

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in the city or county where the franchisor's corporate headquarters are located at the time of the dispute (currently Bannockburn, Illinois). Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in its home state than in your own state.
2. **Sales Performance Required.** You must meet the 10-year performance standard for your protected territory. Failure to meet these standards may result in loss of your right to renew the franchise agreement.
3. **Spousal Liability. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your spouse and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.**

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

~~**THE FOLLOWING 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.**~~

~~Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:~~

- ~~(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 that 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~~

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|   |  | you, or a controlling ownership interest in the entity with a controlling ownership interest in you. It may not relate to any other interests or assets.   |
| o. Franchisor’s option to purchase franchisee’s business      | Not Applicable                                 | Not Applicable   |
| p. Death or disability of franchisee                          | 11.5   | Your heirs can qualify; otherwise, they or your legal representative must assign the franchise to an approved buyer within 6 months and otherwise fulfill the conditions to transfer. If this does not occur within 6 months of the date of death or disability, we can terminate the Franchise Agreement.   |
| q. Non-competition covenants during the term of the franchise | 10.4   | You may not have any direct or indirect involvement in the operation of any Competing Business <u>(subject to applicable state law)</u> . A “Competing Business” is any business that provides (a) supplemental healthcare staff to institutional clients, such as hospitals, Medicare agencies, hospice agencies, assisted-living centers, nursing homes and clinics; (b) homecare services—whether comprehensive care services (including medical and non-medical care services), solely <u>non-</u> <del>non-</del> medical care services, or solely medical care services— to private-duty clients within their home or residence <del>(the reference to “private-duty</del> |
| <b>Provision</b>  | <b>Section in franchise or other agreement</b> | <b>Summary</b>   |

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|   |  | <p><u>(the reference to “private-duty clients” means clients who receive care in their homes or other places of residence regardless of the nature of the payor for such care (e.g., a private individual, <del>long-term</del>long-term care, commercial insurance, National Accounts payor, Medicare, Medicaid, etc.)); (c) case management and care management services; and/or (d) any other services, technology or devices, or products we may now or in the future authorize you to offer or sell in connection with the Agency’s operation. You also may not divert any business, client, or potential client of the Agency to any competitor or have any direct or indirect involvement in any oral or written statement or action that disparages us, our affiliates, our respective owners, directors, or officers, or the BrightStar Care Agency Program <u>(subject to applicable state law)</u>.</u></p>  |
| r. Non-competition covenants after the franchise is terminated or expires | 10.4   | <p>No direct or indirect involvement in a Competing Business for 24 months (i) located at the premises of the former Agency, (ii) located or operating within the Protected Territory of the former Agency, (iii) located or operating within the protected territory of any other BrightStar Care Agency (whether owned by a franchisee, us, or our affiliates) in operation on the effective date of the expiration, non-renewal, termination, or transfer; or (iv) located or operating within a 25-mile radius of the outer boundaries of the protected territory of any other BrightStar Care Agency (whether owned by a franchisee, us, or our affiliates) in operation on the effective date of the expiration, non-renewal, termination, or transfer <u>(subject to applicable state law)</u>. You are also prohibited for 24 months from contacting any of our National Accounts, suppliers, or vendors in connection with your ownership, management, operation, maintenance of, engagement in, consulting with, or having any interest in any Competing Business <u>(subject to applicable state law)</u>.</p> |
| s. Modification of agreement  | 8 and 19.3<br><br>10 of Standard Renewal Addendum<br><br><del>12 of Expansion-Option Agreement</del> | <p>The Franchise Agreement (and Expansion Option Agreement) may not be modified except by a written agreement that you and we sign. We can modify or change the BrightStar Care Agency Program through <del>changes in the Operations Manual and you are bound by the same.</del></p>   |