. If Franchisee is other than an individual, prior to beginning the initial training program described in Section 7.1, Franchisee shall designate, subject to Franchisor's reasonable approval, an individual (the "Designated Individual") who shall be responsible for general oversight and management of the operations of the franchised business on behalf of Franchisee. The Designated Individual must attend and successfully complete the initial training program and such other training programs as Franchisor may from time to time require during the term of this agreement. Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Individual to have been given, by Franchisee, decision-making authority and responsibility regarding all aspects of the franchised business. In the event that the person designated as the Designated Individual dies, becomes incapacitated, leaves Franchisee's employ, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the franchised business, Franchisee shall promptly designate a new Designated Individual, subject to Franchisor's reasonable approval.

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, prior to opening the franchise business, and shall maintain and utilize during the term of this agreement, such Communication and Information System as may be specified by the System Standards from time to time.

(a) As used in this agreement, the term "Communication and Information System" shall mean: hardware (including, without limitation, one or more computers and/or other computer components); software designed for the management and operation of the franchised business, as well as reporting and sharing information with Franchisor; and communication systems (including, without limitation, digital and analog modems, satellite, cable, and other systems).

(b) Franchisee shall lease and/or purchase its Communication and Information System only from such vendor or vendors or supplier 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 other 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 or websites for use in the 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, or maintenance agreement required by Franchisor or any other approved licensor or approved vendor of such proprietary software programs or websites.

(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 shall have the sole and complete responsibility for the manner in which Franchisee's Communication and Information System interfaces with other systems, including those of Franchisor and other third parties, as well as any and 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; and (3) permit Franchisor to access Franchisee's Communication and Information System at all times via the Internet, modem or any other means specified 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 set forth in this Section shall be in addition to and not in lieu of the reporting requirements set forth under Section 7.8 above.

(g) Franchisor shall have the right to access and use any and all data collected or provided by Franchisee, downloaded 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, but not limited to, 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 maintain at least one dedicated telephone line for use exclusively by the franchised business, 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 shall have all service features as required by Franchisor in the Manual or otherwise communicated to Franchisee from time to time. Franchisor has the right, in its business judgment, to require that Franchisee increase the number of telephone lines to accommodate Franchisee's call volume or that Franchisee use a designated call center. All lines shall be operational and functional prior to opening the franchised business and thereafter at all times during the term of this agreement. The main telephone number for the franchised business must be listed in a white-pages telephone directory under the business name specified by Franchisor and a location within Franchisee's Territory. Franchisor has the right, but is not obligated, to provide a telephone number for Franchisee's use and Franchisee shall reimburse Franchisor for the cost thereof or shall pay the service provider directly, at Franchisor's option. If Franchisor provides a telephone number for Franchisee's use, Franchisee shall use only the

number provided by Franchisor for the franchised business, including Franchisee's stationery, advertisements, marketing materials, directory listings (including online directories), and electronic distribution channels.

(i) Prior to opening the franchised business and thereafter at all times during the term of this agreement, 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 electronic communications with Franchisor and for the Franchised Business, including all email communications with clients of Franchisee. All communications to or from a Franchisor-provided email address 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 7.25 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 Franchisor-provided 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 an Internet service provider, 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 Web site (as defined in Section 11.9 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 any Web site 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 any Web site as Franchisor may prepare.

(k) Any and all data collected or provided by Franchisee, downloaded 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.

(l) Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding clients or other individuals ("Privacy"), and comply with Franchisor's standards and policies pertaining to Privacy. If there is a conflict between applicable law and Franchisor's Privacy standards and policies, Franchisee shall: (i) comply with the requirements of applicable law; (ii) immediately provide Franchisor with written notice of the conflict; and (iii) promptly and fully cooperate with Franchisor and Franchisor's counsel as Franchisor determines the most effective way, if any, to reconcile Franchisor's Privacy standards and policies with applicable law. Franchisee is solely responsible for identifying, interpreting and complying with all laws pertaining to Privacy. Franchisee shall neither publish nor implement a Privacy policy without Franchisor's prior written approval of the policy.

7.16 Compliance with Anti-Terrorism Laws. Franchisee certifies that neither Franchisee nor any of its affiliates, principals, or employees is listed in the Annex to Executive Order 13224 (“the Annex,” a copy of which may be available on-line at <https://www.state.gov/j/ct/rls/other/des/143210.htm>). Franchisee shall not hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee or any of its affiliates, principals, or employees being listed in the Annex. Franchisee shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor’s efforts to comply with the anti-terrorism laws. In connection with such compliance, Franchisee certifies, represents, and warrants that none of its property or interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that Franchisee and its affiliates and principals are not otherwise in violation of any of the 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.

7.17 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 Caring Transitions franchises. Franchisee shall provide Franchisor and Franchisor’s designees with access to Franchisee’s books, records, files, employees, and independent contractors for this purpose.

7.18 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 Franchisee and Franchisee’s Principals (including personally identifiable information) to develop, modify and enhance the System, to conduct credit checks or other personal history investigations, to develop general franchisee profiles, to comply with applicable franchise laws, and to otherwise comply with any applicable law; (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 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). “Contact Information” is any information about a person that can be used to uniquely identify, contact, or locate the person.

7.19 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 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 obligation, 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 Premises and on-site with clients, for such consecutive or intermittent periods as Franchisor deems necessary; (3) photograph or video record the 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(g); 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.

7.20 Covenants of Employees and Agents. Franchisee shall require each of its management employees (except those individuals required to execute a Restrictive Covenant Agreement pursuant to section 15.9), at the time of the commencement of their association with Franchisee, to execute an "Employment Agreement" containing provisions:

- (a) requiring that all Confidential Information (as 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 or Franchisor 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 customer of the Franchised Business or of any other Caring Transitions franchisee to any competitor of the franchised business, by direct or indirect inducement or otherwise;
- (c) prohibiting the person, during their association with Franchisee, from doing or performing, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Marks and the System; and
- (d) prohibiting the person, during their association with Franchisee and for a continuous period of one year (or the maximum period permitted or enforced by the laws of the state in which the Franchised Business is located, if such period is less than one year, but in no event less than six months) after the termination of their association with Franchisee, from operating, owning, maintaining, promoting, engaging in, or performing services for (as an employee or otherwise) any competitor of the franchised business.

Franchisee shall provide Franchisor with executed copies of all Employment Agreements required by this section. Franchisee may not grant any person enumerated above access to any confidential aspect of the System or the Franchised Business before their execution of an Employment Agreement. All Employment Agreements required by this section must be in a form satisfactory to Franchisor and must specifically identify Franchisor as a third-party beneficiary with the independent right to enforce the agreement. Franchisee's failure to obtain the execution of all Employment Agreements required by this section and provide copies thereof to Franchisor is a material breach of this agreement.

7.21 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 franchisees at locations designated by Franchisor, to provide additional training, exchange sales, operating and marketing ideas and methods, introduce new software, marketing programs, or promotional items, and for any other purpose determined by Franchisor. Franchisor has the right to charge Franchisee a reasonable fee for and require Franchisee to attend any meetings or conferences. As of the Effective Date of this Agreement, Franchisee is required to attend national conferences. Franchisor has the right to charge Franchisee a fee if Franchisee fails to attend a required meeting or conference, to reimburse Franchisor for a portion of the cost thereof. Nothing in this agreement is to be construed to require Franchisor to hold, provide, sponsor, host, or organize any such meetings.

7.22 Sales Standards. Franchisee acknowledges the importance of maintaining strong sales performance. Accordingly, Franchisee acknowledges and agrees that Franchisor shall monitor Franchisee's sales, and may establish periodic sales standards for Franchisee. If Franchisee does not meet or exceed such established sales standards, Franchisor may conduct a detailed review of Franchisee's business operations to determine the reasons therefore, and require reasonable changes in Franchisee's business operations to improve Franchisee's sales performance. Franchisee agrees to comply with such recommendations. The failure of Franchisee to comply with such recommendations shall constitute a default under this Agreement. Franchisor shall not establish any sales standards within the first six months of Franchisee's operation of the franchised business.

7.23 Promotion of Franchised Business. Franchisee shall use its best efforts to diligently promote the Franchised Business and maximize its Gross Receipts, and shall expend all reasonable efforts to develop and maintain substantial interest in the Franchised Business. All such efforts must comply with all applicable laws. 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 all applicable laws, and make such information and records available for inspection by Franchisor upon request.

(b) Control. All 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. Franchisee shall advise each of its employees in writing, before the commencement of their employment, that they will be employed by Franchisee only and not Franchisor. 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:

- i. shall not participate in hiring, firing, promotion, demotion, disciplinary, or scheduling decisions of Franchisee;
- ii. shall not supervise the work to be performed;
- iii. is not responsible for the determination or payment of wages;
- iv. shall not provide employment benefits (including workers' compensation, group health insurance, or retirement plans);
- v. shall not provide training;
- vi. shall not supply tools or equipment; and
- vii. shall 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 shall pay all salaries for its personnel. Franchisee is responsible for all costs and overhead associated with the conduct of the Franchise except as otherwise specifically provided in this agreement. Franchisee is responsible for the payment of all wages, commissions, bonuses, fringe benefits, insurance premiums, payroll taxes and other items required by applicable law, 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, 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 Operations 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.

#### 7.25 Data Protection.

(a) In this section, "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 that may be collected or acquired by Franchisee, whether from clients, employees or other sources ("Franchise Data") 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 Franchise 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 7.25 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 Franchisees, advising Franchisee and other 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 7.25, 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 right to use the Marks as granted in this agreement is limited to their use in connection with the operation of the franchised business within the Territory described in Section 1.2 and otherwise as described in this agreement 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 CARING TRANSITIONS along with any 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. Franchisee shall use the trade name CARING TRANSITIONS and/or any other Marks designated by Franchisee when providing Permitted Products and Services.

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 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 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 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 of this agreement 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 Web site, domain name, URL, Web page, email address, listing, banner, advertisement or any other service or link on, to or with the Internet, World Wide Web, Internet service providers, email services, communication providers, search engines, or other similar services, unless Franchisee obtains prior consent from Franchisor; (iii) with any modifying or additional words, terms, designs, or symbols (including, without limitation, 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; and

(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;

*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 in Article 1 of this agreement).

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 System or the services or products offered by or the method of operation of a Caring Transitions Franchise, or any advertising or promotion ideas related to a Caring Transitions 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 Caring Transitions 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 Caring Transitions franchisee that Franchisor makes part of the 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 Web sites 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 (including, by way of example, the Buyer's Premium) hereunder in accordance with Franchisor's operations manual(s) (the "Manual") (as the same may be amended or modified from time to time), which Franchisee acknowledges having received access to 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, including policies on the Buyer's Premium, 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 of this agreement, to require Franchisee to modify, upgrade, update, enhance, and/or replace all or any part of 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 of this agreement), within 30 days after receipt of written notice from Franchisor, the modified, upgraded, updated, enhanced or replacement component or version of the Communication and Information System specified by Franchisor. Franchisee further agrees to take all other actions as may be necessary to enable the modified, upgraded, updated, enhanced or replacement component or version of the Communication and Information System to operate as specified by Franchisor. Any such modifications, upgrades, updates, enhancements, and replacements 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 of this agreement. Franchisee acknowledges that Franchisor cannot estimate the costs of future maintenance, upgrades, updates, enhancements, modifications, and replacements to the Communication and Information System, or other aspects of the franchised business, and that such maintenance, enhancements, modifications, and replacements required by Franchisor may involve additional investment by Franchisee during the term of this agreement. Franchisee shall at all times ensure 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 of this agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation, any confidential information, knowledge, or know-how concerning the franchised business, the 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 Franchisee's Principals, directors, officers, and management employees, at the time of the commencement of their association with Franchisee, to execute confidentiality agreements, in a form approved by Franchisor, requiring that all confidential information that may be acquired by or imparted to such persons 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, activities and other materials proposed or developed by Franchisee for the provision of Permitted Products and 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.

10.5 Ownership of Confidential Information. Franchisee agrees that Franchisor owns and controls all domain names and URLs ("Uniform Resource Locator") relating to any Franchise, as well as all Confidential Information, electronic information, lists, and data related to past, present, and future clients of any Franchise. Franchisee's only interest in any Confidential Information and any such domain names and URLs is the right to use it pursuant to 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. Franchisee will acquire no proprietary or ownership rights to the Client List or to service any of the 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

### ADVERTISING

11.1. Control of Advertising. Recognizing the value of advertising and the importance of consistency of advertising and promotion to the furtherance of the goodwill and public image of the System and the Marks, the parties agree that Franchisor shall conduct, determine, maintain, and administer all national and regional advertising funds that are or may hereafter be established pursuant to Article 11 of this

agreement, and shall have sole discretion over the concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout and content of all national, regional, and local advertising.

11.2. National Branding Fee. As required in Section 5.2, Franchisee shall contribute a National Branding Fee to a national advertising fund established by Franchisor pursuant to Section 11.3 below. Franchisor shall, for each of its company-owned locations (if any), pay National Branding Fees on the same basis as other franchisees within the System.

11.3. Administration of Funds. Franchisor may establish one or more regional advertising funds and designate any geographical area as a region for establishing regional advertising funds, and/or a national advertising fund (the "Funds"), which shall be maintained and administered as follows:

(a) The Funds are intended to maximize general public recognition and acceptance of the Marks for the benefit of all franchises within the System or within a region, as the case may be. Franchisor is not obligated in administering the Funds to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution, 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 each Caring Transitions franchisee.

(b) The Funds, 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, developing new public relations campaigns and new advertising, promotional and marketing materials for the System and for franchisees in the System.

(c) Franchisor shall, for each of its company-owned locations (if any), contribute to the Funds on the same basis as assessments required of comparable franchisees within the System.

(d) Franchisee shall contribute to the national Fund by electronic funds transfer payable to "Caring Transitions National Branding Fund" or such other designation as Franchisor may from time to time prescribe. All sums paid by Franchisee to the Funds shall be maintained in an account separate from the other moneys of Franchisor. Franchisee contributions may not be used to defray any of Franchisor's operating expenses, except for such reasonable salaries, overhead, and administrative, accounting, legal (including, without limitation, the defense of any claims against Franchisor and/or Franchisor's designee regarding the management of the Funds) and other costs, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Funds or advertising programs for Caring Transitions franchisees, including the costs of enforcing contributions to the Funds required under this agreement and the costs of preparing a statement of operations. The Funds and all earnings thereof shall not otherwise inure to the benefit of Franchisor.

(e) It is anticipated that all franchisee contributions to and earnings of the Funds will be spent for advertising and/or promotional purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the Funds 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) Franchisor (and any designee of Franchisor) shall not have any direct or indirect liability or obligation to Franchisee, to the Funds, or otherwise with respect to the management, maintenance, direction, or administration of the Funds. Franchisor is not liable for any act or

omission, whether with respect to the Funds or otherwise, that is consistent with this agreement or other information provided to Franchisee, or that 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 all of their rights and obligations with respect to the Funds and all related matters are governed solely by this agreement and that neither this agreement nor the Funds 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.

11.4. Separate Asset. The Funds are not and shall not be assets of Franchisor.

11.5. Termination of Fund. Although Franchisor intends the Funds to be of perpetual duration, Franchisor maintains the right to terminate any Fund. No Fund may be terminated, however, until all moneys in the 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.

11.6. Advertising Materials. In addition to the requirements described in Section 11.2, Franchisee shall obtain and maintain an adequate supply of brochures, pamphlets, and special promotional materials 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.

11.7. Delegation of Franchisor’s Duties. Franchisor may delegate and redelegate its responsibilities and duties under this Article 11 to any designee(s) of its choosing, so long as Franchisor retains the right of final approval of all advertising programs.

11.8. Approval of Advertising. All advertising by Franchisee in any medium must be conducted in a dignified manner, must be completely accurate and truthful, must conform to such standards and requirements as Franchisor may specify from time to time in writing and to all applicable laws and regulations relating to consumer advertising, and must give notice that the franchised business is independently owned and operated. All media advertising and direct mail undertaken by Franchisee must be predominantly focused on media distributed, or to prospective clients located, in the Territory. 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, but is not limited to, signs (including signs on motor vehicles and the interior and exterior of the Premises), URLs, e-mail addresses, Internet listings, banners, advertisements, or other services or links on or with the Internet, World Wide Web, Internet service providers, email services, communication providers, search engines, and similar services.

11.9. Web site. Franchisee specifically acknowledges and agrees that any Web site (as defined below) will be deemed “advertising” under this agreement, and will be subject to (among other things) Franchisor’s approval under this Article 11. As used in this agreement, the term “Web site” 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, but is not limited to, social media pages and web logs. The term Web site includes, but is not limited to, Internet and World Wide Web home pages, social media pages, and web logs. In connection with any Web site, Franchisee agrees to the following:

(a) Franchisor shall have the right, but not the obligation, to establish and maintain a Web site, which may, without limitation, promote the Marks, the System, any or all of the Permitted Products and Services, and/or the offer and sale of Caring Transitions franchises. Franchisee shall use all Web sites relating to the franchised business required by Franchisor. Franchisor shall have the sole right to control all aspects of the Web site, including, but not limited to, its design, content, functionality, links to the Web sites of third parties, legal notices, and policies and terms of usage. Franchisor shall also have the right to discontinue the operation of the Web site at any time in its business judgment.

(b) Franchisee shall not directly or indirectly establish, maintain, or operate a separate Caring Transitions Web site without Franchisor's prior written consent. Any Caring Transitions Web site established, maintained, or operated by Franchisee must contain a link to and from Franchisor's Web site and Franchisor has the right to require modifications of the content, appearance, and format of Franchisee's Caring Transitions Web site. The term "Caring Transitions Web site" means a Web site that displays any of the Marks, or which relates to the franchised business, franchisor, the System, or any business that offers or sells products or services that compete with any products or services offered by Caring Transitions franchises.

(c) Franchisee shall not, without Franchisor's prior written consent, establish or permit or aid any other person to establish any link to any Web site or any other electronic or computer-generated advertising or communication arrangement that Franchisor may establish or that is related to the franchised business.

(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 any such Web page(s) to be located within Franchisor's Web site, or to provide Franchisee with a separate Caring Transitions Web site or page(s) for such purposes. Franchisee shall comply with Franchisor's policies with respect to the creation, maintenance, and content of any such Web pages, and may be responsible for hosting such Web pages. Franchisor shall retain ownership in and have the right, in its business judgment, to limit, reassign, and/or discontinue the content and/or operation of such Web site and Web pages.

(e) Franchisor makes no representations about any Web site that it may provide or make available to Franchisee, including, without limitation, the Web site's suitability, reliability, or availability. To the full extent permissible by applicable law, Franchisor disclaims all warranties and conditions with regard to the Web site, including all implied warranties and conditions of merchantability, fitness for a particular purpose, title, non-infringement, or warranties arising by course of dealing or custom of trade. Franchisor shall not be liable for any direct, indirect, compensatory, punitive, incidental, special, or consequential damages arising out of or related to the use or performance of any Web site.

(f) In order to maintain the goodwill in the 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 Caring Transitions Web site maintained by Franchisee, including the following:

- (i) Franchisor is to own all rights to all domain names containing any of the Marks or relating to the franchised business, any Permitted Products and Services, or any business that offers or sells products or services that compete with any products or services offered by Caring Transitions franchises. Franchisee shall not register in its own name any domain name containing any of the Marks or relating to the franchised business, any Permitted Products and Services, or any business that offers or sells products or services that compete with any products or services offered by Caring Transitions franchises.
  - (ii) In order to maintain the common identity of the System and the high-quality standards associated with the System, Franchisee shall obtain Franchisor's prior written approval for any domain name and for the form and content of any Caring Transitions Web site 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 Caring Transitions Web site established or maintained by Franchisee must contain a hyperlink to Franchisor's Web site and all other hyperlinks to third-party Web sites must be previously approved in writing by Franchisor.
  - (iv) Any modifications to a Caring Transitions Web site established or maintained by Franchisee must first be approved in writing by Franchisor.
  - (v) Before establishing a Caring Transitions Web site, Franchisee shall obtain appropriate legal advice regarding the content and to ensure that the Web site complies with all relevant legislation and regulations.
  - (vi) Franchisee shall fully indemnify Franchisor against all and any claims arising out of any Web site established or maintained by Franchisee.
  - (vii) Franchisee shall comply fully with the terms and conditions of business over the Internet and shall ensure that such terms and conditions of business receive Franchisor's prior written approval. "Terms and conditions of business over the Internet" include, by way of example, Franchisor's policies regarding the Buyer's Premium and its receipt of same. A "Buyer's Premium" is a payment that may be required of customers for purchasing items through any Web site, including Franchisor's designated auction Web site [www.CTBids.com](http://www.CTBids.com). Franchisor reserves the right to set a maximum or minimum Buyer's Premium.
- (f) Franchisee shall not participate in or register with any Internet group, Web site or similar medium which has as its aim (whether stated or not) or its effect the denigration of Franchisor or the 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 Web site established by Franchisee or any other

Caring Transitions Web site containing any of the Marks or any content provided by Franchisor or relating to the franchised business.

(i) Franchisor may modify the provisions of this Section 11.9 as Franchisor determines necessary or appropriate for the best interests of the System.

11.10. Copyright to Advertising. 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 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. Any such materials proposed or developed by Franchisee for the franchised business or the System and approved by Franchisor may be used by Franchisor and other Caring Transitions franchisees without compensation to Franchisee.

11.11. Advertising Cooperative. Franchisor may, in its discretion, designate any geographical area in which at least two Caring Transitions 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 when Franchisee opens the franchised business, 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 of this agreement, Franchisee shall immediately become a member of the Cooperative, and take all steps necessary to become a member. In no event shall Franchisee be required to be a member of more than one Cooperative for the franchised business established 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 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 11.8.

(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 National Branding Fee required by Section 5.2 of this agreement.

(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 Receipts 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 Caring Transitions franchise operated by Franchisor or an affiliate of Franchisor 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 comparable 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 System.

#### 11.12. Local Marketing.

(a) Minimum Local Marketing. Franchisee shall, during the first 12 months of operation, spend at least \$399 a month (the "Minimum Local Marketing Amount"). In the thirteenth month of operation and thereafter, Franchisee shall spend at least 4% of its Gross Receipts on Local Marketing on an annual basis. Local Marketing expenditures must be made directly by Franchisee and must be paid for each Territory owned by Franchisee. At Franchisor's request, Franchisee shall furnish Franchisor with an itemized report of Franchisee's Local Marketing expenditures for each month. Franchisee's failure to spend at least the Minimum Local Marketing Amount will constitute a default of this Agreement. Franchisee will have the right to cure the default by paying to the National Branding Fund, within one month after notice from Franchisor, the difference between the Minimum Local Marketing Amount for the relevant period(s) less Franchisee's actual Local Marketing expenditures for the same period(s). Franchisor reserves the right to designate suppliers for Local Marketing expenditures.

(b) "Local Marketing" means marketing, advertising, promotion, and public relations within the Territory, and consists only of direct costs to purchase marketing materials, promotion, out-of-pocket expenses for the cost of advertising and sales promotion (including media placement charges, advertising agency fees and expenses, search engine optimization expenses, and cash payments), and such other activities and expenses as Franchisor in its discretion may specify. Franchisor may specify the types of promotional activities and costs that do not qualify as Local Marketing, including the face value of promotional coupons, cash donations, the cost of products or services donated or provided at a discount to charitable organizations, National Branding Fees, and employee salaries.

### ARTICLE 12

#### TRANSFERABILITY OF INTEREST

12.1 Transfer by Franchisor. Franchisor shall have 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, and that Franchisor has entered into this agreement in reliance upon Franchisee's business skills and financial capacity. Accordingly, neither Franchisee, nor any Principal of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the franchise granted hereunder, shall sell, assign, transfer, convey, or give away any interest in this agreement, in the franchise granted hereunder, or in Franchisee without the prior written consent of Franchisor. Any purported or attempted transfer, by operation of law or otherwise, not having the written consent of Franchisor, 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 System or the Marks in less than the entire Territory will be valid.

(b) Except as provided in Article 12, Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Franchisee, in this agreement, or in the franchise granted hereunder; provided, however, that prior to the transfer, Franchisor may, in its sole discretion, require that:

(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 shall have been satisfied.

(2) The transferor's right to receive compensation pursuant to any agreement for the purchase of any interest in Franchisee or in Franchisee's Caring Transitions franchise is subordinated and secondary to Franchisor's rights to receive any outstanding monetary obligations or other outstanding obligations due from transferor or Franchisee pursuant to this agreement, whether arising before or after the transfer.

(3) Franchisee and all individuals that have an ownership interest in Franchisee shall have executed a general release in a form satisfactory to Franchisor, effective as of the date of transfer, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

(4) The transferee franchisee shall enter into a written assumption, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this agreement prior to and after the date of the assumption.

(5) The transferee franchisee 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), and has adequate financial resources and capital to operate the business.

(6) The transferee franchisee shall execute Franchisor's then current form of Franchise Agreement and such other ancillary agreements as Franchisor may require.

(7) At the transferee franchisee's expense, and upon such other terms and conditions as Franchisor may reasonably require, the transferee franchisee or its manager shall complete the initial training program then in effect for franchisees, and Franchisee shall continue to provide operational and consulting support to transferee franchisee for a reasonable period of time after completion of the initial training program.

(8) Any right of Franchisee to any payments from the transferee franchisee resulting from the transfer shall be subordinate to any claim or right of Franchisor against the transferee franchisee subsequent to the effective date of the transfer, and Franchisee and the transferee franchisee shall execute any and all instruments reasonably required by Franchisor to evidence such subordination.

(9) Either Franchisee or the transferee franchisee shall pay to Franchisor a transfer fee of the greater of Fifteen Thousand Dollars (\$15,000) or ten percent (10%) of all consideration of any kind payable to Franchisee in connection with the transfer, plus Franchisor's actual legal expenses, to cover Franchisor's administrative, legal, and other expenses in connection with the transfer. No transfer fee will be required in the case of a transfer (i) of any interest in the franchised business to Franchisee's spouse or direct lineal descendant of Franchisee or one of its Principals; (ii) of less than 50% of the ownership interest of a non-individual Franchisee; or (iii) of the entire franchised business to an entity formed solely for the convenience of ownership if, immediately after the transfer, Franchisee will beneficially own a controlling interest in the entity. For purposes of clause (ii) of this subparagraph (9), all transfers of an ownership interest in a non-individual Franchisee occurring since the date the entity first became a franchisee shall be aggregated to determine the ownership percentage being transferred. If the transferee franchisee was already in Franchisor's lead database at the time of first contact between Franchisee and the transferee franchisee, then Franchisor may require Franchisee to pay a lead referral fee of \$10,000.

(10) Franchisee and transferee franchisee shall acknowledge in writing that Franchisor was not involved in the negotiation of the transfer, does not guarantee the accuracy of any information provided by Franchisee to transferee franchisee, and makes no representations regarding the transferee franchisee's likelihood of success in operating the franchise.

(11) Franchisee shall comply with the requirements of Section 10.3 above relating to the disclosure of confidential information to a prospective transferee franchisee.

(12) Franchisee shall comply with all laws that apply to the transfer, including laws governing the offer and sale of franchises. Franchisee 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 Franchisee's part to comply with any franchise law or other law applicable to the transfer.

(13) The Transferee Franchisee, at its own expense, must satisfy all applicable licensing requirements of the jurisdiction in which the franchised business is located.

(14) Franchisee shall transfer all clients and client contact information to transferee franchisee and shall facilitate an orderly transfer of the Franchise to Transfer Franchisee subject to Franchisor's reasonable satisfaction.

(15) In connection with any proposed transfer, Franchisor has the right to communicate with any prospective transferee and to make available for inspection by any prospective transferee all or 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, directors, officers, shareholders, members, employees, or agents. Franchisee hereby specifically consents to such disclosure by Franchisor and absolutely releases and agrees to hold Franchisor harmless from any and all claims arising directly or indirectly therefrom.

(c) Notwithstanding the provisions of Subsection 12.2(b) above, neither Franchisee nor any shareholder, member or partner of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the franchised business, shall pledge, mortgage, grant a security interest, or otherwise encumber any interest in this agreement, in the franchise granted hereunder, or in Franchisee (whether or not in connection with an absolute transfer of an interest in the franchised business). Franchisor shall not be obliged to consent to any such transfer.

(d) Notwithstanding the provisions of subsection 12.2(b) above, 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.

12.3 Franchisor's Right of First Refusal. If Franchisee or its owners shall at any time decide to sell, transfer or assign any right or interest under this agreement and/or the franchise granted pursuant hereto, Franchisee or its owners shall first obtain a bona fide, executed, written offer from a responsible and fully disclosed purchaser and shall submit an exact copy thereof to Franchisor. For a period of thirty (30) days after the date of delivery of such offer to Franchisor, Franchisor shall have the right, exercisable by written notice to Franchisee or any of its owners, to purchase such rights or interests for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute equivalent cash for any form of payment proposed in such offer. Any purchase by Franchisor must be completed within sixty (60) days after Franchisee's receipt of Franchisor's written notice of its intent to purchase. If Franchisor does not exercise its right of first refusal, Franchisee or its owners may complete the sale of such interest to the bona fide purchaser, subject to Franchisor's approval of the purchaser as provided in Section 12.2 herein; provided, however, that if the sale to such purchaser is

not completed within one hundred twenty (120) days after the delivery of the offer to Franchisor, 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, shall 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) herein 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, and (ii) perform all other applicable acts required under Section 12.2 herein. Such transfer must be made within one hundred eighty (180) days after the death, disability, or dissolution of Franchisee or its Principal, as the case may be. Any subsequent sale or other transfer by any Involuntary Transferees shall be subject to Franchisor's right of written approval set forth in Section 12.2 and to Franchisor's right of first refusal set forth in Section 12.3. A transfer to Involuntary Transferees shall not require the payment of the transfer fee required by Section 12.2(b)(9). Actual legal costs incurred by Franchisor to approve and effect the transfer will be charged, however.

## ARTICLE 13

### TERMINATION

13.1 Events Allowing Termination. Franchisor may terminate this Agreement, without refund of any moneys paid to Franchisor by Franchisee, if Franchisee (or Franchisee's designee) fails to commence the initial training program within ninety days after the execution of this Agreement, fails to complete the training program to the satisfaction of Franchisor, or fails to open the franchised business within ninety days after Franchisee's (or Franchisee's designee's) completion of the initial training program. After the commencement of business operations by Franchisee, and subject to the notice provision set forth in Section 13.2 below, Franchisor may elect, without prejudice to any other rights or remedies that it may have hereunder, at law or in equity, to terminate this Agreement upon the occurrence of any one or more of the following events:

- (a) Franchisee fails to pay when due any sum required to be paid by Franchisee under this Agreement 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, an approved vendor, the National 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 its Franchise 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 to which Franchisor and Franchisee are parties;
- (e) Franchisee understates its Gross Receipts in any report submitted to Franchisor;
- (f) Franchisee sells, promotes, or performs for compensation any Permitted Products and Services, or otherwise operates the franchised business, within a franchise

territory licensed to another franchisee of Franchisor (except as may be expressly permitted by this Agreement or the Manual), or otherwise infringes upon rights granted under franchise agreements with other franchisees of Franchisor;

(g) 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);

(h) A receiver is appointed for Franchisee or any part of its property, or Franchisee makes an assignment for the benefit of its creditors, if not dismissed within fifteen days;

(i) Franchisee fails to open the franchised business within ninety (90) days after Franchisee or Franchisee's designee completes the initial training program described in Section 7.1, or, after opening, fails to maintain the franchised business in continuous operation, or fails to devote his/her/its full time, energy, and best efforts to the management and operation of the franchised business;

(j) Franchisee fails, for a period of ten days after receipt of notification of noncompliance (regardless of the source of the notice), to comply with any federal, state or local law or regulation applicable to the operation of the franchised business;

(k) Any attempted transfer or assignment that fails to comply with the provisions of Article 12 of this Agreement;

(l) Any material misrepresentation by Franchisee relating to its acquisition of its Franchise;

(m) Any failure to maintain required liability insurance policies;

(n) The franchised business or the 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, provided that a final judgment against the Franchisee remains unsatisfied for thirty days (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 such levy;

(o) Any conduct or activity by Franchisee or any Principal, director, or officer of Franchisee that, in Franchisor's sole discretion, may harm, tarnish, impair or reflect unfavorably upon the reputation, name, services or operation of the franchised business, Franchisor, the System or the Marks, including, without limitation, any criminal misconduct of which Franchisee or any Principal, director, or officer of Franchisee is convicted;

(p) Franchisee knowingly maintains false books or records, or knowingly submits any false reports (including, but not limited to, information provided as part of Franchisee's application for this franchise) to Franchisor, or knowingly understates its Gross Receipts reported to Franchisor;

(q) The intentional, willful or fraudulent sale or provision for compensation of any Permitted Products and Services, or other operation of the franchised business, within a

franchise territory licensed to another franchisee of Franchisor (except as may be expressly permitted by this Agreement or the Manual), or any other intentional, willful or fraudulent infringement upon rights granted under franchise agreements with other franchisees of Franchisor;

(r) Franchisor's reasonable determination that the continued operation of the Franchise by Franchisee will result in immediate danger to public health or safety;

(s) 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;

(t) Franchisee abandons or closes the franchised business;

(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 authorization discloses the Manual to a third-party; or

(w) Franchisee fails to maintain any license required by law to offer, provide, or sell any Permitted Products and Services.

### 13.2 Notice; Termination.

(a) If Franchisee fails to cure any default within thirty days after its receipt of a written notice of 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 (w) above. 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 law) 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 breach from Franchisor, then the exclusivity of the Franchise Territory granted by Section 1.3 shall be automatically suspended without further notice until the breach has been cured or this Agreement has been terminated.

13.3 Suspension of Franchise Rights During Default. In addition to and without limiting any other remedies provided in this Agreement, 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 non-exclusive license to use the Marks and the System granted by Section 1.1 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 within ten days after invoice by Franchisor. If Franchisor operates the Franchised Business pursuant to this paragraph, Franchisee shall indemnify and defend Franchisor and its agents 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).

### 13.5 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 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.

(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.

13.6 Liability for Breach. If Franchisee fails to cure any breach within the applicable time period set forth in Section 13.2 above, Franchisee shall pay to Franchisor all damages, costs and expenses incurred by Franchisor as a result of any such breach, including, but not limited to, reasonable attorney and accounting fees. This provision shall apply regardless of whether or not Franchisor exercises its right to terminate this Agreement.

## ARTICLE 14

### OBLIGATIONS UPON TERMINATION

14.1 Franchisee's Obligations. Upon the termination or expiration of this agreement for any reason, Franchisee shall forthwith:

(a) 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 franchisee of Franchisor.

(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 all Internet advertising (including, by way of example, Facebook, LinkedIn, Twitter, Service Magic, Google, and pay-per-click programs) containing any of the Marks or any derivative or confusingly similar variation thereof.

(c) 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, any equipment, materials, confidential methods, procedures, or techniques associated with the System or 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 the telephone numbers used in connection with the franchised business from the exterior of all motor vehicles owned or controlled by Franchisee or its employees or used in the operation of the franchised business.

(d) Make such modifications or alterations to the Premises (including, without limitation, the changing of all telephone numbers), including the improvements thereon, as may be necessary or requested by Franchisor to prevent the operation of any business on the Premises that might be deemed substantially similar to that of Franchisor or any other franchisee of Franchisor. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor shall have the right to enter the 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.

(e) Turn over to Franchisor all advertisements, marketing materials, Manuals, client and other related files including client lists and agreements with clients, instructions, correspondence, financial, and other business records and materials, including, without limitation, brochures, agreements, disclosure statements and any materials relating to the business operated hereunder, which may be in Franchisee's possession, together with all copies thereof (all of which Franchisee acknowledges to be Franchisor's sole property).

(f) Promptly notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use the telephone numbers and directory listings used in connection with the franchised business 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 used in connection with the franchised business, 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 of Franchisor's exclusive rights in the telephone numbers and directory listings and Franchisor's authority to direct their transfer.

(g) At Franchisor's option, cancel or assign to Franchisor or Franchisor's designee all of Franchisee's right, title and interest in and to any and all (i) telephone numbers of Franchisee's franchise and all related business listings, and (ii) Web sites, Web pages, listings, banners, URLs, advertisements or any other services and links related to Franchisee's business or use of Franchisor's trademarks, service marks or other logos, on or with the Internet, World Wide Web, Internet service providers, email services, communication providers, search engines or other similar services.

(h) Delete all proprietary software and data relating to the franchised business from all computers owned or controlled by Franchisee or its employees.

(i) Immediately pay all sums due and owing to Franchisor and provide Franchisor with a final accounting of Franchisee's Gross Receipts. 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.

(j) Take such action as may be necessary to cancel any fictitious or assumed name or equivalent registration that contains the trademark CARING TRANSITIONS or any of the other Marks, and furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after the termination or expiration of this agreement.

(l) Cease to use all Supplier accounts established by Franchisor.

14.2 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 shall survive the expiration, termination or cancellation of this agreement.

## ARTICLE 15

### COVENANTS

15.1 Management of Franchised Business. At all times during the term of this agreement, Franchisee, or a person designated by Franchisee who has successfully completed the initial training program required by Section 7.1 hereof and all other training programs designated by Franchisor as

mandatory, shall devote his/her full time, energy, and best efforts to the management and operation of the franchised business.

15.2 Covenants During Term of Franchise Agreement. Franchisee specifically acknowledges that, pursuant to this agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the design, development and operation of the franchised business, and the sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, during the term of this agreement, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with, any person, partnership, limited liability company, corporation, or other entity:

- (a) divert or attempt to divert any business or customer of the franchised business or of any other franchisee of Franchisor to any competitor, 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 System;
- (b) aid, assist, or provide goods or services to, any competitor of the franchised business, Franchisor, or any other franchisee in the System;
- (c) own, maintain, engage in, or have any interest in any business offering estate liquidation or household liquidation services, moving management services or any other services that are offered in the franchised business, unless otherwise consented to in writing by Franchisor; or
- (d) promote, sell, or provide for compensation any Permitted Products and Services, or otherwise operate the franchised business, within a franchise territory licensed to another franchisee of Franchisor (except as may be expressly permitted by this agreement or the Manual), or otherwise infringe upon rights granted under franchise agreements with other franchisees of Franchisor.
- (e) take any action injurious or prejudicial to the System.

15.3 Covenants After Termination of Franchise Agreement.

(a) Except as otherwise approved in writing by Franchisor, Franchisee shall not, for a continuous and uninterrupted period commencing upon the expiration, termination, or transfer of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, directly or indirectly, for itself or through, on behalf of, or in conjunction with any person (including a spouse, child, parent, or sibling of Franchisee or of a principal of Franchisee), partnership, limited liability company, corporation, or other entity:

(1) own, maintain, operate, engage in, or have any interest in any business offering moving management, estate liquidation or household liquidation services, or any other services that had been offered by the franchised business, that is or is intended to be located or which operates in or within 15 miles of the geographical boundaries of Franchisee's Territory or within 15 miles of the geographical boundaries any Caring Transitions franchisee's Territory; or

(2) promote, sell, procure, provide or solicit referrals for, or offer to sell, procure, provide or solicit referrals for, moving management, estate liquidation or household liquidation services, any Permitted Products and Services, or any other services that

are offered in the franchised business, from any Shared Referral Sources (as defined in Section 8.7 above) or in or within 15 miles of the geographical boundaries of Franchisee's Territory or in or within 15 miles of any other Caring Transitions franchisee's Territory.

(b) Subparagraphs (a)(1) and (a)(2) above are severable and contain different but overlapping restrictions that shall be enforced simultaneously whenever permitted by applicable law. If any of those subparagraphs is held to be invalid or unenforceable in any respect, then such provision is to be modified to the extent necessary to permit its enforcement, and the remaining provisions will be unaffected thereby. Franchisee specifically acknowledges and agrees that the geographic and temporal restrictions on Franchisee's ability to compete with Franchisor and Franchisor's franchisees are reasonable and 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 restrictions.

(c) 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, 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.

(d) 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 Nonsolicitation of Customers and Shared Referral Sources. Franchisee shall not, directly or indirectly, for itself or through, on behalf of, or in conjunction with any person or entity for a continuous and uninterrupted period commencing upon the expiration or termination of this agreement (regardless of the cause for termination) and continuing for two years thereafter, directly or indirectly: (i) solicit or sell products or services to any person who was a customer of the franchised business at any time during the term of this agreement; or (ii) promote or solicit referrals for estate liquidation or household liquidation services or moving management services, any Permitted Products and Services, or any other services that had been offered by the franchised business, from any Shared Referral Source (as defined in Section 1.5 above) located in the Territory. The two-year time period referred to in this paragraph will be stayed during any violation or breach of the terms of this paragraph. The covenants in this paragraph will survive the expiration, termination or cancellation of this agreement.

15.5 Exclusion for Publicly Traded Company. Section 15.3 shall not apply to the beneficial ownership by Franchisee of less than one percent (1%) of the outstanding equity securities of any corporation that is registered under the Securities and Exchange Act of 1934.

15.6 Independent Covenants; Severability. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this agreement. If all or any

portion of a covenant in this 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.

15.7 Reduction of Covenants by Franchisor. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant in Section 15.2, 15.3, or 15.4 of this agreement, 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 18.1 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 court costs and reasonable attorneys' fees 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 provide Franchisor with an executed "Restrictive Covenant Agreements", 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), from each of the Principals, officers, and directors of Franchisee, the Principals, officers, and directors of any non-individual Principal of Franchisee, and any employee with management responsibility. With respect to each person who becomes associated with Franchisee in one of the capacities enumerated above subsequent to the execution of this agreement, Franchisee shall require and obtain a Restrictive Covenant Agreement from them and promptly provide Franchisor with an executed copy thereof. In no event shall any person enumerated above be granted access to any confidential aspect of the System or the franchised business prior to their execution of a Restrictive Covenant Agreements. All Restrictive Covenant Agreements required by this Section 15.10 shall be in forms satisfactory to Franchisor, including, without limitation, the specific identification of Franchisor as a third-party beneficiary of such agreement with the independent right to enforce the terms thereof. The failure by Franchisee to obtain the execution of the Restrictive Covenant Agreements required by this Section 15.10 and provide the same to Franchisor shall 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 or 15.3 of this agreement; (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 law, ordinance, or regulation; (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 System or the Marks.

## 16.2 Arbitration.

(a) Except as otherwise provided in this Article 16, any and all disputes between the parties, whether or not arising out of or related to this agreement, shall be submitted to a panel of three (3) 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 arbitrators shall neither have nor exercise any power to act as *amiable compositeur* or *ex aequo et bono*; or to award special, indirect, consequential, or punitive damages. The award shall be in writing and shall be accompanied by a reasoned opinion. Within thirty (30) days after receipt of the award (which shall not be binding if either party requests a new hearing as provided herein), 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 Commercial Arbitration Rules of the AAA. None of the arbitrators who served on the original panel shall serve on the second tribunal. The second tribunal 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 award of the second tribunal shall be binding upon both Franchisor and Franchisee upon the confirmation of the award by a court of competent jurisdiction. 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. Any demand for arbitration must be made before the statute of limitations applicable to such a claim has run. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination, shall be decided by arbitration.

(b) A party shall not have the right to appeal an award under subparagraph (a) 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 original arbitration; and (iii) paid all administrative fees, arbitrators' compensation, and other charges assessed or allocated to the party by the AAA in the original arbitration.

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:

- (i) claims arising from the underpayment, nonpayment, or overpayment of Royalties or National Branding Fees;
- (ii) claims based upon or arising from indemnification obligations, either under this Agreement, at law, or in equity; and
- (iii) claims for injunctive relief, including, by way of example, claims for injunctive relief relating to the use of the Marks or other intellectual property, obligations upon the termination or expiration of this Agreement, obligations under Articles 9, 10 or 15 of this Agreement, or an assignment of this Agreement or any ownership interest therein;

**ANY AND ALL DISPUTES, CLAIMS, OR CONTROVERSIES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES SHALL BE BARRED UNLESS AN ARBITRATION OR LEGAL PROCEEDING IS COMMENCED BEFORE THE EARLIER OF: (1) THE DATE WHEN INSTITUTION OF LEGAL OR EQUITABLE PROCEEDINGS BASED ON SUCH CLAIMS WOULD BE BARRED BY APPLICABLE STATUTE OF LIMITATIONS; OR (2) ONE YEAR AFTER THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIMS.**

## ARTICLE 17

### INDEPENDENT CONTRACTOR AND INDEMNIFICATION

It is understood and agreed that nothing in this agreement shall create a partnership, employment or agency 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 hereunder 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, without limitation, any claim or action against Franchisee for negligent hiring, sexual harassment, or employment discrimination) or any claim or judgment arising therefor against Franchisee. Franchisee shall indemnify and hold Franchisor harmless from and against any and all claims, debts, liabilities or obligations arising directly or indirectly from, as a result of or in connection with Franchisee's operation of the franchised business, and shall pay all costs (including, without limitation, attorney and accounting fees) incurred by Franchisor in defending against and/or responding to them. FRANCHISEE SHALL DISPLAY PROMINENTLY AT ITS PLACE OF BUSINESS, 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.

## ARTICLE 18

### MISCELLANEOUS

18.1 Nature of Agreement. This Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the parties hereto and supersedes any prior agreements between such parties. This Agreement may not be modified or amended except by written instrument signed by each of the parties hereto, expressing such amendment or modification. No failure on the part of any party hereto to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercises thereof or the exercise of any other right, power or remedy. Nothing in this Agreement or any related agreement concurrently entered into is intended to disclaim the representations Franchisor made solely in the franchise disclosure document it furnished to Franchisee prior to the execution of this Agreement.

18.2 Effect of Agreement; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns. This Agreement shall not be assigned by Franchisee without first complying with the provisions of Section 12.2 hereof.

18.3 Construction. This Agreement was accepted and executed by Franchisor in Ohio. Except to the extent governed by the U.S. Trademark Act of 1946, 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 of this agreement 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.

18.4 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, without limitation, 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.

18.5 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.

18.6 Notices. All payments shall be made to the addresses listed below. All notices, requests, demands and other communications hereunder shall be in writing, shall be addressed as provided in this Section, shall be made by personal delivery, by certified mail, postage prepaid, return receipt requested, by email, or by overnight delivery service with proof of delivery, and shall be effective upon receipt or refusal thereof or, if unclaimed, forty-eight (48) hours after deposit in the United States mail or with such overnight delivery service, as the case may be.

(a) Address of Franchisor:

C.T. Franchising Systems, Inc.  
4755 Lake Forest Drive, Suite 100  
Cincinnati, Ohio 45242

or to such other persons or address as Franchisor may from time to time furnish to Franchisee;

(b) Address of Franchisee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or to such other persons or address as Franchisee may from time to time furnish to Franchisor.

18.7 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.

18.8 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18.9 Survival of Covenants. All provisions of this agreement which, by their terms, are intended to survive the termination or expiration of this agreement (such as, by way of illustration and not limitation, the provisions relating to confidential information, indemnification, post-termination competition, and the Marks), and all provisions hereof necessary to enforce and interpret such provisions (such as, by way of illustration and not limitation, the provisions relating to arbitration and injunctive relief), shall survive the termination, expiration or cancellation of this agreement or the franchise granted hereunder.

18.10 No Third-Party Beneficiaries. Nothing in this agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or entity not a party hereto.

18.11 "Franchisee" Defined. The term "Franchisee" includes all persons who succeed to the interest of the original Franchisee by permitted transfer or operation of law, and will be deemed to include not only the individuals or entity defined as the "Franchisee" on the attached Exhibit A, but also all Principals of the entity that executes this agreement. By signing this agreement, each of the Principals of the entity that executes this agreement as Franchisee acknowledges and accepts the duties and obligations imposed upon each of them, individually, by this agreement. All Principals of the entity that executes this agreement must, by separate agreement, personally guarantee all of Franchisee's obligations to Franchisor. If two or more individuals are the "Franchisee" under this agreement, their liability to Franchisor is joint and several.

18.12 "Person" Defined. The term "person" includes corporations, limited liability companies, partnerships, joint ventures, estates, trusts, and all other entities and organizations, as well as individuals.

The parties are signing this agreement on the dates written below, the latest of which shall be the "Effective Date" of this agreement.

C.T. FRANCHISING SYSTEMS, INC., Franchisor

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: \_\_\_\_\_

INDIVIDUAL FRANCHISEE(S):

\_\_\_\_\_  
*Signature*

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature*

Date: \_\_\_\_\_

CORPORATE/LIMITED LIABILITY COMPANY FRANCHISEE:

\_\_\_\_\_  
*[Name of Franchisee]*

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: \_\_\_\_\_

FRANCHISE AGREEMENT  
EXHIBIT A

IDENTIFICATION OF FRANCHISEE(S)

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INDIVIDUAL FRANCHISEE(S)

Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Home Address (P.O. Box not acceptable): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Home Telephone: \_\_\_\_\_

Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Home Address (P.O. Box not acceptable): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Home Telephone: \_\_\_\_\_

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ORGANIZATION FRANCHISEE

Name of Organization: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Telephone: \_\_\_\_\_ EIN: \_\_\_\_\_

Date of Organization: \_\_\_\_\_ State of Organization: \_\_\_\_\_

Statutory/Registered Agent: \_\_\_\_\_

Address of Agent: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

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Officers

President: \_\_\_\_\_ Vice President: \_\_\_\_\_

Treasurer: \_\_\_\_\_ Secretary: \_\_\_\_\_

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Shareholders/Members/Partners

Name: \_\_\_\_\_ Percentage of Ownership: \_\_\_\_\_

Home Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Home Telephone: \_\_\_\_\_

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Name: \_\_\_\_\_ Percentage of Ownership: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_  
Home Telephone: \_\_\_\_\_

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Name: \_\_\_\_\_ Percentage of Ownership: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_  
Home Telephone: \_\_\_\_\_

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Name: \_\_\_\_\_ Percentage of Ownership: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_  
Home Telephone: \_\_\_\_\_

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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.

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

FRANCHISE AGREEMENT  
EXHIBIT B

FRANCHISE LOCATION 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 codes:


This Exhibit B is to be attached to, incorporated in and made a part of the Franchise Agreement between Franchisor and Franchisee.

The parties are signing this Exhibit B on the date(s) set forth below.

FRANCHISEE(S):

FRANCHISOR:

C.T. FRANCHISING SYSTEMS, INC.

\_\_\_\_\_  
*Signature*

By: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature*

Date: \_\_\_\_\_

# EXHIBIT G

## WEBSITE TERMS OF USE AGREEMENT

This Website Terms of Use Agreement ("Agreement") is entered into by and between C.T. Franchising Systems, Inc. ("Franchisor" or "we"), and ("Franchisee" or "you").

### RECITALS:

A. Under a franchise agreement (the "Franchise Agreement") executed concurrently with this agreement, we granted you the limited right to operate a Caring Transitions franchised business (a "Caring Transitions Franchise") using our unique business format, registered CARING TRANSITIONS® trademark, and other trademarks that we own.

B. We own one or more Websites, including, among others, [www.ctbids.com](http://www.ctbids.com) and [seller.ctbids.com](http://seller.ctbids.com) (collectively, the "Website"), that we may make available for your use in connection with the operation of your Caring Transitions Franchise.

THEREFORE, as a condition of Franchisee's use of the Website, you agree as follows:

1. You represent and warrant that you will not use the Website for any unlawful purpose or in any manner prohibited by Caring Transitions 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 of 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, sexual orientation, 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 Franchisor's 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.

2. As a condition of your use of the Website, you further agree and acknowledge as follows:

(a) Payment Processing Requirements

- To conduct sales on CTBIDS, you must apply and be approved by the Caring Transitions/CTBIDS payment processor.
- You must be able to supply all legal documents required by the Caring Transitions/CTBIDS payment processor upon request. Failure to do so may result in the inability to conduct sales on CTBIDS.
- Caring Transitions has no access to your account with the payment processor.
- You accept full responsibility for maintaining the payment processor account and for ensuring that you are in good standing with payment processor.
- You acknowledge that the payment processor has the right to hold funds for 21 days if there is a dispute/limitation on your account.

(b) System Outages

- The Websites and related services may be subject to downtimes and/or may not be available from time to time due to scheduled maintenance activity; such scheduled maintenance activity may allow for communication to the user by official communication. In addition, the Websites and related services may be unavailable due to unscheduled outages and/or for other causes beyond reasonable control and for such unscheduled outages, prior notice cannot be provided.

(c) Credentials

- You may be given login credentials to access the Websites and services. Your login credentials must be kept confidential; sharing the login credentials without written authorization is strictly prohibited.

(d) Cyber Security

- Cyber Security is the protection of systems, networks, and data to prevent cybercrime. Franchisor has used reasonable efforts to implement and maintain information security, cyber security and data protection controls, policies and procedures, including oversight access controls, encryption, technological and physical safeguards and business continuity/disaster recovery plans that are designed to protect against and prevent breach, destruction, loss, unauthorized distribution, use, access, disablement, misappropriation or modification, or other misuse relating to any information technology systems or services.
- Franchisor's Cyber Security measures apply to the Websites and/or services and do not extend to your personal devices leveraged by you or your employees or agents ("Personal Devices").
- Franchise Owners are responsible for applying and maintaining security measures on Personal Devices.

- You are responsible for always adhering to good security practices to safeguard your user accounts (i.e., unique password creation, self-education on phishing/spam avoidance).

(e) Content

- Neither you nor your employees or agents may Publish, post, upload, distribute or disseminate any inappropriate, profane, defamatory, infringing, obscene, indecent, or unlawful topic, name, material, or information on the Websites and/or services.
- Neither you nor your employees or agents may upload files to the Websites and/or Services that contain software or other material protected by intellectual property laws (or by rights of privacy of publicity) unless they own or control the rights thereto or have received all necessary consents.
- Neither you nor your employees or agents may upload files that contain viruses, corrupted files, or any other similar software or programs that may damage the operation of another's computer.

(f) Spam/Phishing

- You may not use our communication tools to send spam or otherwise forward potentially harmful messages via email.

3. Franchisor has no obligation to screen or monitor the Website; however, Franchisor reserves the right to review information or materials posted to the Website, to remove any such information or materials in its sole discretion, and to use any other forms of information available to Franchisor by virtue of your use of the Website. Franchisor reserves the right at all times, in its 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 the sole property of Franchisor. Franchisor has the right to access the Website, for administrative or any other purpose, at all times. Franchisor reserves the right in its sole discretion to terminate your use of the Website at any time without notice for any reason whatsoever.

5. You agree to comply with Franchisor's System Standards and policies regarding the Buyer's Premium. The "Buyer's Premium" is a payment that may be required of customers for purchasing items through the Website, calculated as a percentage of the winning bid. Franchisor reserves the right to set a maximum or minimum Buyer's Premium. Franchisor will receive a percentage of the Buyer's Premium in order to defray the costs of providing, operating and maintaining the Website or for any other purpose.

6. Franchisor always reserves the right to disclose any information necessary to satisfy any applicable law, regulation, legal process, or governmental request.

7. You agree to indemnify and defend Franchisor against and hold it 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. Franchisor will notify you of any claim for which Franchisor seeks 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 Franchisor's interests, as reasonably determined by Franchisor at its sole discretion.

8. FRANCHISOR MAKES NO REPRESENTATIONS ABOUT FRANCHISOR'S WEBSITE, INCLUDING, WITHOUT LIMITATION, THE WEBSITE'S SUITABILITY, RELIABILITY, OR AVAILABILITY. FRANCHISOR PROVIDES THE WEBSITE "AS IS" WITHOUT WARRANTY OF ANY KIND. TO THE FULL EXTENT PERMISSIBLE BY APPLICABLE LAW, FRANCHISOR DISCLAIMS 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. FRANCHISOR MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING POTENTIAL CONSUMER TRANSACTIONS OR LEADS THAT MAY BE GENERATED FROM YOUR USE OF THE WEBSITE.

9. YOUR SOLE AND EXCLUSIVE REMEDY IF YOU ARE DISSATISFIED WITH ANY PORTION OF THE WEBSITE IS TO DISCONTINUE USING THE WEBSITE. IN NO EVENT AND UNDER ANY CIRCUMSTANCES WHATSOEVER SHALL FRANCHISOR 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 SHALL FRANCHISOR 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.

10. All provisions of your Caring Transitions Franchise Agreement(s), specifically including the provisions regarding advertising, arbitration, jurisdiction and venue, shall govern and be fully applicable to this Agreement.

The parties are signing this rider to be effective as of and from the latest date written below.

C.T. FRANCHISING SYSTEMS, INC., Franchisor

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: \_\_\_\_\_

INDIVIDUAL FRANCHISEE(S):

\_\_\_\_\_  
*Signature*

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature*

Date: \_\_\_\_\_

CORPORATE/LIMITED LIABILITY COMPANY FRANCHISEE:

\_\_\_\_\_  
*[Name of Franchisee]*

By: \_\_\_\_\_

Date: \_\_\_\_\_

Its: \_\_\_\_\_

# EXHIBIT H

## PERSONAL GUARANTY

IN CONSIDERATION of, and as an inducement for, C.T. Franchising Systems, Inc. ("Franchisor") entering into the Franchise Agreement to which this Guaranty is attached (the "Franchise Agreement"), the undersigned ("Guarantors") hereby jointly and severally guarantee to the Franchisor, and to the Franchisor's successors and assigns: (a) the timely payment of all franchise and other fees, charges, and interest provided for in the Franchise Agreement; and (b) the timely performance of all of the provisions of the Franchise Agreement, including the restrictions on competition imposed by sections 15.2 and 15.3 (and including all renewals thereof, if any). Guarantors further specifically agree to be individually bound by all covenants, obligations and commitments of the Franchisee contained in the Franchise Agreement to the same extent as if each of the Guarantors had individually executed the Franchise Agreement as Franchisee.

Guarantors understand and agree that any modification of the Franchise Agreement, including any addendum or addenda thereto, or waiver by the Franchisor of the performance by the Franchisee of its obligations thereunder, or the giving by the Franchisor of any extension of time for the performance of any of the obligations of the Franchisee thereunder, or any other forbearance on the part of the Franchisor or any failure by the Franchisor to enforce any of its rights under the Franchise Agreement, including any addendum or addenda thereto, shall not in any way release Guarantors from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of the Franchisee is so released, terminated, affected or diminished. Notice to Guarantors of any such modification, waver, extension or forbearance under the terms thereof is hereby waived.

Guarantors hereby waive any and all notice of default on the part of the Franchisee; waive exhausting of recourse against the Franchisee; and consent to any assignment of the Franchise Agreement, in whole or in part, that the Franchisor or its assignees may make. Guarantors agree to pay all costs, including reasonable attorneys' fees, incurred by Franchisor to collect or otherwise enforce the terms of this Guaranty. This Guaranty has been delivered in the State of Ohio, and shall be construed and enforced in accordance with the laws thereof. Jurisdiction and venue in any action to enforce this Guaranty shall be in any state or federal court within the State of Ohio in the judicial district where Franchisor has its principal place of business. Guarantors consent to the exercise of personal jurisdiction by any such court and waive any defense of lack of personal jurisdiction or improper venue.

\_\_\_\_\_  
*Guarantor*

\_\_\_\_\_  
*Guarantor*

Franchisee: \_\_\_\_\_ Franchise Location No. \_\_\_\_\_

# EXHIBIT I

## RESTRICTIVE COVENANT AGREEMENT

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

This agreement is between C.T. Franchising Systems, Inc. ("Franchisor"), an Ohio corporation, \_\_\_\_\_ ("Franchisee"), and \_\_\_\_\_ and \_\_\_\_\_ (each individually a "Covenantor" and collectively "Covenantors").

### RECITALS:

A. Pursuant to a Franchise Agreement dated evenly herewith or to an Assignment Agreement assigning the Franchise Agreement from Covenantor(s) to Franchisee, C.T. Franchising Systems, Inc. licensed Franchisee to operate a franchised business that organizes and conducts sales of estate assets and personal belongings and moving management services, using Franchisor's unique franchise system and Franchisor's trade name and service mark CARING TRANSITIONS® and other proprietary marks.

B. Each Covenantor is an owner, 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 Franchise, all of which Covenantor acknowledges 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 Caring Transitions franchisees, all owners, directors, officers, and managers 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 Operations Manual, unique sales and marketing methods, pricing techniques, promotional materials, new product/service development, financial information, customer or referral lists, procedures for the efficient operation of a Caring Transitions Franchise, and any other methods, procedures, processes, techniques, information, knowledge, or know-how concerning Franchisor's franchise system or Franchisee's Franchise 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, partnership, association or entity.

2. Intellectual Property. Each Covenantor acknowledges Franchisor's right, title, and interest in and to the service mark CARING TRANSITIONS®, Franchisor's logo, and certain other proprietary service marks, logos, symbols, and trade names presently used by Franchisor or that Franchisor may hereafter use or provide for use by Franchisee, and the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in Franchisor's franchise system (the "Marks").

Covenantor further acknowledges that any use of the Marks outside the scope of the Franchise Agreement without Franchisor's prior written consent would be an infringement of Franchisor's rights in the Marks. Covenantor expressly covenants that he or 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 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 or she shall not, either directly or indirectly, for him or 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 Caring Transitions 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 Caring Transitions 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 Caring Transitions 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 or 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, or have any interest in a Competitive Business that is or is intended to be located, or that operates, in or within 15 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, or have any interest in a Competitive Business that is or is intended to be located, or that operates, in or within 15 miles of the geographical boundaries of any other Caring Transitions 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 15 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 15 miles of the geographical boundaries of any other Caring Transitions 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 services from the Franchised Business at any time during the two-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 15 miles of the geographical boundaries of Franchisee's or any other Caring Transitions 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 an Owner 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 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 Caring Transitions 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 Caring Transitions 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 Caring Transitions Franchises include services that offer or provide alternatives to the sale of personal belongings or move management services or other Permitted Products or Services.

7. Reasonableness of Covenants. Each Covenantor acknowledges and agrees that the geographic and temporal restrictions imposed by sections 3 and 4 on his or her ability to compete with Franchisor, Franchisee and other Caring Transitions 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 dates below.

C.T. FRANCHISING SYSTEMS, INC., Franchisor:

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Franchisee:

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

Covenantor

Date: \_\_\_\_\_

\_\_\_\_\_

Covenantor

**EXHIBIT J**

**DURABLE IRREVOCABLE POWER OF ATTORNEY**  
[Individual Franchisee]

THIS POWER OF ATTORNEY is executed by each of the undersigned individual(s) (the “Principals”) in favor of C.T. FRANCHISING SYSTEMS, INC., an Ohio corporation (“Franchisor”).

**PREAMBLE:**

- A. Franchisor does business under, and licenses independently-owned franchisees to use the name CARING TRANSITIONS.
- B. Franchisor owns and has registered the trademark CARING TRANSITIONS with the United States Patent and Trademark Office (Reg. No. 3,451,176).
- C. Under a Franchise Agreement dated \_\_\_\_\_, Franchisor granted the Principals the limited right to operate an estate liquidation and move management business (a “CARING TRANSITIONS Franchise”) using Franchisor’s Marks (defined in the last paragraph of this instrument) and unique business format.
- D. The Principals’ 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 Principals 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 CARING TRANSITIONS 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 CARING TRANSITIONS 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 CARING TRANSITIONS Franchise, or (iv) link to or from Franchisor’s web site(s) (currently [www.caringtransitions.net](http://www.caringtransitions.net) and [www.caringtransitions.com](http://www.caringtransitions.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.caringtransitions.net) or any other web site or web page owned, established, or controlled by Franchisor or its other franchisees.

6. 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, email service, domain registrar, online directory, communication provider, search engine, regulatory agency or other provider of services, or any other party.

7. 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, if the registration includes the names CARING TRANSITIONS 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.

8. 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.

9. 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.

10. 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.

11. 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 CARING TRANSITIONS trademark 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.

PRINCIPALS

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EXECUTION OF THIS INSTRUMENT BY EACH PRINCIPAL MUST BE NOTARIZED

STATE OF \_\_\_\_\_, COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me, a Notary Public in and for said county and state, personally appeared \_\_\_\_\_, known to me or proven to me by satisfactory evidence to be the person whose name is subscribed to the foregoing instrument as Principal, and acknowledged the signing thereof to be his/her voluntary act and deed for the uses and purposes described therein.

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF \_\_\_\_\_, COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me, a Notary Public in and for said county and state, personally appeared \_\_\_\_\_, known to me or proven to me by satisfactory evidence to be the person whose name is subscribed to the foregoing instrument as Principal, and acknowledged the signing thereof to be his/her voluntary act and deed for the uses and purposes described therein.

\_\_\_\_\_  
NOTARY PUBLIC

C.T. FRANCHISING SYSTEMS, INC.,  
Franchisor

By:

\_\_\_\_\_

Title:

\_\_\_\_\_

Date:

\_\_\_\_\_

**EXHIBIT K**

**RIGHT OF FIRST REFUSAL  
FOR FRANCHISE LOCATION NO. \_\_\_\_\_**

This Agreement is dated \_\_\_\_\_ (the "Effective Date") between C.T. FRANCHISING SYSTEMS, INC. ("Franchisor"), an Ohio corporation, and \_\_\_\_\_ ("you").

Pursuant to a franchise agreement dated \_\_\_\_\_ (the "Franchise Agreement"), Franchisor licensed You to operate an estate and household liquidation and moving management business (a "Franchise") using the trademark CARING TRANSITIONS within the territory described in Section 1.2 of the Franchise Agreement, and to use an operating manual, operating and marketing methods, and certain other service marks, trade names and logos developed and owned by Franchisor.

You intend to purchase an additional Franchise within one year after the Effective Date of this agreement.

Therefore, Franchisor and You agree as follows:

1. Grant of Right of First Refusal. Franchisor hereby grants you a right of first refusal (the "Right of First Refusal") to purchase a Franchise for the Territory described in Section 3 upon the terms and conditions contained in this agreement.

2. Right of First Refusal Fee. In consideration of the Right of First Refusal granted to you by Franchisor, you agree to pay Franchisor a non-refundable fee (the "Right of First Refusal Fee") of \$5,000.00. Franchisor will subtract this amount from the initial franchise fee you must pay in order to exercise this Right of First Refusal. If you do not exercise this Right of First Refusal before it expires, Franchisor will keep the Right of First Refusal Fee.

3. Territory. This Right of First Refusal and the Franchise you will purchase by exercising this Right of First Refusal have a territory delineated by the postal codes listed below (the "Territory"):


You and Franchisor agree that the total population of the Territory is approximately \_\_\_\_\_.

4. Exercise of Right of First Refusal. If a bona fide prospective franchisee selects a franchise territory that includes all or any part of the Territory described in Section 3 above, Franchisor will notify you by email, ordinary mail, or overnight delivery (the "Notice"). You can exercise this Right of First Refusal only as follows:

(a) Franchisor must receive your signed Intent to Exercise Right of First Refusal (a copy of which is attached to this agreement) by 17:00 hours Eastern Time on the seventh day after you receive the Notice;

and

(b) Franchisor must receive the balance of the then current franchise fee for the Territory size described in Section 3 above (determined in accordance with Franchisor's then current pricing policy less the amount of the Right of First Refusal Fee already paid) and a signed copy of our then-current franchise agreement and all ancillary agreements by the later of either (i) 17:00 Eastern Time on the seventh day after you receive your Notice or, (ii) if you have not previously received a copy of our then-current franchise disclosure document, 17:00 hours Eastern Time on the sixteenth day after you receive a copy of our then-current franchise disclosure document.

A "bona fide prospective franchisee" is one who has shown a definite interest, as determined by Franchisor in our sole discretion, in all or any part of the Territory.

5. Failure to Exercise Right of First Refusal. If Franchisor does not receive your signed Intent to Exercise Right of First Refusal and the Deposit within seven days after You received the Notice, then your Right of First Refusal will automatically terminate at the end of the fifth business day and Franchisor will have the right to offer and sell a Franchise anywhere in the Territory to the bona fide prospective franchisee or to any other party, without your consent and without any further notice, obligation or liability to you. If Franchisor does not receive the balance of the franchise fee within sixteen days after You received the then current Franchise Disclosure Document (but in no event will you have less than five business days after You receive the Notice to pay the balance), then your Right of First Refusal will automatically terminate at the end of the sixteenth day and Franchisor will have the right to: offer or sell another Franchise anywhere in the Territory to the bona fide prospective franchisee or to any other party, without your consent and without any further notice, obligation or liability to You.

6. Sale of Territory to Third Party. You hereby agree that, if Franchisor grants a Franchise within the Territory to any third party at any time after You decline or fail to exercise the Right of First Refusal, or at any time after the expiration of the Right of First Refusal, You will immediately cease to operate or promote your Franchise anywhere in that franchisee's territory and, within sixteen (16) days after you received notice thereof, You will remove all advertising and promotional materials from that franchisee's territory.

7. Breach of Franchise Agreement. You cannot exercise the Right of First Refusal at any time after the occurrence of an Event Allowing Termination, as that term is defined in Section 13.1 of your Franchise Agreement, unless the Event Allowing Termination was cured within the applicable time period, if any, provided in Section 13.2 of your Franchise Agreement.

8. Expiration. This Right of First Refusal will automatically expire one (1) year after the Effective Date of this agreement.

9. Separate Records. By signing this agreement, you acknowledge Franchisor's need to compile and maintain accurate sales records for each Franchise in our franchise system. For this reason, you agree to maintain separate sales records for each Franchise that you own. You may consolidate your royalty fees you owe for all your Caring Transition Franchises and you may consolidate your branding fees you owe for all of your Caring Transition Franchises by sending a single monthly payment in satisfaction of all the royalty fees and by sending a single monthly payment for all branding fees, but You must submit separate sales reports for each Caring Transition Franchise that you own.

10. Arbitration. Any claim or dispute between us must be settled by arbitration in accordance with Article 16 of the Franchise Agreement, the terms of which are incorporated herein by this reference.

11. Entire Agreement. By signing this agreement, You understand and agree that this agreement and any schedules and exhibits attached hereto constitute the entire agreement between us with respect to the Right of First Refusal, and that any and all discussions, negotiations, commitments or understandings relating to the Right of First Refusal which occurred before the Effective Date of this agreement are hereby superseded and merged herein.

12. Binding Effect. This Agreement will be binding upon and will inure to the benefit of you and Franchisor, and our respective representatives, heirs, successors and assigns.

13. Construction. This Agreement was accepted by Franchisor in Cincinnati, Ohio, and for all purposes will be governed by and construed in accordance with the laws of the State of Ohio.

14. Jurisdiction. By signing this agreement, you irrevocably agree that, subject to Franchisor's sole and absolute election, any and all suits, actions or other proceedings with respect to, arising out of or in connection with this agreement must be litigated in courts having situs within Hamilton County, Ohio. You consent and agree that the following courts will have personal jurisdiction over you in all lawsuits relating to or arising out of this agreement, and you hereby submit to the jurisdiction of the following courts and irrevocably waive any defense you may have of lack of personal jurisdiction in any such lawsuits 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, without limitation, all United States District Courts within the State of Ohio. You consent and agree that venue will be proper in any of the following courts in all lawsuits relating to or arising out of this agreement and you irrevocably waive any right you may have to transfer or change the venue in any such lawsuits 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. In the event that any of these courts are abolished, you agree that venue will 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 so abolished. Any and all lawsuits that You may file against Franchisor (whether in breach of the arbitration provisions of this agreement or not) relating to or arising out of this agreement must be filed in one of these courts. Any and all lawsuits filed by Franchisor against you may be filed in any of these courts or in any court in which jurisdiction and venue are proper. In all lawsuits relating to or arising out of this agreement, you consent and agree that you may be served with process outside the State of Ohio in the same manner of service that 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. You waive any defense you may have of insufficiency of service of process relating to such service. This method of service will not be the exclusive method of service available in such lawsuits and will be available in addition to any other method of service allowed by law.

15. Headings. The section headings in this agreement are for reference purposes only and are not intended to affect the meaning or interpretation of any provision of this agreement.

16. Assignment. You may not assign this agreement or the Right of First Refusal to any other party (even if you sell your Franchise) without Franchisor's prior written consent, which Franchisor may withhold for any reason. Franchisor may only assign this agreement to a party who agrees to

assume all of Franchisor's obligations to its franchisees in connection with a merger or a sale of substantially all of Franchisor's assets.

17. Severability. If any provision of this agreement, in whole or in part (or the application of any provision to a specific situation), is held to be invalid or unenforceable by the final judgment of a court of competent jurisdiction after appeal or the time for appeal has expired, such invalidity will be limited to such specific provision or portion thereof (or to such situation), and this agreement will be construed and applied in such manner as to minimize such unenforceability. All other provisions of this agreement will otherwise remain in full force and effect.

18. Notices. All notices, demands and other communications between you and Franchisor must be in writing, must be addressed as provided in this Section 18, must be made by either (i) personal delivery, (ii) certified mail, postage prepaid, return receipt requested, (iii) email, or (iv) overnight delivery service with proof of delivery, and will be effective upon receipt or refusal thereof. All notices, demands and other communications must be addressed as follows:

(a) if to Franchisor:

C.T. Franchising Systems, Inc.  
4755 Lake Forest Drive, Suite 100  
Cincinnati, Ohio, 45242

or to such other person or address as Franchisor may from time to time furnish to You in writing;

(b) if to you:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or to such other person or address as You may from time to time furnish to Franchisor in writing.

You and Franchisor are signing this agreement on the Effective Date identified in the first paragraph.

C.T. FRANCHISING SYSTEMS, INC.

YOU:

By: \_\_\_\_\_

\_\_\_\_\_

Signature

## EXHIBIT K (CONT.)

### INTENT TO EXERCISE RIGHT OF FIRST REFUSAL

C.T. Franchising Systems, Inc.  
4755 Lake Forest Drive, Suite 100  
Cincinnati, Ohio 45242

Sir or Madam:

RE: EXERCISE OF RIGHT OF FIRST REFUSAL FOR FRANCHISE LOCATION NO.

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In response to your Notice that a bona fide prospective franchisee has selected a territory, all or a portion of which is subject to my Right of First Refusal dated \_\_\_\_\_, I hereby elect as follows:

- I decline to exercise my Right of First Refusal. By doing so, I acknowledge that: (i) I relinquish any and all rights to such portion of the Right of First Refusal Territory as you may subsequently grant to such bona fide prospective franchisee; (ii) you may grant a franchise within the Right of First Refusal Territory immediately upon your receipt of, and in reliance upon, this election; (iii) I must immediately cease to operate or market my franchised business in any area which becomes part of another franchisee's territory; and (iv) I must remove all advertising and marketing materials from such area within sixteen (16) days after being notified thereof.
- I intend to exercise my Right of First Refusal. I understand and acknowledge that my Right of First Refusal can only be exercised by your receipt of:
- (a) this Intent to Exercise Right of First Refusal, signed and dated by me, by 17:00 hours Eastern Time on the seventh day after I received your Notice; and
- (b) the entire Franchise Fee and a signed copy of your then-current franchise agreement and ancillary agreements by the later of either (i) 17:00 hours Eastern Time on the seventh day after I received your Notice or, (ii) if I have not previously received a copy of your then-current franchise disclosure document, 17:00 hours Eastern Time on the sixteenth day after I received a copy of your then-current franchise disclosure document.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature*

NOTE: Must be signed by the person, or by an authorized officer on behalf of the entity, in whose name the RIGHT OF FIRST REFUSAL was granted

CARING TRANSITIONS  
OPERATIONS MANUAL



Table of Contents:

Chapter 1: Pre-Opening..... 1

Chapter 2: Hiring Procedures .....22

Chapter 3: Human Resources .....33

Chapter 4: Client Services ..... 56

Chapter 5: Financial Management ..... 86

Chapter 6: Marketing ..... 95

Chapter 7: Computer Database Management ..... 112

## Exhibit M

### AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER

The undersigned depositor ("DEPOSITOR") hereby authorizes C.T. 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: \_\_\_\_\_

Title: \_\_\_\_\_

A voided check must be attached to this form.

# EXHIBIT N

## CARING TRANSITIONS® ASSIGNMENT AGREEMENT <sup>116</sup>

THIS ASSIGNMENT AGREEMENT, executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and among **C.T. FRANCHISING SYSTEMS, INC.**, an Ohio corporation (“Franchisor”), \_\_\_\_\_, individual residents of the State of \_\_\_\_\_ (“Assignor”), and \_\_\_\_\_, a(n) \_\_\_\_\_ corporation [or limited liability company] (“Assignee”);

### W I T N E S S E T H:

**WHEREAS**, Franchisor and Assignor entered into a Franchise Agreement on \_\_\_\_\_, 20\_\_\_\_ (the “Franchise Agreement”), pursuant to which Franchisor licensed Assignor to operate an estate liquidation and moving management business using Franchisor’s registered service mark and trade name “*Caring Transitions®*” and Franchisor’s business format; and

**WHEREAS**, Assignor owns \_\_\_\_\_% of the issued and outstanding stock [or ownership units] of Assignee; and

**WHEREAS**, Assignor desires to assign, transfer, and delegate to Assignee all of Assignor’s rights and obligations under the Franchise Agreement; and

**WHEREAS**, Assignee desires to assume all of Assignor’s rights and obligations under the Franchise Agreement;

**NOW THEREFORE**, in consideration of the mutual promises and conditions contained herein, the parties agree as follows:

1. **Assignment.** Assignor assigns, conveys, and transfers to Assignee all of Assignor’s rights, title, and interest in and to the Franchise Agreement and the franchise granted therein. Assignee 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 consents to the assignment, in accordance with the terms contained herein, to Assignee of Assignor’s interest in the Franchise Agreement and the franchise granted therein.

3. **Guaranty by Assignor.** The assignment to Assignee of Assignor’s interest in the Franchise Agreement shall not relieve Assignor from any liability or obligation contained therein. 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 shall 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 of the Franchise Agreement.

117

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<sup>116</sup> This Assignment Agreement is required only if you sign your franchise agreement individually rather than in the name of a business entity.

4. **Representations of Assignee.** In order to induce Franchisor to consent to the assignment by Assignor, Assignee 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 [or Managing Member]; and

(b) Assignor is the owner of \_\_\_\_\_% of the issued and outstanding capital stock [or ownership units] of Assignee.

5. **Release.** By execution of this agreement, Assignor and Assignee, their respective members, shareholders, directors, agents, and employees, hereby release Franchisor, its shareholders, directors, officers, employees, affiliates, agents, successors and assigns (the "Released Parties"), from any and all debts, claims, demands, damages, losses, liabilities, actions, causes of action, awards, and suits of any kind, known or unknown, that they may now have against the Released Parties up to and including the final date of execution of this agreement.

**IN WITNESS WHEREOF**, the parties executed this Assignment Agreement, or caused it to be executed by their duly authorized agent, as of the date first set forth above.

**C.T. FRANCHISING SYSTEMS, INC.**

By: \_\_\_\_\_

**ASSIGNOR(S)**

\_\_\_\_\_  
[Individual(s)]

\_\_\_\_\_  
[Individual(s)]

**ASSIGNEE**

\_\_\_\_\_  
*Print Business Entity Name*

\_\_\_\_\_  
President [or Managing Member]

\_\_\_\_\_

# EXHIBIT O

## FRANCHISEE ACKNOWLEDGMENT STATEMENT

As you are aware, you have or are preparing to enter into a Franchise Agreement with C.T. Franchising Systems, Inc. (Franchisor) for the operation of a Caring Transitions® franchise. The purpose of this questionnaire is to determine whether any statements or promises were made to you, either verbally or in writing, that the Franchisor did not authorize and that may be untrue, inaccurate, or misleading. Please read each of the following questions carefully and provide honest and complete responses to each question.

1. Did you receive a copy of the Franchise Disclosure Document at least 14 days before you signed the Franchise Agreement or the remittance form or paid any money for the franchise?

Yes \_\_\_\_\_ No \_\_\_\_\_

2. Did you read the franchise contracts and their exhibits?

Yes \_\_\_\_\_ No \_\_\_\_\_

3. Do you understand everything in the franchise contracts and their exhibits?

Yes \_\_\_\_\_ No \_\_\_\_\_

If "No," what parts of the franchise contracts or their exhibits do you NOT understand?  
(Attach additional pages if necessary.)

---

4. Have you discussed your purchase of a Caring Transitions franchise with an attorney, accountant, or other professional advisor?

Yes \_\_\_\_\_ No \_\_\_\_\_

5. If you answered "No" to Question 4, do you understand that you may consult with an attorney, account, or other professional advisor?

Yes \_\_\_\_\_ No \_\_\_\_\_

6. Do you understand the risks of investing in and operating a Caring Transitions franchise?

Yes \_\_\_\_\_ No \_\_\_\_\_

7. Do you understand that the success or failure of your Caring Transitions franchise will depend in large part upon your skills and abilities, the number of hours you are willing to work, competition from other businesses, interest rates, the general state of the economy, inflation, labor and supply costs, and other general economic and business factors?

Yes \_\_\_\_\_ No \_\_\_\_\_

8. Do you understand that you are responsible for investigating and complying with any and all laws, regulations, and licensing requirements that may apply in your territory?

Yes \_\_\_\_\_ No \_\_\_\_\_

**NOTE: QUESTIONS 9 THROUGH 14 DO NOT APPLY TO ANY INFORMATION YOU WERE GIVEN DIRECTLY BY A CARING TRANSITIONS FRANCHISEE.**

Has any employee of Franchisor or other person speaking on behalf of Franchisor made any written or oral statement or promise regarding:

9. . . . the actual revenue or profits of a Caring Transitions franchise that is contrary to or different from the information in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

10. . . . the amount of money you can earn operating a Caring Transitions franchise that is contrary to or different from the information in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

11. . . . the amount of sales revenue you can earn operating a Caring Transitions franchise that is contrary to or different from the information in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

12. . . . your initial investment to open a Caring Transitions franchise or the costs you may incur in operating a Caring Transitions franchise, that is contrary to or different from the information in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

13. . . . the advertising, marketing, training, support services, or assistance that Franchisor will provide you that is contrary to or different from the information in the Franchise Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

14. . . . any other aspect of a Caring Transitions franchise that is contrary to or different from the information in the Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

If you answered "Yes" to any of Questions 9 through 14, please provide a full explanation of your answer in the following space (attach additional pages if necessary and refer to them in the space below). If you answered "No" to every Question 9 through 14, please leave the following space blank.

---

You understand that your answers are important to us and that we will rely on them in entering into the Franchise Agreement with you.

NOTHING IN THIS DOCUMENT IS TO BE CONSTRUED AS A RELEASE, ESTOPPEL OR WAIVER OF ANY LIABILITY OR OBLIGATION IMPOSED BY A STATE FRANCHISE OR INVESTMENT LAW.

By signing below, you represent that you have responded truthfully to the above questions.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

[SIGNATURE PAGE TO FRANCHISEE ACKNOWLEDGMENT STATEMENT]

# EXHIBIT P

## 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.

The highest interest rate allowed by law in California is 10% annually.

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

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

Each owner of the franchise is required to execute a personal guaranty. Doing so could jeopardize the marital assets of non-owner spouses domiciled in community property states such as California.

**Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.**

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

The following URL address is for the franchisor's website: [www.caringtransitions.com](http://www.caringtransitions.com)

THE FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.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 amended as follows to comply with the California Franchise Relations Act:

1. 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.”

2. Section 18.3 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.”

3. Section 18.4 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.”

4. Section 16.6 is amended by the addition of the following sentences:

“California Corporations Code Sections 31303 and 31304 provide certain statutes of limitations for certain claims under the California Franchise Investment Law. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.”

5. No disclaimer, questionnaire, clause, or statement signed by Franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee’s investment. Any statements or representations signed by Franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon Franchisee’s understanding of the law and facts as of the time of Franchisee’s investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

6. 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.

FRANCHISEE(S):

FRANCHISOR:

C. T. FRANCHISING SYSTEMS, INC.

---

*Signature*

By: \_\_\_\_\_

\_\_\_\_\_

*Signature*

Its: \_\_\_\_\_

## **HAWAII**

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

1. The following list reflects the status of our franchise registrations in the states which have franchise registration laws:

- This registration is effective in the states of California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, Texas, Virginia, Washington, and Wisconsin.
- There are no other states in which a proposed registration or filing is or will be on file.
- There are no states which have refused, by order or otherwise, to register these franchises.
- There are no states which have revoked or suspended the right to offer these franchises.

2. The release required as a condition of renewal, assignment, and transfer will not apply to any liability arising under the Hawaii Franchise Investment Law.

**HAWAII ADDENDUM TO FRANCHISE AGREEMENT**

This addendum, executed and agreed to concurrently with the Franchise Agreement to which it is attached, amends the Franchise Agreement as follows:

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq.*, the Franchise Agreement is amended as follows:

- (a) The Hawaii Franchise Investment Law provides rights to you concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- (b) A general release required as a condition of the renewal, assignment, or transfer of the Franchise Agreement or the franchise granted thereunder shall not apply to any claim or liability arising under the Hawaii Franchise Investment Law.

2. Each provision of this addendum is effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this addendum. To the extent this addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement or any exhibit or attachment thereto, the terms of this addendum shall govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

C. T FRANCHISING SYSTEMS, INC.

\_\_\_\_\_  
*Signature*

By: \_\_\_\_\_

\_\_\_\_\_  
Signature

Its: \_\_\_\_\_

## ILLINOIS

Illinois law governs the Franchise Agreement.

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

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

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

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.

**ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT**

Illinois law governs the Franchise Agreement.

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

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

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

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.

FRANCHISEE(S):

FRANCHISOR:

C.T. FRANCHISING SYSTEMS, INC.

\_\_\_\_\_

*Signature*

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_

*Signature*

## **INDIANA**

The following additional disclosures are required by the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law:

THE STATE OF INDIANA HAS STATUTES WHICH MAY SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE [INDIANA CODE §§23-2-2.5-1 THROUGH 23-2-2.5-50]. THIS STATE 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. THE STATE OF INDIANA HAS A STATUTE WHICH RESTRICTS OR PROHIBITS THE IMPOSITION OF LIQUIDATED DAMAGE PROVISIONS [INDIANA CODE §23-2-2.7(10)]. 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 §101.

A general release required as a condition of renewal and/or assignment/transfer shall not apply to any claim or liability arising under the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law.

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.

Any provision in the franchise agreement or franchise development agreement that requires the application of the laws of another state or designates jurisdiction or venue in a forum outside the State of Indiana is void with respect to a claim otherwise enforceable under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law.

In the event of a conflict of laws, the provisions of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law will prevail.

## INDIANA ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this Addendum is attached is amended as follows to comply with the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices 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 Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law.
2. Any provision in this Agreement that requires the application of the laws of another state or designates jurisdiction or venue in a forum outside the State of Indiana is void with respect to a claim otherwise enforceable under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law.
3. 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.

4. Section 10.2 is replaced with the following:

“Franchisee acknowledges that any failure to comply with Section 10.1 of this Agreement 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.”

5. Section 15.9 is replaced with the following:

“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.”

6. Section 16.1 is replaced with the following:

“Franchisor shall be entitled, without bond, to seek temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to: (a) Franchisee’s use of the Marks; (b) the obligations of Franchisee upon the termination or expiration of this Agreement; (c) the obligations of Franchisee under Sections 15.2, 15.3, or 15.4 of this Agreement; or (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 employees: (i) that would constitute a violation of any applicable law, ordinance, or regulation; (ii) which is dishonest or misleading to Franchisor and/or Franchisor’s other franchisees; or (iii) which, 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 System or the Marks.”

7. The fourth sentence of Article 17 is replaced with the following:

“Franchisee shall indemnify and hold Franchisor harmless from and against any and all claims, debts, liabilities or obligations arising directly or indirectly from, as a result

of or in connection with Franchisee's operation of the franchised business (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), and shall pay all costs (including, without limitation, attorney and accountant fees) incurred by Franchisor in defending against and/or responding to them."

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

C.T. FRANCHISING SYSTEMS, INC.

\_\_\_\_\_

*Signature*

By: \_\_\_\_\_

\_\_\_\_\_

*Signature*

## **MARYLAND**

The following additional disclosures are required by the Maryland Franchise Registration and Disclosure Law:

### **ITEM 17**

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 three (3) years after the grant of the franchise.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

## MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

The following terms 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 in 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 Registration and Disclosure Law.
2. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. Section 16.6 is deleted in its entirety, and in its place is substituted the following:

“16.6. Statute of Limitations. Franchisor and Franchisee acknowledge that, pursuant to Section 227 of the Maryland Franchise Registration and Disclosure Law, any claims arising thereunder must be brought within three years after the grant of the Franchise.”
4. The general release required as a condition of sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
5. No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. 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.

FRANCHISEE(S):

FRANCHISOR:

C.T. FRANCHISING SYSTEMS, INC.

\_\_\_\_\_  
*Signature*

By: \_\_\_\_\_

\_\_\_\_\_  
*Signature*

## **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 us 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, we 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.

### **3. RIGHT TO USE TRADEMARKS, SERVICE MARKS TRADE NAMES, LOGOTYPES OR OTHER COMMERCIAL SYMBOLS**

We 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.

### **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. You cannot consent to obtaining injunctive relief, however, we 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. No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. 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 the C.T. Franchising Systems, Inc. ("CTFS") 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 CTFS 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, CTFS 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.

### **3. RIGHT TO USE TRADEMARKS, SERVICE MARKS TRADE NAMES, LOGOTYPES OR OTHER COMMERCIAL SYMBOLS**

CTFS 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.

### **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 CTFS obtaining injunctive relief, however, CTFS 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. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

8. No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. 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.

FRANCHISEE(S):

FRANCHISOR:

C. T. FRANCHISING SYSTEMS, INC.

\_\_\_\_\_  
*Signature*

By: \_\_\_\_\_

\_\_\_\_\_  
*Signature*

Its: \_\_\_\_\_

## **NEW YORK**

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

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

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

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or 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

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.

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

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

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

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

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

7. Receipts. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship. 7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

The following terms 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. The terms in this addendum control in the event of conflicting terms in the Franchise Agreement.

1. Section 2.2(d) 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.”

2. 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.

FRANCHISEE(S):

FRANCHISOR:

C.T. FRANCHISING SYSTEMS, INC.

\_\_\_\_\_  
*Signature*

By: \_\_\_\_\_

\_\_\_\_\_  
*Signature*

Its: \_\_\_\_\_

## **NORTH DAKOTA**

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

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

Non-competition covenants such as the one mentioned in Item 17(r) and in Section 15.3 are generally considered unenforceable in the State of North Dakota.

The release required as a condition of renewal and/or assignment/transfer, as stated in Item 17 (c) and Section 2.2(d), will not apply to any liability arising under the North Dakota Franchise Investment Law.

Any provision of the franchise 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.

Any provision of the franchise agreement requiring you to waive the right to a trial by jury is void.

Any provision of the franchise agreement requiring you to waive exemplary or punitive damages is void.

Any provision of the franchise agreement requiring you to consent to a statute of limitations that is shorter than the applicable North Dakota statute of limitations is void.

Any provision of the franchise agreement requiring you to consent to termination or liquidated damages, including Section 13.5 and 15.3(c), is void.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. 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 16.4, 16.5, and 16.5 are deleted in their entirety.
5. Section 15.3(c), requiring liquidated damages, is deleted in its entirety.
6. Section 13.5, requiring liquidated damages, is deleted in its entirety.
7. No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise. The addendum is signed concurrently with the attached Franchise Agreement.

FRANCHISEE(S):

FRANCHISOR:

C.T. FRANCHISING SYSTEMS, INC.

\_\_\_\_\_  
*Signature*

By: \_\_\_\_\_

\_\_\_\_\_  
*Signature*

Its: \_\_\_\_\_

## **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."

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.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

C.T. FRANCHISING SYSTEMS, INC.

\_\_\_\_\_

Signature

By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_

Signature

## **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.

**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. 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.

FRANCHISEE(S):

FRANCHISOR:

C.T. FRANCHISING SYSTEMS, INC.

\_\_\_\_\_  
*Signature*

By: \_\_\_\_\_

\_\_\_\_\_  
*Signature*

Its: \_\_\_\_\_

## **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 C.T. 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 acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

## **WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

**9. Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

**10. Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

**11. Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements, stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

**12. Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

**13. Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

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

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

**16. 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.

**17. Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Franchisees who receive financial incentives to refer franchise prospects to the Franchisor may be required to register as franchise brokers under the laws of Washington State.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_

Signature of Franchisor Representative  
Representative

\_\_\_\_\_

Title of Franchisor Representative

\_\_\_\_\_

Signature of Franchisee

\_\_\_\_\_

Title of Franchisee Representative

## **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.

**WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT**

The parties hereby amend the following provisions of the Franchise Agreement to which this addendum is attached to comply with the Wisconsin Franchise Investment Law and the Wisconsin Fair Dealership Law:

1. Franchisor and Franchisee agree that Chapter 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement inconsistent with that law.
2. To the extent this addendum is inconsistent with the Franchise Agreement or its exhibits or attachments, this addendum controls.
3. Franchisor and Franchisee hereby ratify and affirm the Franchise Agreement in all other respects.

The parties are signing this addendum concurrently with the attached Franchise Agreement.

FRANCHISEE(S):

C. T. FRANCHISING SYSTEMS, INC.

\_\_\_\_\_

*Signature*

By: \_\_\_\_\_

\_\_\_\_\_

Signature

Its: \_\_\_\_\_

**EXHIBIT Q**

**GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE**

C.T. 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 Caring Transitions franchised business designated Caring Transitions franchise no. \_\_\_\_\_. You have asked us to take the following action nor 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.

\*\*\*\*\*

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 R

## CARING TRANSITIONS WINNER'S CIRCLE PROGRAM

### Addendum to Franchise Agreement

This addendum is between C.T. FRANCHISING SYSTEMS, INC., an Ohio corporation ("Franchisor"), and the party or parties identified as "Franchisee" below.

#### PREAMBLE:

A. Franchisor and Franchisee are parties to a "Franchise Agreement" under which Franchisor licensed Franchisee to operate a Caring Transitions franchised business (the "Franchised Business") using Franchisor's trademarks and unique business format.

B. The parties desire to modify the Franchise Agreement as provided in this addendum.

THEREFORE, the parties hereby amend the Franchise Agreement 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.

2. To make this addendum easier to read and understand, certain terms have been defined below and will be capitalized throughout the addendum. Capitalized terms that are not defined below may be defined in the section where they first appear. Capitalized terms used but not defined in this addendum are used as defined in the Franchise Agreement.

(a) The "Commencement Date" is the first day of the first month following the month in which Franchisee or its Designated Individual completes the initial training program described in section 7.1 of the Franchise Agreement.

(b) A "Year" is a one-year period beginning on the Commencement Date or the anniversary of the Commencement Date. The parties acknowledge that a "Year" as defined in this Addendum may not necessarily coincide with a calendar year. For example, a Year may be the period from April 1, 2024 through March 31, 2025, or from July 1, 2024 through June 30, 2025.

(c) The "Rebate Period" begins on the Commencement Date and ends on the day before the fifth anniversary of the Commencement Date.

3. As an incentive for Franchisee to fully develop the Franchised Business and the Territory, if Franchisee attains:

(a) at least \$900,000 of cumulative Gross Receipts during the two-Year period after the Commencement Date, then Franchisor will rebate to Franchisee \$10,000 of the Franchise Fee;

(b) at least \$1,600,000 of cumulative Gross Receipts during the three-Year period after the Commencement Date and qualified for a rebate under subparagraph (a), then Franchisor will rebate to Franchisee an additional \$10,000 of the Franchise Fee;

(c) at least \$2,300,000 of cumulative Gross Receipts during the four-Year period after the Commencement Date and qualified for a rebate under subparagraphs (a) and (b), then Franchisor will rebate to Franchisee an additional \$10,000 of the Franchise Fee; and

(d) at least \$3,100,000 of cumulative Gross Receipts during the five-Year period after the Commencement Date and qualified for a rebate under subparagraphs (a)-(c), then Franchisor will rebate to Franchisee the remainder of the Franchise Fee paid by Franchisee

If Franchisee does not have sufficient Gross Receipts to qualify for any one of the rebates in subparagraphs (a) – (c) above, then Franchisee will be ineligible for any additional rebates thereafter, regardless of Franchisee’s subsequent Gross Receipts. Rebates shall be paid within 90 days after the respective anniversary date of the Commencement Period regardless of when the Gross Revenue target was attained, provided that Franchisee is in full compliance with the Franchise Agreement.

4. Strict Compliance. To be eligible to receive any rebates under this addendum, Franchisee must (a) strictly and timely comply with all obligations under any agreement or instrument between Franchisee and Franchisor throughout the entire Rebate Period, including, by way of example, timely reporting Gross Receipts, timely paying all Royalties, National Branding Fees, Technology Fees, and other amounts due under the Franchise Agreement, (b) have attended all franchise system national conferences and regional conferences and all required on-site training centers, and (c) execute a general release in a form prescribed by Franchisor prior to each rebate. If the Franchise Agreement is terminated for any reason prior to the end of its initial term, then Franchisee must return all rebates to Franchisor, if any. If Franchisee commits any default of any agreement or instrument between Franchisee and Franchisor during the Rebate Period, then, in addition to all other remedies Franchisor may have under the Franchise Agreement, at law, or in equity, this addendum shall be irrevocably null and void.

5. To the extent that any provision of the Franchise Agreement is inconsistent with this addendum, the provision is hereby modified to the extent necessary to conform to the terms of this addendum. The parties hereby ratify and affirm the Franchise Agreement in all other respects.

The parties are signing this addendum on the dates below.

C.T. FRANCHISING SYSTEMS, INC.

FRANCHISEE

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

FRANCHISEE

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**REMITTANCE FORM**

C.T. Franchising Systems, Inc.  
4755 Lake Forest Drive, Suite 100  
Cincinnati, Ohio 45242

Date: \_\_\_\_\_

Sir or Madam:

I am sending payment in the amount of \$\_\_\_\_\_ as a payment to be applied toward the initial Franchise Fee for a CARING TRANSITIONS® franchise. I understand and agree that you will reserve, for 30 days after your receipt of my payment, all portions of the territory I have selected below not previously sold or otherwise reserved as of the date you receive my payment. I further understand and agree that this payment is 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 county/state(s)).

I understand and agree, if not already completed, that the final boundaries of my territory will be determined within the next 30 days after your receipt of this Remittance Form accompanied by my payment, and that the final territory will be subject to availability as of the date you receive this payment and the population guidelines described in Item 5 of your Franchise Disclosure Document (FDD), a copy of which I have already received. I agree that if I do not enter into a Franchise Agreement with you within 30 days after your receipt of this payment, you may keep my payment and sell the territory described above without further obligation to me. This Form constitutes the entire agreement between us relating to my payment, and supersedes all prior agreements and representations, oral or otherwise. This agreement 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 agreement. I understand and certify that no representations concerning the franchise we are acquiring have been made by C.T. Franchising Systems, Inc. other than those contained in the FDD. In particular, no representations have been made to us concerning the financial prospects of the franchise we are acquiring. Nothing contained in this remittance form shall act as a release, estoppel, or waiver of any liability arising under any state franchise registration or disclosure law.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

### **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:

<b>State</b>	<b>Effective Date</b>
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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 Caring Transitions offers you a franchise, it must provide this disclosure document to you 14 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 Michigan, Oklahoma, Rhode Island or Washington law, if applicable, Caring Transitions must provide this disclosure document to you at your first personal meeting to discuss the franchise, if earlier. Under New York law, if applicable, Caring Transitions must provide this disclosure document to you at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Caring Transitions 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: Ray Fabik, President, James Stapleton, Vice President of Franchise Development, and:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

all at 4755 Lake Forest Drive, Suite 100, Cincinnati, Ohio 45242, (513) 999-9917.

The issuance date of this Franchise Disclosure Document is April 1, 2026.

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 1, 2026 that included the following Exhibits:

- |  |  |
|--|--|
| A Agents for Service of Process        | K Right of First Refusal                       |
| B State Franchise Regulators           | L Table of Contents of Operations Manual       |
| C Financial Statements                 | M EFT Authorization Form                       |
| D Franchisee List                      | N Assignment Agreement                         |
| E Franchisees Who Have Left the System | O Franchisee Acknowledgment Statement          |
| F Franchise Agreement                  | P State-Specific Additional Disclosures/Riders |
| G Website Terms of Use Agreement       | Q Form of General Release                      |
| H Personal Guaranty                    | R Addendum                                     |
| I Restrictive Covenant Agreement       | S Remittance Form                              |
| J Power of Attorney                    |  |

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Prospective Franchisee*

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
*Signature of Prospective Franchisee*

\_\_\_\_\_  
Print Name

## Item 23. RECEIPT

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If Caring Transitions 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: Ray Fabik, President, James Stapleton, Vice President of Franchise Development, and:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

all at 4755 Lake Forest Drive, Suite 100, Cincinnati, Ohio 45242, (513) 999-9917.

The issuance date of this Franchise Disclosure Document is April 1, 2026.

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 1, 2026 that included the following Exhibits:

- |  |  |
|--|--|
| A Agents for Service of Process        | K Right of First Refusal                       |
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| E Franchisees Who Have Left the System | O Franchisee Acknowledgment Statement          |
| F Franchise Agreement                  | P State-Specific Additional Disclosures/Riders |
| G Website Terms of Use Agreement       | Q Form of General Release                      |
| H Personal Guaranty                    | R Addendum                                     |
| I Restrictive Covenant Agreement       | S Remittance Form                              |
| J Power of Attorney                    |  |

Date: \_\_\_\_\_

\_\_\_\_\_  
*Signature of Prospective Franchisee*

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
*Signature of Prospective Franchisee*

\_\_\_\_\_  
Print Name