FRANCHISE DISCLOSURE DOCUMENT

BrightStar Franchising, LLC
(an Illinois limited liability company)
1125 Tri-State Parkway, Suite 700
Gurnee, IL 60031
Telephone: 877.689.6898
www.brightstarfranchise.com
email: franchise@brightstarcare.com

You will operate an agency providing comprehensive non-medical and/or medical care to national account clients or home care clients within their home or residence as well as supplemental healthcare staff to institutional clients. Institutional clients include facilities like hospitals, nursing homes, and clinics.

The total investment necessary to begin operation of a BrightStar Care franchised business in a standard-sized market is $111,095 to $195,875. This includes $50,000 that must be paid to franchisor or its affiliates.

The total investment necessary to begin operation of a BrightStar Care franchised business in a Medium Density Market is $86,095 to $164,375. This includes $25,000 that must be paid to franchisor or its affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different forms, contact our corporate office at 1125 Tri-State Parkway, Suite 700, Gurnee, IL 60031, or via telephone at 877-689-6898.

The terms of your Franchise Agreement will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contracts. Read all of your contracts carefully. Show your contracts 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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 18, 2023

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in the city where the franchisor's corporate headquarters are located at the time of the dispute (currently Gurnee, 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.

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 furnishings. Personalized materials that 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 that permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the Franchise Agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 335-7567.

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration section contained in our Franchise Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration section. If you acquire a franchise, you acknowledge that we will seek to enforce that section as written, and that the terms of the Franchise Agreement will govern our relationship with you, including the specific requirements of the arbitration section.

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

To simplify the language in this Franchise Disclosure Document, "we," "us" and "our" refer to BrightStar Franchising, LLC, the franchisor. "You" means the person who acquires the franchise and includes your owners if you are a corporation or other business entity.

A. The Company, Our Predecessors and Affiliates

We are an Illinois limited liability company with our principal offices at 1125 Tri-State Parkway, Suite 700, Gurnee, IL 60031. We were organized on January 21, 2005, and have offered franchises since August 2005. We do not operate any other business and have not previously operated a business utilizing the BrightStar Care concept, although one or more of our affiliates have operated a BrightStar Care business since October 2002. We do not offer franchises in any other line of business. We have no predecessors.

Our parent is BrightStar Group Holdings, Inc., a Delaware corporation ("BrightStar Holdings") whose principal offices are at 1125 Tri-State Parkway, Suite 700, Gurnee, IL 60031. Other than serving as our parent, BrightStar Holdings does not operate any other business and does not offer franchises in any line of business.

We have several affiliates disclosable in this Item 1:

- 24-7 Bright Star Healthcare, LLC, a Nevada limited liability company ("Bright Star Nevada") whose principal offices are at 1125 Tri-State Parkway, Suite 700, Gurnee, IL 60031. Bright Star Nevada is the owner of the "BrightStar" trademarks, the Athena Business System ("ABS"), and the BrightStar Care Agency Program (as defined below) and, as described further in Items 13 and 14 of this Disclosure Document, has licensed us the right to use and sublicense the trademarks, ABS, and BrightStar Care Agency Program. Bright Star Nevada operated one or more BrightStar Healthcare Agencies similar to the business offered under this Disclosure Document from October 2002 through January 2010. It has never offered franchises in any line of business.

- BrightStar Technology Group, LLC, a Delaware limited liability company ("BrightStar Technology") whose principal offices are at 1125 Tri-State Parkway, Suite 700, Gurnee, IL 60031. BrightStar Technology will provide you with ongoing support and assistance with respect to the ABS. You will pay BrightStar Technology all fees associated with your use of ABS. BrightStar Technology does not operate any other business. BrightStar Technology has never operated a BrightStar Care Agency or offered franchises in any line of business.

- BrightStar Senior Living Franchising, LLC, an Illinois limited liability company ("BrightStar SLF") whose principal offices are at 1125 Tri-State Parkway, Suite 700, Gurnee, IL 60031. BrightStar SLF began offering and selling franchises for assisted living and memory care communities under the BRIGHTSTAR SENIOR LIVING name in February 2015. As of our 2022 fiscal year end, it had granted 2 franchises for SENIOR LIVING communities.

Beginning in 2021, BrightStar SLF offered certain experienced BrightStar Care Agency franchisees operating in certain states/venues the opportunity to participate in the BrightStar® "CARE HOMES" franchise program, which involves the acquisition, construction, development, and operation in their market areas, under the BrightStar® name (and under any other Marks BrightStar SLF authorizes), of one or more group homes in a residential setting, each of which will provide supervised care for what are now 10 to 12 residents. BrightStar SLF offers that opportunity through separate disclosure materials. Beginning in 2022, BrightStar SLF began offering the CARE HOMES program to candidates who are not existing BrightStar Care Agency franchisees. As of our 2022 fiscal year end, BrightStar SLF had granted 6 franchises for CARE HOMES communities. BrightStar SLF has never operated a BrightStar Care Agency or offered franchises in another line of business.

As part of the initial pilot of the CARE HOMES Community concept, we granted (beginning in 2018) one existing BrightStar Care franchisee the right to open and operate CARE HOMES Communities under an amendment to its existing BrightStar Care Franchise Agreement.

Our agents for service of process are listed in Exhibit A to this Disclosure Document.

B. The BrightStar Care Franchise

You will operate an agency that provides and markets comprehensive non-medical and/or medical home care services to national account clients or home care clients within their home or residence as well as supplemental healthcare staff to institutional clients according to the administrative and operational components noted in your Franchise Agreement (the "BrightStar Care Agency Program" or "Program"). A "private-duty client" means a client who receives care in the client's home or other place of residence regardless of the nature of the payor for such care (e.g., a private individual, long-term care, commercial insurance, National Accounts payor, Medicaid, etc.). A copy of the Franchise Agreement is attached as Exhibit B to this Disclosure Document. As described in further detail below, the BrightStar Care Agency Program provides franchisees with four primary revenue streams: Non-Medical (Companion) Caregiver in-home care services, Medical Personal Care in-home care services, Medical Skilled Care in-home care services, and Supplemental Healthcare Staffing. As a new location, the training will emphasize Companion and Personal Care in-home care services as well as utilization of the BrightStar Care National Accounts Program. With mastery and revenue achievement, you will be offered supplemental training for Medical Skilled in-home care services (where allowed by state licensure laws) and Supplemental Healthcare Staffing. Some BrightStar Care franchisees offer all four services, and some do not. For example, not all franchisees provide Medical Skilled Care in-home care services where state regulations prevent their ability to do so (as further described below) or where Certificate of Need laws do not allow some or all medical skilled services.

We identify the BrightStar Care Agency Program by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the marks "BrightStar," distinctive trade dress, and such other trade names, trademarks, and service marks we now or may in the future designate in writing for use in the BrightStar Care Agency Program (the "Marks"). We and

our affiliates continue to develop, use, and control the use of the Marks to identify for the public the source of services and products marketed under the BrightStar Care Agency Program and to represent the Program's high standards of quality, appearance, and service.

You need not have experience in the healthcare industry before acquiring your Agency franchise. You initially must obtain whatever licensure is required to perform Companion and Personal in-home care services in your state. Once you achieve $15,000/week in weekly revenue (although we make no representation how long this will take or whether it will occur as this relates to a unique combination of territory, competition, salesperson performance, national accounts opportunities, and operational execution by you), you must apply for Joint Commission Accreditation and, within 6 months following application for Accreditation, obtain Accreditation as well as licensure that enables you to perform the full BrightStar Care business model. If attaining skilled licensure in your state is delayed due to unpreventable administrative licensing issues at the state licensing authority, then an additional period of time not to exceed 6 months post-skilled license issuance will be allowed to obtain Joint Commission Accreditation. You must maintain your licenses and Joint Commission Accreditation in good standing throughout the Franchise Agreement's term, including paying all licensure and accreditation dues and fees on time. The majority of our current franchisees have no prior healthcare industry experience. You should investigate the availability in your state of all required licenses before acquiring our franchise.

Home care clients to whom you will market your services include individuals of varying needs requiring in-home care. Your Registered Nurse will design a customized care plan for each home care client after their needs have been evaluated by the Registered Nurse and match the client or the client's family member with a qualified, pre-screened caregiver who is compatible with the client's needs. Other care you will offer includes ambulation and exercise based on an established care plan, transportation to and from doctor's appointments, travel companionship services, reporting of conditions and changes to supervising RN and/or doctor, bath visits, taking and recording vital signs as instructed, in-home injections and infusions with doctor's order, medication setups, assistance with administering medications, physical and occupational therapy, and medical social worker consultation and counseling (provided you and/or your employees are licensed under applicable law to do so, as some services may not be appropriate based on state or licensure regulations). You cannot specify a minimum number of hours for a given visit or a minimum number of hours in a week.

Institutional clients to whom you will market your services include facilities like hospitals, nursing homes, and clinics. You are solely responsible for screening and paying your staff so that the client has a low maintenance and reliable solution for its healthcare staffing needs with reduced human resources costs. Positions that you will offer to clients include registered nurses, licensed practical nurses, nurse practitioners, home health aides, medical assistants, medical secretary/receptionists, occupational health nurses, phlebotomists, physician assistants, certified nurse assistants, physical therapists, occupational therapists, speech therapists, case managers, and any other positions in any home or healthcare institutional (includes doctor's offices, hospitals, nursing homes, etc.) setting.

You will have qualified healthcare professionals available to clients on a regular basis or simply to fill in for absentee staff. Staffing services will be available 24 hours a day, 7 days a week. Twenty-four-hour live client service support staff will be available to all clients.

If you are renewing your existing franchise because its current term will soon expire, you will sign our current form of Franchise Agreement (Exhibit B) and our Standard Renewal Addendum to Franchise Agreement (Exhibit K). The Standard Renewal Addendum modifies certain provisions in our Franchise Agreement that do not apply to you, or apply to you differently, because your Agency already is open.

If you are acquiring a franchise for a Medium Density Market territory, you will sign our current form of Franchise Agreement (Exhibit B) and our Medium Density Market Addendum (Exhibit F). The Medium Density Market Addendum modifies certain provisions in our Franchise Agreement that do not apply to you, or apply to you differently, because your territory population will be less than 200,000. (The Medium Density Market franchise opportunity is not available in the State of Washington.)

C. Competition

Your Agency will offer services to the clientele requiring them throughout the year. The home care market is very fragmented; it is predominantly made up of local mom-and-pop players, independently-owned and operated franchised locations heavily focused on the non-medical and personal care segment, and online technology providers such as Amazon, Honor, and others. The competition in skilled care is predominantly with non-franchised brands. The medical staffing industry is extremely fragmented, with numerous local, regional, and nationwide providers.

D. Specialized Industry Laws

You must comply with all wage and hour laws and regulations as well as all other federal, state, and local laws and regulations that apply to your operations, including those pertaining to the health care industry, professional and facility licensing, workers' compensation, corporate, tax, environmental, sanitation, insurance, no smoking, EEOC, OSHA, HIPAA, data privacy and similar laws (e.g., California Consumer Privacy Act), non-discrimination, employment, and sexual harassment laws. You must obtain and maintain any health care or employment-related permits, licenses, certifications, or other indications of authority necessary to operate your Agency, including, for example, a home health agency license, nurse staffing and/or employment agency license, and Joint Commission Accreditation. A Clinical Laboratory Improvement Amendment waiver ("CLIA" waiver) may need to be obtained and maintained if you are performing services requiring a CLIA waiver. Some jurisdictions may also require a Certificate of Need. Some states require you to obtain a license to provide employment services. We may require you to obtain a particular permit, license, or accreditation. Some states have imposed a moratorium on the issuance of home health agency licenses, nurse staffing licenses, and other in-home healthcare licenses or permits. You are responsible for investigating the availability of and requirements for obtaining all necessary licenses in your state and creating, as necessary, state-specific versions of required policies and procedures that meet or exceed BrightStar brand standards and Joint Commission requirements. You should investigate the availability of all required licenses before acquiring our franchise, as you cannot operate as a franchisee without them. If you are not able to obtain a newly-issued home health agency or other required license in your state, you might be able to acquire a previously-issued license from an existing provider in the state that no longer needs its license and is interested in selling its license to a third party. We cannot predict the costs of doing so.

We have resources available as a reference to you, but you are solely responsible for investigating, understanding, and complying with the laws, regulations, and requirements applicable to you and your Agency. Your Franchise Agreement prohibits you from participating in Medicare or other governmental payor programs, with the exception of programs funded by the United States Department of Veterans Affairs, Department of Veterans Health Administration (VA). You may participate in State Medicaid and Medicaid Waiver programs, as well as Medicare Advantage supplemental benefits personal care service programs, under certain conditions; however, you may not participate in Medicaid programs that require a Medicare number or require billing through Medicare, and you alone are responsible for complying with the state Medicaid requirements, which may include compliance with CMS policies and procedures and stand-alone technology required by the state or to meet the state's requirements. See Exhibits E and F for a summary of some of the applicable laws that may apply to your Agency. However, Exhibits E and F do not include all laws that may apply to your Agency. You should also be aware of pending legislation that may affect your Agency in the future.

ITEM 2
BUSINESS EXPERIENCE

Shelly Sun – Founder, CEO, and Managing Member, CPA (inactive) and Certified Franchise Executive (CFE)

Shelly A. Sun has been our CEO and Managing Member since our inception in January 2005. From January 2005 through November 2010, Ms. Sun served as our President. Ms. Sun also is (i) the CEO and Managing Member of Bright Star Nevada of Gurnee, IL and has held that position since September 2002, (ii) the CEO of BrightStar Group Holdings, Inc. of Gurnee, IL and has held that position since September 2010, (iii) the CEO and Managing Member of BrightStar Technology Group, LLC of Gurnee, IL and has held that position since August 2009, and (iv) the CEO and Managing Member of BrightStar Senior Living Franchising, LLC of Gurnee, IL and has held that position since March 2013.

Dean Ulizio – Chief Strategy Officer

Dean Ulizio has been our Chief Strategy Officer since January 2020. Mr. Ulizio was our Executive Vice President of Global Strategic Development, as well as Executive Vice President of Global Strategic Development for BrightStar Senior Living Franchising, LLC of Gurnee, IL, from September 2016 through December 2019.

Andrew Ray – Chief Operating Officer

Andrew Ray has been our Chief Operating Officer since October 2022 and also has been Chief Operating Officer of BrightStar Senior Living Franchising, LLC and BrightStar Holdings, both of Gurnee, IL, since October 2022. Mr. Ray was President of NextCare Holding in Mesa, Arizona (DBA BrightStar Care of Mesa) from September 2019 until October 2022 and President Americas for Nilfisk AS in Brondby, Denmark from October 2016 until November 2018. Mr. Ray was in between positions from November 2018 until September 2019.

Pete First – Chief Development Officer

Pete First has been our Chief Development Officer since March 2022. Mr. First was our Senior Vice President, Franchise Development from March 2020 until March 2022. From September 2018 until March 2020, Mr. First was Vice President of Franchise Development. Mr. First is also the Senior Vice President, Franchise Development for BrightStar Senior Living Franchising, LLC in Gurnee, IL and has held that position since September March 2020. From September 2018 until March 2020, Mr. First was Vice President of Franchise Development for BrightStar Senior Living Franchising, LLC. From April 2004 through September 2018, Mr. First was Director of Franchise Development with Winmark Corporation in Minneapolis, Minnesota.

David Pallaschke – Chief Financial Officer

David Pallaschke has been our Chief Financial Officer since November 2019. Mr. Pallaschke has also been Chief Financial Officer for BrightStar Senior Living Franchising, LLC of Gurnee, IL since November 2019. From March 2015 through November 2019, Mr. Pallaschke was Senior Vice President Finance/Clinic Performance & Analytics for ATI Physical Therapy of Bolingbrook, IL.

Mike Gager – Chief Technology Officer

Mike Gager has been our Chief Technology Officer since April 2022 and also has been Chief Technology Officer of BrightStar Senior Living Franchising, LLC and BrightStar Holdings, both of Gurnee, IL, since April 2022. Mr. Gager was Vice President of Wellpath in Nashville, Tennessee from October 2019 until March 2022 and Vice President for Teamhealth in Knoxville, Tennessee from October 2008 until October 2019.

Teresa Celmer – Chief Marketing Officer

Teresa Celmer has been our Chief Marketing Officer since March 2023 and was our Senior Vice President Marketing from March 2020 until March 2023. From July 2019 until March 2020, Ms. Celmer was Vice President of Marketing. Ms. Celmer is also the Senior Vice President Marketing for BrightStar Senior Living Franchising, LLC in Gurnee, IL and has held that position since March 2020. From July 2019 until March 2020, Ms. Celmer was Vice President of Marketing for Bright Star Senior Living Franchising, LLC. From June 2015 through June 2019, Ms. Celmer was Brand Director, Consumer Marketing for Ace Hardware Corporation in Oak Brook, Illinois.

Josie Rhoades – Vice President Clinical Operations

Josie Rhoades has been our Vice President Clinical Operations since January 2021. From August 2020 through January 2021, Ms. Rhoades consulted as a Senior Advisor for Vital Strategic Partners, LLC in Chicago, Illinois. From June 2019 until July 2020, Ms. Rhoades was Director Population Health at Next Level Health Partners in Chicago, Illinois. During May 2019, Ms. Rhoades was in between positions. From June 2014 until April 2019, Ms. Rhoades was Director Clinical Outcomes for BioScrip, Inc. in Denver, Colorado.

Lori Cabbage – Senior Vice President of Business Development

Lori Cabbage has been our Senior Vice President of Business Development since January 2021. From August 2017 through January 2021, Ms. Cabbage was Senior Vice President of Client Success at Complia HealthCare in Schaumburg, Illinois. From June 2017 through July 2017, Ms. Cabbage was on hiatus.

ITEM 3
LITIGATION

Starcatcher Healthcare, LLC vs. BrightStar Franchising, LLC and Shelly Sun (No. CV 13-02051-PHX-MEA, filed on October 8, 2013, in the United States District Court for the District of Arizona). Starcatcher Healthcare ("Starcatcher"), a now-former franchisee that operated 2 BrightStar Care businesses, filed a lawsuit against us and Ms. Sun alleging breach of contract and the implied covenant of good faith and fair dealing, negligent misrepresentation, common law fraud, violation of the Arizona Consumer Fraud Act, and violation of the Illinois Franchise Disclosure Act in connection with its acquisition and operation of its 2 franchises. Starcatcher's claims were based on alleged deficiencies with software, failure to prevent encroachment by another franchisee, and failure to spend the general marketing fund in a manner benefiting Starcatcher. Starcatcher sought declaratory judgment, rescission of the parties' franchise agreements, unspecified damages, and costs and attorneys' fees. After various motions, we and Ms. Sun filed an answer denying the allegations.

The parties settled the lawsuit on November 28, 2014, with full mutual releases of all claims. While we reimbursed approximately $137,000 of fees and costs incurred by Starcatcher in the dispute, we did not make any lump sum payment to Starcatcher on the substantive claims it asserted. As part of the settlement, Starcatcher exercised its right under an existing area development agreement to acquire a third franchise from us for an additional Arizona market. Starcatcher also agreed to contribute to the General Marketing Fund in substantial compliance with current system requirements, including the increase of GMF contributions from 1% of Net Billings to the now current 2% of Net Billings. We and Starcatcher also modified Starcatcher's other 2 existing franchise agreements to reflect that, under a new (2-year minimum) "Pilot Program," Starcatcher's BrightStar Care businesses would be "beta sites" to collaborate with us to develop and customize new software and processes to support the managed skilled care portion of the BrightStar Care business. In consideration for Starcatcher's investment of time and money to participate in the Pilot Program, we agreed to waive or reduce various fees due under the parties' franchise agreements during and/or after the Pilot Program. Starcatcher dismissed the lawsuit, and the case is over.

Cosmo Fraser and Adam Fraser vs. BrightStar Franchising, LLC, Shelly Sun, Thomas Gilday, Scott Oaks, et al. (American Arbitration Association Case No. 02-16-0005-0209, filed March 15, 2017). The Frasers, former franchisees who operated one BrightStar Care franchise in Georgia, filed this arbitration against us and certain of our principal officers (among others). They alleged violation of the Illinois Consumer Fraud and Deceptive Practices Act, violation of the Illinois Franchise Disclosure Act, statutory fraud under Georgia law, common law fraud, and negligent representation in connection with the Frasers' acquisition of their franchise. The Frasers alleged that the defendants failed to disclose before granting the franchise that the franchised territory was

not a "new" territory, previously operated by 2 different franchisees who allegedly had failed, and allegedly was smaller than most franchised territories we have granted and also allegedly misrepresented the financial performance for first-year franchisees. The Frasers sought rescission of the franchise agreement and rescissionary or compensatory damages in excess of $500,000, punitive damages, attorneys' fees and costs, and other relief. We settled the case on March 1, 2018, in order to avoid further legal proceedings. We paid the Frasers a total of $215,000, the parties exchanged mutual releases, and the case was dismissed with prejudice.

BrightStar Franchising, LLC, et al. v. Home Care & Staffing Solutions, LLC, William Stinson, Susan Stinson, et al. (Texas District Court, 393rd Judicial District, Denton County, Texas, Case No. 21-10096-393, filed November 15, 2021). We and our 2 affiliates (BrightStar Group Holdings and BrightStar Technology) commenced this lawsuit against an existing franchisee (Home Care), its 2 owners (William and Susan Stinson), and 2 former Home Care employees (Logan Stinson and Andrew McClung), alleging that the defendants, in violation of their contractual and other obligations to us, conspired to form competing home healthcare businesses in direct competition with the BrightStar Care brand and, as part of that conspiracy, siphoned business, contacts, customers, and confidential, proprietary, and trade secret information from us and other franchisees. We asserted claims against the defendants for, among other things, breach of contract, fraud by nondisclosure and fraudulent concealment, tortious interference with contract and business relations, misappropriation of trade secrets in violation of the Texas Uniform Trade Secrets Act, and conspiracy. We sought temporary and permanent injunctive relief, damages exceeding $1 million (including actual and exemplary damages), disgorgement of profits, attorneys' fees, and litigation costs.

On December 23, 2021, defendant Home Care filed its Original Counterclaim Petition against us and our affiliates, claiming common-law fraud and breach of contract over our technology system, our alleged unreasonable withholding of consent to Home Care's acquisition of another franchised territory, and our alleged failure to enforce uniformly among franchisees certain referral and national account standards. Home Care sought over $1 million in damages, declaratory relief allowing it to terminate its franchise agreements with us, attorneys' fees, and court costs.

We and the defendants mediated the dispute in September 2022. The mediation resulted in our securing a favorable settlement with the Home Care defendants on our own claims, with the Home Care defendants receiving no relief on their claims against us. The settlement formalized in late November 2022 ended our direct dispute with the Home Care defendants.

However, on May 2, 2022, Vanguard Texas Care, LLC, an existing BrightStar Care franchisee, intervened in the lawsuit above, asserting claims for breach of contract against us and our affiliates and tortious interference against the Home Care defendants. Vanguard alleged that we violated its franchise agreement by unreasonably withholding consent to the potential sale of its franchise to Home Care and by conspiring with Home Care to divert business from Vanguard's territory. We successfully compelled arbitration of all of Vanguard's claims except for its request for injunctive relief, which remains pending in the state court. Vanguard's state court claim seeks to enjoin us from taking any action or providing any resources to Home Care that would assist Home Care in servicing, marketing to, soliciting, or accepting new patients or referrals in Vanguard's territory.

On February 8, 2023, Vanguard initiated arbitration with the American Arbitration Association on its non-injunctive relief claims (AAA Case No. 01-23-0000-5451). The demand seeks $2.5 million in damages for our alleged refusal to approve the franchise sale to Home Care, unspecified damages for our alleged failure to protect Vanguard from Home Care's territory infringements and their impact on Vanguard's business prospects, attorneys' fees, interest, and costs. We intend to vigorously defend against Vanguard's claims.

Foreside Management Company, Clara Health Care Inc., and Premium Life Care, Inc. v. BrightStar Franchising, LLC (California Superior Court, Orange County, Case No. 30-202 01274768-CU-MC-CJC - ROA# 2, filed August 11, 2022). Three existing California franchisees filed this lawsuit against us alleging that the "Call Option" provision included in our 2022 Franchise Agreement allows us arbitrarily and unlawfully to terminate the Franchise Agreement and purchase the franchisee's business (even if we pay full fair market value) in violation of those provisions of the California Franchise Relations Act ("CFRA") that prohibit franchisors from terminating a franchise prior to its expiration without good cause and from failing to renew a franchise if the non-renewal's purpose is to convert the franchisee's business premises to operation by the franchisor's employees for the franchisor's own account. The plaintiffs seek declaratory relief under the California Code of Civil Procedure as to the Call Option's validity and enforceability under the CFRA, an injunction under the California Unfair Competition Law preventing us from enforcing the Call Option in California Franchise Agreements, and attorneys' fees and costs.

On August 23, 2022, we removed this lawsuit to the United States District Court for the Central District of California (Case No. SACV 22-01566-CJC (JDEx)) and on September 7, 2022, filed a motion with the federal court to compel arbitration of the plaintiffs' claims or, in the alternative, to dismiss the lawsuit given the arbitration provision in the plaintiffs' Franchise Agreements. On October 6, 2022, the federal court granted our motion to compel arbitration and stayed the case pending the determination of arbitrability. On October 7, 2022, each of the plaintiffs then filed a separate Demand for Arbitration with the American Arbitration Association ("AAA") seeking the same substantive relief sought in the lawsuit and an expedited ruling on arbitrability (Foreside Management Company—AAA Case No. 01-22-0004-2510; Clara Health Care Inc.—AAA Case No. 01-22-0004-2511; and Premium Life Care, Inc.—AAA Case No. 01-22-0004-2512). We have filed a Counter-Demand in each arbitration proceeding seeking the attorneys' fees that we incurred enforcing the franchisees' obligation to arbitrate these disputes. The arbitration proceedings currently are pending. We intend to defend all claims vigorously.

Other than the actions listed above, 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

Initial Franchise Fee

You will pay us an Initial Franchise Fee of $50,000 for the first 200,000 to 300,000 in population in your Protected Territory with a minimum of 15,000 in population 65 years of age or older. You must pay us $100 per each additional 1,000 people (pro rata) in the Protected Territory over 300,000. If you are acquiring a franchise for a Medium Density Market territory, which is a Protected Territory with less than 200,000 in population, you will pay us an Initial Franchise Fee of $25,000. The Initial Franchise Fee is not refundable.

If (1) you are, in our sole discretion, in compliance with the Franchise Agreement we grant you under this Disclosure Document, (2) your Agency has been open for 12 months or more, and (3) your Agency had, in our sole discretion, Net Billings for the trailing 12-month period (at the time you request approval to acquire an additional franchise) falling within the top quartile for Agencies open the same period of time or similarly-situated, you will receive a 20% discount on the Initial Franchise Fee for the additional franchise.

We offer a one-time $5,000 discount ("Vet Fran Discount") on the Initial Franchise Fee to honorably discharged veterans of the United States Armed Forces. The $5,000 discount is available only on the Initial Franchise Fee for your first Territory.

This Initial Franchise Fee is not uniform as to all franchisees. The range of Initial Franchise Fees we collected during 2022 from franchisees acquiring their first franchise was from $45,000 (includes a $5,000 Vet Fran Discount) to $65,000. This range does not include Initial Franchise Fees that were paid by franchisees for their second or subsequent Franchise Agreements. We will generally calculate your Initial Franchise Fee for a second or subsequent Franchise Agreement in the same manner as described above. However, no Initial Franchise Fee was collected during 2022 from franchisees acquiring their second or subsequent franchises under our standard offering. There were 28 existing franchisees who acquired their second or subsequent franchises under a limited-time incentive program where no Initial Franchise Fees were charged. We collected $25,000 Initial Franchise Fees for the Medium Density Market Territory franchises we granted during 2022.

[Item 6 begins on next page]

ITEM 6
OTHER FEES

Column 1 Column 1*	Column 2 Amount	Column 3 Due Date	Column 4 Remarks**
Royalty/ Continuing Fee	Franchisees signing our Franchise Agreement for a new Agency or renewing their existing franchises pay (i) 5.25% of monthly Net Billings generated from non-National Accounts and (ii) 6.25% of monthly Net Billings generated from National Accounts. See Note 1 below for your Monthly Standards and your potential Minimum Monthly Royalty Fee.	Deducted from your bank account via EFT 28 days after the date on the invoice you receive from us.	Despite the specified royalty fee for National Accounts described in the 2nd column, if we or an affiliate provides billing, collection, financing, or other administrative services for a National Accounts customer, we may charge you an additional administrative fee of up to 4% of monthly Net Billings.
General Marketing Fee	Franchisees signing our Franchise Agreement for a new Agency (including for a Medium Density Market Agency) or renewing their existing franchises pay, beginning on the Opening Date of the Agency, the greater of $500 per month or 2.5% of the prior month's Net Billings. (See Note 2)	Deducted monthly from your bank account via EFT.	If you acquire your Agency via transfer, you will begin paying the General Marketing Fee on the transfer's effective date. When system-wide revenues for an immediately-preceding calendar year reach $750,000,000, the General Marketing Fee will be reduced from 2.5% to 2.0% of your Net Billings for the preceding month, provided the General Marketing Fund was not in a deficit position greater than $1 million as of the end of the immediately-preceding calendar year.

Column 1 Column 1*	Column 2 Amount	Column 3 Due Date	Column 4 Remarks**
Monthly Athena Business System and Email Service Fee	Beginning on your Agency's Opening Date (including for a Medium Density Market Agency), you will pay the higher of $250 per month or .83% of the prior month's Net Billings. (See Note 3)	Deducted monthly from your bank account by BrightStar Technology via EFT.	Excludes third-party approved solutions (i.e., Microsoft Teams / One-drive / Web version office package, Hireology, CRM, payroll, EVV (Electronic Visit Verification), HR/workforce, or WorkBright), which may incur a separate fee. See Note 3. If you acquire your Agency via transfer, you will begin paying the Monthly Athena Business System and Email Service Fee on the transfer's effective date.
Microsoft Teams/One-drive/Web version office package Option	Beginning in the month you execute the Microsoft Teams/One-drive/Web version office package Opt-in Addendum, you will pay $7.85 per user per month (subject to change upon written notice).	Deducted monthly from your bank account by BrightStar Technology via EFT.	This is optional. The per-user, per-month fee is over and above the Monthly Athena Business System and Email Service Fee noted above. (See Note 4)
Multi-factor Authentication Security License	For each ABS user we establish and maintain for your Agency, you will pay up to $5 per account per month for a Multi-factor Authentication Security License (subject to change upon written notice).	Deducted monthly from your bank account by BrightStar Technology via EFT.	We do not currently provide this license or charge the associated fee. However, fee payments will begin when this license becomes available.

Column 1 Column 1*	Column 2 Amount	Column 3 Due Date	Column 4 Remarks**
State Electronic Visit Verification ("EVV")	Up to $1,000 one-time set-up fee and up to $.50 per record transmitted on your behalf. You must notify us no less than 90 days before your state implements EVV.	One-time fee paid upon receipt of invoice. Per-record charges deducted monthly from your bank account by BrightStar Technology or other approved vendor via EFT.	See Note 5.
State EVV Late Notice Fee	Up to an additional $1,000 if you provide less than 90 days' notice to set-up your ABS record(s) to integrate with your state's EVV requirements.	Per occurrence; paid upon receipt of invoice. Deducted from your bank account by BrightStar Technology or other approved vendor via EFT.	
State EVV Version Upgrade Fee	$500 per EVV version upgrade required by your state. You must submit the changes no less than 90 days before your state's effective date of the required change.	Per occurrence; paid upon receipt of invoice. Deducted from your bank account by BrightStar Technology or other approved vendor via EFT.	See Note 5.
State EVV Version Upgrade Late Notice Fee	Up to additional $500 per each EVV version upgrade submitted less than 90 days before your state's effective date of the required change.	Per occurrence; paid upon receipt of invoice. Deducted from your bank account by BrightStar Technology or other approved vendor via EFT.	
Additional training to be provided on an as-needed basis.	$100/day per attendee for group training programs plus travel to Gurnee, IL or regional training location. $300/day per attendee for advanced training. On-site training available on a resource-available basis at a cost of $500 per day per trainer, plus room, board, and travel for each trainer.	Upon receipt of invoice.	

Column 1 Column 1*	Column 2 Amount	Column 3 Due Date	Column 4 Remarks**
Annual conference and up to 2 Branch Leadership Conferences each year, if any	You are solely responsible for all travel, room, board, and salary expense. We may charge a registration fee to cover speakers, meals, and activities up to $2,500 per person for the Annual Conference, up to $1,500 per person for each in-person Branch Leadership Conference, and up to $500 per person for each virtual Branch Leadership Conference. You must pay the registration fees for the number of required attendees whether or not the required attendees actually attend. You also must pay all fees for the scheduled hotel accommodations whether or not the required attendees actually attend.	Any other charges for any annual conference are due upon invoice.	Each franchisee must send at least 1 Key Position employee to each Branch Leadership Conference. If your Agency's average weekly Net Billings in the quarter prior to Branch Leadership Conference are: $20,000 - $40,000 weekly, you must send a minimum of 2 Key Position employees; $40,000 or more you must send at least 3 Key Position employees with one attending each of the following tracks—operations, sales, and clinical. We reserve the right to hold annual franchise meetings and one or both of the Branch Leadership Conferences via a virtual experience, in which case you must attend and pay the registration fee regardless of your participation in the virtual meeting.

Column 1 Column 1*	Column 2 Amount	Column 3 Due Date	Column 4 Remarks**
Insurance (excluding workers comp)	$7,395 - $10,977 for your first year of operation.	Directly to approved supplier as per supplier's invoice. Either lump sum payment or finance premiums on monthly installments depending upon provider selected.	See Note 6. If you fail to comply with the minimum insurance requirements, we have the right to obtain such insurance and keep same in force and effect, in which case you will be ACH debited immediately.
Workers' Comp Insurance	$1,887 - $8,323 for your first year of operation, subject to audit based on actual payrolls incurred during the policy term.	Directly to approved supplier as per supplier's invoice.	See Note 6. If you fail to comply with the minimum insurance requirements, we have the right to obtain such insurance and keep same in force and effect, in which case you will be ACH debited immediately.
Transfer Fee	$15,000 (pro-rata if transfer is less than 100%).	50% upon listing Agency for sale; if no formal listing, then 50% due before buyer attends Discovery Day, and balance due when buyer signs the franchise agreement.	See Note 7.
Termination Damages	See Note 8.	15 days after effective date of termination.	See Note 8.

Column 1 Column 1*	Column 2 Amount	Column 3 Due Date	Column 4 Remarks**
Reimbursement for Customer Complaints	Cost reimbursement	As incurred	We have the right to require you to reimburse our costs if we resolve a customer complaint because you fail to do so.
Indemnification and Defense	All costs, including attorneys' fees; amount will vary under circumstances.	As incurred.	You must reimburse us for losses we suffer resulting from your operation of your Agency.
Cost and Attorneys' Fees	Will vary under circumstances.	Upon settlement or conclusion of claim or action.	Awarded to prevailing party in arbitration, but not a mediation.
Examination / Audit of Your Records	Depending on circumstances (including your cooperation) but estimated examination expense is $5,000 to $35,000 (including our reasonable accounting, legal fees, and travel expenses), plus full amount of any underpayment and interest and late charges on any underpayment.	Upon receipt of invoice.	Examination expense payable only if our audit shows an understatement of at least 2% of Net Billings.
Late Fees	Highest applicable legal rate for open account business credit, not to exceed 1.5% per month.	Accrues immediately after due date if you fail to pay full obligation.	Interest is payable on the entire overdue amount beginning with the date payment is due until you pay the arrearage, late charges, and interest in full.
Tax Reimbursement	Out-of-pocket cost reimbursement.	As incurred.	You must reimburse us for taxes we must pay any state taxing authority on account of either your operation or your payments to us (except for our income taxes).

Column 1 Column 1*	Column 2 Amount	Column 3 Due Date	Column 4 Remarks**
Vendor Evaluation Fee	Up to $5,000 if the vendor is approved. However, we charge a $2,500 minimum fee if the vendor, as part of its proposed scope of services, will need access to any of our technology platforms (the fee is for third-party risk-assessment services). This $2,500 is due whether or not we approve the vendor.	As incurred.	Evaluation of proposed new vendors to support the brand.
Cross-Territorial Policy Payment	Varies, although currently the payment may be as much as the full gross margin (less royalties, ABS-related fees, and General Marketing Fees) for each client.	Varies.	A violation of the Cross-Territorial policy may subject you to a payment to one or more franchisees if you service clients in other franchisees' territories without permission or authorization.

NOTES

* Except for product and service purchases described in Item 8, and except as otherwise noted in this Item 6, all fees are imposed and collected by and payable to us or our affiliates. All fees currently are uniformly imposed. No fee is refundable.

** If any taxing authority imposes any tax, levy, or assessment on any payment you make to us or our affiliates, you must pay such tax, levy, or assessment in additional to all payments due.

NOTE 1. Royalty fees are based on a percentage of Net Billings. "Net Billings" is defined as the aggregate of all revenues and other income from whatever source derived (whether in the form of cash, credit, agreements to pay, or other consideration and whether or not payment is received at the time of sale or any of these amounts prove uncollectible), which arise or are derived by you or any other person from business conducted by or originating from the Agency. Net Billings also include all proceeds from any business interruption insurance. The majority of private pay clients pay on average, in about 14 days, and the system-wide blended days' sales outstanding is between 20 and 40 days. As noted below, royalties are collected 28 days after the end of a franchisee's weekly billing period. As a result, the royalty payment cycle generally matches the average time it takes for a franchisee to collect payment from its clients.

Excluded from Net Billings are: (i) sales taxes and other taxes separately stated that you collect from clients and pay to taxing authorities; and (ii) no mark-up items such as personal protective equipment or testing costs where the amount billed to client is at the franchisee's cost. All Royalties will be collected via EFT 28 days after the end of the weekly billing period.

Minimum Performance Standards

If you are acquiring a franchise for a new Agency, beginning the first 12 months of operations after your Minimum Start Date, your monthly performance must meet or exceed the Monthly Performance Standards appearing in the chart below. Your Minimum Start Date ("MSD") will be the Agency's Opening Date (defined as the earlier of the date of your first billing or 180 days after signing the Franchise Agreement). You are initially required to obtain whatever licensure may be required to perform Companion and Personal in-home care services in your state. In states where it may take longer than 180 days to obtain the license to perform those services, the Minimum Start Date will be the Monday following the receipt of licensure which enables you to perform Companion and Personal in-home care services. You must diligently and actively pursue all licenses to enable you to perform the fullest extent of the BrightStar business model. If you acquired the Agency as a result of a transfer, the Minimum Start Date will be the effective date of the transfer (and the applicable Monthly Performance Standards will be reflected in a Standard Resale Addendum to Franchise Agreement (Exhibit Q) and will depend on your selling franchisee's actual performance before the transfer's effective date). If you are acquiring a franchise for a new Agency in a Medium Density Market, you will not have Monthly Performance Standards.

MSD ANNIVERSARY YEAR	MONTHLY PERFORMANCE STANDARDS (*based on 4-week month) (i.e., Minimum Net Billings)
Years 1 and 2	No Minimum
Each of Years 3 & 4	$60,000*
Each of Years 5-7	$80,000*
Each of Years 8-10	$100,000*
**Each of Years 11-15	$120,000*
**Each of Years 16-20	$150,000*
**Each of Years 21-25	$175,000*

* Monthly Performance Standards for 5-week months will be $75,000 in years 3 & 4, $100,000 in years 5 through 7, and $125,000 in years 8 through 10. Weekly periods are Monday through

Sunday. Only Net Billings from business within your protected territory, and Net Billings from National Accounts within and outside your protected territory, will count towards the Monthly Performance Standards.

** Years 11–15, 16-20, and 21-25 represent what the Monthly Performance Standards will be upon renewal of the franchise after the Initial Term (if you choose to renew or have the opportunity to renew). Monthly Performance Standards for 5-week months during each renewal term will be the sum of $30,000 (for each of the years 11-15), $37,500 (for each of the years 16-20), and $43,750 (for each of the years 21-25) plus the Monthly Performance Standard identified in the table above. Weekly periods are Monday through Sunday. Only Net Billings from business within your protected territory, and Net Billings from National Accounts within and outside your protected territory, will count towards the Monthly Performance Standards required to be eligible for consideration for renewal after the Initial Term.

Minimum Monthly Royalty Fee

You will be billed within 28 days of the end of each week for royalties. If you fail to meet any Monthly Performance Standard during the franchise term, you will be in default of your contractual obligations and will be billed, within 28 days of the end of each Monthly Performance period, an amount equal to the difference between the actual royalties you paid and the Minimum Monthly Royalty Payment (the "Minimum Monthly Royalty Fee"). The Minimum Monthly Royalty Payment is the royalty amount you must pay us on account of your operations during the previous month as though you had satisfied the Monthly Performance Standard for that month. You must pay us the Minimum Monthly Royalty Fee within 28 days from the invoice.

If you acquire the Agency operated under the Franchise Agreement as the result of a resale, your Monthly Performance Standards may (but need not) be established based on the actual historical performance of the Agency being acquired. For example, if the Agency being acquired has been open 3 years and has met its Year 2 Monthly Performance Standard, we may then set your Year 1 Monthly Performance Standard from the date of the transfer to the Year 3 Monthly Performance Standard for the Agency. On the other hand, if the Agency has not met or exceeded its Year 2 Monthly Performance Standard, then we may set your Monthly Performance Standard to Year 1 Performance Standards for the Agency being acquired. (See our Standard Resale Addendum to Franchise Agreement (Exhibit Q) as an example.)

NOTE 2: In addition to the General Marketing Fee you pay us, beginning on your Agency's Opening Date, you must expend for local consumer marketing the greater of:

(i) 2% of your Agency's monthly Net Billings up to $200,000 (for a 4-week month or $250,000 for a 5-week month) and 1% of your Agency's monthly Net Billings over $200,000 (for a 4-week month or $250,000 for a 5-week month); or

(ii) $1,000 per month.

In addition, beginning on your Agency's Opening Date, you must expend on local recruitment marketing, including job boards, to support and grow your business the greater of:

(i) 2% of your Agency's monthly Net Billings up to $200,000 (for a 4-week month or $250,000 for a 5-week month) and 1% of your Agency's monthly Net Billings over $200,000 (for a 4-week month or $250,000 for a 5-week month); or

(ii) $1,000 per month.

All local advertising must meet our then-current requirements.

If you are renewing your franchise and execute the Standard Renewal Addendum, you will pay our then current General Marketing Fee noted above.

NOTE 3: Monthly Athena Business System and Email Service Fee. Beginning on the Opening Date (unless you acquired your Agency under resale, in which case you will pay the Monthly Athena Business System and Email Service Fee (the "Monthly ABS & Email Service Fee") beginning on the transfer's effective date), the Monthly ABS and Email Service Fee will be due and payable to BrightStar Technology via EFT. The Monthly ABS and Email Service Fee excludes any third-party approved solutions (i.e., Microsoft Teams / One-drive / Web version office package, Hireology, CRM, payroll, EVV, HR/workforce or WorkBright), which may incur a separate fee. The Monthly ABS and Email Service Fee will be due each month on the 15th day of the month. Your Monthly ABS and Email Service Fee will be the greater of $250 per month or .83% of the prior month's Net Billings during the Franchise Agreement's Initial Term.

If you are renewing your franchise and execute the Standard Renewal Addendum, you will pay our then current Monthly ABS & Email Service Fee noted above.

If you are purchasing a franchise for a Medium Density Market territory and execute the Medium Density Market Addendum, you will pay our then-current Monthly ABS & Email Service Fee noted above.

NOTE 4. If you wish to secure the Teams Package for use in your Agency, you must sign an Addendum in the form attached as Exhibit N.

NOTE 5: Electronic Visit Verification ("EVV") is required by some states when a franchisee participates in certain Medicaid waiver programs. If required by the state, this fee covers the cost of integrating ABS with the state or third party selected by the state. If any fees are charged to use a state-specified EVV system, that cost is your responsibility. The integration enables the data required to authorize and approve payment to flow automatically between ABS and the state. Without this automation, the state may require the franchisee to enter the data manually on its portal or website. The one-time fee covers the initial set-up and testing of the integration. The on-going "per record" charge covers the ongoing maintenance costs of supporting the integration and on-going changes required by the state. It is your responsibility to understand your state's EVV requirements and notify us with sufficient lead time to integrate into ABS. You must notify BrightStar Technology no less than 90 days before the state's implementation date, or any subsequent EVV version upgrade dates, to allow sufficient time for integrating ABS and/or updating ABS with EVV version upgrades.

If you notify BrightStar Technology less than 90 days before either your state's implementation date or your state's subsequent EVV version upgrade implementation dates, BrightStar

Technology may charge you up to an additional $1,000 for the initial integration, and up to an additional $500 for any subsequent EVV version upgrade, required by the state.

You have the option of using another state EVV provider whom we approve; however, you still must pay us the $1,000 integration fee and $500 for each EVV version upgrade required by the state. All other fees required by the third-party provider would be paid directly by you to the third-party provider.

NOTE 6. Insurance Policies. We identify the types and minimum insurance coverage you must carry in our Operations Manual. You must obtain insurance coverage only from the agencies and carriers we designate. We make no representation that the coverage will be sufficient for your business purposes. You need to evaluate if your business will require broader coverage, higher limits, or additional types of insurance also available through the approved agency. Any and all coverage contemplated must insure both skilled and non-skilled home care and temporary medical staffing. For each line of Liability coverage below, you must name *BrightStar Group Holdings, Inc., a Delaware corporation, its subsidiaries, officers, directors, and employees*, and any other person or entity we may designate in the future as Additional Insureds. Our minimum, mandatory insurance requirements are currently:

(a) professional liability insurance on an occurrence basis with a separate limit not less than $1,000,000 per occurrence/$3,000,000 aggregate per policy year. If you purchase this coverage on a claims-made policy form, you must purchase a minimum 3-year extended reporting endorsement (aka "tail") upon sale or closure of your business;

(b) Abuse & Molestation coverage with a separate limit not less than $1,000,000 per occurrence/$3,000,000 aggregate per policy year;

(c) General Liability on an occurrence basis with a separate limit not less than $1,000,000 per occurrence/$3,000,000 aggregate per policy year. The following minimum sub-limits must be met: $1,000,000 Personal & Advertising Injury, $1,000,000 Products/Completed Ops Aggregate, $100,000 Damage to Rented Premises, and $5,000 Medical Expense. If you purchase this coverage on a claims-made policy form, you must purchase a minimum 3-year extended reporting endorsement (aka "tail") upon sale or closure of your business;

(d) non-owned automobile liability coverage not less than $1,000,000 combined single limit each accident;

(e) special form property insurance in an amount appropriate for your business personal property. Business Income and Extra Expense must be insured for $300,000;

(f) an umbrella with a minimum $1,000,000 limit excess over the professional, general, auto, and employer's liability (part of Work Comp);

(g) cyber-liability with a $500,000 minimum limit responding to unauthorized access of your location's computer system, covering costs associated with notification of affected parties, credit monitoring, investigative & administrative costs, as well as 3rd party liability for the breach;

(h) Workers' Compensation and employer's liability insurance with minimum limits of $500,000/$500,000/$500,000 or as required by state law, whichever is greater;

(i) Employment Practices Liability (EPL) insurance with $500,000 minimum limits providing defense costs and damages up to policy limits for claims of sexual harassment, discrimination, and wrongful termination (coverage must include a "3rd Party Endorsement" to respond to client allegations of similar wrongful acts) to include at minimum $250,000 for Wage & Hour defense costs. If the EPL is not accessible or available at a reasonable cost (as determined by our finance department in writing), a minimum $100,000 for Wage & Hour defense costs may be accepted. Should you elect EPL with a minimum $100,000 for Wage & Hour defense costs and a claim is made against you or any of your employees or affiliates, you must obtain a letter of credit for the difference between the standard $250,000 minimum and the $100,000 exception. You must purchase a minimum 12-month extended reporting endorsement (aka "tail") upon sale or closure of your business;

(j) Crime coverage responding to employee theft from you or theft of your clients' property with a minimum $25,000 limit per incident and must not contain a Conviction Clause;

(k) any other insurance not listed here but required by applicable law, rule, regulation, ordinance or licensing requirements; and

(l) any updates made from time to time in the operations manuals.

In order to monitor claims activity on a national level, and to most effectively assess program exposures, each franchisee is required to collect Loss History Statements ("Loss Runs") from the carriers and remit to us when requested. Certain states also require a surety bond for licensure purposes. These minimum amounts may be revised periodically in the Operations Manual to reflect inflation, general industry standards, or our future experience with claims.

All insurance companies must carry an A.M. Best's rating of "A-/Excellent" or better, or be approved by BrightStar in writing before placement of coverage.

While not currently in place, we may develop a Workers' Compensation Insurance Captive Plan. A "Captive" is a closely held insurance company whose insurance business is primarily supplied by and controlled by its owners and in which the original insureds are the principal beneficiaries. In a captive, the shareholders-insureds actively participate in decisions influencing underwriting and operations. Participation in the Workers' Compensation Insurance Captive Plan will be determined by specifically measured criteria on a location by location basis.

NOTE 7. If you have not listed your Agency for sale with us and the transfer involves the Franchise Agreement or the Agency, or a 50% or more change in your ownership, and the transferee is a person or entity who was a "Lead" of ours before you became aware of or were introduced to the Lead, you or the transferee must pay us the greater of: (a) the applicable transfer fee for each agency affected by the transfer; or (b) the initial franchise fee that we would have collected for the territory if we had granted the franchise rights for it to the Lead, plus any broker fees we incurred as a result of the transfer. For the avoidance of all doubt, all franchisees in the BrightStar Care Agency system, whether they were franchisees before or become franchisees after the execution

of the Franchise Agreement, are and will be deemed to be our Leads for purposes of the Franchise Agreement, irrespective of the nature and timing of the contact between them and us.

NOTE 8. The termination damages you must pay equal the greater of either (a) $150,000 or (b) the product of the Agency's Net Billings during the 12 months before the effective date of termination multiplied by 3 and that product then multiplied by 5.25%. However, if the effective date of termination is during the last 3 years of the franchise term, the termination damages will equal the product of the Agency's Net Billings during the 12 months before the effective date of termination multiplied by x/12—where "x" is the number of months that were remaining in the franchise term on the effective date of termination—and that product then is multiplied by 5.25%. If there is a catastrophic health-related event (i.e., your or your principal owner's death or terminal illness or disability that prevents you or your principal owner from operating the Agency (as reasonably determined by an independent third party such as a licensed doctor)), we may choose not to pursue the full measure of termination damages against you if, despite good-faith efforts to transfer the franchise, those efforts are unsuccessful and we then terminate this Agreement. We may, in our sole discretion, reduce the termination damages to $50,000. Any reduced termination damages will be contingent upon (i) the franchise not selling within 12 months from the formal resale listing, (ii) you work cooperatively with us to transition all customers and employees to approved providers, (iii) you confirm that W-2s have been paid in advance, (iv) all other employee obligations have been fulfilled, and (v) no legal action has been initiated against us or our affiliates.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 4 To whom payment is to be made
Initial Franchise Fee See Note 1	$50,000 for the first 200,000 – 300,000 in population in your Protected Territory. Plus, $100 per each additional 1,000 people (pro rata) in the Protected Territory over 300,000. $25,000 for Medium Density Market (less than 200,000 in population).	As incurred	Upon signing the Franchise Agreement	Us

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 4 To whom payment is to be made
Leased Space for Agency See Note 2	$3,600 – $9,600	See Note 2	See Note 2	See Note 2
Utility Deposits See Note 6	$300 – $500	Lump sum	As per terms of invoice	Landlord, service providers
Furnishings See Note 3	$2,000 – $4,000	As arranged with vendors	As per terms of purchase	Approved vendor
Computer Infrastructure Package See Note 4	$4,000 – $9,500	As arranged with vendors	As per terms of lease or purchase	Approved vendor
Signage See Note 5	$400 – $1,000	As arranged with vendors	As per terms of purchase	Approved sign vendors
Marketing Materials (brochures, business cards, etc.) See Note 7	$500 plus shipping and handling	As arranged with vendor	As per terms of invoice	Approved print vendor
Office Supplies, PPE, and medical supplies	$600 - $730	As arranged with vendor	As per terms of invoice	Various
Printing, reproduction & postage	$300 – $900	As arranged with vendor	As per terms of invoice	Various

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 4 To whom payment is to be made
Business Licenses and Other Required License See Note 8	$200 – $8,633	City/county municipal authority; if applicable, state health care governing authority	As required by applicable authority	Applicable authority
State Licensure Assistance	$0 – $6,500	As arranged with vendor	Per terms of invoice	Approved vendor
Financial Acumen Training See Note 9	$400 – $500	As arranged with vendor	Per terms of invoice	Approved vendor
Local Marketing Spend See Note 10	$3,000 – 5,250	As arranged with vendors	Per terms of invoice	Various approved vendors with SEM / PPC required vendor
Recruitment Spend See Note 11	$3,000 - $5,250	As arranged with vendors	Per terms of invoice	Various
State Electronic Visit Verification (“EVV”) See Note 12	$0 – $1,000	Drafted monthly from your bank account via EFT.	Per terms of invoice	BrightStar Technology or other Approved vendor
Director of Nursing hired in advance of opening to meet licensure requirements, as needed. See Note 13	$0 – $6,192	Directly to Consultant / Director of Nursing	As per terms of invoice	Director of Nursing
Insurance (excluding workers comp) See Note 14	$1,849 – $2,744	Directly to approved supplier as per supplier’s invoice	As per terms of invoice	Approved vendor

Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 4 To whom payment is to be made
Workers' Comp Insurance See Note 15	$445 – $3,809	Directly to approved supplier as per supplier's invoice	As per terms of invoice	Approved vendor
Employee Travel and Living Expenses Associated with Training See Note 16	$4,990 – $10,200	As arranged with vendors	As per terms of purchase	Various suppliers
Legal Fees See Note 17	$2,000 – $5,500	As arranged with vendors	As per terms of invoice	Legal advisors
Joint Commission Accreditation	$0 – $6,192	As arranged with vendor	As per terms of invoice	Applicable authority
Additional Operating Funds – 3 months See Notes 18 and 19	$33,511 – $57,375	Lump sums	As needed	Various
Total	$111,095 - $195,875			

If you are an existing franchisee renewing your franchise and sign our current Franchise Agreement together with the Standard Renewal Addendum to Franchise Agreement, you will not incur most of these costs because your Agency already is open. However, we may require you to make certain upgrades, modifications, and improvements at your Agency to meet our current standards. Your costs will depend on your Agency's current condition.

NOTES

* All fees and payments are non-refundable, unless otherwise stated or permitted by the payee.

NOTE 1. Initial Franchise Fee. The Initial Franchise Fee is nonrefundable and more fully described in Item 5.

NOTE 2. Leased Premises. You will need approximately 250 to 800 sq. ft. of office space. Rates may vary depending on different regions of the country. This estimate includes rent for the first three months and a deposit of last month's rent. If a landlord is paying for some of the improvements to the leased space, it may amortize that expense in the form of additional rent. Payments will be made directly to the landlord according to the lease's terms. The site is subject to our approval. You should consult with your own attorney regarding the lease and related matters.

NOTE 3. Furnishings. This includes 3 desks, 3 office chairs, 2 guest chairs, telephone equipment, pictures, curtains, and office supplies.

NOTE 4. Computer Infrastructure Package. Item 11 describes the required package.

NOTE 5. Signage. All signage is subject to our approval.

NOTE 6. Deposits. This item includes utility deposits, telephone company deposits, and electric and other energy company deposits.

NOTE 7. Marketing Materials. Includes a 3-month supply of brochures and business cards.

NOTE 8. Business Licenses and Other Required Licenses. State rules vary on medical and staffing licensure and other associated licenses, e.g., CLIA waiver. As noted in Item 1, you are responsible for investigating the availability of and requirements for obtaining all necessary licenses in your state. You should conduct this investigation before acquiring our franchise because you cannot operate as a franchisee without all required licenses. A Home Health Agency License ("HHA") to perform skilled services is not required until you achieve $15,000 in weekly revenue. Some states will still require personal care or staffing licenses and costs will vary depending on your state. The high end of this range ($8,603) is for California, which requires a $3,000 surety bond for Nurse Registry application and $5,165 for the HCO license. The HCO license in California enables you to perform companion and personal care services. If you are not able to obtain a newly-issued home health agency or other required license in your state because of a state-imposed or other moratorium, you might be able to acquire a previously-issued license from an existing provider in the state that no longer needs its license and is interested in selling its license to a third party. However, the cost of buying a previously issued license from an existing provider might be significantly greater than the estimate provided in the table above for a newly-issued license. We do not control that cost. You should consider the availability and cost of required licenses before acquiring our franchise.

NOTE 9. Profit Soup is the approved vendor for the Financial Acumen Training; it is a one-time expense.

NOTE 10. Local Consumer Marketing. Beginning on your Agency's Opening Date, you must spend for local advertising the greater of:

(i) 2% of your Agency's monthly Net Billings up to $200,000 (for a 4-week month or $250,000 for a 5-week month) and 1% of your Agency's monthly Net Billings over $200,000 (for a 4-week month or $250,000 for a 5-week month); or

(ii) $1,000 per month. This is without regard to the General Marketing Fee you pay us. All local advertising must meet our then-current requirements.

NOTE 11. Local Recruitment Spend (including job boards). Beginning on your Agency's Opening Date, you must expend on recruitment marketing, including job boards, the greater of:

(i) 2% of your Agency's monthly Net Billings up to $200,000 (for a 4-week month or $250,000 for a 5-week month) and 1% of your Agency's monthly Net Billings over $200,000 (for a 4-week month or $250,000 for a 5-week month); or

(ii) $1,000 per month.

NOTE 12. State Electronic Visit Verification ("EVV") is required by some states when a franchisee participates in certain Medicaid waiver programs. If EVV is required by the state, this fee covers the cost of integrating ABS with the state or third party selected by the state. The integration enables the data required to authorize and approve payment to flow automatically between ABS and the state. Without this automation, the state may require the franchisee to enter the data manually on its portal or website. The one-time fee covers the initial set-up and testing of the integration. The on-going "per record" charge covers the ongoing maintenance costs of supporting the integration. It is your responsibility to understand your state's EVV requirements and notify us with sufficient lead time to integrate into ABS.

You have the option of using another state EVV provider whom we approve; however, you still must pay us the $1,000 integration fee. All other fees required by the third-party provider would be paid by you directly to the third-party provider.

NOTE 13. Director of Nursing. In most states, no personal care licenses require a nurse to be identified on the license, though there are some states in which the license covers both personal care and skilled (including NH, KS, OK, TX, MN, VA, WI, WY, and WA). In those states, you would need a DON identified as part of your license application. The high end in this range includes salary for a part-time DON to satisfy that requirement.

NOTE 14. Insurance Excluding Workers Comp. The estimate in the table above represents your estimated insurance costs (excluding workers comp) for the first 3 months you operate your Agency. Your estimated yearly insurance costs (excluding workers comp) during year 1 will range from $7,395 - $10,977 paid either by lump sum payment or finance premiums on monthly installments depending upon provider selected. We disclose required insurance coverage in Item 6.

NOTE 15. Workers' Comp Insurance. The estimate in the table above represents your estimated workers comp for the first 3 months you operate your Agency. Your estimated yearly workers comp costs during year 1 will range from $1,887 - $8,323 subject to audit at the end of the policy term and variable depending on the state in which your territory is located and concurrent market conditions.

NOTE 16. Employee Travel and Living Expenses Associated with Training. These expenses should average $150 per day per person in attendance. The amount may vary based on the type of accommodations you select, dining preferences, travel preference, differences in compensation arrangements with your employees while the employee is being trained, and e-learning options we provide.

NOTE 17. Legal Fees. The estimate in the table above reflects the fees for review of employment and customer contracts provided by a vendor for any necessary modifications required by local and state law before use. You must also have the documents reviewed annually by a labor-law attorney for labor law and joint-employer issues. The ongoing costs depend on the marketplace and attorneys you select; however, we estimate the cost associated with the annual review to be between $1,000 – $2,000.

NOTE 18. Additional Operating Funds. The estimate for additional operating funds contained in the table above reflects the period through the end of 3 months after opening your Agency. With

increased difficulty in accessing credit, we recommend having additional working capital on-hand. Specifically, we estimate you will need approximately $177,400 - $387,465 ($174,900 - $362,465 for a Medium Density Market Territory) in total additional operating funds for the first 12 months you operate the Agency, without factoring the amount of gross margin that would reduce this amount.

The additional funds we estimate you may need will vary considerably among our franchisees based on a variety of factors, including the number of employees you choose to hire and the salary and other benefits you choose to pay; the extent you will be actively involved in operations; your skill, experience, business acumen and credit-rating; local competition; local economic conditions, including rent and wage scales and the cost of supplies; and the actual sales levels you reach during the initial 3-month period.

The additional funds category is not the only source of cash but is in addition to cash flow from operations. The figures we show do not include an allowance for payments of royalty fees. We do not project what your actual revenue or Net Billings will be. However, you should allow for these fees and expenses when you make your own calculations of the additional funds you will need as working capital.

The additional funds category does not include any allowance for payments made to a bank or financing company on any loan you may obtain to finance the cost of purchasing the franchise or other development-related costs.

NOTE 19. Additional Operating Funds – Employee Related Expenses. The employees you need to hire will vary based upon state licensure and your skill set.

You must devote full-time involvement in the business for the first 2 years from the Opening Date and implement one of the 2 organizational model options specified in the Operations Manual. Your or your owners' salaries are excluded from the amounts needed in the first year, as it is expected that you or your owners will be paying down debt, reinvesting to build the business and may not draw a salary until year 2 or thereafter.

The 2 organizational models are:

(1) You (or your owner) as Operations Manager/branch manager in a state where a part-time licensed registered nurse (RN) is permitted for licensure purposes, and you hire a full-time salesperson [this is the lowest cost organizational model]; and

(2) You (or your owner) as salesperson operating in a state where a part-time licensed registered nurse (RN) is permitted for licensure purposes, and you hire a branch manager.

Notes:

- As your business expands beyond the initial period, and beyond $15,000 per week, or when you begin to do skilled services, you will need to add additional DON hours up to and including a full-time DON.

- There are certain states that require a full-time RN for licensure purposes. You must comply with the states' licensure requirements with respect to full-time or part-time RN.

- You must add a full-time recruiter when your Agency achieves $25,000 per week or greater in Net Billings.

The total 3-month range of organizational structure costs during the start-up period ranges from $21,129 to $48,960 or $7,043 to $16,320 per month, depending on the pay rates negotiated. The 2 operational models anticipate you will use our recommended accounting firm or another firm with similar experience and not hire a finance manager during year one. Should you wish to hire an operations manager to oversee the day-to-day operations after the first 2 years, you must submit a written request and obtain written approval from us.

You must hire and maintain a full-time salesperson for each territory with up to 400,000 in population. If you acquire a territory via a transfer with more than 400,000 in population, an additional salesperson is required for each additional 250,000 (or portion thereof) in population. In addition, if you operate more than one Agency, you must have a properly trained branch manager/operations manager and a full-time salesperson for each Agency.

You must hire and maintain an RN Director of Nursing ("DON" – a Registered Nurse must fill the DON position) that works at least 20 hours per week. There are BrightStar standards for the type of experience this person must have; your state may additionally dictate education and experience requirements for this position. It is recommended that any DON hired has experience and willingness to administer infusion services. It is your responsibility to understand what type of requirements your state has in regard to the Director of Nursing's role at your agency. The DON and any replacement DON must complete clinical Bootcamp training within 90 days after employment begins. As your Agency's revenue and client count grow, you will be expected to increase the number of hours your DON works. You will need to add additional per-diem nursing staff based on, among other things, the licensure requirements of your state, BrightStar brand standards, and client mix (for example, a larger percentage of clients requiring skilled services will necessitate more nursing personnel). These nurses may be part-time or per diem status and. depending on your state nurse practice act, state licensing requirements, and the nature of the skilled services provided, may be RNs or LPN/LVNs. If you operate more than one Agency, we reserve the right to require a full-time registered nurse, as well as additional nursing resources, to fulfill the nurse oversight requirements for the client count based upon their acuity.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Agency in strict conformance with our methods, standards, and specifications prescribed in our confidential operating manual and various other confidential manuals and writings (collectively the "Operations Manual"), all of which we may change. You may incur an increased cost to comply with these changes at your own expense. We will notify you of any change to our standards and specifications by way of electronic or written amendments to the Operations Manual or otherwise in writing. The Operations Manual covers nearly all aspects

of your Agency's operations, such as processes and procedures, client service techniques, and the administration of staffing and scheduling.

We have the right to require you to purchase certain approved services and products ("Approved Services and Products"), which may periodically include Proprietary Products, only from us, our affiliates, or other suppliers or distributors we approve or designate, which in certain instances may be a single sourced supplier or that meet our standards and specifications. Currently, you must use our designated suppliers for medical supplies (where alternative sources of supply are unavailable), marketing materials, credit card processing services, payroll services (unless we approve your request to use an alternative supplier), drug screening, insurance brokerage for all types of insurance coverage except employee benefits (detailed insurance discussion appears in Item 6), and email, unless we grant you an exception. You also must use our required vendor partner for any SEM/PPC advertising investments to ensure optimal campaign performance and brand continuity. You must use the Athena Business System ("ABS"), the accounting software we designate (currently Microsoft Dynamics GP, also referred to as the Great Plains accounting software), the learning management software we designate (to support federal, state, and local license training requirements and other matters), and the required supporting hardware and software to operate your Agency. You will have the option to request our permission to use an alternative vendor for payroll services. If we grant your written request, you will be allowed to use such vendor's payroll software and will not be required to use ABS's payroll-related functions. You must obtain your accounting software and each application and collection software from us or our affiliates, or any third party we may designate and the ABS from us or our affiliates, currently BrightStar Technology. You must also purchase at your sole expense any software necessary to meet state-specific requirements of a state program or segment of business unique to your location and/or state.

In addition to the software, you must obtain from us, our affiliates, or any third party we designate, you must purchase and use any computer system or software application we develop or select, including all future updates, supplements, and modifications. You must also purchase appropriate computer hardware and software infrastructure for your local office use (the Computer Infrastructure Package). You must acquire appropriate business class internet access from a third party; that access must include small office firewall for internet security. In addition, in conjunction with our ABS Mobile platform, we recommend the purchase of mobile tablets with a keyboard and/or laptops for your Director(s) of Nursing.

You must purchase all signs, uniforms, drug screening services, and medical supplies and materials from us, designated suppliers or approved suppliers. You must offer services in the manner we prescribe, provide quality client service, and otherwise operate the Agency to enhance the image we intend for the BrightStar Care Agency Program, including the live answer for existing and prospective customers, employees, and applicant calls as outlined in the Operations Manual.

We formulate and modify our standards and specifications for products and services based upon the collective experience of our franchisees and our principals. We have the right to change our standards and specifications, including those for products, services, signs, and medical supplies, by written notice to you or through changes in the Operations Manual. You may incur an increased cost to comply with these changes at your own expense; however, no change will materially alter your fundamental rights under the Franchise Agreement. We will notify you of any change to our

standards and specifications by way of electronic or written amendments to the Operations Manual or otherwise in writing.

If you wish to purchase from an unapproved supplier any item or service designated to be purchased only from an approved supplier, you may request our evaluation of a proposed supplier, a description of the item you wish to purchase, and purchase price of the item, if known. While we are not required to approve any particular supplier, we may base our approval of any proposed item or supplier on considerations relating to the item or supplier itself as well as to the uniformity, efficiency, and quality of operation we deem necessary or desirable for our BrightStar Care Agency Program as a whole. We will notify you in writing (via email or otherwise) of our approval or disapproval of a proposed supplier, product, or service within 30 days after receiving all requested information. We may charge you up to $5,000 for the evaluation if we ultimately approve the supplier. However, we will charge a minimum fee of $2,500 if the vendor, as part of its proposed scope of services, will need access to any of our technology platforms; this fee goes to pay a third party for its risk-assessment services and is due whether or not we approve the supplier. We may revoke our approval of particular products or suppliers when we determine they no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing products from such supplier. You must use products purchased from approved suppliers solely in connection with the Agency's operation and not for any competitive business purpose. Despite these procedures, we may limit the number of approved suppliers, designate sources you must use, and refuse your requests for any reason, including because we already have designated an exclusive source (which might be us or our affiliate) for a particular item or service or believe that doing so is in the best interests of the BrightStar Care network. One of our officers owns an interest in BrightStar Technology. Otherwise, no officer or director owns an interest in a designated supplier.

You may request in writing our permission to use an alternative vendor for payroll services. Your written request must include a description of the service(s) the alternative vendor would provide, and the cost(s) of the service(s), if known. While we are not required to approve any particular vendor, we may base our approval on considerations relating to the vendor itself as well as to the uniformity, efficiency, and quality of operation we deem necessary or desirable for our BrightStar Care Agency franchise program as a whole. We will notify you in writing (via email or otherwise) of our approval or disapproval of a proposed alternative payroll vendor within 30 days after receiving all requested information. If we grant your request, you will be allowed to use such vendor's payroll software and will not be required to use ABS's payroll-related functions. We may revoke our approval of the vendor when we determine it no longer meets our standards. Upon receipt of written notice of such revocation, you must cease purchasing payroll-related services from such vendor. You must use services purchased from approved alternative vendors solely in connection with the Agency's operation and not for any competitive business purpose. Despite these procedures, we may refuse your requests for any reason, including because we believe that doing so is in the best interests of the BrightStar Care network.

In our fiscal year ending January 1, 2023, we derived no revenue from direct franchisee purchases from us. We also did not derive payments from third party-vendor rebates. Based on its internal records, during the year ended January 1, 2023, our affiliate, BrightStar Technology Group, LLC, derived revenue in the amount of $4,370,553 from required franchisee purchases. None of our other affiliates derived revenue from any franchisee purchases or leases.

You must pay the then-current price for the items you purchase from us or our affiliate. In some instances, the cost for the items you purchase from us or our affiliate may be higher than the cost of other similar supplies and products on the market.

We estimate that the costs of your purchases from designated or approved sources, or according to our standards and specifications, are approximately 93% of the total cost of establishing your Agency and approximately 73% of the total cost of operating your Agency (excluding field staff costs) after that time.

Leases

If you are leasing the Agency's premises, you and the landlord must sign the Collateral Assignment of Lease, or a comparable document, a copy of which is attached to the Franchise Agreement as Exhibit "C." This document gives us the option to assume your lease if the Franchise Agreement expires or terminates for any reason.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	6.1	Items 5, 11, 12
b. Pre-opening purchases/leases	6.1, 6.6, 6.8, and 7.1	Items 7, 8
c. Site development and other pre-opening requirements	6.1	Items 6, 7, 11
d. Initial and ongoing training	6.3 6 of Standard Renewal Addendum	Items 6, 11
e. Opening	1.5	Item 11
f. Fees	4 and 6 3, 5 and 8 of Standard Renewal Addendum	Items 5, 6, 10, 11

Obligation	Section in agreement	Disclosure document item
g. Compliance with standards and policies/ operating manual	6 and 7	Items 8, 11, 14, 16
h. Trademarks and proprietary information	5 and 11.2	Items 13, 14
i. Restrictions on products/services offered	1.1, 6.6, and 6.8	Items 8, 16
j. Warranty and customer service requirements	6.2, 6.6, and 6.12	Item 8
k. Territorial development and sales quotas	1.5 3, 5 and 7 of the Standard Renewal Addendum 1 and 2 of Medium Density Market Addendum 2 of Standard Resale Addendum	Item 12
l. Ongoing product/service purchases	6.8	Items 8, 11
m. Maintenance, appearance, and remodeling requirements	6.5 and 9	Items 6, 8
n. Insurance	16	Items 6, 7, 8
o. Advertising	8	Items 6, 11
p. Indemnification	19.1	Item 6
q. Owner's participation/ management/ staffing	6.4	Item 15
r. Records and reports	10	Items 8, 11
s. Inspections and audits	6.14 and 10	Items 6, 11, 13

Obligation	Section in agreement	Disclosure document item
t. Transfer	12	Items 6, 17
u. Renewal	2.2 5 of Standard Renewal Addendum 2 of Medium Density Market Addendum	Item 17
v. Post-termination obligations	14	Item 17
w. Non-competition covenants	11	Item 17
x. Dispute resolution	15	Item 17
y. Call Option Compliance	14.3 Exhibit N of Franchise Agreement and Template Asset Purchase Agreement	Item 17
z. Retention of Field Staff, Minimum Customer Net Promoter Score, and Minimum Employee Net Promoter Score	6.4.1, 6.6.8, and 6.6.9	Item 17
aa. Other	Not Applicable	Not Applicable

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.

A. Before you open your Agency, we will make the following assistance available to you (citations are to sections in the Franchise Agreement):

1. We will grant you access to the Operations Manual via our intranet. We may modify the Operations Manual by written or online supplements of which you will receive access via our intranet (§3.1.1). Our Operations Manual contains a total of 1,052 pages and covers the following topics: Getting Started (37 pages), Setting Up Your Business (20 pages), Personnel (72 pages), Franchise Administration (26 pages), Sales & Marketing (118 pages), Business Operations (71 pages), ABS User Manual (625 pages), Clinical Operations (27 pages), and Skilled Operations (53 pages). A copy of the table of contents for our Operations Manuals is attached to this Disclosure Document as Exhibit C.

2. Review the proposed lease for your Agency premises before you sign it to determine that it meets our standards for notice of assignment to us and other requirements included in the Operations Manual. We neither offer nor provide any other services in this regard (§§1.4, 3.1.2, and 6.1).

3. Assistance with ordering business cards, brochures, and initial recruiting and marketing materials as listed in the Operations Manual (§3.1.3).

4. After signing your Franchise Agreement, we will assist you in goal-setting and business planning (§3.1.4).

5. Two or three, 4 to 5-day training sessions (no more than 15 days total) for new owners held at our headquarters and organized into content that is specific to Getting your business started, Operations, Sales, Marketing, Recruiting, and Clinical. Topics include understanding the basics of the business, leadership training, sales training, financial training, clinical training, and other key topics (§3.1.5). The in-class training is supplemented by e-learning through the BrightStar on-line training system. Between your training sessions, you may spend a week in the office of an owner within your region, although under certain circumstances we may allow virtual participation. This program is designed to have you gain an applied understanding of the role of an owner by participating in the most critical processes of the agency over the course of a week, as well as spending time with the established owner to understand her or his keys to success. We reserve the right to reduce the number of days at our headquarters through the use of e-learning. We describe our training program in more detail later in this Item.

6. Two to five days of training at our headquarters for each of the 3 key positions, including (1) branch/operations manager (or director), (2) director of nursing (DON), and (3) salesperson (the "Key Positions"). Each training "track" includes hands-on instruction for role-specific responsibilities and system functionality (§3.1.6). Hired staff for the Key Positions are required to attend and complete to our satisfaction their respective training tracks before your Agency opens (§3.1.6). This in-class training is supplemented by e-learning through the BrightStar on-line training system. We reserve the right to reduce the number of days at our headquarters through the use of e-learning.

B. During your operation of your Agency, we will make the following assistance available to you (citations are to sections in the Franchise Agreement):

1. Regular consultation and advice in response to your inquiries about specific administrative and operating issues. We may decide how best to communicate this consultation and advice to you, whether by telephone, in writing, electronically or in person. The method we choose may be different than the methods we use for other franchisees (§3.2.1).

2. Administer the General Marketing Fund (also referred to as the National Ad Fund) and provide libraries of approved marketing and advertising materials for local use (§3.2.2).

3. Make goods and services available to you either directly or through approved suppliers (§3.2.3).

4. While not currently in place, we may develop a mandatory advanced training program and require your key personnel to attend at our headquarters or another location we designate. We may charge you a fee for this mandatory advanced training, and you must pay all of your travel expenses (transportation, hotel, meals, etc.) and related salary expenses. Except for replacement managers, we will not require more than 2 persons to attend more than 4 days of additional mandatory advanced training during any running 12-month period. If you hire a replacement manager, he or she must meet our applicable training requirements within 90 days after employment begins, including completing any mandatory advanced training (§3.2.4).

5. BrightStart and ReStart Programs are part of our onboarding and are currently in place to assist new owners to open their first Agency (BrightStart) and to build BrightStar competencies and to assist new owners acquiring an existing Agency (ReStart) with onboarding and building BrightStar competencies. In order to participate in the BrightStart or ReStart Programs and receive these resources, you (or, if you are a legal entity, your owners and/or other required personnel) must comply with all of the requirements of the BrightStart or ReStart Program as outlined in the Operations Manual (§3.1.7).

6. Maintain the Athena Business System, including the website (www.brightstarcare.com) or any other website we establish that will support multiple functions (i.e., sales, billing, etc.) (§3.2.5).

7. Periodically revise the Operations Manual to incorporate new developments and changes in the BrightStar Care Agency Program and franchise and provide you with online access or an electronic copy of all updates (§3.2.6).

8. Information on improvements and developments in the BrightStar Care Agency Program in the form of regular announcements via main menu page or website and newsletter bulletins distributed through email (§3.2.7).

9. Additional optional on-site training will be made available on an as-needed basis for an additional fee (see Item 6) (§3.2.8 and 3.2.9).

Advertising Services

C. General Marketing Fund. (See Article 8 of the Franchise Agreement)

We or our designee will exclusively maintain and administer a general marketing fund (the "General Marketing Fund). We have the right to use General Marketing Fund contributions to develop, produce, and distribute national, regional and/or local advertising and to create advertising materials and public relations which promote the Marks, other marks owned by us or our affiliates when the use of such other marks is associated with use of the Marks, and/or the products and services offered by BrightStar Care Agency Program franchisees (§8.1). We may use the General Marketing Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, including the cost of preparing and producing television, radio, digital media, magazine and newspaper advertising campaigns; the cost of direct mail and outdoor billboard advertising; the direct cost of maintaining the toll-free call-in numbers for services and recruitment; the cost of public relations activities and advertising agencies; the cost of developing and maintaining an Internet website or websites (including costs of developing, maintaining, and integrating portions of such websites related to franchisees' employee recruiting and retention); the cost of developing and maintaining a social media presence; the costs of developing and operating a call center; the cost of developing new revenue streams for franchisees, including sales collateral, coaching and training to launch or enhance sources of revenue mix for franchises; legislative expenses; and personnel and other departmental costs for advertising for and recruiting and retaining field staff that we internally administer or prepare. Nevertheless, not all BrightStar Care Agency Program franchisees will benefit directly or on a pro rata basis from such expenditures (§8.1).

In 2022, no part of the GMF contributions was used directly to solicit new franchise sales, although we reserve the right to include on the public website or other advertising the notation "Franchises Available" (§8.1). We will use General Marketing Fund contributions to develop and prepare advertising which we will distribute to BrightStar Care Agency Program franchisees for their placement in the local media (§8.1). The advertising will be prepared by us and outside sources. If we do not spend all fund contributions by the end of each of our fiscal year, the funds may be carried forward into the next fiscal year. We may spend in any fiscal year more or less than the total General Marketing Fund contributions in that year, borrow from us or our affiliates (paying reasonable interest) to cover deficits, or invest any surplus for future use.

We have the right to determine contributions and expenditures from the General Marketing Fund, or any other advertising program, and the authority to determine the selection of the advertising materials and programs; provided, however, that we will make a good faith effort to expend such funds in the general best interests of the BrightStar Care Agency Program on a national or regional basis. We are not required to spend any amount of General Marketing Fund contributions in your Protected Territory, and not all BrightStar Care Agency Program franchisees will benefit directly or on a pro rata basis from our expenditures. We have the right to use the General Marketing Fund to pay for expenses we incur in activities reasonably related to directing the General Marketing Fund and its programs, including market research, public relations, creating, preparing, and

producing marketing materials, and collecting and accounting for General Marketing Fund contributions; reasonable salaries and benefits of personnel who manage and administer the General Marketing Fund; the General Marketing Fund's other administrative costs, including taxes we must pay on General Marketing Fund contributions we receive; travel expenses of personnel while they are on General Marketing Fund business; meeting costs; overhead relating to General Marketing Fund business; and franchisee conferences (§8.1). The General Marketing Fund need not be audited. Upon your written request, we will provide you with an unaudited accounting of General Marketing Fund expenditures.

We may terminate and resume the General Marketing Fund periodically during the franchise term; however, any decision to terminate or resume the General Marketing Fund will apply to all franchisees and our company-owned locations equally. We will not terminate the General Marketing Fund before making arrangements to spend or rebate any balance in the General Marketing Fund after payment of all expenses. If we resume the General Marketing Fund, we will give you at least 30 days' written notice before General Marketing Fees become due again, and we will collect General Marketing Fees at the original rate. Anyone who buys a franchise after you do and signs a different form of Franchise Agreement may pay a different rate of General Marketing Fees than you do. In addition, existing franchisees that during 2016 renewed their franchises early or extended their current franchise terms (and signed our then-current Franchise Agreement together with an Early Renewal or Extension Addendum to Franchise Agreement) might pay a different rate of General Marketing Fees than you do based on their Net Billings levels. Our current General Marketing Fees are described in Item 6. Any company-owned Agencies will contribute to the General Marketing Fund at a rate that is equal to the lowest percentage contribution rate that any Agency franchisee then pays to the General Marketing Fund.

We will review the General Marketing Fund spending and effectiveness with the Franchise Advisory Council and Advertising and Marketing Committee (described below) from time to time.

D. Accounting for General Marketing Fund (See Article 8 of Franchise Agreement)

We will administratively segregate all contributions to each Fund described in Article 8 of the Franchise Agreement on our books and records. All contributions to the Funds may be deposited in our general operating account and commingled with our general operating funds. Contributions to the Funds are held neither in a "trust" nor by us as a fiduciary or in a similar special capacity or relationship. Upon written request, we will furnish you an unaudited report in a form we determine no later than 120 days after the close of our fiscal year on each Fund to which you contributed during the preceding year. We may elect to accumulate monies in the Funds for periods of time, as we deem necessary or appropriate, with no obligation to expend all monies received in any fiscal year during the same fiscal year. If our expenditures for General Marketing in any one fiscal year exceed the total amount contributed to the applicable Fund during that fiscal year, we have the right to be reimbursed for any excess expenditures from any amounts contributed after that to the applicable Fund.

E. Local Marketing.

All advertising (including through social media) that you use must be creative from our libraries of approved marketing and advertising materials, be conducted in a dignified manner, and conform

to the standards and requirements we specify. You may not use any advertising or promotional plans or materials unless they are from our libraries of approved marketing and advertising materials. Any advertising or marketing materials not from our approved libraries must be submitted to us for approval and must align with our brand standards. (Section 8.3 of the Franchise Agreement) You must use our required vendor partner for any SEM/PPC advertising investments to ensure optimal campaign performance and brand continuity.

F. Other Information on Advertising Programs.

Advertising materials we supply according to the programs described above will be produced by us or our advertising agency depending upon the type of advertising produced and available personnel. As our franchise program continues to grow, the advertising we produce will evolve from mostly local distribution to regional and national coverage. We expect the advertising we produce will include materials for local distribution, digital marketing (including social media), print media or other print usage, radio, and television. It will be made available from our libraries of approved marketing and advertising materials.

We have an Advertising and Marketing Committee that consists of 5 to 7 franchisees. The purpose of the AMC is to promote constructive, open, and two-way communications between franchise owners and us. In addition, it is our desire to have franchise owners, through the AMC, be an integral part of the planning process in establishing marketing and advertising initiatives to profitably grow the franchise system. Finally, it is recognized that a group of this type is instrumental in addressing concerns related to marketing, advertising, or use of the General Marketing Fund (GMF) or Co-Op Advertising Fund (CAF) before they develop into major issues. The Advertising and Marketing Committee serves in an advisory capacity only. We retain the right to form, change, or dissolve the Advertising and Marketing Committee at any time.

Except as we expressly authorize, you may not secure a domain name or maintain a Web Site, as defined below, or otherwise maintain a presence or advertise using any public computer network with your Agency other than on the Web Site we host. “Web Site” means any part of the Internet (including social media platforms) used as a commercial computer network by the public, and any successor technology, whether now existing or developed after the date of your Franchise Agreement that enables the public to purchase services or goods by means of electronic commerce.

In our most recent fiscal year ended January 1, 2023, we spent 63% of General Marketing Fund expenditures on Working Media (National and local advertising, digital display, pay-per-click, CRM, SEO, PR, and social), 30% on Non-Working Media (Agency fees, production costs, consumer research, and salaries), 3% on Recruiting (salaries, recruiting services), and 4% on General Brand Support (General & Administrative, travel, industry memberships, legislative advocacy, and essential supplies).

Franchise Site Matters

a. Methods Used to Select Agency Site (citations are to sections in the Franchise Agreement):

Written site selection criteria identifying the important demographic and physical characteristics for an Agency Premises is included in the Operations Manual. You must investigate and evaluate

potential sites for their overall suitability and compatibility with our site selection criteria (§§3.1.2 and 6.1).

The Agency Premises may not be located in a person's home (§6.1). You should consider the following general criteria prior to submitting an Agency Premises for consideration: (i) proximity to geographical center of Protected Territory; (ii) proximity to the largest hospital in the Protected Territory that will use the Agency's services; (iii) accessibility of the proposed Agency Premises to public transportation; (iv) population concentration; (v) access to viable workers; (vi) proximity to schools that offer CNA, LPN/LVN and/or RN programs; (vii) amount and quality of competition; (viii) appearance of location; (ix) total square footage, (x) other amenities, including access to DSL; (xi) interior space plan and floor layout; and (xii) building, sign, and other applicable codes, ordinances, regulations, and restrictions.

Within 150 days after we sign the Franchise Agreement, you must locate an Agency Premises and we must approve that site within the 150-day period (§6.1). We have 10 calendar days to approve or disapprove your site after you ask for approval (Site Selection Addendum). If you do not have approved Premises within the 150-day period, we will give you 30 days' notice to cure the default or a longer time required by applicable law. As noted below, we may terminate your Franchise Agreement if you have not cured the default at the expiration of the applicable cure period, and no fees will be refunded to you (§§4.1 and 6.1).

Typical Length of Time Before Opening (citation is to a section in the Franchise Agreement):

You should be ready to open your agency within 180 days after signing the Franchise Agreement. This time may vary depending upon a variety of factors, including satisfactory Premises, procurement of financing, including a line of credit to support accounts receivables as the business grows, installation of equipment and furniture, satisfactory completion of all required training sessions, licensure with applicable regulatory agencies, and printing/mailing lead time for pre-opening recruiting plan and material.

Unless we agree to an extension in writing, we may terminate your Franchise Agreement if you do not open your Agency within 180 days after signing the Franchise Agreement or fail to complete all required training sessions, to have your Key Positions hired and trained prior to Opening, to timely complete and satisfy all pre-opening requirements, or to diligently and actively pursue licenses to enable you to perform the companion care and personal care lines of business (§13.3.6).

Computer Hardware and Software Systems

You must purchase and use any computer system software or hardware we develop or select, including all future updates, supplements, and modifications (the "Computer Infrastructure Package"). The Computer Infrastructure Package includes 4 desktop computers or laptops running current Microsoft Windows operating system and associated peripherals, including monitors, office suite and other software, local network router, other network accessories, a printer, a scanner, and any installation services to install in your office. We also strongly recommend that all computers utilize disk encryption software, which on some computer brands is available at no additional cost. The Computer Infrastructure Package also includes systems and software hosted by BrightStar Technology Group for your use, including the Athena Business System, Microsoft

Dynamics GP accounting software, and other third party software. The recommended mobile tablets with a keyboard and/or laptops for your Director(s) of Nursing to use in conjunction with ABS Mobile and the Computer Infrastructure Package are used to record and analyze all clinical, business and accounting information for the operation of your Agency.

In connection with your use of certain Microsoft software products, you must sign the Microsoft Dynamics GP Software Agreement to be Bound, a copy of which is attached to this Disclosure Document as Exhibit H. From time to time, we may enter into additional agreements with software vendors that will require your acceptance of their license agreements. We reserve the right to designate changes or enhancements to the Computer Infrastructure Package used in your Agency, the computer hardware, software, and other equipment. When we designate the change or enhancement to the Computer Infrastructure Package, you may be required to make certain payments to us or our designated suppliers. You will have 3 months to install and commence use. You must procure your accounting software and cash application and collection software from us or any third party we designate and the Athena Business System and its successors from us or one of our affiliates, currently BrightStar Technology. You alone are responsible for maintenance and support of your local computer equipment and mobile devices.

The initial cost to purchase the Computer Infrastructure Package will range from $4,000 to $9,500. The monthly maintenance, repair, or upgrade of the Athena Business System and any annual cost to you for any optional or required maintenance, support, upgrades and updates to that system are covered by the Athena Business System Monthly Service Fee. By contrast, all hardware and computer network maintenance and upgrades of other software are your responsibility and must be done in a timely manner. There are no contractual limitations on the frequency or cost of upgrades or changes in the Computer Infrastructure Package, including software we may impose. Upgrades could cost between $1,000 and $3,000 or more annually. This cost may be controlled by leasing the Computer Infrastructure Package on relatively short-term leases common in the industry.

You must use the specified Computer Infrastructure Package and may not substitute other software in place of the Athena Business System. However, if we grant your written request to use an alternative vendor for payroll services, you will be allowed to use such vendor's payroll software and will not be required to use the Athena Business Systems' payroll-related functions. We reserve the right to specify different hardware and software systems in the future, including proprietary software that we or our affiliates develop exclusively for the BrightStar Care Agency Program.

We reserve the right to independently access all information collected or compiled by or in accordance with your use of the Athena Business System, Great Plains, or other software used in your Agency's operation. There are no contractual limitations on this right.

Training

See Section 3.1 of the Franchise Agreement for general training provisions. You are solely responsible for your (or your owners') and your employee's room, board, travel, and salary expenses associated with training.

As of the issuance date of this Disclosure Document, the BrightStar Care training program, known as Boot Camp, has four (4) training tracks: (1) New Owner track, (2) Sales track, (3) Clinical track, and (4) Operations track. All tracks include both on-line components and instructor-led classroom-based sessions held in Gurnee.

New Owner Track Overview

The New Owner Training track is designed to incrementally build your (as a new franchise owner) knowledge and skill around the BrightStar Care operations, sales, and clinical business processes and compliance. These sessions are intended to supplement weekly support calls with assigned Start Team coaches. This track may include two or three, 3 to 5-day sessions (no more than 15 days total) and is held at our headquarters. Between your training sessions, you may also spend up to a week in the office of an owner. We may approve a virtual participation under certain circumstances or for certain aspects of the week's visit. This program is designed to have you gain an applied understanding of the role of an owner by participating in an Agency's most critical processes over the course of a week, as well as spending time with the established owner to understand her or his keys to success. You and your Key Positions must complete all required training within 180 days after signing the Franchise Agreement and prior to Opening. If you acquire your Agency via a resale, you are required to attend two 3 to 5-day sessions (up to 10 days) of training prior to the hard close date (final transfer of assets). You also may spend up to a week in the office of an owner after signing the Franchise Agreement and before the transfer's effective date. We may approve a virtual participation under certain circumstances or for certain aspects of the week's visit. You must complete any remaining required training within 90 days after final transfer of assets. We reserve the right to offer training through a virtual environment and/or an e-learning platform.

Sales, Clinical, and Operations Track Overview

The Sales, Clinical, and Operations training tracks are designed specifically for the 3 key roles in the business: (1) Salesperson, (2) Director of Nursing ("DON"), and (3) Branch Manager/Director of Operations (if role not assumed by you). Specifically, the Sales track focuses on the marketing and selling process and increasing skill through interactive role-play. The Clinical track focuses on the clinical administrative, regulatory, and compliance aspects of operating the business, as well as understanding the BrightStar Care clinical programs. The Operations track has a focus on the day-to-day administration of the Agency, including training on business processes and supporting information technology. These 3 key staff are required to attend and successfully complete their respective 3 to 5-day training track sessions within 180 days after signing the Franchise Agreement, or within 90 days if the new hire is a replacement. You may also be required to spend up to a week in the office of an owner within 180 days after signing the Franchise Agreement and prior to Opening. We reserve the right to offer training through a virtual environment and/or an e-learning platform.

The Pre-Opening and Boot Camp Training programs are conducted by our company officers, owners, directors and key employees, each of whom has significant experience in the areas he or she will teach.

A brief description of our Pre-Opening and Boot Camp trainers as of the date of this Disclosure Document, and their experience and background, are provided below.

- Debra Andrea, MBA, HCM - Director Central Intake, has over 15 years of experience in healthcare operations, including 3 years agency experience at BrightStar Care of Gurnee and 5 years with the Franchise Support Center.
- Teresa Celmer, Chief Marketing Officer, has over 20 years of experience in marketing and brand development.
- Pam Daly, Senior Director of Content Marketing, has 14 years of experience in graphic design and brand content strategy.
- Dorrie Emmerich, Sales & Opportunity Manager, has over 20 years in sales and operations support in the healthcare industry.
- Marla Franklin, Learning and Development, SHRM - CP certified, has over 20 years of Talent Management experience with an emphasis in L&D and Learning Management Systems.
- Angela Gray, Director of Clinical Operations and Quality, has over 15 years of experience in clinical management.
- Erin James, Manager of Retention and Engagement, has 4 years of experience in recruiting and retention. She joined BrightStar Care after working for the largest hospital operator in the United States in the recruiting and retention space.
- Maurie Kovach, Manager of Field Support, has over 10 years of experience in home care and senior living operations with emphasis on recruiting, care coordination, leadership and management of an agency.
- Michael Mooney, Director of Start Team, has over 10 years of experience in business development, operations, and leadership, including 3 years working in and leading a BrightStar Care agency.
- Mia Phillips, Senior Director of Talent Acquisition, has spent her career in talent management. Prior to joining BrightStar Care, she spent the last 6 years leading contingent recruitment and retention efforts at the largest hospital operator in the United States.
- Josie Rhoades, Vice President Clinical Operations has 14 years in healthcare industry in both clinical and operational leadership.
- Monica Sidor, Director of Local Marketing and Communications, has over 10 years of experience in brand and channel marketing as well as corporate communications.
- Shelly Sun, CEO and founder, has over 25 years of experience in financial and business management.
- Dennis Szorcsik, Director of Sales Effectiveness, has over 25 years of experience in healthcare and medical staffing industry in sales, training, and operations roles.
- Leslie Waddell, Senior Vice President, Franchisee Experience, has over 11 years of experience in the homecare industry with 20 years in leadership, training, and operational roles.
- Diane Westbrook, Field Support Manager, has over 20 years of training and operations support experience.
- Courtney White, Manager of Field Support, has worked in healthcare for over 10 years with time spent at both the agency level and with the Franchise Support Team. Her background includes experience leading and managing teams in operations, sales, and learning and development.

- Jennifer Winarski, Regional Manager, Clinical Operations, is a Registered Nurse with over 20 years of experience, including intensive care, behavioral health and home care.

The following table summarizes our initial training program that must be completed to our satisfaction by you (or your owner) and your branch/operations manager, salesperson, and director of nursing before your Agency opens.

TRAINING PROGRAM

Franchise Owner Training: New Owner – Week 1

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Pre-work: Shelly -Video	0.25*	0	Gurnee, IL or any other location we may designate; or via e-learning
Pre-work: OSHA Video	1.0*	0	Gurnee, IL or any other location we may designate; or via e-learning
Pre-work: HIPAA Overview	1*	0	Gurnee, IL or any other location we may designate; or via e-learning
Pre-work: Review Acronym List	0.25*	0	Gurnee, IL or any other location we may designate; or via e-learning
Pre-work: Crucial Conversations	0.25*	0	Gurnee, IL or any other location we may designate; or via e-learning
Kick Off Call	0.5*	0	Gurnee, IL or any other location we may designate; or via e-learning
Boot Camp Overview & Introductions	0.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Operations - Expectations	2.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Operations - Intro to Operations	1.5	0	Gurnee, IL or any other location we may designate; or via e-learning
IT Help Desk	.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Intro to Clinical	2.25	0	Gurnee, IL or any other location we may designate; or via e-learning
Intro to Marketing	1.0	0	Gurnee, IL or any other location we may designate; or via e-learning
Intro to BrightStar Care Sales	1.75	0	Gurnee, IL or any other location we may designate; or via e-learning
Intro to National Accounts	1.25	0	Gurnee, IL or any other location we may designate; or via e-learning
PIECES MODEL: Crucial Conversation	1.0	0	Gurnee, IL or any other location we may designate; or via e-learning
Vendor Showcase	1.0	0	Gurnee, IL or any other location we may designate; or via e-learning
Interface Overview	.75	0	Gurnee, IL or any other location we may designate; or via e-learning
Where does the dollar go?	1.0	0	Gurnee, IL or any other location we may designate; or via e-learning
Intro to Financial	1.0	0	Gurnee, IL or any other location we may designate; or via e-learning

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Proforma	1.0	0	Gurnee, IL or any other location we may designate; or via e-learning
Intro to Talent Management	2.0	0	Gurnee, IL or any other location we may designate; or via e-learning
Owner's Showcase	1.0	0	
Week 1 Wrap-Up	0.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Executive Leadership (virtual)	5.0*	0	Gurnee, IL or any other location we may designate; or via e-learning
Executive: If live, the time shifts to 4 hours of classroom Training.		0	Gurnee, IL or any other location we may designate; or via e-learning
	*May include independent learning activities that occur outside the formal classroom		

In addition to the New Owner Training identified above, you will have 15-20 hours of online learning, which is required to be completed before attending the Boot Camp Training session outlined below.

Franchise Owner Training: New Owner – Week 2

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Pre-work: ABS Modules	9.50*	0	Gurnee, IL or any other location we may designate; or via e-learning
Pre-work: ABS Exercises	1.25*	0	Gurnee, IL or any other location we may designate; or via e-learning
Kick Off Call	0.5*	0	Gurnee, IL or any other location we may designate; or via e-learning
BrightStar Care Model	2.25	0	Gurnee, IL or any other location we may designate; or via e-learning
ABS Report Center	1.0	0	Gurnee, IL or any other location we may designate; or via e-learning
Clinical Policies and Procedures	2.0	0	Gurnee, IL or any other location we may designate; or via e-learning
Selling BrightStar Care & Managing Sales Process	3.75	0	Gurnee, IL or any other location we may designate; or via e-learning
Operations - ABS	5.25	0	Gurnee, IL or any other location we may designate; or via e-learning
Relias Demo	.5	0	Gurnee, IL or any other location we may designate; or via e-learning
National Accounts	2.5	0	Gurnee, IL or any other location we may designate; or via e-learning

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Compliance	.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Operations Case Study	1.0	0	Gurnee, IL or any other location we may designate; or via e-learning
Talent Management: Recruiting and Onboarding	3.0	0	Gurnee, IL or any other location we may designate; or via e-learning
Operations – Financial	.75	0	Gurnee, IL or any other location we may designate; or via e-learning
Marketing	2.0	0	Gurnee, IL or any other location we may designate; or via e-learning
How to Work With Your Coach	.75	0	Gurnee, IL or any other location we may designate; or via e-learning
Leading and Managing at Your Agency / People Analyzer	.75	0	Gurnee, IL or any other location we may designate; or via e-learning
Week 2 Wrap-Up	0.5	0	Gurnee, IL or any other location we may designate; or via e-learning
	*May include independent learning activities that occur outside the formal classroom		

Franchise Boot Camp Training: Sales/Salesperson

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Pre-work: Revving up Referrals	6.0*	0	Gurnee, IL or any other location we may designate; or via e-learning
Kickoff Call	0.50*	0	Gurnee, IL or any other location we may designate; or via e-learning
Welcome & Expectations	.75	0	Gurnee, IL or any other location we may designate; or via e-learning
Intro to Clinical Ops	2	0	Gurnee, IL or any other location we may designate; or via e-learning
Consultative Selling	2.75	0	Gurnee, IL or any other location we may designate; or via e-learning
Marketing Q & A Session	1	0	Gurnee, IL or any other location we may designate; or via e-learning

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Brand You Represent	1	0	Gurnee, IL or any other location we may designate; or via e-learning
Where Does the Dollar Go	1	0	Gurnee, IL or any other location we may designate; or via e-learning
Living Room Visits / HELP 2.0	1.25	0	Gurnee, IL or any other location we may designate; or via e-learning
Revving Up Referrals	1.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Presenting Differentiators in Your Sales Calls	.75	0	Gurnee, IL or any other location we may designate; or via e-learning
Selling Outcomes	1	0	Gurnee, IL or any other location we may designate; or via e-learning
Service Recovery	.75	0	Gurnee, IL or any other location we may designate; or via e-learning
Effective Habits of Highly Successful People	2	0	Gurnee, IL or any other location we may designate; or via e-learning
ZoHo and Sales Assets	0.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Selling Staffing	1	0	Gurnee, IL or any other location we may designate; or via e-learning
Putting It All Together	2	0	Gurnee, IL or any other location we may designate; or via e-learning
	*May include independent learning activities that occur outside the formal classroom		

Franchise Boot Camp Training: Operations/Branch Manager

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Pre-work: ABS, HIPAA, OSHA	2.75*	0	Gurnee, IL or any other location we may designate; or via e-learning

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Kickoff Call	.5*	0	Gurnee, IL or any other location we may designate; or via e-learning
Welcome & Expectations	.75	0	Gurnee, IL or any other location we may designate; or via e-learning
Intro to BrightStar Clinical Operations	2	0	Gurnee, IL or any other location we may designate; or via e-learning
PIECES MODEL: Crucial Conversations	1	0	Gurnee, IL or any other location we may designate; or via e-learning
ABS	6.25	0	Gurnee, IL or any other location we may designate; or via e-learning
ABS Reporting	1	0	Gurnee, IL or any other location we may designate; or via e-learning
Brand You Represent	1.0	0	Gurnee, IL or any other location we may designate; or via e-learning
Where Does the Dollar Go?	1	0	Gurnee, IL or any other location we may designate; or via e-learning
Living Room Visits / HELP 2.0	1.25	0	Gurnee, IL or any other location we may designate; or via e-learning
Recruiting 101	3.25*	0	Gurnee, IL or any other location we may designate; or via e-learning
Retention 101	1.15*	0	Gurnee, IL or any other location we may designate; or via e-learning
National Accounts (By National Accounts)	.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Central Intake	1.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Managing Receivables	.5	0	Gurnee, IL or any other location we may designate; or via e-learning
	*May include independent learning activities that occur outside the formal classroom		

Franchise Boot Camp Training: Clinical/Director of Nursing

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Pre-work: ABS, Joint Commission, HIPAA, OSHA	8.25*	0	Gurnee, IL or any other location we may designate; or via e-learning
Kickoff Call	0.5*	0	Gurnee, IL or any other location we may designate; or via e-learning
Welcome & Expectations	.75	0	Gurnee, IL or any other location we may designate; or via e-learning
Intro to BrightStar Clinical Operations	1.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Clinical Welcome	.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Clinical Standards / Day of the Life of a DON	3.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Brand you Represent	1.0	0	Gurnee, IL or any other location we may designate; or via e-learning
Where Does the Dollar Go?	1	0	Gurnee, IL or any other location we may designate; or via e-learning
Living Room Visits / HELP 2.0	1.25	0	Gurnee, IL or any other location we may designate; or via e-learning
Recruiting 101	1.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Retention 101	1	0	Gurnee, IL or any other location we may designate; or via e-learning
Quality Assurance / Performance Improvement and Reports	1.75	0	Gurnee, IL or any other location we may designate; or via e-learning
National Accounts (By National Accounts)	.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Discover ABS	.5	0	Gurnee, IL or any other location we may designate; or via e-learning
Care Paths	.5	0	Gurnee, IL or any other location we may designate; or via e-learning
IC, PI and EM Plans Readiness Workshop	1.5	0	Gurnee, IL or any other location we may designate; or via e-learning

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Clinical Wrap Up	.75	0	Gurnee, IL or any other location we may designate; or via e-learning
	*May include independent learning activities that occur outside the formal classroom		

Our initial training programs are held at our corporate headquarters, which are currently in Gurnee, Illinois. Between the second and third 3 or 5-day training sessions, and prior to your Opening Date, you may spend up to a week in the office of an owner. If you acquire your office via a transfer, you may also spend up to a week in the office of an owner after signing the Franchise Agreement and before the transfer's effective date. Our Boot Camp Training is offered on an as-needed basis at least 6 times per year. We reserve the right to modify the training programs at any time. Optional additional training may be offered to you at your Agency's Premises. Fees and expenses associated with training are described in Item 6 of this Disclosure Document. The Operations Manual and Classroom Training Manuals will be the principal training materials.

We may hold an Annual Conference for all franchisees at a location we select. We will determine the topics and agenda for the conference to update franchisees on new developments affecting franchisees, exchange information between franchisees and our personnel regarding Agency operations and programs and recognize franchisees for their achievements. We require you to attend the Annual Conference and pay our then-current registration fees. All attendees must remain at and participate in such meetings for their full duration. If we charge a registration fee for the Annual Conference, you must pay the fee regardless of whether you attend. Annual conferences are generally held for 3 days at any location we designate. All expenses, including transportation to and from the Annual Conference and lodging, meals, and salaries during the Annual Conference, are your sole responsibility. You must pay all fees for the scheduled hotel accommodations, whether or not the required attendees actually attend. In addition to paying the registration fee if you fail to attend the Annual Conference in-person for any reason, you must attend a 2-day session in Gurnee, at your sole expense and on the dates, we determine, for you to review videos of key content that were presented at the Annual Conference. We reserve the right to hold annual franchise meetings via a virtual experience. Should we hold the annual franchise meeting via a virtual experience, you must attend and pay the registration fee regardless of your participation in the virtual annual meeting. As of the date of this Disclosure Document, we have not finalized the virtual conference experience required hours of participation.

Additionally, we may hold up to 2 Branch Leadership Conferences each year with at least one of them being held virtually. If held, we do require certain branch managers/operations managers, directors of nursing, and hired salesperson(s) to attend. The conference will last no more than 3 business days. All attendees must remain at and participate in such meetings for their full duration. We reserve the right to charge a registration fee for this conference, and you must pay all travel expenses (transportation, hotel, meals, etc.) and related salary expenses for you (or your owners)

and your personnel to attend. You must pay all registration fees and all fees for the scheduled hotel accommodations, whether or not the required attendees actually attend. If your Agency is doing between $0 and $20,000 in weekly Net Billings in the quarter prior to Branch Leadership Conference, you must send a minimum of 1 Key Position employee; if your Agency is doing between $20,000 and $40,000 in weekly Net Billings in the quarter prior to Branch Leadership Conference, you must send a minimum of 2 Key Position employees; and if your Agency is doing over $40,000 in weekly Net Billings in the quarter prior to Branch Leadership Conference, you must send a minimum of 3 Key Position employees with an employee attending each of the following tracks – operations, sales/marketing, clinical, and recruiting. We reserve the right to hold the Branch Leadership Conferences via a virtual experience. Should we hold one or more of the Branch Leadership Conferences via a virtual experience, the same attendance requirements outlined above will apply. You must pay the registration fee regardless of you or your staff's participation in the virtual Branch Leadership Conference. As of the date of this Disclosure Document, we have not finalized the virtual Branch Leadership Conference required hours of participation.

To assist you in operating your Agency, we may offer additional training programs and/or refresher courses. As of the date of this Disclosure Document, we are not able to state or estimate the location, duration, or frequency of any additional training programs and/or refresher courses as these programs and courses will depend on your needs and the needs of our other BrightStar Care franchisees. We currently do not anticipate offering more than 2 additional training programs and/or refresher courses during a calendar year and currently anticipate that each training program and/or refresher course will last approximately 2 to 3 days. We currently offer a clinical coaching session once a year to assist you and your office in preparing for and obtaining Joint Commission. We may require your and your employees' attendance. You must pay for your (and your owners') and your employees' travel, meal, lodging, and payroll expenses while attending our additional training programs. The additional training programs and refresher courses will be at our then-current tuition for ongoing training (see Item 6).

ITEM 12
TERRITORY

You will operate your Agency from a location we approve ("Approved Location"). If you have secured a site for the Agency when you sign the Franchise Agreement, you will establish the Agency at the approved site. If you have not yet secured a site for your Agency when you sign the Franchise Agreement, you will enter into our Site Selection Addendum, attached as Exhibit J to the Franchise Agreement, which will govern the site selection process. You may relocate the Agency only with our prior written approval. Whether or not we allow relocation depends on circumstances at the time and what is in the Agency's and our system's best interests. Factors include, for example, the new site's area, its proximity to other premises in our system, whether you are in compliance with your Franchise Agreement, and how long it will take you to open at the new site.

We assign you a specific geographic area ("Protected Territory") within which we agree not to (i) open company-owned Agencies using the Marks, or (ii) authorize any other party to open an Agency using the Marks if you are not in default under your Franchise Agreement. We will designate the boundaries of your Protected Territory by zip codes. A protected territory typically

includes a population of 200,000 to 300,000 people with a minimum of 15,000 in population 65 years of age and older. If a protected territory has a population over 300,000, you must pay us $100 per each additional 1,000 people (pro rata) in the Protected Territory over 300,000.

If you acquire a franchise for an Agency to operate in a Medium Density Market, your Protected Territory will include a population of less than 200,000 people.

We determine protected territory populations using GbBis mapping application, and statistics are updated every 6 months as released by the United States Census Bureau. More information regarding GbBis can be found at www.gbbis.com.

Referral sources are not exclusive, and you may call on referral sources outside your Protected Territory with the prior notification in writing to the franchisee that owns the territory in which you will be marketing. All customers serviced must be in your Protected Territory and cannot be customers with service addresses, or services performed, in another franchisee's protected territory held under a Franchise Agreement. If you service customers who are sourced from an unclaimed territory that later becomes the protected territory of another franchisee, you may, in our sole discretion, retain those and only those customers whom you secured prior to the unclaimed territory being purchased by the other franchisee. You may not solicit staffing business outside your Protected Territory without permission; the staffing business, along with any other business (excluding Net Billings from National Accounts) outside your Protected Territory, cannot exceed 25% of your Net Billings. Staffing business must be transitioned to the new franchisee per the Cross-Territorial policy outlined in the Operations Manual.

If (1) your monthly Net Billings from business outside your Protected Territory (excluding National Accounts Net Billings from outside your Protected Territory) exceed 25% of your total monthly Net Billings (excluding National Accounts Net Billings), (2) you are otherwise in compliance with your Franchise Agreement, and (3) you meet the criteria for expansion, we will ask you to acquire an additional franchise for an adjacent Medium Density Market territory that will encompass the clients you are servicing outside the Protected Territory. However, if you do not meet the criteria for expansion or, despite satisfying such criteria, you choose not to acquire an additional franchise for an adjacent Medium Density Market territory within the timeframe we specify, you will be in default under the Franchise Agreement. Upon such a default, you will have 90 days from the date of our notice of default to you to grow the business within your Protected Territory so that the percentage of your total monthly Net Billings from business outside your Protected Territory (excluding National Accounts Net Billings from outside your Protected Territory) no longer exceeds 25% of your total monthly Net Billings.

Further, all Net Billings (except for National Account Net Billings) from business outside of your particular Protected Territory will not be counted towards the Net Billings needed to meet performance criteria or renewal criteria, regardless of whether we temporarily permitted you to service business in an unowned territory.

When permission to solicit business outside your Protected Territory is granted, the following conditions apply: (i) solicitation is limited to that territory not owned by another franchisee under a Franchise Agreement and not serviced by a company-owned location; (ii) you must have maintained revenues inside your Protected Territory at or above the System-level average for the

6 months before the outside solicitation right being granted unless a waiver is granted; (iii) at least 75% of your total monthly Net Billings must come from business inside your Protected Territory (although Net Billings from National Accounts both within and outside your Protected Territory will count towards the 75% of total monthly Net Billings); (iv) any advertising you place must be principally directed to potential clients in your Protected Territory, but some circulation outside your Protected Territory, including into another franchisee's protected territory, is permitted provided that the other franchisee agrees to participate in such advertising and you split the costs on a pro rata basis; and (v) when the area is granted to another franchisee, you may, in our sole discretion, retain the existing clients being serviced in the area (excluding staffing contracts, which must be transferred to the new franchisee as soon as it is, in our opinion, operationally capable), as described in our then-current Cross-Territorial Policy as outlined in the Operations Manual.

A violation of the Cross-Territorial Policy is a default and potential grounds for termination of the Franchise Agreement. We have a Cross-Territorial Policy in our Operations Manual, which may be amended from time to time, which includes provisions for financial penalties in addition to, or in lieu of, termination of the Franchise Agreement following a violation of the Cross-Territorial Policy. You are responsible (rather than us) for any payments or penalties owed to franchisees for violations of the Cross-Territorial Policy. The Cross-Territorial Policy is now part of our system standards.

We retain all rights that are not expressly granted to you under the Franchise Agreement. The license granted to you under the Franchise Agreement does not include (i) any right to offer any product or service via e-commerce; (ii) any right to establish an independent website or to establish an URL incorporating the Marks or any variation of the Marks or the names or likeness of any of our or our affiliates' executives or employees; or (iii) any right to distribute, market, or implement our products and services in any channel of distribution or other manner not specifically authorized in the Franchise Agreement. Further, we may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee and without granting you any other rights:

(i) Establish and/or license others to establish franchised or company-owned Agencies at any location outside the Protected Territory regardless of the proximity of such agencies to your Protected Territory.

(ii) Grant permission to you to service clients within another franchisee's protected territory if the franchisee does not have the proper licensure or accreditation to provide services (or chooses not to provide services) and grant permission to other franchisees to service clients within your Protected Territory if you do not have the proper licensure or accreditation to provide services (or choose to not provide services).

(iii) Offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute through franchised or non-franchised businesses, at wholesale or retail, within and outside the Protected Territory, (a) BrightStar branded goods and services not then offered and sold through the BrightStar Care Agency Program, or (b) goods and services under another brand. These goods and services may be offered and sold through similar or

dissimilar channels or methods of distribution, including the Internet and outlets that do business under the BrightStar name or another name. Examples of these outlets include durable medical equipment centers, assisted living facilities, adult daycare and/or child daycare facilities, Medicare home health agencies, and hospices, and businesses that are not in the healthcare industry. We or our affiliate may expand our business as permitted under this subpart (iii) through the Merger/Acquisition Activity described in subpart (v) below.

(iv) Periodically designate National Accounts. We have the exclusive right to negotiate and enter into agreements or approve forms of agreements providing supplemental healthcare staff or healthcare and homecare services to institutional clients and comprehensive care to any business which owns, manages, controls, services or otherwise has responsibility for services in more than one protected territory of our franchisees, regardless of the aggregate contract amount of the services you want to perform (a "National Accounts Customer"). We may designate an account as a National Accounts customer, in our sole discretion at any time, and our determination will be final and binding. Upon completion of your initial training, you must sign up for all National Accounts business and service any National Accounts business we refer to you in accordance with the terms of the National Accounts contract and the guidelines contained in the Operations Manual, including any service requirements based upon National Accounts gross margin percentages contained in the Operations Manual. You may not solicit business from or provide services to any National Accounts customer without our express prior authorization, which consent will not be unreasonably withheld. The restrictions in this section (iv) apply anywhere, including within your Protected Territory.

If you decline to service a National Accounts customer at any time without our prior authorization, or if you receive a written complaint from a National Accounts customer that you cannot or choose not to cure in the manner and within the timeframe requested by the National Accounts customer, then we and our affiliates have the right to provide services within your Protected Territory directly to that National Accounts customer, or may grant permission to another franchisee or an independent service provider to provide services within your Protected Territory to that National Accounts customer, until such time that you establish to our satisfaction that you are willing and able to service the National Accounts customer in compliance with this Agreement or to address satisfactorily the complaint from the National Accounts customer.

If you are not qualified to perform the services outlined in the National Accounts contract, you are unable to achieve and maintain the quality and service standards outlined in the National Accounts contract, or you fail to fill any Premier National Account requests three (3) times during any 12-month period, or if we receive two (2) complaints from a National Accounts

customer regarding the services provided, we reserve the right to exclude you from the National Accounts program (both the individual National Accounts customer and the National Accounts program as a whole), require you to prepare a Corrective Action Report in order to be considered for reinstatement in whole or in part into the National Accounts program, and/or take any other action noted in your Franchise Agreement.

Notwithstanding anything above to the contrary, if you decline to service a National Accounts customer more than 2 times within a 60-day period, or if a National Accounts customer notifies us or you at any time of its unwillingness to do business with you (no matter the reason), then we and our affiliates will have the unrestricted right during the remaining portion of the franchise term to provide services within your Protected Territory directly to that National Accounts customer, and to permit another franchisee or an independent service provider to provide services within your Protected Territory to that National Accounts customer, and will have no obligation during the remaining portion of the franchise term to offer you the opportunity to service that National Accounts customer, regardless of the nature of the payor for the services provided to the National Accounts customer.

(v) Merge with, acquire or be acquired by ("Merger/Acquisition Activity") any businesses or agencies of any kind under other systems and/or other marks, which businesses and agencies may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Protected Territory.

As a result of having limited territorial exclusivity under the Franchise Agreement, you may face competition from other franchisees, from businesses that we own, or from other channels of distribution or competitive brands we may control.

If you are acquiring a franchise for a new Agency, beginning the first 12 months of operations after your MSD, your monthly performance must meet or exceed the following Monthly Performance Standards:

MSD ANNIVERSARY YEAR	MONTHLY PERFORMANCE STANDARDS (*based on a 4 week month) (i.e., Minimum Net Billings)
Years 1 & 2	No Minimum
Each of Years 3 & 4	$60,000*
Each of Years 5–7	$80,000*
Each of years 8–10	$100,000*
**Each of Years 11–15	$120,000*

MSD ANNIVERSARY YEAR	MONTHLY PERFORMANCE STANDARDS (*based on a 4 week month) (i.e., Minimum Net Billings)
**Each of Years 16–20	$150,000*
**Each of Years 11–15	$175,000*

* Monthly Performance Standards for 5-week months will be $75,000 in years 3 & 4, $100,000 in years 5 through 7, and $125,000 in years 8 through 10. Weekly periods are Monday through Sunday. Only Net Billings from business within your Protected Territory, and Net Billings from National Accounts both within and outside your Protected Territory, will count towards the Monthly Performance Standards.

** Years 11–15, 16-20, and 21-25 represent what the Monthly Performance Standards will be each year upon renewal of the franchise after the Initial Term (if you choose to renew or have the opportunity to renew). Monthly Performance Standards for 5-week months during each renewal term will be the sum of $30,000 (for each of the years 11-15), $37,500 (for each of the years 16-20), and $43,750 (for each of the years 21-25) plus the Monthly Performance Standard identified in the table above. Weekly periods are Monday through Sunday. Only Net Billings from business within your Protected Territory, and Net Billings from National Accounts both within and outside your Protected Territory, will count towards the Monthly Performance Standards and Five-Year Performance Standard required to be eligible for consideration for renewal after the Initial Term.

Item 6 describes the Minimum Monthly Royalty Fee you must pay us if you fail to satisfy any Monthly Performance Standard.

If your Agency operates in a Medium Density Market, the Monthly Performance Standards do not apply to your Agency.

If you acquired an Agency as a result of a transfer, we may (but need not) establish your Monthly Performance Standard requirements based on the actual historical performance of the Agency being acquired. If we establish your Monthly Performance Standard as part of a transfer, the Monthly Performance Standard will be set forth in an exhibit to the Franchise Agreement. (See our Standard Resale Addendum to Franchise Agreement (Exhibit Q) as an example.)

To be eligible for your first renewal, you must achieve the cumulative Monthly Performance Standard for renewal and, during the last year of the Initial Term, achieve the Monthly Performance Standard outlined for Year 11, which is $30,000 in Net Billings per week. Both of these terms set the criteria for the renewal right in each territory. The cumulative Monthly Performance Standard for renewal would be $9,280,000 during the Initial Term. Only Net Billings from business within your Protected Territory, and Net Billings from National Accounts both within and outside your Protected Territory, will count towards the cumulative 10-Year Performance Standard for renewal. The cumulative amount standard means that you can meet the cumulative 10-Year Performance Standard even if you fail to meet the Monthly Performance Standard for any one or more periods during years 3 through 9 during the Initial Term; however,

your Year 10 weekly average must meet or exceed $30,000 in Net Billings per week in the final 3 months of the Franchise Agreement term.

If your Agency operates in a Medium Density Market, the cumulative Monthly Performance Standard for renewal and during the Initial Term do not apply to you.

If you are signing the Franchise Agreement attached to this Disclosure Document for your first Agency, the Five-Year Performance Standard you must meet or exceed during the first or second renewal franchise term, as applicable, in order to have the right to a second or third subsequent renewal franchise term, as applicable, will be, respectively, $7,800,000 and $9,750,000 in Net Billings (with the same limitations as those described above regarding the geographic areas from which Net Billings will be calculated), and you must maintain or exceed $37,500 of Net Billings per week during the final year of the first renewal franchise term and $43,750 of Net Billings per week during the final year of the second renewal franchise term (again, with the same limitations reference above).

ITEM 13
TRADEMARKS

You will have the limited right to use the Marks we designate for use in the BrightStar Care Agency Program. Our affiliate, Bright Star Nevada, is the owner of the following U.S. registrations:

MARK	REGISTRATION NUMBER	REGISTRATION DATE	REGISTER
BrightStar Care	4042547	October 18, 2011	PRINCIPAL
BrightStar	3608702	April 21, 2009	PRINCIPAL
CareTogether	4019022	August 30, 2011	PRINCIPAL
BrightStar Clinical Pathways	4302561	March 12, 2013	PRINCIPAL
BrightStar Senior Living	4538086	May 27, 2014	PRINCIPAL
BrightStar Connections	4588598	August 19, 2014	PRINCIPAL
BrightStar Care Home Care Medical Staffing A Higher Standard and Design	4659696	December 23, 2014	PRINCIPAL
BrightStar Care A Higher Standard of Home Care and Design	4844658	November 3, 2015	PRINCIPAL

MARK	REGISTRATION NUMBER	REGISTRATION DATE	REGISTER
BrightStar Care A Higher Standard of Care	4836093	October 20, 2015	PRINCIPAL
BrightStar Care Homes	Application # 90589174	Filing Date March 19, 2021	PRINCIPAL

Our affiliate, Bright Star Nevada, has filed or intends to file all required affidavits and renewals for the Marks listed above.

Bright Star Nevada filed an application for the last Mark appearing in the table above based on its intent to use the Mark in commerce. Bright Star Nevada does not have a federal registration for the Mark. Therefore, that trademark does not have many legal benefits and rights as a federally-registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. However, as noted above, we already have a federal registration for the "BrightStar" Mark and other "BrightStar"-related Marks.

We derive our right to use and sublicense the Marks from an Amended and Restated Trademark License Agreement (the "Trademark License Agreement") dated September 1, 2009, with Bright Star Nevada. Under the terms of the Trademark License Agreement, we have the exclusive right in the United States of America to use and sublicense the Marks in connection with the offer and sale of franchises to third parties. Specifically, Bright Star Nevada has licensed us the right to use and sublicense the Marks in operating Agencies offering medical and/or non-medical home health, medical and nursing personnel placement, and recruiting and staffing services. The Trademark License Agreement is for the United States of America and is exclusive. The Trademark License Agreement may be terminated by mutual agreement of the parties. Additionally, either party may terminate the Trademark License Agreement in the event of: (i) any material breach of an obligation by the other party, which breach is capable of being, but is not, cured within 60 days after written notice of the breach to the breaching party; or (ii) any situation in which a party commits a material breach of the Trademark License Agreement that is not capable of being cured within 60 days and the non-breaching party provides written notice of the breach and notice of termination. Except for the Trademark License Agreement, there are no agreements currently in effect that significantly limit our right to use or sublicense the Marks. The Trademark License Agreement may be modified periodically by Bright Star Nevada and us.

There are currently no effective determinations of the United States Patent and Trademark Office, the trademark administrator of any state, or any court; no pending interference, opposition, or cancellation proceedings; and no pending material litigation involving the Marks. You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use the Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including the right to settle the proceedings or litigation. We have the exclusive right, but not the obligation, to affirmatively prosecute actions against third parties for infringement or threatened infringement of the Marks.

We or our affiliates have the sole right to handle disputes with third parties regarding the Marks. You must immediately notify us in writing if you learn of any improper or infringing use of any Mark. We have the right to take any action we deem best, including to take no action, and the sole right to control any legal proceeding or negotiation resulting from any infringement, challenge, or claim or otherwise relating to the Marks. You may not settle or compromise any claim, suit, or demand asserted against you; you will be bound by our decisions in handling disputes regarding the Marks. You must fully cooperate with us and sign any documents and perform any actions we deem necessary, appropriate, or advisable to defend claims, suits, or demands and to protect and maintain our rights in the Marks. Unless it is established that a third-party claim asserted against you is based, directly or indirectly, on your misuse of the Marks, we will defend you at our cost against the third party claim relating to the Marks, provided you have notified us immediately after learning of the claim and fully cooperate in the defense. Because we will defend the third-party claim relating to the Marks, you are not entitled to reimbursement for legal or other professional fees or costs paid to independent legal counsel or others in the matter. Despite our agreement to defend you, we are not liable to indemnify or reimburse you for any liability, costs, expenses, damages, or losses you sustain because of the third-party claim (unrelated to the costs of defense).

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Marks in any state; however, a federal trademark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant market area. Therefore, before entering into the Franchise Agreement, you should make every effort to ascertain that there are no existing uses of the Marks or confusingly similar marks in the market area where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.

You may use only the Marks we designate and may use them only in the manner we authorize and permit. You may use the Marks only to operate the Agency and only at the Approved Location. You may not use the Marks as part of your corporate or other legal name. You must use your corporate or limited liability company name either alone or followed by the initials "D/B/A" and the business name "BrightStar Care." You must promptly register at the office of the county in which your Agency is located, or such other public office required by law, as doing business under such assumed business name.

All of your advertising (including any advertising on social media platforms) must prominently display the Marks and comply with our standards for using the Marks. All such advertising is subject to our prior written approval, which we will not unreasonably withhold. We reserve the right to approve all signs, stationery, business cards, forms, and other materials and supplies bearing the Marks. You must submit to us and we must approve all advertising, publicity, signs, decorations, furnishings, equipment, or other materials using the Marks or related marks before first publication or use. We will not unreasonably withhold our approval. You must identify yourself as the owner of the Agency (in the manner we prescribe), including on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations we designate in writing at the Agency premises.

To the extent you use, with our permission, any Marks in employment-related materials, you must include a clear disclaimer that you (and only you) are the employer of Agency employees and that we, as the franchisor of BrightStar Care Agencies, and our affiliates are not their employer and do not engage in any employer-type activities for which only franchisees are responsible, such as

employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You also must obtain an acknowledgment (in the form we specify or approve) from all Agency employees that you (and not we or our affiliates) are their employer.

We reserve the right to substitute different Marks to identify the BrightStar Care Agency Program and the businesses operating under it. You must discontinue using all Marks we have modified or discontinued within 10 days after receiving written notice and promptly begin using such additional, modified, or substituted Marks at your expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own or have any patents or patent applications that are material to the franchise. We derive our right to use, practice, and sublicense all technology and intellectual property rights ("IP Rights") currently owned by Bright Star Nevada or in Bright Star Nevada's possession that is necessary for the licensing and franchising of the Athena Business System ("ABS") from an Amended and Restated BrightStar IP License Agreement (the "IP License Agreement") dated January 1, 2010. "IP Rights" means all intellectual property and proprietary rights in and to the ABS and all future enhancements, improvements, or modifications. The IP License Agreement may be terminated by mutual agreement of the parties. Additionally, either party may terminate the IP License Agreement in the event of: (i) any material breach of an obligation by the other party, which breach is capable of being, but is not, cured within 60 days after written notice of breach to the breaching party; or (ii) any situation in which a party commits a material breach of the IP License Agreement that is not capable of being cured within 60 days and the non-breaching party provides written notice of the breach and notice of termination.

We claim a common law copyright in the information contained in the Franchise Agreement, Operations Manual, licensed copyrighted materials that we sublicense to you, and in all present or future advertising and promotional materials we create, all of which we collectively call the "Copyrighted Materials." You may use the Copyrighted Materials only to promote your Agency during the franchise term and only in the manner we authorize.

We consider all information in the Operations Manual to be proprietary and confidential and our trade secrets. Our "Confidential Information" includes know-how, knowledge, methods, specifications, processes, procedures and/or improvements relating to the BrightStar Care Agency Program, methods of site selection, marketing methods, recruiting, service analysis and selection, service methods and skills, prospective and current client lists and client information (including National Accounts clients), employee information, and any other business information that is not generally known to our competitors.

We permit you to divulge confidential information about the Agency only to your employees who must know the information to operate the Agency. However, we require your employees to sign a confidentiality agreement similar to our Confidentiality Agreement (see Exhibit D to this Franchise Disclosure Document), which gives us the right to seek equitable remedies, including restraining orders and injunctive relief, to prevent the unauthorized use of our confidential information, trade secrets, and Copyrighted Materials.

We may periodically modify the Copyrighted Materials or add to or discontinue using all or part of the Copyrighted Materials. We will notify you of all changes with which you must conform at your expense. You must not contest our interest in the Copyrighted Materials, proprietary information, or trade secrets. You must follow our rules when you use the Copyrighted Materials, including using special notices of registration that we designate.

There are no current determinations of the United States Copyright Office or any court, no pending interference, opposition, or cancellation proceedings, and no pending material litigation involving the Copyrighted Materials or confidential information that is relevant to their use in this state.

We will own all intellectual property and other rights in the Intranet and all information it contains, including its domain names or URLs, the log of "hits" by visitors, any personal or business data visitors supply, and all information relating to the Agencies' clients and other patrons, whether that information is contained on your computer system or our (or our designee's) computer system (collectively, the "Data").

Subject to any applicable state or federal laws, you must give us at our request and in a manner we designate all client lists and client records, including National Accounts clients, for the Agency, including the names, addresses, phone numbers, and client numbers of previous, current, and prospective clients (the "Client Lists"). We are the sole owner of the Client Lists, and you may not distribute the Client Lists in any form or manner to any third party without our prior written consent. During the franchise term, we and our affiliates reserve the right to communicate with and provide notifications to members and other individuals listed on the Client Lists. Upon termination of the franchise terms, you and your affiliates may not use the Client Lists in any form or manner, and we and our affiliates reserve the right to make any and all disclosures, and use the Client Lists in any manner, we or they deem necessary or appropriate.

Upon termination or expiration of the Franchise Agreement, we have the right to contact (at our expense) previous, current, and prospective clients and other customers to inform them that a BrightStar Care Agency no longer will operate at the Agency's location or, if we intend to exercise our Step-in Rights, that the Agency will operate under new management. We also have the right to inform them of other nearby BrightStar Agencies. Exercising these rights will not constitute interference with your contractual or business relationship with those clients or customers.

If you develop any improvements to the Agency, including any enhancements, adaptations, derivative works, modifications, or new processes ("Improvements") in operating the Agency, you must grant back to us exclusive rights in these Improvements in consideration for our granting you the franchise without any obligation on our part to pay you any consideration. We may incorporate the Improvements as part of the BrightStar Care Agency Program and allow all franchisees to use the Improvements without paying you any compensation. If we decide to apply for patent or copyright registration for any Improvements, we will do so at our own expense, and you and your employees must sign all documents to enable us to secure all rights to the Improvements. Each of your employees must cooperate with this requirement. This does not mean you may modify your Agency, which is prohibited without our prior written consent.

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

The Agency must at all times be under your designated Control Person's direct supervision. You (or, if you are an entity, your owner) must be the Control Person. You must seek our approval if you want your Control Person to be someone else during the franchise term. Your Control Person must meet our standards and requirements, including (1) living within one-hour drive-time of the territory, (2) being in the office, or at minimum in the Protected Territory, on a daily full-time basis, and (3) successfully completing our initial training program. Your "Control Person" is the individual who has the authority to actively direct the Agency's business affairs, is responsible for overseeing the Agency's general management, and has authority to sign all contracts. You must designate your Control Person on the Control Person Addendum attached to the Franchise Agreement as Exhibit K. You must submit a written request for permission to hire an operating manager to be your Control Person to allow you (or your owner) to step out of the day-to-day operations. You must give us advance written notice before you change your designated Control Person. We must confirm that your proposed replacement Control Person meets our then-current Control Person standards and requirements. If your Agency performance fails to meet or exceed our standards, we may state that your Control Person no longer meets our standards and requirements.

You may hire a branch manager/operations manager to assist your Control Person with the Agency's day-to-day operation. If you hire a branch manager/operations manager, he or she must successfully complete all of our required training programs. You must keep us informed of the identity of any branch manager/operations manager or other Key Positions you hire. You must have a full-time salesperson making daily sales calls. The salesperson must successfully complete all of our required training programs. Each owner, employee, and agent with access to our proprietary information must enter into a written confidentiality agreement with you. We have an approved form of confidentiality agreement (see Exhibit D). These individuals must maintain the confidentiality of all proprietary information and conform to certain covenants not to compete. While we may pre-approve the forms, you use in order to protect Confidential Information, under no circumstances will we control the forms or terms of employment agreements you use with Agency employees or otherwise be responsible for your labor relations. You and your spouse, or, if you are a legal entity, each person owning an equity or voting interest in the entity and his or her spouse, must sign the Personal Guarantee, Covenants and Assumption of Obligations Agreement or Spousal or Life Partner Consent attached to the Franchise Agreement. If you operate more than one Agency, we reserve the right to require a full-time registered nurse as well as additional nursing resources to fulfill the nurse oversight requirements for the client count based upon their acuity.

You are an independent contractor and not our representative, partner, agent, or employee. You have sole responsibility for understanding and following wage and hour laws as well as all other state, local, and federal laws applicable to the Agency's operation and sole authority for your labor relations and employment practices, including, among other things, employee selection, promotion, termination, hours worked, hours scheduled, rates of pay, benefits, work assigned, discipline, adjustments of grievances and complaints, and working conditions. Agency employees are exclusively under your control at the Agency. We are not the employer or joint employer of

you or your Agency employees. You must communicate clearly with Agency employees in your employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of BrightStar Agencies, and our affiliates are not their employer and do not engage in any employer-type activities (including those described above) for which only franchisees are responsible.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell only goods and services we authorize. You must offer all goods and services we prescribe for the franchise and accept all sources of reimbursement we specify. We may change the goods and services you must offer and reimbursement sources you must accept upon notice to you. There is no limit on the number or type of changes we may make. We may modify our franchised business specifications, authorized goods and services, and reimbursement sources at any time and for any reason we believe will benefit our franchise program. We will notify you of all these changes in writing. We do not restrict the prices at which you sell any goods or services, other than National Accounts where we do establish pricing structures with the National Accounts customer.

Your operations must comply with all applicable laws, including those we describe in Item 1. You must investigate what laws (including data privacy, HIPAA, OSHA, CCPA and similar laws) apply to your business and ensure compliance with them. Currently, you may not participate in government payment programs, including, for example, Medicare, provided, however, that franchisees may participate in state-sponsored Medicaid and Medicaid Waiver programs, as well as Medicare Advantage supplemental benefits personal care service programs, under certain circumstances (you may not participate in Medicaid programs that require a Medicare number or require billing through Medicare) and furnish services to Veteran's Administration beneficiaries as described more fully in the Operations Manual and Franchise Agreement. The conditions that are required for participating in state-sponsored Medicaid and Medicaid Waiver programs, as well as Medicare Advantage supplemental benefits personal care service programs, include your sole evaluation and responsibility for any operational and technology compliance requirements that are unique to the state and/or in complying with CMS certified operating procedures and you will solely bear the cost of this compliance. Even though your Agency is prohibited by its Franchise Agreement from participating in Medicare, it may from time to time provide staff to other facilities, including those that participate in the Medicare programs. It is your responsibility to determine whether, and to what extent, employees of your Agency need to be screened for their possible excluded status in these or other payment programs.

[Item 17 begins on next page]

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	2.1 2 of the Standard Renewal Addendum	10 Years (subject to earlier termination for cause). Length of renewal term for existing franchisees is governed by provisions in their existing franchise agreements.
b. Renewal or extension of the term	2.2 5 of Standard Renewal Addendum	Under Franchise Agreement disclosed in this Disclosure Document, you have the option to renew the franchise for 3 additional renewal terms, each of which will be 5 years long. The number and length of renewal terms for existing franchisees operating under a different form of franchise agreement is governed by provisions in their existing franchise agreements.
c. Requirements for franchisee to renew or extend	2.2 5 of Standard Renewal Addendum 2 of Medium Density Market Addendum	Give timely notice of renewal; be in good standing under your current agreement; fulfilled all monetary obligations towards us, our affiliates, and our designated suppliers; have been in substantial compliance with the Franchise Agreement for its initial and any renewal terms and are compliant at the time of requesting a renewal; meet all Performance Standards and Minimum Monthly Royalty Payments; sign our current form of Franchise Agreement (which may materially differ from your current agreement, including additional and higher fees); sign new lease for the Premises; sign release; meet any training requirements and, if applicable, complete any refurbishing requirements; and sign any other necessary agreements. If you seek to renew your franchise at the expiration of the initial term or any renewal term (and renewal is available because you satisfy the renewal conditions),

Provision	Section in franchise or other agreement	Summary
		you will be asked to sign a new Franchise Agreement that contains terms and conditions materially different from those in your previous Franchise Agreement, such as different fee requirements and territorial rights.
d. Termination by franchisee	13.9	If we breach Franchise Agreement and do not cure default after notice from you; you may not terminate without cause.
e. Termination by franchisor without cause	Not Applicable	We may terminate the Franchise Agreement only for good cause.
f. Termination by franchisor with cause	13	We may terminate the Franchise Agreement only for good cause.
g. "Cause" defined - curable defaults	13.3	We have right to terminate the Franchise Agreement after providing you a 15-day cure period if: (i) you fail to pay any monies you owe us or our affiliates; (ii) any audit reveals that you have understated your royalty or advertising payments, or your local advertising expenditures, by more than 2%, or if you have failed to submit timely reports and/or remittances or close your books on the required financial software for any 2 reporting periods within any 12-month period; (iii) you fail to immediately endorse and deliver to us any payments due to us or another franchisee from any third party that is erroneously made to you; (iv) you fail to open the Agency for business by the Opening Date; (v) you fail to operate the Agency during the months, days and hours we prescribe; (vi) you fail to personally supervise Agency operations; (vii) you fail to maintain our quality controls and standards; (viii) you fail to procure or maintain any licenses, certifications, or permits necessary for the Agency's operation; (ix) you offer any unauthorized or unapproved products or services in connection with the Agency's operation; (x) you order or purchase supplies from unapproved suppliers; (xi) the designated Control Person is not in charge; (xii) you or your owners make an unauthorized transfer; (xiii) you fail to maintain required insurance; (xiv) you or your owners misuse our Marks or Confidential Information; (xv) you fail to

Provision	Section in franchise or other agreement	Summary
		use all required software and systems; (xvi) you enter into a lease without our prior consent; (xvii) you designate a replacement Control Person without first giving us notice of the change or any replacement Control Person does not meet our then-current Control Person standards and requirements; or (xviii) you fail to provide the types and quantities of personal protective equipment we require for the Agency's field staff.
	13.4	We have right to terminate the Franchise Agreement after providing you a 30-day cure period if you fail to perform or comply with any one or more of the terms or conditions of the Franchise Agreement, to pay required fees, to comply with our training requirements for newly hired Key Position employees, to comply with our Cross-Territorial Policy, to service National Accounts (except as provided in (h) below), to hire and maintain a part-time Director of Nursing during the initial period, or to maintain a full-time Director of Nursing if required by state licensure or the census and acuity of patients require a full-time Director of Nursing.
	13.5	We have the right to terminate the Franchise Agreement after providing you a 90-day cure period if you fail to hire and maintain a full-time, fully-trained salesperson (absent a current waiver); to hire and maintain a full-time branch manager/operations manager (absent a current waiver); to fully train a newly-hired Agency salesperson, branch manager/operations manager, or Director of Nursing; to ensure that the Agency's Net Promoter Score (NPS) and employee engagement score (eNPS) remain at certain minimum levels; or to ensure that the Agency satisfies certain minimum field staff retention levels.
	13.6	Interim Remedies/Limited Services: If you are in default under your Franchise Agreement and you fail to timely cure, we may, at our option, elect to exercise interim remedies with respect to, and/or to provide limited services for, your Agency (collectively, "Interim Remedies/Limited Services") before or instead of exercising our right to terminate the

Provision	Section in franchise or other agreement	Summary
		Agreement. Such Interim Remedies/Limited Services include: 1) Agency web page(s) removed from brightstarcare.com; 2) no access to any GMF-funded services; 3) no access to Bright Connect; 4) restrict eligibility to receive BrightStar National Accounts referrals; 5) not eligible to attend any BrightStar Events but still must pay required registration fees as applicable; 6) no access to BrightStar online training offerings; 7) must resign from the FAC and/or any subcommittee of the FAC as applicable; and 8) limited on-site support visits. Certain defaults under other franchise agreements will be considered defaults under the Franchise Agreement.
h. "Cause" defined-non-curable defaults	13.1 13.2	The Franchise Agreement automatically terminates without notice or an opportunity to cure if there is assignment for the benefit of creditors, voluntary or involuntary bankruptcy, or similar proceeding involving you or your guarantors. We have right to terminate the Franchise Agreement with notice but without providing you an opportunity to cure if: (i) you or your owners are convicted by a trial court of, or plead or have pleaded guilty or no contest to, a felony; (ii) you or your owners engage in any dishonest, unethical, immoral, or similar conduct that negatively impacts the Marks; (iii) you or your owners make material misrepresentation in acquiring or operating the Agency; (iv) you or your owners fail to complete our initial training program; (v) you receive more than 2 written notices of default within any 12-month period; (vi) you violate any health, safety or sanitation law; (vii) you violate the in-term restrictive covenants of the Franchise Agreement; (viii) a lien or writ of attachment or execution is placed against you and is not released or bonded against within 30 days; (ix) you or your owners are insolvent; (x) you abandon the Agency; (xi) you misuse the ABS or any of our or our affiliate's proprietary software; (xii) you fail to comply with any governmental notice of non-compliance with any law or regulation within 30 days of the notice; (xiii) any governmental action is taken against you that results in any obligation upon

Provision	Section in franchise or other agreement	Summary
		us; (xiv) you fail to comply with any laws or regulations regarding terrorism; (xv) you take any assets or property of the Agency for your personal use; (xvi) there are insufficient funds in your bank account to cover (1) a check or EFT payment to us 3 or more times in any 12-month period or (2) payroll at any time, whether or not those violations are cured; (xvii) you fail to fill any Premier National Accounts requests 3 times during any 12-month period, we receive 2 complaints from any National Accounts customer regarding the services provided, or you decline to service any Premier National Accounts customer more than 2 times within a 60-day period; (xviii) you fail more than once during any consecutive 5-year period to send the required number of attendees to all Branch Leadership Conferences for their full duration; (xix) you fail more than once during any consecutive 5-year period to attend or to send an approved Control Person to attend an annual franchise meeting for its full duration; or (xx) you lose required licensure and/or accreditation.
i. Franchisee's obligations on termination / non-renewal	14.1 and 14.2	Your obligations generally include: cease operating the franchised business and advertising; pay all sums due us; return the Operations Manual and all trade secret and other confidential materials; transfer all telephone numbers and trade and similar name registrations and business licenses to us; provide us with information on your employees, the clients, etc.; stop using our methods, procedures, technology and techniques; stop using the Marks and our advertising; remove all trade dress and other indications that you were our franchisee; assign any Agency lease to us; and vacate the Agency premises if we choose to exercise our rights under the collateral assignment of lease. You and other persons covered by the Franchise Agreement must comply with the covenants not to compete and not solicit clients of your former Agency, from our National Accounts partners, or from referral sources with which your former Agency or the BrightStar system did business. If default results in termination under this agreement, you must pay us for all costs, including attorneys' fees we incur as a result of your

Provision	Section in franchise or other agreement	Summary
		default, and we will have a lien on all of your assets to secure such amounts. We may charge termination damages in certain circumstances (see Item 6). Also see (o) below.
j. Assignment of contract by franchisor	12.1	No restriction on our right to assign the Franchise Agreement.
k. "Transfer" by franchisee-defined	12.2	Includes direct or indirect sale, assignment, transfer, conveyance, giving away, pledge, mortgage, or encumbering of any interest in the Franchise Agreement or any equity or voting interest in you as franchisee.
l. Franchisor approval of transfer by franchisee	12.2 and 12.8	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	12.2, 12.4, and 12.8	We will not unreasonably withhold our consent to a proposed transfer if, among other things: (i) all of your accrued monetary obligations to us have been paid; (ii) all existing defaults under the Franchise Agreement have been cured; (iii) you sign a general release in favor of us and our affiliates; (iv) you provide us a copy of the signed purchase agreement; (v) the transferee meets our qualifications, and the transferee or its owners are not a private equity firm or Search Fund; (vi) the transferee signs our then-current Franchise Agreement and the required Addendum to Franchise Agreement (including Standard Resale Addendum); (vii) you or the transferee pays us the greater of (1) the applicable transfer fee, or (2) the initial franchise fee that we would have collected for the territory if we had granted the franchise rights for it to the transferee (if the transferee was a "Lead" of ours), plus any broker fees incurred for your transfer; (viii) the transferee satisfactorily completes our training program; (ix) you comply with the post-term provisions of the Franchise Agreement; (x) the

Provision	Section in franchise or other agreement	Summary
		transferee obtains all necessary licenses and permits required to operate the Agency; (xi) to the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer; (xii) the transfer is made in compliance with all applicable laws; (xiii) the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Agency and performance under its Franchise Agreement; (xiv) you must request that we provide the prospective transferee with our current form of Disclosure Document; and (xv) our approval of the transfer does not constitute a waiver of any claims we may have against the transferring party. Despite the above, we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise. For example, if you and/or your affiliates (a) own and operate more than one BrightStar Care Agency under 1 or more additional franchise agreements with us, regardless of when such franchise agreements were signed, and (b) desire to transfer the Franchise Agreement and/or the Agency, together with one or more of your and/or your affiliates' other franchise agreements and/or BrightStar Care Agencies, at the same time and to the same proposed transferee and/or its affiliates, we need not allow the transfers of the multiple BrightStar Care Agencies and instead have the absolute right to limit the proposed transfer solely to the Franchise Agreement and/or the Agency without regard to the proposed terms of the transfer or transfers negotiated between you and/or your affiliates and the proposed transferee and/or its affiliates. We have this same right even if the proposed transfer is of a controlling ownership interest in you.
n. Franchisor's right of first refusal to acquire franchisee's business	12.7	We may match any offer for your Agency or ownership interest in you or entity that controls you. To be a valid, bona fide offer, the proposed purchase price must be a fixed dollar amount, without any contingent payments of purchase price (such as earn-out payments), and the proposed transaction must

Provision	Section in franchise or other agreement	Summary
		relate exclusively to an interest in the rights granted by the Franchise Agreement and the Agency (or all or substantially all of its operating assets), a controlling ownership interest in 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	12.2, 14.3, and Exhibit N	You or your owners must notify us in advance of your desire to sell or transfer (before the standard transfer process gets underway) when your annual Net Billings reach $2 million. Upon expiration of the Franchise Agreement (if we elect not to renew the franchise because the Agency, or you or your owners, failed to satisfy one or more of the renewal conditions), or if we terminate the Franchise Agreement for certain reasons specified in the Agreement (see below), we have the right to notify you of our election to exercise a "Call Option"—the details of which are described in Exhibit N to the Franchise Agreement—to acquire the Agency and all of its assets. We will notify you of that election no earlier than 30 days before, and no later than 30 days after, the effective date of expiration or termination (as applicable). If we exercise the Call Option and do not rescind our decision due to something that happens before the closing, the actual closing date will depend, in part, on how long it takes for us to receive all required licensure so we can operate the Agency's business according to the BrightStar Care Agency program. The purchase price for the Agency's assets will equal a certain multiple of the Agency's adjusted EBITDA (defined in Exhibit N) during a certain look-back period. If we acquire the assets of multiple BrightStar Care Agencies operated by you and your affiliates as part of the same transaction (see below), the value of all such Agencies during the look-back period will be aggregated in order to determine the purchase price (the "Enterprise Value").

Provision	Section in franchise or other agreement	Summary
		The process and timing for the Call Option and the related purchase transaction are detailed in Exhibit N to the Franchise Agreement and the template Asset Purchase Agreement attached to Exhibit N. This template Asset Purchase Agreement is the main agreement that we and you will sign (together with other customary ancillary transaction documents) to address our purchase from you of the Agency's assets. The template Asset Purchase Agreement will be adapted as necessary to reflect the specific details of our transaction with you. If we exercise the Call Option and you and/or your affiliates operate additional BrightStar Care Agencies, you may ask us to include in the transaction the assets of those other BrightStar Care Agencies (although we have no obligation to do so). Besides non-renewal for cause, the grounds for termination upon which we have the right to exercise the Call Option are your failure to: (i) obtain and maintain separate Premises for the Agency's operation (absent a current waiver); (ii) hire and maintain a full-time, fully-trained salesperson and branch manager/operations manager for the Agency (absent a current waiver); (iii) hire and maintain a part-time (and eventually full-time) fully-trained Registered Nurse/Director of Nursing for the Agency (absent a current waiver); (iv) fully train a newly-hired Agency salesperson, branch manager/operations manager, or Director of Nursing within 90 days after you hire them; (v) spend the minimum amounts required for local advertising (using only vendors we approve) and to document to our satisfaction that you actually spent that minimum required amount; (vi) send the required number of attendees to all Branch Leadership Conferences and annual franchise meetings for their full duration and to have the attendees fully participate in the manner we specify; (vii) ensure that the Agency offers, accepts, sells, and provides all of the types of services and products that we periodically require BrightStar Care Agencies to offer, accept, sell, and provide as part of the BrightStar Care Agency Program, including but not limited to personal care and

Provision	Section in franchise or other agreement	Summary
		skilled care; (viii) ensure that the Agency offers and accepts all forms of payment that we periodically require BrightStar Care Agencies to offer and accept for the services and products offered, accepted, sold, and provided as part of the BrightStar Care Agency Program, including Medicare Advantage and long-term care insurance; (ix) ensure that the Agency's Net Promoter Score (NPS), employee engagement score (eNPS), and field staff retention satisfy certain minimum levels; (x) recruit and retain the field staff workforce necessary to accept new cases so as to maximize the Agency's revenue and profits; (xi) satisfy the BrightStar Care Agency communication standards we specify for handling inbound calls to the Agency's Premises; (xii) follow all clinical standards required for BrightStar Care Agencies; (xiii) follow all employee training and screening requirements; (xiv) maintain all required licensure and accreditation; (xv) use all technology we require, and only the technology we allow, in connection with the Agency's operation and to use all such technology in the manner we specify; and (xvi) provide the types and quantities of personal protective equipment we require for the field staff of BrightStar Care Agencies. Our Call Option rights also apply if we terminate the Franchise Agreement because the Agency fails to fill any Premier National Accounts requests 3 times during any 12-month period, the Agency declines to service any Premier National Accounts customer more than 2 times within a 60-day period, or we receive 2 complaints from any National Accounts customer regarding the services you provide.
p. Death or disability of franchisee	12.5	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.

Provision	Section in franchise or other agreement	Summary
q. Non-competition covenants during the term of the franchise	11.4	You may not have any direct or indirect involvement in the operation of any Competing Business. 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 non-medical care services, or solely medical care services—to private-duty clients within their home or residence (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, long-term care, commercial insurance, National Accounts payor, 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.
r. Non-competition covenants after the franchise is terminated or expires	11.4 and 14.3	No direct or indirect involvement in a Competing Business for 24 months (or 5 years if we exercise and close on our Call Option) (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. (The geographic scope of this post-term non-compete will differ, as

Provision	Section in franchise or other agreement	Summary
		specified in the Asset Purchase Agreement attached to Exhibit N of the Franchise Agreement, if we have exercised and closed on our Call Option.) You are also prohibited for 24 months (or 5 years if we exercise and close on our Call Option) 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.
s. Modification of agreement	9 and 20.3 10 of Standard Renewal Addendum	The Franchise 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 changes in the Operations Manual and you are bound by the same.
t. Integration/ merger clause	24	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the Franchise Agreement or this Disclosure Document may not be enforceable.
u. Dispute resolution by arbitration or mediation	15	Except for certain claims, all disputes must first be submitted to our senior executives for internal dispute resolution and, if not resolved, to a mediation hearing conducted according to the procedure stated in the Franchise Agreement. Mediation will be held at our offices. Disputes that cannot be resolved through mediation are resolved through arbitration.
v. Choice of forum	15.7	All mediation, arbitration, and litigation are to take place in the city and state where our headquarters are located at the time the action is filed (currently Gurnee, Illinois (subject to state law).
w. Choice of law	22	Illinois law applies (subject to state law).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

FACTUAL BACKGROUND

The historical financial performance information in this Item 19 includes certain information as of December 31, 2022, relating to our franchisees' operation of their respective BrightStar agencies and BrightStar affiliate-owned agencies that were previously owned by franchisees. The Revenue dollars are calculated based upon the date the franchisee's minimum revenue performance requirements begin (the "Start Date"), which is the date on which an agency has the ability to perform 50% or more of the BrightStar business model, regardless of whether the agency has obtained its personal care licensure.

In some instances, franchisees operate more than one BrightStar agency. Except as stated below, the information contained in this Item 19 includes information as of December 31, 2022, for all BrightStar agencies operated by our franchisees as well as by our affiliates as company-owned agencies (if they were previously operated by a franchisee during some portion of 2022). If a franchisee or an affiliate operates more than one BrightStar agency in the same market, the information in Sections A, B and C includes financial information only for the franchisee's or the affiliate's first agency unless the franchisee or affiliate acquired a first agency from another franchisee as described below.

In 2022, BrightStar adjusted its expansion criteria to allow franchisees meeting specific standards to expand their territories by acquiring other existing territories through the resale process. We recognized that scale can benefit our well-established franchisees. In Sections A, B, and C, we also include any previous first franchised agencies that have been acquired by other franchisees or by our affiliate and are now considered secondary or subsequent agencies.

This Item 19 also includes financial information for our franchised agency resale transactions – i.e., transferred agencies. From 2006 through 2018, the date of transfer was defined as the date on which the new franchisee secured its license to operate the agency in the same manner as the selling franchisee. Beginning in 2019, the date of transfer is defined as the date on which the new franchisee and the selling franchisee execute the asset purchase agreement and the new franchisee executes its franchise agreement, even though the assets might not have transferred if the agency has not received its license to operate the agency in the same manner as the selling franchisee. The information disclosed for the resale transactions depends on the amount of the agency's weekly Revenue as of the date of transfer. Specifically, if the franchised agency's weekly Revenue immediately before the date of transfer was less than $15,000 per week, any Revenue earned by the franchisee before the date of transfer was not included in the information contained in this Item

19. In such situations, the Revenue reflected in this Item 19 includes Revenue earned by the new franchisee since the date of transfer. If, however, at the date of transfer from the selling franchisee to the new franchisee the agency's weekly Revenue exceeded $15,000, the Revenue included in this Item 19 reflects all Revenue earned by the agency since the agency's Start Date.

This Item 19 does not contain any information for 4 franchised agencies that permanently ceased operations during 2022, and for 17 new franchised agencies that commenced operations during 2022, and therefore did not operate during all of 2022.

Different Schedules throughout this Item 19 contain different data sets. Specifically, Tables A, B, and C include first franchised agencies only and, beginning in 2022, former first franchised agencies acquired by our affiliate or by larger franchisees; these 3 Tables only include agencies open for at least 12 months as of December 31, 2022. Tables D and E include all agencies regardless of whether a first agency or additional agencies and regardless of the length of time open. Table F includes various disclosures, including columns noted as either for all agencies regardless of the length of time open or only for first agencies open at least 12 months. Table G includes all franchised and affiliate-owned agencies regardless of whether a first agency or additional agencies and regardless of the length of time open between October 1, 2002 and December 31, 2022.

FRANCHISEE AND AFFILIATE-OWNED RESULTS

We used our Athena Business System (ABS) to gather the information for this Item 19 relating to our franchisees' and affiliate-owned (formerly franchised) agencies' revenue, gross margin, customer and employee counts, mix of business, National Accounts program, and payer sources. The schedules exclude two New York agencies in transition on change of ownership pending LHCSA licensure moratorium resolution.

Our franchisees' experience has shown that the success of a BrightStar franchised agency has a strong correlation to the amount of time and energy a franchisee spends on recruiting, advertising and marketing, inbound sales call conversion, making sales calls, customer satisfaction (measured by Net Promoter Score) and employee retention. As noted in Item 1, it is not necessary that you have experience in the healthcare industry before acquiring your agency. As an example, of the 189 franchisees/affiliates that are included in Table A under the heading "2022 Revenue for Franchised Agencies open 12 months or longer," 144 of these 189 franchisees (76%) had no prior healthcare experience before becoming a BrightStar franchisee and there is little, if any, correlation between performance and healthcare experience.

A. Franchisee and Affiliate-Owned Revenue (First Franchised Agency Only or Agencies that were once First Agency of Another Franchisee During 2022)

Table A illustrates the average Revenue, displayed by quartile, earned by our franchisees for their first franchised agencies only, or earned by our franchisees or affiliates in connection with previous first franchised agencies acquired by them in 2022, during: (i) the 2022 calendar year for agencies open 12 months or longer; (ii) the 2022 calendar year for agencies open 24 months or longer; (iii) their first 12 months of operation commencing on their Start Date; (iv) their second year (months

13 through 24) of operation commencing on their Start Date; (v) their third year (months 25 through 36) of operation commencing on their Start Date; (vi) their fourth year (months 37 through 48) of operation commencing on their Start Date; (vii) their fifth year (months 49 through 60) of operation commencing on their Start Date; (viii) their sixth year (months 61 through 72) of operation commencing on their Start Date; (ix) their seventh year (months 73 through 84) of operation commencing on their Start Date; (x) their eighth year (months 85 through 96) of operation commencing on their Start Date; (xi) their ninth year (months 97 through 108) of operation commencing on their Start Date; (xii) their tenth year (months 109 through 120) of operation commencing on their Start Date; (xiii) their eleventh year (months 121 through 132) of operation commencing on their Start Date; (xiv) their twelfth year (months 133 through 144) of operation commencing on their Start Date; (xv) their thirteenth year (months 145 through 156) of operation commencing on their Start Date; (xvi) their fourteenth year (months 157 through 168) of operation commencing on their Start Date, and (xvii) their fifteenth year (months 169 through 180) of operation commencing on their Start Date.

Numbers in this schedule include years where Brightstar had at least 10 franchised agencies in addition to affiliate-owned agencies.

In 2022 Brightstar and its affiliates started the process of acquiring territories that had been previously franchised. Brightstar and its affiliates acquired a total of 17 territories during 2022: two in February 2022, seven in August 2022, two in September 2022, five in October 2022, and one in December 2022. All 17 agencies started the year as franchised agencies, and most of them were operated by franchisees for a majority of 2022. Schedule A provides 2022 performance (in Notes 1-4 and corresponding portions of Table) with and without these acquired agencies to provide a view of full system performance. Schedules B, C, D, and E include what are now these BrightStar affiliate-owned agencies that were owned by franchisees during a majority of 2022; the performance of these agencies did not materially change between the date of acquisition and the end of the year.

For purposes of this financial performance representation, “Quartile” refers to the relative performance of the BrightStar Agencies. Specifically, “Quartile 1” refers to the top 25% of performing Agencies, “Quartile 2” refers to the next highest 25% of performing Agencies, “Quartile 3” refers to the next highest 25% of performing Agencies, and “Quartile 4” refers to the bottom 25% of performing Agencies.

[Table A begins on next page]

TABLE A (First Agencies Only)

First Agencies	Average Revenue	Median Revenue	High Amount	Low Amount	Number of Agencies	Number & Percentage of Agencies that Attained or Exceeded the Average Revenue Amount	Number & Percentage of Agencies that Attained or Exceeded the Median Revenue Amount
2022 Revenue for Brightstar Agencies (Franchised & Affiliate-owned) open 12 months or longer[1]	2,263,107	1,799,574	11,047,865	120,933	189	65 (34%)	95 (50%)
Quartile 1	4,475,870	3,762,300	11,047,865	2,624,356	47	19 (40%)	24 (51%)
Quartile 2	2,195,594	2,175,051	2,622,829	1,817,978	47	21 (45%)	24 (51%)
Quartile 3	1,585,901	1,601,665	1,799,574	1,306,173	47	24 (51%)	24 (51%)
Quartile 4	825,648	862,311	1,253,568	120,933	48	26 (54%)	24 (50%)
2022 Revenue for Brightstar Agencies (Franchised & Affiliate-owned) open 24 months or longer[2]	2,347,827	1,844,455	11,047,865	254,776	180	63 (35%)	90 (50%)
Quartile 1	4,557,258	3,773,091	11,047,865	2,738,167	45	19 (42%)	23 (51%)
Quartile 2	2,248,260	2,202,082	2,664,928	1,855,256	45	21 (47%)	23 (51%)
Quartile 3	1,635,164	1,659,244	1,833,654	1,360,911	45	25 (56%)	23 (51%)
Quartile 4	950,627	988,948	1,344,590	254,776	45	25 (56%)	23 (51%)
2022 Revenue for Franchised Agencies open 12 months or longer[3]	2,281,706	1,799,574	11,047,865	120,933	185	64 (35%)	93 (50%)
Quartile 1	4,516,121	3,767,696	11,047,865	2,664,928	46	19 (41%)	23 (50%)
Quartile 2	2,217,938	2,181,295	2,624,356	1,817,978	46	21 (46%)	23 (50%)
Quartile 3	1,591,982	1,615,716	1,799,574	1,314,008	46	24 (52%)	23 (50%)
Quartile 4	832,292	870,065	1,306,173	120,933	47	26 (55%)	24 (51%)
2022 Revenue for Franchised Agencies open 24 months or longer[4]	2,369,303	1,844,455	11,047,865	254,776	176	60 (34%)	88 (50%)
Quartile 1	4,598,601	3,773,091	11,047,865	2,789,096	44	19 (43%)	23 (52%)
Quartile 2	2,275,404	2,253,020	2,738,167	1,855,256	44	20 (45%)	22 (50%)
Quartile 3	1,641,397	1,662,193	1,833,654	1,379,844	44	25 (57%)	22 (50%)
Quartile 4	961,808	1,006,611	1,360,911	254,776	44	25 (57%)	22 (50%)
First year performance[5]	430,079	341,549	2,013,367	27,376	189	72 (38%)	95 (50%)

First Agencies	Average Revenue	Median Revenue	High Amount	Low Amount	Number of Agencies	Number & Percentage of Agencies that Attained or Exceeded the Average Revenue Amount	Number & Percentage of Agencies that Attained or Exceeded the Median Revenue Amount
Second year performance[6]	969,190	823,498	3,661,793	164,281	180	67 (37%)	90 (50%)
Third year performance[7]	1,237,772	1,091,539	4,433,481	221,575	169	59 (35%)	85 (50%)
Fourth year performance[8]	1,478,508	1,261,644	5,370,051	428,509	160	63 (39%)	80 (50%)
Fifth year performance[9]	1,672,987	1,364,371	7,775,668	443,861	150	48 (32%)	75 (50%)
Sixth year performance[10]	1,811,770	1,485,240	8,264,101	449,335	145	46 (32%)	73 (50%)
Seventh year performance[11]	1,956,158	1,678,555	7,314,285	483,288	136	46 (34%)	68 (50%)
Eighth year performance[12]	2,011,080	1,674,242	10,839,910	314,368	124	41 (33%)	62 (50%)
Ninth year performance[13]	2,131,964	1,755,614	7,634,526	237,468	115	39 (34%)	58 (50%)
Tenth year performance[14]	2,273,997	1,874,398	8,668,822	349,159	108	37 (34%)	54 (50%)
Eleventh year performance[15]	2,507,033	2,020,614	10,549,202	530,387	102	36 (35%)	51 (50%)
Twelfth year performance[16]	2,558,662	2,026,926	9,922,378	809,399	85	30 (35%)	43 (51%)
Thirteenth year performance[17]	2,903,881	2,419,614	9,788,589	673,608	65	22 (34%)	33 (51%)
Fourteenth year performance[18]	3,105,759	2,497,089	10,556,958	784,723	37	12 (32%)	19 (51%)
Fifteenth year performance[19]	3,219,309	2,560,862	8,008,317	901,744	17	5 (29%)	9 (53%)

Notes

1. The 2022 Revenue information includes Revenues earned by first franchised BrightStar agencies from the time period of January 1, 2022, to December 31, 2022, if the BrightStar agency had been operated by the franchisee and/or our affiliates for at least 12 months before December 31, 2022.

Of the 189 agencies opened as first franchised agencies that were in operation for a period of at least 12 months as of December 31, 2022, 159 of these agencies were awarded a territory with a population of less than 400,000 people. The average Revenue during 2022 for these 159 agencies open at least 12 months as of December 31, 2022, is $2,124,972, of which 56 members (35%) attained or exceeded this stated average. The median 2022 Revenue for these 159 agencies open at least 12 months as of December 31, 2022, is $1,760,421.

2. The 2022 Revenue information includes Revenues earned by the first franchised BrightStar agencies from the time period of January 1, 2022, to December 31, 2022, if the BrightStar agency had been operated by the franchisee and/or our affiliates for at least 24 months before December 31, 2022.

   Of the 180 agencies opened as first franchised agencies that were in operation for a period of at least 24 months as of December 31, 2022, 150 of these agencies were awarded a territory with a population of less than 400,000 people. The average Revenue during 2022 for these 150 agencies open at least 24 months as of December 31, 2022, is $2,218,348, of which 52 members (35%) attained or exceeded this stated average. The median 2022 Revenue for these 150 agencies open at least 24 months as of December 31, 2022, is $1,789,624.

3. The 2022 Revenue information in this Note 3 and in Note 4 and the corresponding portions of the Table only includes Revenues earned by franchisees for their first BrightStar agencies from the time period of January 1, 2022, to December 31, 2022. Agencies owned by us or our affiliates at any point during 2022 are excluded from Notes 3 and 4 and the corresponding portions of the Table.

   Of the 185 agencies opened by franchisees as their first agency that were in operation for a period of at least 12 months as of December 31, 2022, 156 of these agencies were awarded a territory with a population of less than 400,000 people. The average Revenue during 2022 for these 156 agencies open at least 12 months as of December 31, 2022, is $2,142,019, of which 56 members (36%) attained or exceeded this stated average. The median 2022 Revenue for these 156 agencies open at least 12 months as of December 31, 2022, is $1,767,575.

4. The 2022 Revenue information includes Revenues earned by franchisees for their first BrightStar agencies from the time period of January 1, 2022, to December 31, 2022, if the franchisee had operated its BrightStar agency at least 24 months before December 31, 2022.

   Of the 176 agencies opened by franchisees as their first agency that were in operation for a period of at least 24 months as of December 31, 2022, 147 of these agencies were awarded a territory with a population of less than 400,000 people. The average Revenue during 2022 for these 147 agencies open at least 24 months as of December 31, 2022, is $2,238,344, of which 52 members (35%) attained or exceeded this stated average. The median 2022

Revenue for these 147 agencies open at least 24 months as of December 31, 2022, is $1,793,055.

5. First year performance includes a snapshot of the average and median Revenues earned by new franchisees after operating their first BrightStar agency for a period of 12 months following the Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies that were in operation as of December 31, 2022, 189 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 12 months as of December 31, 2022. Because the Start Date for each franchisee differs, the first-year performance Revenue information includes Revenues earned during 12-month time periods in each year 2006 through 2022.

   Of the 189 agencies opened by franchisees as their first agency that were in operation for a period of at least 12 months as of December 31, 2022, 159 of these agencies were awarded a territory with a population of less than 400,000 people. The average first year performance Revenue for these 159 agencies is $408,757, of which 55 members (35%) attained or exceeded this stated average. The median first year performance Revenue for these 159 agencies is $321,585.

6. Second year performance includes a snapshot of the average and median Revenues earned by new franchisees during their 13th through 24th months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 180 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 24 months as of December 31, 2022. Because the Start Date for each franchisee differs, the second-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2007 through 2022.

   Of the 180 agencies opened by franchisees as their first agency that were in operation for a period of at least 24 months as of December 31, 2022, 150 of these agencies were awarded a territory with a population of less than 400,000 people. The average second year performance Revenue for these 150 agencies is $928,912, of which 59 members (39%) attained or exceeded this stated average. The median second year performance Revenue for these 150 agencies is $772,320.

7. Third year performance includes a snapshot of the average and median Revenues earned by new franchisees during their 25th through 36th months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 169 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 36 months as of December 31, 2022, Because the Start Date for each

franchisee differs, the third-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2008 through 2022.

Of the 169 agencies opened by franchisees as their first agency that were in operation for a period of at least 36 months as of December 31, 2022, 139 of these agencies were awarded a territory with a population of less than 400,000 people. The average third year performance Revenue for these 139 agencies is $1,200,559, of which 49 members (35%) attained or exceeded this stated average. The median third year performance Revenue for these 139 agencies is $1,070,971.

8. Fourth year performance includes a snapshot of the average and median Revenues earned by new franchisees during their 37th through 48th months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 160 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 48 months as of December 31, 2022. Because the Start Date for each franchisee differs, the fourth-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2009 through 2022.

   Of the 160 agencies opened by franchisees as their first agency that were in operation for a period of at least 48 months as of December 31, 2022, 130 of these agencies were awarded a territory with a population of less than 400,000 people. The average fourth year performance Revenue for these 130 franchisee agencies is $1,432,322, of which 49 members (38%) attained or exceeded this stated average. The median fourth year performance Revenue for these 130 agencies is $1,216,974.

9. Fifth year performance includes a snapshot of the average and median Revenues earned by new franchisees during their 49th through 60th months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 150 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 60 months as of December 31, 2022. Because the Start Date for each franchisee differs, the fifth-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2010 through 2022.

   Of the 150 agencies opened by franchisees as their first agency that were in operation for a period of at least 60 months as of December 31, 2022, 120 of these agencies were awarded a territory with a population of less than 400,000 people. The average fifth year performance Revenue for these 120 agencies is $1,613,665, of which 37 members (31%) attained or exceeded this stated average. The median fifth year performance Revenue for these 120 agencies is $1,318,455.

10. Sixth year performance includes a snapshot of the average and median Revenues earned by new franchisees during their 61st through 72nd months of operation following their Start

Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 145 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 72 months as of December 31, 2022. Because the Start Date for each franchisee differs, the sixth-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2011 through 2022.

Of the 145 agencies opened by franchisees as their first agency that were in operation for a period of at least 72 months as of December 31, 2022, 115 of these agencies were awarded a territory with a population of less than 400,000 people. The average sixth year performance Revenue for these 115 agencies is $1,752,031, of which 35 members (30%) attained or exceeded this stated average. The median sixth year performance Revenue for these 115 agencies is $1,360,425.

11. Seventh year performance includes a snapshot of the average and median Revenues earned by new franchisees during their 73rd through 84th months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 136 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 84 months as of December 31, 2022. Because the Start Date for each franchisee differs, the seventh-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2012 through 2022.

    Of the 136 agencies opened by franchisees as their first agency that were in operation for a period of at least 84 months as of December 31, 2022, 106 of these agencies were awarded a territory with a population of less than 400,000 people. The average seventh year performance Revenue for these 106 agencies is $1,894,188, of which 34 members (32%) attained or exceeded this stated average. The median seventh year performance Revenue for these 106 agencies is $1,474,055.

12. Eighth year performance includes a snapshot of the average and median Revenues earned by new franchisees during their 85th through 96th months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 124 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 96 months as of December 31, 2022. Because the Start Date for each franchisee differs, the eighth-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2013 through 2022.

    Of the 124 agencies opened by franchisees as their first agency that were in operation for a period of at least 96 months as of December 31, 2022, 94 of these agencies were awarded a territory with a population of less than 400,000 people. The average eighth year performance Revenue for these 94 agencies is $1,980,806, of which 30 members (32%)

attained or exceeded this stated average. The median eighth year performance Revenue for these 94 agencies is $1,557,036.

13. Ninth year performance includes a snapshot of the average and median Revenues earned by new franchisees during the 97th through 108th months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 115 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 108 months as of December 31, 2022. Because the Start Date for each franchisee differs, the ninth-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2014 through 2022.

    Of the 115 agencies opened by franchisees as their first agency that were in operation for a period of at least 108 months as of December 31, 2022, 85 of these agencies were awarded a territory with a population of less than 400,000 people. The average ninth year performance Revenue for these 85 agencies is $2,089,613, of which 27 members (32%) attained or exceed this stated average. The median ninth year performance Revenue for these 85 agencies is $1,623,712.

14. Tenth year performance includes a snapshot of the average and median Revenues earned by new franchisees during the 109th through 120th months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 108 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 120 months as of December 31, 2022. Because the Start Date for each franchisee differs, the tenth-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2015 through 2022.

    Of the 108 agencies opened by franchisees as their first agency that were in operation for a period of at least 120 months as of December 31, 2022, 78 of these agencies were awarded a territory with a population of less than 400,000 people. The average tenth year performance Revenue for these 78 agencies is $2,217,749, of which 27 members (35%) attained or exceed this stated average. The median tenth year performance Revenue for these 78 agencies is $1,798,813.

15. Eleventh year performance includes a snapshot of the average and median Revenues earned by new franchisees during the 121st through 132nd months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 102 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 132 months as of December 31, 2022. Because the Start Date for

each franchisee differs, the eleventh-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2016 through 2022.

Of the 102 agencies opened by franchisees as their first agency that were in operation for a period of at least 132 months as of December 31, 2022, 73 of these agencies were awarded a territory with a population of less than 400,000 people. The average eleventh year performance Revenue for these 73 agencies is $2,528,039, of which 25 members (34%) attained or exceed this stated average. The median eleventh year performance Revenue for these 73 agencies is $1,901,521.

16. Twelfth year performance includes a snapshot of the average and median Revenues earned by new franchisees or our affiliate (as disclosed below) during the 133rd through 144th months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 85 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 144 months as of December 31, 2022. Because the Start Date for each franchisee differs, the twelfth-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2017 through 2022.

    One agency represented in this twelfth-year performance data was purchased by our affiliate on February 7, 2022. The data represented above includes 10 weeks of ownership and operation by our affiliate and 42 weeks of ownership and operation by the previous franchisee. The performance post-acquisition did not materially change compared to pre-acquisition performance.

    Of the 85 agencies opened by franchisees as their first agency that were in operation for a period of at least 144 months as of December 31, 2022, 58 of these agencies were awarded a territory with a population of less than 400,000 people. The average twelfth year performance Revenue for these 58 agencies is $2,535,499, of which 20 members (34%) attained or exceed this stated average. The median twelfth year performance Revenue for these 58 agencies is $1,967,713.

17. Thirteenth year performance includes a snapshot of the average and median Revenues earned by new franchisees during the 145th through 156th months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 65 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 156 months as of December 31, 2022. Because the Start Date for each franchisee differs, the thirteenth-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2018 through 2022.

Of the 65 agencies opened by franchisees as their first agency that were in operation for a period of at least 156 months as of December 31, 2022, 39 of these agencies were awarded a territory with a population of less than 400,000 people. The average thirteenth year performance Revenue for these 39 agencies is $2,802,537, of which 14 members (36%) attained or exceed this stated average. The median thirteenth year performance Revenue for these 39 agencies is $2,419,614.

18. Fourteenth year performance includes a snapshot of the average and median Revenues earned by new franchisees during the 157th through 168th months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 37 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 168 months as of December 31, 2022. Because the Start Date for each franchisee differs, the fourteenth-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2019 through 2022.

    Of the 37 agencies opened by franchisees as their first agency that were in operation for a period of at least 168 months as of December 31, 2022, 17 of these agencies were awarded a territory with a population of less than 400,000 people. The average fourteenth year performance Revenue for these 17 agencies is $2,762,694, of which 7 members (41%) attained or exceed this stated average. The median fourteenth year performance Revenue for these 17 agencies is $2,554,022.

19. Fifteenth year performance includes a snapshot of the average and median Revenues earned by new franchisees during the 169th through 180th months of operation following their Start Date. As noted above, if a franchisee operates more than one BrightStar agency, the information in the table above only includes Revenue for the franchisee's first BrightStar agency. Accordingly, of the 367 BrightStar agencies in operation as of December 31, 2022, 17 of these agencies represent a franchisee's first BrightStar agency and were in operation for a period of at least 180 months as of December 31, 2022. Because the Start Date for each franchisee differs, the fifteenth-year performance Revenue information includes Revenues earned by franchisees during 12-month time periods in each year 2020 through 2022.

    Of the 17 agencies opened by franchisees as their first agency that were in operation for a period of at least 180 months as of December 31, 2022, 9 of these agencies were awarded a territory with a population of less than 400,000 people. The average fifteenth year performance Revenue for these 9 agencies is $2,123,412, of which 4 members (44%) attained or exceed this stated average. The median fifteenth year performance Revenue for these 9 agencies is $2,055,387.

20. The tables in Schedule A exclude two New York agencies in transition on change of ownership pending LHCSA licensure moratorium resolution.

21. The tables in Schedule A exclude one California agency where a transfer contract was signed but the ownership transfer has been waiting for state licensure longer than 90 days.

B. Franchisee Margins (First Franchised Agency Only or Agencies that were once First Agency of Another Franchisee during 2022)

The following table identifies our franchisees' Gross Margin percentage. Agencies that were the first franchised agency of a franchisee during any portion of 2022 and subsequently acquired by our affiliate during 2022 are also included. Gross Margin percentage is defined as Gross Margin divided by Revenues. Gross Margin is defined as Revenues less Cost of Goods Sold. Cost of Goods sold includes all direct and indirect costs related to field employees including payroll, payroll taxes, benefits, screening costs, workers' comp insurance, crime bond costs, professional and general liability insurance. We use a 20.0% average load onto known payroll costs to estimate COGS. The 20.0% is based on the franchise system average estimates.

The information contained in this table includes information for all agencies opened by franchisees as their first agency through 2021, even if they became a second agency in 2022 (regardless of how long the agencies were in operation during the particular year), including all resale agencies, for the full year as of December 31, 2022, for agencies opened 12 months or longer as of December 31, 2022. Specifically, out of our 367 total franchised and affiliate-owned agencies in existence in 2022, 189 of these agencies were opened by franchisees as their first agency (or used to be first agencies and then transitioned to an existing franchisee or to our affiliate as a second agency) and were open for 12 months or longer as of December 31, 2022. Excluded are two agencies doing primarily skilled business that are not reflective of typical agencies. If a franchisee operates more than one BrightStar agency, the information contained in the table below only includes information for the franchisee's first BrightStar agency unless the franchisee acquired a former first agency of another franchisee.

	Average Gross Margin Percentage	**Median Gross Margin Percentage**	**High Margin**	**Low Margin**	**Number of agencies**	**Number and % of Agencies that attained or exceeded Average Amount**
2022	41.9%	40.8%	69.5%	25.6%	187	72 (39%)

Notes

1. Cost of Goods sold includes the direct cost of Nurse visits associated with billable services.

2. The schedule excludes two New York agencies in transition on change of ownership pending LHCSA licensure moratorium resolution.

3. The schedule excludes two agencies using a different operational system from which financial data was not yet available.

4. This schedule excludes one California agency where a transfer contract was signed but the ownership transfer has been waiting for state licensure longer than 90 days.

5. All 187 agencies shown in the schedule above were franchised at the beginning of 2022. During 2022, four of these primary or parent agencies were acquired by our affiliates. The 2022 acquisition dates for these were: February 7, August 22, September 26, and October 17. Post-acquisition performance did not materially change compared to pre-acquisition performance.

6. This schedule excludes two affiliate-owned agencies that were affiliate-owned during all of 2022.

C. Data Analysis of Client and Employee Statistics (First Agency Only)

Hours Billed per Client per Week

The information in the chart below reflects the average, median, high and low hours billed per client per week during calendar year 2022 for all Brightstar first agencies, or former first agencies resold as secondary agencies in 2022, including all resale agencies, open and operating for at least 12 months as of December 31, 2022. As of December 31, 2022, we had 189 franchised and affiliate-owned (previously franchisee owned and operated during a portion of 2022) BrightStar agencies open as first agencies. This schedule excludes five agencies doing primarily skilled business through an outside system as well as two New York agencies and one California agency in transition on change of ownership pending state licensure.

Average Hours Billed Per Week	Median Hours Billed per Week	High Per Week	Low Per Week	Number of Agencies	Number and Percentage of Agencies that Attained or Exceeded Average Amount
26.8	24.2	145.4	3.9	184	81 (44%)

Notes

1. Excluding skilled care, the average hours per client per week are 22.6 (most franchisees will begin to perform skilled care in their second year unless there are Certificate of Need restrictions in the state, including Kentucky until late 2020 and Arkansas and Tennessee as well).

2. All 184 agencies shown in the schedule above were franchised at the beginning of 2022. During 2022, four of these primary or parent agencies were acquired by our affiliates. The 2022 acquisition dates for these were: February 7, August 22, September 26, and October 17. Post-acquisition performance did not materially change compared to pre-acquisition performance

3. This schedule excludes two affiliate-owned agencies that were affiliate-owned during all of 2022.

Number of Clients and Employees Serviced Per Agency

Avg Weekly Billed Revenue Range	Avg weekly hours per employee	# and % of agencies > avg	Median weekly hours per EE	Avg weekly EEs	# and % of agencies > avg	Median # weekly EEs	Avg weekly customer count	# and % of agencies >avg	Median weekly customer count	Agency count
0-5,000	13.2	3 (75%)	14.8	5.0	2 (50%)	5.2	5.1	2 (50%)	4.7	4.0
5,000-10,000	22.6	1 (20%)	20.7	11.9	2 (40%)	9.8	12.6	2 (40%)	9.9	5.0
10,000-20,000	21.2	8 (32%)	19.2	19.8	13 (52%)	20.7	22.9	10 (40%)	20.0	25.0
20,000-30,000	22.6	18 (53%)	22.6	31.3	15 (44%)	29.7	31.1	13 (38%)	28.9	34.0
30,000-40,000	20.9	22 (48%)	20.6	39.6	18 (39%)	37.1	42.0	23 (50%)	41.0	46.0
40,000-50,000	24.9	9 (33%)	23.7	49.4	14 (52%)	51.3	48.7	12 (44%)	47.8	27.0
50,000-60,000	21.9	8 (47%)	21.7	61.5	9 (53%)	62.1	55.9	8 (47%)	52.9	17.0
60,000-75,000	22.9	3 (30%)	21.1	66.0	6 (60%)	68.5	56.5	6 (60%)	64.2	10.0
>75,000	26.4	7 (44%)	26.0	102.8	8 (50%)	99.6	97.3	6 (38%)	84.5	16.0

The information in the chart above reflects the average and median weekly hours worked per employee, average and median number of employees worked per week, and average and median number of clients per week for full year 2022. The information below contains information for all Brightstar first agencies, or former first agencies resold as secondary agencies in 2022, for all ongoing clients for agencies open and operating 12 months or longer as of December 31, 2022. Specifically, out of the 367 total Brightstar agencies in existence as of December 31, 2022, 189 of those agencies were opened as a franchisee's first agency, or former first agencies resold as secondary agencies in 2022, and open and operating 12 months or longer as of December 31, 2022. We opened 7 new franchised agencies in 2021 and most of these fall in the below $20,000 average weekly billed revenue level as of the end of the year that contributes to the franchisees falling into the less than $5,001-$10,000 and $10,001-20,000 average weekly billed revenue categories.

NOTES

1. The schedule excludes five agencies that primarily do skilled care through an outside system.

2. The schedule excludes two New York agencies and one California agency in transition on change of ownership pending state licensure.

3. The schedule excludes data from the Care Homes pilot program.

4. All 184 agencies shown in the schedule above were franchised at the beginning of 2022. During 2022, four of these primary or parent agencies were acquired by our affiliates. The 2022 acquisition dates for these were: February 7, August 22, September 26, and October 17. Post-acquisition performance did not materially change compared to pre-acquisition performance.

5. This schedule excludes two affiliate-owned agencies that were affiliate-owned during all of 2022.

D. Franchisee Mix of Business

The table below provides information for the 2022 fiscal year by line of business and includes billed revenue from the ABS operating system for all Brightstar agencies in operation in 2022, regardless of whether: (i) the agency was a franchisee's or affiliate's first, second or subsequent BrightStar agency, or (ii) the agency operated during the entire 12-month period.

An agency's mix of business consists of 4 lines of business: Personal Care, Companion Care/Child Care, Skilled Services and Staffing.

Personal Care services are primarily provided by specially trained Certified Nursing Assistants and Home Health Aides. They help patients with activities of daily living and other medical healthcare needs under the direct supervision of a Registered Nurse (RN) or Licensed Practical Nurse (LPN).

Companion Care/Child Care services are primarily provided by caregivers who provide care and comfort and basic chores such as medication reminders, light housekeeping, errands, and meal prep like Certified Nursing Assistants, but without the medical assistance.

Skilled Services are medical services provided by skilled professionals like nurses, physical therapists or other licensed medical professionals. This type of care must be provided per the signed Licensed Provider's order and skilled plan of care.

Staffing includes a variety of staffing done either in a facility or in a patient's home under a staffing contract where a third party is directing the plan of care. There are various types of staffing, including but not limited to, per diem/shift, direct placement, visit, companion care, personal care, and skilled care.

2022 System Wide Agencies - 361 units	**Revenue Mix**
Personal Care	46.5%
Skilled Services	32.1%
Companion Care/Child Care	4.6%
Subtotal	**83.2%**
Staffing	16.8%
Total	**100.0%**

Notes

1. The schedule excludes two New York agencies in transition of change of ownership pending state licensure.

2. The schedule excludes revenue from the Care Homes pilot program.

3. All 361 agencies shown in the schedule above were franchised at the beginning of 2022. During 2022, seventeen of these agencies were acquired or taken over by our affiliates. The 2022 acquisition dates for these were: February 7, August 22, September 26, and October 17, and December 19. Post-acquisition performance did not materially change compared to pre-acquisition performance

4. This schedule excludes three affiliate-owned agencies that were affiliate-owned during all of 2022.

E. Payer Sources

The table below provides information for the 2022 fiscal year, by payer source. The table below includes all agencies in operation during 2022, regardless of whether: (i) the agency was the franchisee's or affiliate's first, second or subsequent BrightStar agency, or (ii) the agency operated during the entire 12-month period.

Payer Source	%
Self Pay - Private Individual	42.4%
National Account	15.9%
Medicaid	10.6%
Local Contract Amount	9.0%
Self Pay - Business/Facility	6.9%
Veterans Administration	5.7%
Long Term Care Insurance	1.3%
Other	8.4%
Total	**100.0%**

Notes

1. "Other" includes, but is not limited to, the following: business to business staffing, commercial health insurance, trusts, workers' comp insurance, and government programs.

2. The schedule excludes revenue from the Care Homes pilot program.

3. The schedule excludes two New York agencies in transition of change of ownership pending state licensure.

4. The schedule above contains 361 agencies, all of which were franchised at the beginning of 2022. During 2022, seventeen of these agencies were acquired or taken over by our affiliates. The 2022 acquisition dates for these were: February 7, August 22, September 26, and October 17, and December 19. Post-acquisition performance did not materially change compared to pre-acquisition performance

5. This schedule excludes three affiliate-owned agencies that were affiliate-owned during all of 2022.

F. National Accounts

Beginning in August 2007, we made a concentrated effort to seek out and establish contracts that were national in scope to increase the Revenues of our franchisees ("National Account Contracts"). The following table illustrates the total National Accounts Revenues contributed to the system by the National Accounts program for all Brightstar agencies for the 2022 fiscal year. The table also illustrates the average and median dollar amount of National Account Contract Revenue received by the first Brightstar agencies, or former first agencies resold as secondary agencies in 2022, open at least 12 months as of December 31, 2022, as well as the margins for first franchise agencies, or former first agencies resold as second agencies in 2022, open at least 12 months as of December 31, 2022.

Total System Wide National Accounts Revenue (all agencies open as of 12/31/22) (1)(6)	Average Sales per first agency (2)(3)(5)	Median Revenue per first agency (2)(3)(5)	High Revenue per first agency (2)(3)(5)	Low Revenue per first agency (2)(3)(5)	Number and Percentage of first Franchisee Agencies that Attained or Exceeded Average (2)(3)(5)	Average Margin of National Accounts (2)(3)(4)(5)	Median Margin of National Accounts (2)(3)(4)(5)
$179,756,225	$608,834	$398,123	$6,641,254	$623	66 (35.3%)	46.2%	44.2%

Notes

1. Total National Accounts Revenues include Revenue from all Brightstar agencies in operation as of December 31, 2022.

2. The average, median, high and low revenue, number, and percentage of first franchised agencies that attained or exceeded average, and average margin of National Accounts in the chart above are for first franchisee agencies, or former first agencies resold as secondary agencies in 2022, open at least 12 months as of December 31, 2022.

3. The schedule excludes two New York agencies in transition on change of ownership pending LHCSA licensure moratorium resolution.

4. The schedule excludes five agencies that do primarily skilled care through an outside system.

5. The schedule above contains 189 agencies, all of which were franchised at the beginning of 2022. During 2022, four of these primary or parent agencies were acquired by our affiliates. The 2022 acquisition dates for these were: February 7, August 22, September 26, and October 17. Post-acquisition performance did not materially change versus pre-acquisition performance.

6. The schedule above contains 361 agencies, all of which were franchised at the beginning of 2022. During 2022, seventeen of these agencies were acquired or taken over by our affiliates. The 2022 acquisition dates for these were: February 7, August 22, September 26, and October 17, and December 19. Post-acquisition performance did not materially change versus pre-acquisition performance.

7. This schedule excludes three affiliate-owned agencies that were affiliate-owned during all of 2022.

G. SYSTEM-WIDE NET BILLINGS

This table presented below contains certain information related to Net Billings realized by all of our agencies, including affiliate-owned and franchise agencies, for the period beginning October 1, 2002 (the date our first affiliate-owned agency was opened) and ending December 31, 2022.

BrightStar (All affiliate-owned and franchised agencies)

Year	Notes	Outlets at the end of the Year	System-Wide Billings
2002	1, 4	1	$ 112,154
2003	4	1	$ 1,357,412
2004	2, 4	2	$ 1,879,409
2005		2	$ 2,330,713
2006	3	12	$ 3,143,734
2007		30	$ 9,801,293
2008		81	$ 24,673,797
2009		141	$ 50,182,936
2010		199	$ 98,704,175
2011		237	$ 157,300,718
2012		251	$ 211,962,746
2013		258	$ 248,955,435
2014		269	$ 290,022,138
**2015		293	$ 339,992,245
2016		309	$ 374,117,028
2017	5	321	$ 403,098,423
2018	5	332	$ 434,153,757
2019	5	319	$ 483,479,832
**2020	5, 6	332	$ 569,280,006

Year	Notes	Outlets at the end of the Year	System-Wide Billings
2021	5, 6	353	$ 639,446,501
2022	5, 6	367	$ 653,907,370
		Total	$ 4,997,901,824

1. Gurnee, IL agency opened Oct 1, 2002 (3 months results only)
2. Wilmette IL agency opened Jul 5, 2004 (6 months of results only). Relocated to Chicago, IL, June 1, 2005
3. Franchise operations began March 2006
4. Source is from system before ABS
5. Includes skilled care revenue from KanTime
6. Includes revenue of $1.2M (in 2020), $1.8M (in 2021), and $2.6M (in 2021) from Care Homes pilot program

** Includes revenue for the 53-week period ended 1/3/2016 and 1/3/2021

Additional Notes

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

The Item 19 figures do not reflect all of the operating expenses or other costs or expenses that must be deducted from the average total sales price or gross Revenue to obtain net income or profit. In particular, the costs and expenses contained in this Item 19 do not include the expenses which are payable according to the terms of the franchise agreement. There may be other costs and expenses not identified.

The data in this Item 19 is unaudited. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of affiliate-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting BrightStar Franchising, LLC, Attention: Chief Financial Officer, 1125 Tri-State Parkway, Suite 700, Gurnee, Illinois 60031, (877) 689-6898, the Federal Trade Commission, and the appropriate state regulatory agencies.

[Item 20 begins on next page]

ITEM 20
OUTLETS AND FRANCHISE INFORMATION

Our most recent fiscal year end is January 1, 2023, and the following charts disclose information about our franchised and company-owned outlets for the past 3 calendar years.

Table No. 1

Systemwide Outlet Summary
For years 2020, 2021, and 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	313	329	+16
	2021	329	350	+21
	2022	350	348	-2
Company-Owned	2020	6	3	-3
	2021	3	3	0
	2022	3	20	+17
Total Outlets	2020	319	332	+13
	2021	332	353	+21
	2022	353	368	+15

Table No. 2

Transfers of Outlets from Franchisees to New Owners
(Other than Franchisor) for Years 2020, 2021, and 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
CA	2020	3
	2021	1
	2022	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
CO	2020	0
	2021	1
	2022	1
CT	2020	0
	2021	0
	2022	1
FL	2020	4
	2021	1
	2022	0
GA	2020	0
	2021	2
	2022	2
IL	2020	0
	2021	0
	2022	2
IN	2020	0
	2021	1
	2022	0
KS	2020	1
	2021	0
	2022	0
MA	2020	2
	2021	0
	2022	0
MD	2020	3
	2021	0
	2022	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
MI	2020	0
	2021	1
	2022	3
MO	2020	0
	2021	2
	2022	0
NC	2020	1
	2021	0
	2022	0
NJ	2020	2
	2021	0
	2022	1
NV	2020	0
	2021	0
	2022	1
OK	2020	0
	2021	2
	2022	0
PA	2020	0
	2021	1
	2022	0
SC	2020	1
	2021	1
	2022	0
TN	2020	1
	2021	0
	2022	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
TX	2020	0
	2021	3
	2022	4
VA	2020	0
	2021	4
	2022	0
WA	2020	1
	2021	1
	2022	0
WI	2020	0
	2021	1
	2022	0
TOTAL	2020	19
	2021	22
	2022	15

Table No. 3

Status of Franchise Outlets
For Years 2020, 2021, and 2022

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termin-ations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of the Year
AK	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termin-ations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of the Year
AL	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	2	0	2
AR	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
AZ	2020	10	0	0	0	0	0	10
	2021	10	0	0	0	0	0	10
	2022	10	1	0	0	7	0	4
CA	2020	38	4	0	0	0	0	42
	2021	42	4	0	0	0	0	46
	2022	46	4	0	1	0	0	49
CO	2020	5	3	0	0	0	0	8
	2021	8	1	0	0	0	0	9
	2022	9	0	0	0	0	0	9
CT	2020	8	1	0	0	0	0	9
	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
FL	2020	31	3	0	0	0	0	34
	2021	34	6	0	0	0	0	40
	2022	40	2	0	0	5	1	36
GA	2020	8	0	0	0	0	1	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
HI	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
ID	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	1	0	0	1
IL	2020	16	2	0	0	0	0	18
	2021	18	0	0	0	0	0	18
	2022	18	0	0	0	0	0	18

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termin-ations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of the Year
IN	2020	8	0	0	0	0	0	8
	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
KS	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
KY	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
MA	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
MD	2020	11	1	0	0	0	0	12
	2021	12	0	0	0	0	0	12
	2022	12	0	0	0	0	0	12
MI	2020	10	0	0	0	0	0	10
	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
MN	2020	6	0	0	0	0	0	6
	2021	6	1	0	0	0	0	7
	2022	7	1	0	0	0	0	8
MO	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
NC	2020	8	0	0	0	0	0	8
	2021	8	0	0	0	0	0	8
	2022	8	2	0	0	0	0	10
NH	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
NJ	2020	15	0	0	0	0	1	14
	2021	14	1	0	0	0	0	15
	2022	15	1	0	0	0	1	15

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termin-ations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of the Year
NV	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
NY	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
OH	2020	8	1	0	0	0	0	9
	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
OK	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
OR	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
PA	2020	17	1	0	0	0	3	15
	2021	15	3	0	0	0	0	18
	2022	18	4	0	0	0	0	22
SC	2020	7	0	0	0	0	0	7
	2021	7	1	0	0	0	0	8
	2022	8	0	0	0	3	0	5
TN	2020	3	0	0	0	0	0	3
	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
TX	2020	24	2	0	0	0	1	25
	2021	25	1	0	0	0	0	26
	2022	26	2	0	0	0	0	28
UT	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
VA	2020	15	1	0	0	0	0	16
	2021	16	1	0	0	0	0	17
	2022	17	0	0	0	0	0	17

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termin-ations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Outlets at End of the Year
WA	2020	3	0	0	0	0	0	3
	2021	3	1	0	0	0	0	4
	2022	4	1	0	0	0	1	4
WI	2020	11	1	0	0	0	0	12
	2021	12	0	0	0	0	0	12
	2022	12	2	0	0	0	0	14
WV	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Totals	2020	313	22	0	0	0	6*	329
	2021	329	21	0	0	0	0	350
	2022	350	20	0	2	17	3	348

* This number includes: 4 closings during 2020, which reflects BrightStar's offer to multi-unit franchisees to scale back their businesses to one or two Agencies where office locations and/or personnel did not exist to operate the business according to the business model.

Table No. 4

Status of Company-Owned Outlets
For Years 2020, 2021, and 2022

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisees	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisees	Col. 8 Outlets at End of the Year
Alabama	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	2	0	0	2

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisees	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisees	Col. 8 Outlets at End of the Year
Arizona	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	7	0	0	7
Florida	2020	1	0	0	0	1	0
	2021	0	0	0	0	0	0
	2022	0	0	5	0	0	5
Illinois	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Iowa	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
South Carolina	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	3	0	0	3
Washington	2020	2	0	0	2	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Totals	2020	6	0	0	2	1	3
	2021	3	0	0	0	0	3
	2022	3	0	17	0	0	20

Table No. 5

Projected Openings as of December 31, 2022

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year
AL	1	1	0
AZ	0	0	1
CA	6	5	0

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year
DE	1	1	0
DC	1	0	0
FL	5	2	1
GA	4	2	0
MD	4	2	0
MO	3	2	0
NJ	3	2	0
NC	1	1	0
OR	1	1	0
TN	0	0	1
TX	0	2	0
VA	3	0	0
WV	1	0	0
WA	1	1	0
Total	35	22	3

A list of our current franchisees is attached as Exhibit I to this Franchise Disclosure Document. There are no franchisees who had an Agency terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our last fiscal year, or who have not communicated with us within 10 weeks of the date of this Franchise Disclosure Document, other than those listed in Exhibit I. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. The following independent franchisee organization has asked to be included in this Disclosure Document: BrightStar Independent Franchisee Association Board of Directors, American Association of Franchisees & Dealers, P.O. Box 10158, Palm Desert, California 92255-1058, (619) 209-3775 (phone), (866) 855-1988 (fax), boa@aafdchapters.org. For information about the BrightStar Care® Franchise Advisory Council we created, please contact Shelly Sun at our principal business address (the Council does not have its own contact address or telephone number).

During the last 3 fiscal years, some of our franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly

about their experience with the BrightStar Care franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit G are our audited financial statements for our fiscal years ended January 3, 2021, and January 2, 2022, and January 1, 2023.

ITEM 22
CONTRACTS

Attached is a copy of all agreements proposed for use in this state with the offer and sale of the Franchised Business. Those agreements are as follows:

EXHIBIT B	Franchise Agreement	
	A.	Declarations Page
	B-1.	Authorization for BrightStar Franchising, LLC to Initiate Debit Entries for Monthly Franchise Service Fees
	B-2.	Authorization for BrightStar Technology Group, LLC to Initiate Debit Entries for Monthly Technology Service Fees
	C.	Collateral Assignment of Lease
	D.	Franchisee Ownership and Management Information
	E.	Personal Guarantee, Covenants and Assumption of Obligations
	F.	Addendum to Franchise Agreement
	G.	Franchisee Acknowledgments
	H.	Spousal or Life Partner Guarantee
	I.	Collateral Assignment of Telephone Numbers
	J	Site Selection Addendum
	K.	Control Person Addendum
	L.	Franchisor and Franchisee Acknowledgment
	M.	Business Associate Agreement
	N.	Call Option (including Template Asset Purchase Agreement)
EXHIBIT D	Confidentiality, Non-Disclosure and Non-Competition Agreement	
EXHIBIT E	State Specific Addenda	
EXHIBIT H	Microsoft Dynamics GP Software Agreement to be Bound	
EXHIBIT J	Release of Claims	
EXHIBIT K	Standard Renewal Addendum to Franchise Agreement	
EXHIBIT L	Assignment and Consent Agreement	
EXHIBIT M	Co-Territory Agreement	
EXHIBIT N	Microsoft Teams/One-Drive/Web Version Office Package Opt-In Addendum	
EXHIBIT O	Medium Density Market Addendum to Franchise Agreement	
EXHIBIT P	Standard Resale Addendum to Franchise Agreement	

ITEM 23
RECEIPTS

Exhibit Q of this Franchise Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Disclosure Document by a prospective franchisee. You should sign both copies of the Receipt. You should retain one signed copy for your records and return the other signed copy to BrightStar Franchising, LLC, 1125 Tri-State Parkway, Suite 700, Gurnee IL 60031, or via facsimile to 866-360-0393.

EXHIBIT A

TO BRIGHTSTAR FRANCHISING, LLC'S FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND LIST OF AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS
FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

CALIFORNIA

Website: www.dfpi.ca.gov
Email: ask.DFPI@dfpi.ca.gov

Commissioner of Department of Financial Protection & Innovation
Department of Financial Protection & Innovation
Toll Free: 1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013-2344
(213) 576-7500

Sacramento

2101 Arena Boulevard
Sacramento, California 95834
(866) 275-2677

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 525-4233

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104-4428
(415) 972-8559

HAWAII

(for service of process)

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

(for other matters)

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state agency)

Indiana Secretary of State
Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

(for service of process)

Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(state agency)

Office of the Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
(517) 335-7567

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

NEW YORK

(for service of process)

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

(Administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8236

NORTH DAKOTA

(for service of process)

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue, Suite 414
Bismarck, North Dakota 58505
(701) 328-4712

(state agency)

North Dakota Securities Department
600 East Boulevard Avenue, Suite 414
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Oregon Division of Financial Regulation
350 Winter Street NE, Suite 410
Salem, Oregon 97301
(503) 378-4140

RHODE ISLAND

Securities Division
Department of Business Regulations
1511 Pontiac Avenue
John O. Pastore Complex-Building 69-1
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(for service of process)

Clerk, State Corporation Commission
1300 East Main Street
First Floor
Richmond, Virginia 23219
(804) 371-9733

(for other matters)

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

WASHINGTON

(for service of process)

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

(for other matters)

Department of Financial Institutions
Securities Division
P. O. Box 9033
Olympia, Washington 98501-9033
(360) 902-8760

WISCONSIN

(for service of process)

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-2139

(state administrator)

Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-9555

EXHIBIT B

TO BRIGHTSTAR FRANCHISING, LLC'S FRANCHISE DISCLOSURE DOCUMENT

AGENCY FRANCHISE AGREEMENT

BRIGHTSTAR FRANCHISING, LLC

BRIGHTSTAR CARE AGENCY FRANCHISE AGREEMENT

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G. Acknowledgment Addendum
H. Spousal or Life Partner Consent
I. Collateral Assignment of Telephone Numbers
J. Site Selection Addendum
K. Control Person Addendum
L. Franchisor and Franchisee Acknowledgments
M. Business Associate Agreement
N. Call Option (including Template Asset Purchase Agreement)

BRIGHTSTAR CARE AGENCY FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement") is made as of _____, by and between BrightStar Franchising, LLC, an Illinois limited liability company, with its principal place of business at 1125 Tri-State Parkway, Suite 700, Gurnee IL 60031 ("we," "us," or "our"), and ____ _____, with a place of business at _____ ("you" or "your").

RECITALS

WHEREAS, we, our principal, and our affiliates have expended a considerable amount of time, effort, and money to develop a distinctive system (the "System") for the operation of an agency providing comprehensive personal care and/or medical services to private-duty clients within their home and marketing supplemental healthcare staff to institutional clients (each an "Agency," "BrightStar Care Agency," or "Franchised Business"); and

WHEREAS, we are engaged in the business of granting franchises to operate BrightStar Agencies; and

WHEREAS, you desire to enter into an agreement with us to obtain the rights to operate a BrightStar Care Agency (or "Franchised Business") using the System developed by us, our principal, and our affiliates, including standardized methods, guidelines and procedures for providing domestic care services, and the operation of a medical staffing services agency, the Athena Business System; sales techniques, marketing, advertising, and staffing management systems; and procedures for operation and management of a BrightStar Care Agency in the manner set forth in this Agreement and in the Operations Manual we provide and modify from time to time (the "BrightStar System" or "System"); and

WHEREAS, we and our franchisees use various trade names, trademarks and service marks including, without limitation, the service mark "BrightStar" in connection with the BrightStar System (the "Licensed Marks"); and

WHEREAS, we and our affiliates have developed and maintain an integrated management system providing various technology solutions including: client relationship management, staff relationship management, billing management, web management (www.brightstarcare.com), franchise management and all modifications thereto that may be made from time to time (the "Athena Business System" or "ABS"); and

WHEREAS, you have applied to us for a franchise to operate an Agency using the BrightStar System and ABS and such application has been approved in reliance upon all of the representations made therein; and

WHEREAS, you hereby acknowledge that adhering to this Agreement's terms and our standards and specifications is essential to the operation of its Agency and to the operations of the BrightStar System.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, commitments and understandings contained herein, we and you hereby agree as follows:

1 GRANT OF FRANCHISE

1.1 Grant

We hereby grant to you, upon the express terms and conditions contained in this Agreement, and you hereby accept, a franchise for the right to establish and operate one BrightStar Care Agency under the System and Licensed Marks identified below in the protected territory described in Exhibit A to this Agreement (the "Protected Territory"). We have the right to supplement, improve or otherwise modify the BrightStar System from time to time, and you agree to comply with all changes which may include, without limitation, the offer and sale of new or different products or services as we may specify and the acceptance of new sources of reimbursement as we may specify. You must offer and sell all products and services we require in the BrightStar System and may not offer or sell any unauthorized products or services.

1.2 Operation of Franchise Limited to Territory; Incidental Advertising

Referral sources are not exclusive, and you may call on referral sources outside your Protected Territory with prior notification in writing to the franchisee that owns the territory in which you will be marketing. All clients serviced must be in your Protected Territory and cannot be clients with service addresses, or services performed, in another protected territory held under a franchise agreement. You may not do staffing business outside your Protected Territory without our prior express written permission. In order to be granted the right to solicit or service clients outside the Protected Territory, you must meet the following conditions:

a) The area in which you wish to provide service to clients is not included in another franchisee's protected territory or in a territory currently served by an Agency owned by us or our affiliate.

b) On a monthly basis, at least seventy-five percent (75%) of your total Net Billings is from (i) business within your Protected Territory (consisting of both non-National Accounts Net Billings and National Accounts Net Billings derived from business within your Protected Territory) plus (ii) National Accounts Net Billings derived from National Accounts business outside your Protected Territory.

c) You may not explicitly direct any advertising to clients outside the Protected Territory.

d) When the area is granted to another franchisee, you may, in our sole discretion, retain the existing clients being serviced in the area (excluding staffing contracts, which must be transferred to the new franchisee as soon as it is, in our opinion, operationally capable), as described in our then-current Cross-Territorial Policy as outlined in the Operations Manual.

Because our willingness to grant you the right to solicit or service clients outside the Protected Territory is expressly conditioned on your compliance with clauses (a) through (d) above, we will enforce clause (b) above in the following manner: If (i) your monthly Net Billings from business outside your Protected Territory (excluding National Accounts Net Billings from outside your Protected Territory) exceed 25% of your total monthly Net Billings, (ii) you are otherwise in compliance with this Agreement, and (iii) you meet the criteria for expansion (i.e., for the acquisition of an additional franchise), we will ask you to acquire an additional franchise for an adjacent Medium Density Market territory that will encompass the clients you are servicing outside the Protected Territory. However, if you do not meet the criteria for expansion or, despite satisfying such criteria, you choose not to acquire an additional franchise for an adjacent Medium Density Market territory within the timeframe we specify, you will be in default under this Agreement for violating clause (b) above. Upon such a default, you will have 90 days from the date of our notice of default to you to grow the business within your Protected Territory so that the percentage of your total monthly Net Billings from business outside your Protected Territory (excluding National Accounts Net Billings from outside your Protected Territory) no longer exceeds 25% of your total monthly Net Billings.

1.3 Cross-Territorial Service

We have established policies concerning soliciting and/or servicing clients in another franchisee's protected territory or in a territory currently served by an Agency owned by us or our affiliate (the "**Cross-Territorial Policy**"). We may modify the Cross-Territorial Policy from time to time, and you must comply with the changed policy. The current Cross-Territorial Policy is described in the Operations Manual and is in addition to the criteria outlined in 1.2 above. You alone are responsible for any payments or penalties owed to franchisees for violations of the Cross-Territorial Policy.

The Cross-Territorial Policy includes provisions for financial payments and penalties as outlined in the Operations Manual (which currently may be as much as the full gross margin less royalties, ABS-related fees, and General Marketing Fees for each client) in addition to, or in lieu of, termination of this Agreement.

1.4 Agency Operated Only from the Premises

You acknowledge and agree that this grant of franchise relates solely to the operation of the Agency from the premises identified on Exhibit A to this Agreement (the "Premises"). If we have not approved a location for you to operate your BrightStar Care Agency as of the date you sign this Agreement, the parties will enter into the Site Selection Addendum attached as Exhibit J to this Agreement, the terms of which will govern the parties' site selection obligations.

1.5 **Performance Standards**

Beginning the first twelve (12) months of operations after the Minimum Start Date, your monthly performance must meet or exceed the following "Monthly Performance Standards." Your Minimum Start Date ("MSD") will be the Opening Date (defined as the earlier of the date of your first billing or 180 days after signing this Agreement). You are initially required to obtain whatever licensure may be required to perform Companion and Personal in-home care services in your state. In states where it may take longer than 180 days to obtain the license to perform those services, the Minimum Start Date will be the Monday following the receipt of licensure which enables you to perform Companion and Personal in-home care services. You must diligently and actively pursue all licenses to enable you to perform the fullest extent of the BrightStar business model. If you acquired the Agency as a result of a transfer, the Minimum Start Date will be the effective date of the transfer.

MSD ANNIVERSARY YEAR	MONTHLY PERFORMANCE STANDARDS (*based on a 4 week month) (*i.e.*, minimum Net Billings)
Years 1 & 2	No Minimum
Each of Years 3 & 4	$60,000*
Each of Years 5 - 7	$80,000*
Each of Years 8 -10	$100,000*
◆Each of Years 11-15	$120,000*
◆Each of Years 16-20	$150,000*
◆Each of Years 21-25	$175,000*

* Monthly Performance Standards for five-week months will be $75,000 in years 3 & 4, $100,000 in years 5 through 7, and $125,000 in years 8 through 10. Weekly periods are Monday through Sunday. Net Billings from National Accounts derived from National Accounts business both within and outside your Protected Territory will count towards the Net Billings needed to meet Monthly Performance Standards; however, Net Billings derived from all other business outside your Protected Territory (i.e., business other than National Accounts Net Billings) will not be counted towards the Net Billings needed to meet Monthly Performance Standards or the renewal criteria (see Section 2.2), regardless of whether we temporarily permit you to service business in an unowned territory.

◆ Years 11–15, 16-20, and 21-25 represent what the Monthly Performance Standards will be each year upon renewal of the franchise after the Initial Term. Monthly Performance Standards for five-week months during each renewal term will be the sum of $30,000 (for each of the years 11-15), $37,500 (for each of the years 16-20), and $43,750 (for each of the years 21-25) plus the Monthly Performance Standard identified in the table above. Weekly periods are Monday through Sunday. Net Billings from National Accounts derived from National Accounts business both within and

outside your Protected Territory will count towards the Net Billings needed to meet Monthly Performance Standards; however, Net Billings derived from all other business outside your Protected Territory (i.e., business other than National Accounts Net Billings) will not be counted towards the Net Billings needed to meet Monthly Performance Standards or the renewal criteria (see Section 2.2), regardless of whether we temporarily permit you to service business in an unowned territory.

1.5.1 You will be billed within 28 days of the end of each week for royalties. If you fail to meet any Monthly Performance Standard during the Initial Term, you will be in default of your obligations under this Agreement and will be billed, within 28 days of the end of each Monthly Performance period, an amount equal to the difference between the actual royalties you paid and the Minimum Monthly Royalty Payment (the "Minimum Monthly Royalty Fee"). The Minimum Monthly Royalty Payment is the royalty amount that you must pay us on account of your operations during the previous month as though you had satisfied the Monthly Performance Standard for that month. You must pay us the Minimum Monthly Royalty Fee within 28 days from the invoice.

1.5.2 If you acquired the Agency as a result of a transfer, we may (although need not) establish your Monthly Performance Standard requirements based on the actual historical performance of the Agency being acquired. If we establish your Monthly Performance Standards as part of a transfer, the Monthly Performance Standards will be set forth in Exhibit F.

1.5.3 You must diligently and actively pursue and provide service to customers in all service lines for which licensure permits and accept all forms of reimbursement, including long-term care, Medicare Advantage (MA) supplemental benefits coverage offered by MA Plans, Veteran's Administration, and others that are or may become customary in the industry.

1.6 **Our Reserved Rights**

1.6.1 The foregoing grant to you does not include: (i) any right to offer any product or service via e-commerce; (ii) any right to establish an independent website or to establish a URL incorporating the Licensed Marks or any variation thereof; or (iii) any right to distribute, market, or implement our products and services in any channel of distribution or other manner not specifically identified in this Agreement.

1.6.2 You further acknowledge and agree that we and our affiliates retain the right to:

(a) Establish and/or license others to establish franchised or company-owned Agencies at any location outside the Protected Territory.

(b) Grant permission to you to service clients within another franchisee's protected territory if the franchisee does not have the proper licensure or accreditation to provide services (or chooses to not provide services) and grant permission to other

franchisees to service clients within your Protected Territory if you do not have the proper licensure or accreditation to provide services (or choose to not provide services).

(c) Offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute through franchised or non-franchised businesses, at wholesale or retail, within and outside the Protected Territory, (i) BrightStar branded goods and services not then offered and sold through the BrightStar Care Agency Program, or (ii) goods and services under another brand. These goods and services may be offered and sold through similar or dissimilar channels or methods of distribution, including the Internet and outlets that do business under the BrightStar name or another name. Examples of these outlets include durable medical equipment centers, assisted living facilities, adult daycare and/or child daycare facilities, Medicare home health agencies, and hospices, but examples also include businesses that are not in the healthcare industry.

(d) Periodically designate in the Operations Manual or elsewhere National Accounts. The term "National Accounts" means any customer which on its own behalf or through agents, franchisees, or other third parties owns, manages, services, controls or otherwise has responsibility for a business in more than one (1) franchisee's protected territory, including, but not limited to, institutional customers such as hospital chains, insurance companies, referral services, nursing homes, senior citizen centers, hospice facilities, facilities for the mentally and physically impaired, and elder and/or child daycare facilities or facilities providing homecare services to individuals, whose presence is not confined within any one particular franchisee's protected territory, regardless of the aggregate contract amount of the services you wish to perform. We may designate an account as a National Account at any time and we, in our sole discretion, will resolve any dispute as to whether a particular customer is a National Account; our determination will be final and binding. As described in Section 1.6.4, we have the exclusive right to negotiate and enter into agreements or approve forms of agreements providing supplemental healthcare staff or healthcare and homecare services to institutional clients and comprehensive care to any business which owns, manages, controls, services or otherwise has responsibility for services in more than one protected territory of our franchisees, regardless of the aggregate contract amount of the services you want to perform. As described in Section 1.6.5 below, you must sign-up

to receive National Accounts business and (except as provided in the Operations Manual) service any National Accounts we refer to you in accordance with the terms of the National Accounts contract and the guidelines set forth in the Operations Manual. You may not solicit business from or provide services to any National Accounts client without our prior written consent, which consent will not be unreasonably withheld. The restrictions in this section (d) apply anywhere, including within your Protected Territory.

If you decline to service a National Accounts customer at any time without our prior authorization, or if you receive a written complaint from a National Accounts customer that you cannot or choose not to cure in the manner and within the timeframe requested by the National Accounts customer, then we and our affiliates have the right to provide services within your Protected Territory directly to that National Accounts customer, or may grant permission to another franchisee or an independent service provider to provide services within your Protected Territory to that National Accounts customer, until such time that you establish to our satisfaction that you are willing and able to service the National Accounts customer in compliance with this Agreement or to address satisfactorily the complaint from the National Accounts customer.

If you are not qualified to perform the services outlined in the National Accounts contract, you are unable to achieve and maintain the quality and service standards outlined in the National Accounts contract, or you fail to fill any Premier National Account requests three (3) times during any 12-month period, or if we receive two (2) complaints from a National Accounts customer regarding the services provided, we reserve the right to exclude you from the National Accounts program (both the individual National Accounts customer and the National Accounts program as a whole), require you to prepare a Corrective Action Report in order to be considered for reinstatement in whole or in part into the National Accounts program, and/or take any other action noted in this Agreement.

Notwithstanding anything to the contrary in this Section, if you decline to service any Premier National Accounts customer more than two (2) times within a sixty (60)-day period, or if a National Accounts customer notifies us or you at any time of its unwillingness to do business with you (no matter the reason), then we and our affiliates will have the unrestricted right during the remaining portion of the Initial Term to provide services within your Protected Territory directly to that National Accounts customer, and to permit another franchisee or an independent service provider to

provide services within your Protected Territory to that National Accounts customer, and will have no obligation during the remaining portion of the Initial Term to offer you the opportunity to service that National Accounts customer, regardless of the nature of the payor for the services provided to the National Accounts customer.

(e) Merge with, acquire or be acquired by ("Merger/Acquisition Activity") any businesses or agencies of any kind under other systems and/or other marks, which businesses and agencies may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Protected Territory.

1.6.3 As of the date of this Agreement, we intend to offer a web-based service to provide BrightStar Care clients and private users with a platform to communicate with authorized users of the web-based service regarding their, or their family members', health condition and further to direct them to the nearest BrightStar Care Agency for services, if needed. The platform will not be deemed to infringe on or violate any of your rights under this Agreement, as the platform does not offer to users any goods or services that specifically are part of the goods and services this Agreement permits you to offer as part of your BrightStar Care agency. We or an affiliate may discontinue or expand the web-based service at any time. Any expansion of such web-based services will not be used to offer any goods and services within the healthcare field that specifically are part of the goods and services you are permitted to offer under this Agreement.

1.6.4 We have the exclusive right, unless otherwise specifically delegated in writing, on behalf of ourselves, you, and/or other franchisees utilizing the Licensed Marks, to negotiate and enter into agreements or approve forms of agreement to provide services to "National Accounts" customers (as defined in Section 1.6.2(d)), including any affiliated, company-owned, or franchised locations within the Protected Territory.

1.6.5 Upon completion of your initial training, you must sign up to receive National Accounts business and (except as provided in the Operations Manual) service any National Accounts we refer to you in accordance with the National Accounts contract and the guidelines set forth in the Operations Manual, including any service requirements based upon the National Accounts gross margin percentages identified in the Operations Manual.

1.6.6 Following the execution of a contract with or the acceptance of a bid by a National Accounts customer which contemplates the provision of services to one or more National Accounts customer locations within or outside the Protected Territory, we will, if you are qualified to perform the services and conditioned upon your substantial compliance with the terms of this Agreement and any addendum, refer the National Accounts to you, and you must (except as provided in the Operations Manual), and subject to our rights in Section 1.6.2(d), perform such

services pursuant to the terms and conditions of the National Accounts contract and the guidelines contained in the Operations Manual.

1.6.7 If you fail to provide services to a National Accounts customer, or do not have sufficient staff to accept a National Accounts referral, in conformity with the terms and conditions of the National Accounts contract, or fail to formally notify us, as outlined in the Operations Manual, that you are opting out of servicing a specific National Accounts customer, we will have the right to:

a) Provide—directly, through an affiliate, or through any other licensee or franchisee utilizing the Licensed Marks—services to the National Accounts customer location(s) within the Protected Territory on the terms and conditions contained in the National Accounts bid or contract; and/or

b) Contract with another independent service provider to provide such services to the National Accounts customer location(s) within the Protected Territory on the terms and conditions contained in the National Accounts bid.

Nothing in this Section 1.6.7 is intended to affect the rights we reserve under Section 1.6.2(d) above.

1.6.8 In addition, if you fail to provide services to a National Accounts customer and have not formally notified us, as outlined in the Operations Manual, that you are opting out of servicing that specific National Accounts customer, we may either terminate this Agreement in accordance with Section 13.4.2 or remove you in whole or in part from the National Accounts program.

1.6.9 Neither the direct provision by us or an affiliate (or a franchisee, licensee, or agent of ours) of services to National Accounts customers as authorized in Section 1.6.7(a) above, nor our contracting with another party to provide such services as authorized in Section 1.6.7(b) above, will constitute a violation of this Section 1.6 relating to territorial exclusivity, even if such services are delivered from a location within the Protected Territory. You disclaim any compensation or consideration for work performed by others in the Protected Territory pursuant to this Section 1.6.

1.7 **Relocation**

Provided you are not in default under this Agreement, if you are the lessee or sublessee of the Premises and the lease or sublease is terminated or not renewed during the Initial Term through no fault of yours, you may relocate the Agency to another premises within the Protected Territory. You must obtain our prior written consent to any such relocation. We may withhold any such consent. You are responsible for all costs we incur in approving any new location for the Franchised Business. You must, at your expense, conform the substitute premises to our then-current specifications and standards relating to premises design, furniture, fixtures, and equipment for an Agency. You agree to close the Premises simultaneously with opening of the substitute premises. You agree, at your sole expense, to remove from and around the Premises and obliterate

any visible indicia that the location was operated as a BrightStar Care Agency upon relocation of the Agency to the substitute premises.

1.8 **Athena Business System License**

Subject to your continued compliance with this Agreement, we grant, and you accept, a non-exclusive, non-transferable, limited license to use the Athena Business System ("ABS"), in binary or object code form only, during the Initial Term with the Third Party Materials (defined in Section 1.8.1) we designate and provided to you by us or our affiliate, BrightStar Technology Group, LLC ("BrightStar Technology"), or any other affiliate of ours. We and BrightStar Technology reserve the right to upgrade and change the ABS from time to time. Use of the ABS is for the limited purpose of operating the Agency within the Protected Territory as we prescribe in the Operations Manual or otherwise in writing. We or our licensors will retain all right, title, copyright, trade secrets, patents and other proprietary rights in and to the ABS, and all modifications, enhancements and any derivative works thereof regardless of origin (and accordingly have the right to license others to use ABS). You do not acquire any rights, express or implied, in the ABS or derivative works thereof, other than those specified in this Agreement, and all rights in and to the ABS that are not expressly granted herein are reserved to us. You may not, and will not permit others to, copy, modify, adapt, translate, reverse engineer, decompile, disassemble or otherwise attempt to create derivative works from the ABS, otherwise alter the ABS, or discover its source code. The ABS is licensed for use in the United States, and you may not export the ABS or make it available outside of the United States without our written permission. Neither we nor any of our affiliates, including BrightStar Technology, will have any duty or obligation to indemnify or defend you in connection with your use of ABS or any Third Party materials.

1.8.1 You are responsible for purchasing or licensing any third party software, programs, content, documentation, equipment, hardware, or other products that are designated by us or BrightStar Technology as being necessary for the use and operation of the ABS (the "Third Party Materials"). You acknowledge and agree that from time to time we or BrightStar Technology may require additional Third Party Materials or may substitute other Third Party Materials for those originally or previously required. To the extent any Third Party Materials are packed with, incorporated into, or embedded in the ABS or otherwise provided by us or BrightStar Technology hereunder, you agree to comply with the terms and conditions of the third party licenses associated with such Third Party Materials. You are also responsible for purchasing, at your sole expense, any software necessary to meet state-specific requirements of a state program or segment of business unique to your location and/or state.

1.8.2 Upon our or BrightStar Technology's request, you agree to install, update or replace any equipment or software related to the ABS, including any modifications and/or improvements to that System, in such manner as is specified by us or BrightStar Technology from time to time. You further agree to be responsible for all costs and expenses not covered by the Monthly ABS and Email Service Fee (as defined in Section 4.5). You agree to execute such documents as we may request confirming or vesting ownership of all BrightStar Technology in us or one of our affiliates.

1.8.3 All ideas, concepts, techniques or materials relating to the ABS, whether or not constituting protectable intellectual property, and whether created by or on behalf of you or your owners, will be promptly disclosed to us and deemed to be our sole and exclusive property and part of the BrightStar Care Agency Program pursuant to Section 6.17 below.

1.8.4 You represent and warrant that (a) the content, materials, messages and data you transmit through the ABS will not contain any material that violates any applicable law, rule or regulation or that infringes upon any common law or statutory right of any person or entity, including, without limitation, any proprietary, contract, moral, privacy or publicity right, copyright, patent, trademark, trade secret, or any other Third Party right; (b) the content, material, messages and data you transmit or make available through the ABS or email account(s) we or BrightStar Technology provides you do not and must not contain any material which is obscene, threatening, malicious, defamatory, libelous, slanderous, pornographic or which otherwise could expose us, BrightStar Technology or our respective affiliates to civil or criminal liability; (c) you will not create a false identity for the purpose of misleading others; (d) you will not harvest or otherwise collect information about others, including e-mail addresses; and (e) you will not use this service in connection with pyramid schemes, chain letters, junk e-mail, or spamming or engage in any other offensive or harassing conduct or conduct that interferes with our ability to manage our infrastructure or provide services to other franchisees. We have the right to limit the manner in which any portion of our facilities is used to protect the technical integrity of our infrastructure. We may terminate or suspend services if we deem such action necessary to safeguard our infrastructure.

1.8.5 WE, BRIGHTSTAR TECHNOLOGY, AND OUR RESPECTIVE AFFILIATES MAKE NO WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, WITH REGARD TO THE ABS OR ANY THIRD PARTY MATERIALS. WE, BRIGHTSTAR TECHNOLOGY, AND OUR RESPECTIVE AFFILIATES DISCLAIM ANY AND ALL WARRANTIES RELATED TO THE ABS, WHETHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, INTER-OPERABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, QUIET ENJOYMENT, OR THOSE ARISING FROM TRADE USAGE OR COURSE OF DEALING. WE, BRIGHTSTAR TECHNOLOGY, AND OUR RESPECTIVE AFFILIATES DO NOT WARRANT THAT THE ABS WILL BE FREE FROM DEFECTS OR MISTAKES (INCLUDING REGARDING WAGE AND HOUR LAWS OR OTHER FEDERAL, STATE, AND LOCAL LAWS) OR THAT USE OF THE ABS WILL BE UNINTERRUPTED OR ERROR FREE.

1.8.6 IN NO EVENT WILL WE, BRIGHTSTAR TECHNOLOGY, OR OUR RESPECTIVE AFFILIATES BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY DAMAGES ASSOCIATED WITH LOSS OF USE, INTERRUPTION OF BUSINESS, LOSS OF DATA OR LOSS OF PROFITS) ARISING OUT OF OR IN ANY WAY RELATED TO THE ABS OR ITS USE.

2 TERM AND RENEWAL

2.1 Initial Term

This Agreement will take effect upon its execution by all parties hereto (the "Effective Date") and, unless previously terminated pursuant to Article 13 hereof, its term will extend for ten (10) years from the Opening Date, as defined in Section 1.5 above (the "Initial Term").

2.2 Renewal Terms

(a) You may, at your option, renew the franchise for the Franchised Business for an additional term of five (5) years upon the expiration of the Initial Term provided that:

(i) Your Agency has met or exceeded $9,280,000 in Net Billings during the 10-year Initial Term (although this $9,280,000 threshold can be satisfied only by non-National Accounts Net Billings derived from business within your Protected Territory plus National Accounts Net Billings derived from National Accounts business both within and outside your Protected Territory during the 10-year Initial Term (the "Ten-Year Performance Standard"). The Ten-Year Performance Standard means that you can meet the Ten-year Performance Standard even if you fail to meet the Monthly Performance Standard for any one or more periods during Years 3 through 9 during the Initial Term);

(ii) during the final three months of Year 10 of the Initial Term, the Agency's average weekly Net Billings must meet or exceed $30,000 in Net Billings (to be clear, only non-National Accounts Net Billings derived from business within your Protected Territory plus National Accounts Net Billings derived from National Accounts business both within and outside your Protected Territory will count towards your Monthly Performance Standard and your Ten-Year Performance Standard);

(iii) you are not in default under this Agreement or any other agreement with us or our affiliates at any time during the last six (6) months of the Initial Term;

(iv) you have been in substantial compliance with this Agreement and any other agreement with us, our affiliates, and designated suppliers throughout the Initial Term; and

(v) you have fulfilled all your monetary obligations towards us, our affiliates and designated suppliers.

You have the right to exercise your option to renew only by giving us written notice of your election to renew not less than six (6) months, nor more than one (1) year, before expiration of the Initial Term. If you do not give us written notice of your election to renew in strict compliance with this deadline, you agree that we have no obligation to renew your franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during the Initial Term and regardless of your having satisfied the other renewal conditions specified in this Section 2.2.

As a condition of any renewal, you must:

(1) sign our then-current form of franchise agreement for renewal franchises, which may include terms and conditions materially different from those in this Agreement, such as different performance standards, fee structures and/or increased fees;

(2) if available, execute a new lease for a minimum of one year with an option to renew for two additional one year terms for the Agency premises;

(3) execute a general release in a form satisfactory to us of any and all claims against us, our parent, subsidiaries, and affiliates, and our and their officers, directors, attorneys, owners and employees;

(4) complete any new training requirements not yet completed; and

(5) at your sole expense and if necessary in our sole opinion, bring the Agency up to our then-current standards for an Agency, including installation or upgrade of computer hardware and software and the ABS.

(b) If we choose to grant you a first five (5) year renewal franchise term as provided above, you will have the right to acquire a second and third (which will be the final) renewal franchise to continue operating the Franchised Business as a BrightStar Care Agency, the term of each of which will commence immediately upon the expiration of the immediately-preceding renewal franchise term and expire five (5) years from that date, but only if you have complied as of the end of the immediately-preceding renewal franchise term with the same conditions for a renewal franchise grant as those described in this Section 2.2 with respect to the first renewal franchise grant. Otherwise, you will have no right to acquire a second or third (which will be the final), as applicable, renewal franchise term.

Notwithstanding the above, however, the Five-Year Performance Standard you must meet or exceed during the first or second renewal franchise term, as applicable, in order to have the right to a second or third subsequent renewal franchise term, as applicable, will be, respectively, $7,800,000 and $9,750,000 in Net Billings (with the same limitations as those described above regarding the geographic areas from which Net Billings will be calculated), and you must maintain or exceed $37,500 of Net Billings per week during the final year of the first renewal franchise term and $43,750 of Net Billings per week during the final year of the second renewal franchise term (again, with the same limitations reference above).

You have no right to acquire a second or third renewal franchise if these conditions are not satisfied. The then-current form of franchise agreement that you will sign for the second or third renewal franchise may include terms and conditions materially different from those in the franchise agreement you sign for the immediately-preceding renewal franchise, such as different fee structures and/or increased fees. The franchise agreement for the third (and final) renewal franchise will be modified to reflect that no further renewal franchises will be granted.

(c) If you are acquiring a franchise for an Agency to operate in a Medium Density Market, you are not subject to the cumulative 10-Year Performance Standards during the 10-year period of the Initial Term or the 5-Year Performance Standard during the first and second renewal franchise terms.

3 OPERATING ASSISTANCE

3.1 Assistance Prior to Opening

Before your Opening Date, we will give you the following assistance:

3.1.1 Access to the Operations Manual via our intranet.

3.1.2 Review the proposed lease for Agency Premises to determine that it meets our standards for notice of assignment to us and other requirements included in the Operations Manual.

3.1.3 Help you order business cards, brochures, and initial recruiting and marketing materials as listed in the Operations Manual.

3.1.4 Goal setting and business planning.

3.1.5 Two or Three, 4 to 5-day training sessions (no more than 15 days total) for new owners held at our headquarters and organized into content that is specific to Getting your business started, Operations, Sales, and Clinical. Topics include understanding the basics of the business, leadership training, sales training, financial training, clinical training, and other key topics. The in-class training is supplemented by e-learning through the BrightStar on-line training system. We reserve the right to reduce the number of days at our headquarters through the use of e-learning. Between your training sessions and prior to your Opening Date, you (or one of your owners) may spend up to a week in the office of an owner. We may approve virtual participation under certain circumstances or for certain aspects of the week's visit. If you are acquiring your Agency via a transfer, you (or one of your owners) may spend up to a week in the office of an owner after signing this Agreement and prior to your final acquisition of the Agency. This program is designed to have you (or your owner) gain an applied understanding of the role of an owner by participating in the Agency's most critical processes over the course of a week.

3.1.6 Two to five days of training at our headquarters or though e-learning for each of the 3 key positions, including (1) branch/operations manager (or director), (2) director of nursing (DON), and (3) salesperson (collectively, the "Key Positions"). Each training "track" includes hands-on instruction for role-specific responsibilities and system functionality. Hired staff for the Key Positions is required to attend and complete to our satisfaction the respective training tracks. This in-class training is supplemented by a virtual environment and/or e-learning through the BrightStar on-line training system. We reserve the right to reduce the number of days at our headquarters through the use of a virtual environment and/or e-learning platform. You (or, if you are a legal entity ("Entity"), your owners and/or other required personnel) must complete all New Owner and Boot Camp training tracks (Clinical, Operations, and Sales) within 180 days from

signing this Agreement and prior to opening your Agency, provided however, your DON must complete clinical Boot Camp training within ninety (90) days after employment begins.

3.1.7 If the Agency operated under this Agreement is your first Agency and is not acquired through a transfer, you (or, if you are an Entity, your owners and/or other required personnel) must participate in, and comply with all of the requirements of, the "BrightStart" Program. The BrightStart program is designed to assist new owners in opening their new business as well as focus on the core competencies of the BrightStar business. If the Agency operated under this Agreement is acquired through a transfer, and it is your first Agency, you, (or, if you are an Entity, your owners and/or other required personnel) must participate in and comply with all of the requirements of the "ReStart" Program. The ReStart program is designed to assist new owners via transfers with onboarding as well as focus on the core competencies of the BrightStar business.

3.2 **Ongoing Assistance**

After your Opening Date, we or our designee will make the following assistance available to you:

3.2.1 Regular consultation and advice in response to your inquiries about specific administrative and operating issues. We may decide how best to communicate such consultation and advice to you, whether by telephone, in writing, electronically or in person. The method we choose may be different from the methods we used for other franchisees.

3.2.2 Administer the General Marketing Fund and provide libraries of approved marketing and advertising materials for local use.

3.2.3 Make goods and services available to you either directly or through approved suppliers.

3.2.4 While not currently in place, we may develop a mandatory advanced training program and require your key personnel (as we designate) to attend the advanced training, which will be held at our headquarters or another location we designate. We may charge a fee for this mandatory advanced training, and you must pay all travel expenses (transportation, hotel, meals, etc.) and related salary expenses. Except as stated below, we will not require more than two persons to each attend more than four days of additional mandatory advanced training during any running twelve-month period. All replacement branch manager/operations managers, DONs, and salespersons must complete our applicable training requirements within 90 days of hire. If we train any replacement managers, salesperson or DON, you must pay our then-current training fee and all travel expenses (transportation, hotel, meals, etc.) and related salary expenses for any replacement manager to attend training.

3.2.5 Maintain the Athena Business System, including the website (www.brightstarcare.com) or any other website we establish that will support multiple functions (i.e., sales, scheduling, billing, etc.).

3.2.6 Periodically revise the Operations Manual to incorporate new developments and changes in the BrightStar Care Agency Program and franchise and give you electronic access to all updates.

3.2.7 Provide information on improvements and developments in the BrightStar Care Agency Program in the form of regular announcements via main menu page of website or newsletter bulletins distributed by email.

3.2.8 Additional optional on-site training is available on an as-needed basis for an additional fee of $500 per day per trainer plus travel and room and board expenses for each trainer.

3.2.9 Additional training programs for regional training or group training programs for an additional fee of $100 per day per attendee, plus travel and room and board expenses for each attendee for basic training and $300 per day per attendee, plus travel and room and board for each attendee for advanced training.

4 FEES AND OTHER PAYMENTS

4.1 Initial Franchise Fee

4.1.1 In consideration of the execution of this Agreement, you agree to pay us an Initial Franchise Fee in the amount set forth in the Declarations Page, Exhibit A to this Agreement (the "Initial Franchise Fee"). If you are executing this Agreement (a) for a renewal term, or (b) if the Agency operated under this Agreement was acquired as a result of a transfer, the Initial Franchise Fee outlined in this Section 4.1.1 and 4.1.1(a) does not apply; however, our termination rights in Section 4.1.1(b) remain in full force and effect.

a) The Initial Franchise Fee is nonrefundable. The Initial Franchise Fee is due and payable in full no later than the date you sign this Agreement.

b) In our sole discretion, if you (or, if you are an Entity, your owners and/or other Key Positions) do not satisfactorily complete the Pre-Opening Training and/or Boot Camp Training required in Section 6.3 of this Agreement, or fail to complete the milestones within the required timing of the BrightStart program, you will be in default of this Agreement and we may, in our sole discretion, terminate this Agreement. If we elect to terminate this Agreement pursuant to this Section 4.1.1(b), no fees paid to us are nonrefundable. In the event of termination, the post-termination obligations of this Agreement will remain in full force and effect.

c) If (1) you are, in our sole discretion, in compliance with this Agreement, (2) your Agency governed by this Agreement has been open for 12 months or longer, and (3) your Agency governed by this Agreement had, in our sole discretion, Net Billings for a trailing 12-month period (at the time you request approval to expand by acquiring an additional franchise) falling within the top

quartile for BrightStar Care Agencies open the same time period or similarly-situated, you will receive a 20% discount on the Initial Franchise Fee due for that additional franchise.

4.2 **Royalty/Continuing Fee**

Royalty Fees will be based on a percentage of Net Billings, beginning on the Agency's Opening Date. Beginning on the Opening Date and for the remainder of the Initial Term, you must pay us, without offset, credit or deduction of any nature, a royalty/continuing fee (the "Royalty/Continuing Fee") of (a) 5.25% of Net Billings generated from non-National Accounts; and (b) 6.25% of Net Billings generated from National Accounts.

Although the royalty fee for National Accounts is 6.25%, in the event we or an affiliate provides billing, collection, financing, or other administrative services for a National Account, we may charge an additional administrative fee of up to 4% (for a total Royalty Fee on these National Accounts of up to 10.25%).

If you acquired the Agency operated under this Agreement as a result of a transfer, you must begin paying the Royalty/Continuing fee as of the effective date of the transfer.

The Royalty/Continuing Fee will be due and payable weekly 28 days from the date of our invoice via electronic fund transfer. You will be billed, within 28 days of the end of each Monthly Performance period, an amount equal to the difference between the actual royalties you paid and the Minimum Monthly Royalty Payment (the "Minimum Monthly Royalty Fee"). You must pay us the Minimum Monthly Royalty Fee within 28 days from the invoice.

4.3 **Net Billings**

"Net Billings" means the aggregate of all revenues and other income from whatever source derived (whether in the form of cash, credit, agreements to pay or other consideration, and barter transactions, and whether or not payment is received at the time of sale or any such amounts prove uncollectible) which arise from or are derived by you or by any other person from business conducted by or which originated from the Agency. Net Billings also include all proceeds from any business interruption insurance. Excluded from Net Billings are: (1) sales taxes and other taxes separately stated that you collect from clients and pays to taxing authorities; (2) refunds and credits made in good faith to arms' length clients, provided such credits or refunds are made in accordance with our standards and specifications; and (3) the discount value of any coupon, voucher or other allowance we authorize at the time you redeem the client's coupon, voucher or allowance.

4.4 **General Marketing Fee**

Beginning on the Opening Date, you must pay us, without offset, credit or deduction of any nature, a monthly General Marketing Fee (the "General Marketing Fee") equal to the greater of $500 or 2.5% of your Net Billings for the preceding month. The General Marketing Fee will be due and payable monthly on the 15th day of each month for the prior month's Net Billings. We

reserve the right to collect General Marketing Fees more frequently than monthly upon 30 days' prior written notice to you.

4.4.1 When system-wide revenues for an immediately-preceding calendar year reach $750,000,000, the General Marketing Fee will be reduced from 2.5% to 2.0% of your Net Billings for the preceding month, provided the General Marketing Fund was not in a deficit position greater than $1,000,000 as of the end of the immediately-preceding calendar year.

4.4.2 If you acquired the Agency operated under this Agreement as a result of a transfer, you must begin paying the General Marketing Fee as of the effective date of the transfer.

4.4.3 Payment will be prorated for any partial month during which the Agency was open for business and payable as per the terms of our invoice.

4.5 **Monthly Athena Business System and Email Service Fee**

Beginning on the Opening Date and for the remainder of the Initial Term, you must pay BrightStar Technology, without offset, credit or deduction of any nature, a monthly ABS and Email service fee (the "Monthly ABS & Email Service Fee") on the 15th day of each month. If you acquired the Agency operated under this Agreement as a result of a transfer, you must begin paying BrightStar Technology the Monthly ABS and Email Service Fee as of the effective date of the transfer. The Monthly ABS and Email Service Fee does not include any fees associated with third party CRMs (i.e., Microsoft Teams / One-drive / Web version office package, Hireology, CRM, payroll, HR/workforce or WorkBright). The Monthly ABS and Email Service Fee will be the greater of $250 per month or .83% of the prior month's Net Billings during the Initial Term of this Agreement.

4.5.1 If you acquired the Agency operated under this Agreement as a result of a transfer, you must begin paying the Monthly ABS & Email Service Fee as of the effective date of the transfer.

4.5.2 Payment will be prorated for any partial month during which the Agency was open for business and payable as per the terms of our or BrightStar Technology's invoice. We reserve the right to have BrightStar Technology, or any subsequent designee collect the Monthly ABS and Email Service Fee more frequently than monthly upon 30 days' prior written notice to you.

4.6 **Electronic Visit Verification Fee**

Beginning on your participation in certain Medicaid waiver programs, and if your state requires it, you must pay BrightStar Technology, without offset, credit, or deduction of any nature, $1,000 for the initial integration and testing of ABS with the state or the third party selected by the state to enable the data required to authorize and approve payments to flow automatically between ABS and your state. Thereafter, unless you engage another Electronic Visit Verification ("EVV") provider that we have approved, you must pay BrightStar Technology, without offset, credit or deduction of any nature, an EVV fee ("EVV Fee") equal to $0.50 per record processed for you in

the preceding month. We reserve the right to have BrightStar Technology, or any subsequent designee collect the EVV Fee more frequently than monthly upon 30 days' prior written notice to you. It is your responsibility to understand your state's EVV requirements and notify us with sufficient lead time to integrate with ABS.

You must notify BrightStar Technology no less than 90 days prior to your state's EVV implementation date, and/or 90 days prior to your state's subsequent EVV version upgrades, to allow sufficient time for integrating ABS with your state's EVV implementation and/or updating ABS with your state's EVV Version upgrades. If you fail to notify BrightStar Technology at least 90 days prior to the effective date for your state's EVV implementation or EVV version upgrades, BrightStar Technology may charge you up to an additional $1,000 for the initial integration and up to an additional $500 for any subsequent EVV version upgrade.

4.7 **Vendor Evaluation Fee**

If you request our approval to allow you to use an unapproved vendor for products or services and that request requires us to invest time and expense to evaluate the unapproved vendor, then you must pay us up to Five Thousand Dollars ($5,000) for our time and costs conducting the evaluation if we choose to add the unapproved vendor to our approved vendor list ("Vendor Evaluation Fee"). Generally, no Vendor Evaluation Fee is payable if we do not approve the unapproved vendor. However, we will charge a minimum fee of $2,500 if the vendor, as part of its proposed scope of services, will need access to any of our technology platforms; this fee is to pay a third party for its risk-assessment services and is due whether or not we approve the vendor.

4.8 **Other Charges and Service Fees**

You understand and agree that the BrightStar Care Agency Program is developing and that, in addition to those charges and fees set forth in this Agreement, there may be other charges and service fees that will be assessed to you by us, our affiliates, or third party vendors in connection with existing components of the BrightStar Care Agency Program or the addition of modified or new components to the BrightStar Care Agency Program. You agree to pay all such other charges and service fees in a timely manner. For example, we may charge an administrative fee to cover our costs in providing administrative services as part of any optional accounts receivable financing we arrange with lenders and make available to franchisees. For charges anticipated to be more than $5,000 per year, the addition of these charges and/or services fees will be agreed upon between you and us, unless a charge of greater than $5,000 is adopted by more than 75% of the existing franchisees in the system, in which case you must comply with the requirement to ensure brand and system consistency.

4.9 **Method of Payment and Electronic Funds Transfer**

Unless otherwise agreed between you and us, all fees and other amounts paid to us or any affiliate must be made in the form of an electronic or similar funds transfer in the appropriate amount(s) from your bank account. We reserve the right to require you to pay any fees due under this Agreement at any intervals we may designate and by such means we specify from time to

time. You agree to execute and deliver to your bank and to us those documents necessary to authorize such withdrawals and to make payment or deposit as directed by us, BrightStar Technology, or our respective affiliates. The forms of authorization for electronic transfer of funds are attached hereto as Exhibit B-1 and Exhibit B-2. You further agree not thereafter to terminate such authorization so long as this Agreement is in effect. You agree not to close such bank account without prior notice to us and the establishment of a substitute bank account permitting such withdrawals. You also agree that if a direct electronic funds transfer or other withdrawal program is not available at the bank at which you currently do business, you will take all reasonable and necessary steps to establish an account at a bank which does have such a program.

4.10 **Payment and Interest on Late Payments**

Except as may otherwise be provided in this Agreement, fees and other amounts due under this Agreement must be paid 28 days after the date of our invoice. We or our affiliate will initiate payment on all invoices from your bank account 28 days after the date of the invoice by electronic funds transfer as provided in Section 4.9 above. If any fee or other amount due under this Agreement is not paid when due, you must pay interest on any balance due from the date due until such amount is paid in full at the highest then-applicable legal rate for open account business credit, not to exceed one and one-half percent (1.5%) per month. This charge will accrue whether or not we or you exercise our and your respective rights to terminate this Agreement pursuant to Article 13 hereof.

4.11 **Application of Payments**

All of your payments pursuant to this Article 4 will be applied in such order as we may designate from time to time. You may not designate an order for application of any fees different from that we designate and expressly acknowledge and agree that we may accept fees paid pursuant to different instructions without any obligation to follow such instructions, even if such payment is made by its terms conditional on such instructions being followed. This provision may be waived only by written agreement signed by us, which written agreement must be separate from the check or other document or medium constituting or transmitting payment.

4.12 **Taxes on Payments and Currency**

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, employment, or other taxes, whether levied upon you or the Agency, due to the business you conduct (except for our own income taxes). You must pay those taxes and reimburse us for any taxes we must pay to any taxing authority on account of either your operation or payments you make to us (except for our own income taxes).

5 LICENSED MARKS

5.1 Ownership

You expressly acknowledge our and our affiliate's rights in and to the Licensed Marks and agree not to represent in any manner that you have acquired any ownership rights in the Licensed Marks. You may not use any of the Licensed Marks or any marks, names or indicia which are or may be confusingly similar in your own corporate or business name, e-mail address, or domain name except as authorized in this Agreement. You further acknowledge and agree that any and all goodwill associated with the BrightStar Care Agency Program and identified by the Licensed Marks will inure directly and exclusively to our and our affiliate's benefit and that, upon the termination or expiration of this Agreement for any reason, no monetary amount will be assigned as attributable to any goodwill associated with your use of the Licensed Marks.

5.2 Authorized Use

Any use of the Licensed Marks other than as expressly authorized by this Agreement, without our prior written consent, may constitute an infringement of our rights therein, The right to use the Licensed Marks granted herein does not extend beyond the expiration or termination of this Agreement. During and after the Initial Term, you may not, directly or indirectly, commit any act of infringement or contest or aid others in contesting the validity of our right to use the Licensed Marks or take any other action in derogation thereof. You must identify yourself as the owner of the Franchised Business (in the manner we prescribe) in conjunction with any use of the Licensed marks, including, without limitation, on invoices, contracts, timesheets, checks, receipts, employment and HR-related documents, and business stationary, as well as such conspicuous locations as we designate in writing at the Agency premises. We may remove your ability to use the logo and/or Licensed Marks on any applicant or employee facing communications, forms or advertisements by providing 30 days' advance written notice. To the extent you use, with our permission, any Licensed Mark in employment-related materials, you must include a clear disclaimer that you (and only you) are the employer of Agency employees and that we, as the franchisor of BrightStar Care Agencies, are not their employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. Notwithstanding your use of the ABS or any Third Party Materials, you are solely responsible and liable for understanding and following wage and hour laws as well as all other state, local, and federal laws applicable to the Agency's operation. You also must obtain an acknowledgment (in the form we specify or approve) from all Agency employees that you (and not we) are their employer.

5.3 Infringement

We or our affiliates will have the sole right to handle disputes with third parties concerning our ownership of or rights in, or your authorized use of, the Licensed Marks or the BrightStar Care Agency Program. You must immediately notify us in writing if you receive notice, or learn, of any: (i) improper use of any of the Licensed Marks or elements of the BrightStar Care Agency

Program; (ii) use by any third party of any mark, design, logo or commercial symbol which, in your judgment, may be confusingly similar to any of the Licensed Marks; (iii) use by any third party of any business practice which, in your judgment, unfairly simulates the BrightStar Care Agency Program in a manner likely to confuse or deceive the public; or (iv) claim, challenge, suit or demand asserted against you disputing your authorized use of the Licensed Marks or the BrightStar Care Agency Program. We have the right to take any action we deem appropriate, including, without limitation, to take no action, and the sole right to control any legal proceeding or negotiation arising out of any infringement, challenge or claim or otherwise relating to our ownership of or rights in, or your authorized use of, the Licensed Marks or the BrightStar Care Agency Program. You may not settle or compromise any claim, suit or demand asserted against you and agree to be bound by our decisions in handling disputes regarding ownership of, rights in, and authorized use of the Licensed Marks and the BrightStar Care Agency Program. You must fully cooperate with us and execute any documents and perform any actions that, in our judgment, may be necessary, appropriate, or advisable in the defense of such claims, suits or demands and otherwise to protect and maintain our rights in the Licensed Marks and the BrightStar Care Agency Program. Unless it is established that a third party claim asserted against you is based, directly or indirectly, on your misuse of the Licensed Marks or the BrightStar Care Agency Program, we agree to defend you against a third party claim disputing your authorized use of any Licenses Mark or the BrightStar Care Agency Program, provided you have notified us immediately after learning of the claim and fully cooperate in defending the action. Because we will defend this particular third party claim, you are not entitled to be reimbursed for legal or other professional fees or costs paid to independent legal counsel or others in connection with the matter. However, we will reimburse your actual out-of-pocket damages suffered (but not any lost profits or consequential damages) if it is determined in the action that we did not in fact have the right to authorize you to use the Licensed Mark or the BrightStar Care Agency Program. This reimbursement obligation does not impact our rights and your obligations under Section 5.5 of this Agreement.

5.4 **Operation Under Licensed Marks**

You must use only the Licensed Marks we designate and must use them only as we authorize and permit. You agree to operate and advertise only under the names or marks we designate from time to time for use by similarly-situated franchisees; to refrain from using the Licensed Marks to perform any activity or to incur any obligation or indebtedness that may in any way subject us to liability therefor; to observe all laws with respect to the registration of trade names and assumed or fictitious names; to include in any application therefor a statement that your use of the Licensed Marks is limited by this Agreement's terms; to give us a copy of any such application and other registration document(s); to observe such requirements with respect to trademark and service mark registrations and copyright notices as we may periodically require, including, without limitation, affixing "SM," "TM," or "®" adjacent to all such Licensed Marks in any and all uses thereof; and to utilize such other appropriate notice of ownership, registration and copyright we require.

5.5 Modification/Replacement of Licensed Marks

We reserve the right to designate one or more new, modified or replacement Licensed Marks for use by franchisees and to require you to use any such new, modified or replacement Licensed Marks in addition to or in lieu of any previously-designated Licensed Marks. Any expenses or costs associated with your use of such new, modified or replacement Licensed Marks will be your sole responsibility.

5.6 Non-Exclusive License

The license to you of the Licensed Marks is nonexclusive, and we retain the right, among others, to (i) use the Licensed Marks ourselves in connection with selling products and services; (ii) grant other licenses for the Licensed Marks; and (iii) develop and establish other systems using the Licensed Marks, similar marks, or any other marks and to grant licenses thereto without providing any rights to you.

6 STANDARDS OF OPERATION

6.1 Site Location and Lease Premises

You must secure real estate, by purchase or lease, for the operation of the Franchised Business. Within one hundred fifty (150) days after this Agreement's Effective Date, you must acquire Premises for the Agency that is acceptable to us. You must use the Premises solely to operate the Agency in the manner and pursuant to the standards prescribed in this Agreement, the Operations Manual, or otherwise in writing and must refrain from using or permitting use of the Premises for any other purpose or activity at any time. The Agency Premises may not be located in a person's home. If you lease the Premises, you must give us a copy of the proposed lease, which we must approve prior to execution, and which must give us:

6.1.1 The right to enter the Premises to make any modification necessary to protect the Licensed Marks and a "Collateral Assignment of Lease" in the form attached hereto as Exhibit C, executed by you and the lessor of the Premises, giving us notice of your default under the lease, a right to cure such default, and the right to assume the lease (including our right to assume the lease upon expiration or termination of this Agreement), as well as the further right to sublease or assign to a BrightStar Care Agency franchisee (and if we exercise our rights under the Collateral Assignment of Lease, we will have the option to acquire all fixtures, equipment, and other leasehold improvements on the Premises at fair market value).

6.1.2 The terms of an office building lease, including any option for renewal, must be a minimum of one (1) year with the option to renew for two additional one (1) year terms for a total of three years.

6.2 **Licensure Requirements**

After signing this Agreement, you must diligently and actively pursue all licenses to enable you to perform staffing, companion, and personal care services and open within 180 days after signing this Agreement. Once you achieve $15,000/week in weekly Net Billings (although we make no representation how long this will take or whether it will occur), you are required to apply for licensure to enable you to perform the fullest extent of the BrightStar business model at the time, unless prohibited by state regulations. However, if state regulations change, providing you an opportunity to obtain your skilled license, you must take action immediately to obtain skilled licenses, as soon as possible.

6.3 **Training**

6.3.1 Before the Opening Date and within one hundred eighty (180) days after signing this Agreement, you (or, if you are an Entity, your owners and/or other required personnel) must complete all required weeks of New Owner Training. Your owner (for the role he or she will hold—clinical, operations, or sales) and your branch manager/operations manager (or salesperson) and DON also must satisfactorily complete our applicable training tracks within one hundred eighty (180) days after you sign this Agreement, provided however, your DON must complete clinical Boot Camp training within ninety (90) days after employment begins. Between your training sessions, and prior to your Opening Date, you (or one of your owners) may spend up to a week in the office of an owner. We may approve virtual participation under certain circumstances or for certain aspects of the week's visit. If you own or operate another BrightStar Care Agency, within 180 days after signing this Agreement for an additional protected territory, your owner must attend applicable multi-unit training. Replacement branch manager/operations managers, salespeople, and directors of nursing likewise must complete such applicable training programs to our satisfaction within ninety (90) after you hire them. You are responsible for all personnel and travel expenses relating to such training programs. If you are acquiring the Agency as a result of a transfer, you are required to attend two, 3 to 5-day sessions of New Owner Training, and you (or one of your owners) may spend up to a week in the office of an owner prior to the effective date of the transfer. We may approve virtual participation under certain circumstances or for certain aspects of the week's visit. We have the right to require you or your owner to participate in a third week of New Owner training.

6.3.2 As noted in Section 3.1.5 above, as part of the model simplification, training requirements may be reduced versus the current requirements outlined in this Agreement. In addition, there may be additional remote online training requirements not currently offered by us as part of the model simplification initiative.

6.3.3 To assist you in operating your Agency, we may offer additional training programs and/or refresher courses to your owners, branch manager/operations manager, and/or supervisory employees. We may require your owners, branch manager/operations manager, DON, and/or sales manager to attend these programs and/or courses. You are responsible for all related expenses, including training fees, transportation, lodging, meals, and salaries during such training. We may

charge a fee of $100 per day per attendee for such additional training programs. We reserve the right to hold these programs and/or courses in person or via a virtual experience.

6.3.4 You must acquire from the vendor we designate or approve (paying the applicable fees), and use in operating the Agency, the Learning Management System we designate, which provides training, information, recommendations, and support on, among other things, federal, state, and local licensing requirements, onboarding, continuing education, disease control, and related compliance.

6.4 Hiring and Supervision

6.4.1 You must hire and maintain your Key Positions as well as a sufficient number of qualified, competent personnel in order to offer prompt, courteous, and efficient service to the public and otherwise operate the Agency in compliance with the BrightStar System so as to preserve, maintain, and enhance the System's reputation and goodwill. Additionally, your Agency must be under your designated Control Person's direct supervision. You (or, if you are an Entity, your owner) must be the Control Person. You must seek our approval if you want the Control Person to be someone other than you (or your owner) during the Initial Term. Your Control Person must meet our then-current Control Person standards and requirements, including (1) to live within one-hour drive-time from the Protected Territory and (2) to be in the office, or at minimum in the Protected Territory, on a daily full-time basis, and as otherwise defined in Exhibit K to this Agreement. All employees engaged in operating your Franchised Business during working hours must dress conforming to our standards, must present a neat and clean appearance (wearing our uniforms, if required) in conformance with our reasonable standards, and must render competent, empathetic service to your Agency's clients. You must take all measures to develop, recognize, and reward your workforce in order to maintain a six (6)-month turnover rate of field staff not to exceed fifty percent (50%).

6.4.2 If you or your owner cannot be present during business hours, you must at all times while the Agency is open for business have a branch manager/operations manager on duty who has successfully completed our training program and will be responsible for the Agency's operations. If you operate more than one Agency, you must have a properly-trained branch manager/operations manager for each Agency and a full-time salesperson for each Agency. You must keep us informed at all times of the identity of any employee required to enter into the confidentiality and non-competition covenants required under Section 11 of this Agreement. You must employ, at minimum, one part-time Registered Nurse for the Agency (unless state regulations require full-time, in which case you must employ one full-time Registered Nurse). If you operate more than one Agency, we reserve the right to require a full-time registered nurse, as well as additional nursing resources, to fulfill the nurse oversight requirements for the client count based on their acuity. You have sole responsibility and authority for your labor relations and employment practices, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, discipline, adjustments of grievances and complaints, and working conditions. Agency employees are exclusively under your control at the Agency. We will not, directly or indirectly, exercise or reserve control over employment and personnel matters and decisions involving your Agency's employees. You must communicate

clearly with Agency employees in your employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of BrightStar Agencies, and our affiliates are not their employer or joint employer and do not engage in any employer-type activities (including those described above) for which only franchisees are responsible. Notwithstanding your use of the ABS or any Third Party Materials, you are solely responsible and liable for understanding and following wage and hour laws as well as all other state, local, and federal laws applicable to the Agency's operation. You must obtain an acknowledgment (in the form we specify or approve) from all Agency employees that you (and not we or our affiliates) are their employer.

6.4.3 You must conduct criminal background checks on all prospective Agency employees to determine whether there is a history of elder abuse or crimes involving elders or similar crimes that are ascertainable on the public record. All employees must pass any applicable tests required by any governmental entity, submit to pre-employment and random drug tests, and participate actively in safety training seminars and programs. You are solely responsible and assume liability for all hiring and other employment decisions and compliance with all applicable federal and state employment practices, including, but not limited to, wage and hour laws, overtime pay requirements, live-in pay requirements, OSHA training, Hepatitis B vaccination, Health Insurance Portability and Accountability Act (HIPAA), and Joint Commission Accreditation. Notwithstanding your use of the ABS or any Third Party Materials, you are solely responsible and liable for understanding and following wage and hour laws as well as all other state, local, and federal laws applicable to the Agency's operation.

6.5 **Maintenance of Premises**

You agree to maintain the Premises in conformity with our then-current standards at all times during the Initial Term and to make such replacements as we may require. You must meet and maintain at all times all governmental standards and ratings applicable to the Agency's operation or such higher minimum standards and ratings we set forth from time to time in the Operations Manual or otherwise in writing.

6.6 **Operation of Agency**

6.6.1 You must comply with all mandatory Program rules, regulations, policies, and standards. You must operate and maintain the Agency solely in the manner and pursuant to the standards we prescribe in this Agreement, the Operations Manual, or other materials we provide from time to time in order to ensure that our required degree of quality, service and image is maintained. Without limiting the generality of the foregoing, you agree:

6.6.2 To purchase, install and use, at your expense, all signs and equipment we require. You must replace all signs within two (2) weeks after receiving notice from us.

6.6.3 To maintain in sufficient supply, and use at all times, only operating products, materials, supplies and expendables conforming with our then-current standards and specifications and not use non-conforming items without our prior consent.

6.6.4 To use only software we approve in all aspects of the Agency's operation. You may not use any other software without our prior written consent, which we may withdraw at any time. We may also require you to spend additional amounts on new, different, or modified software and/or equipment from time to time.

6.6.5 To use such standardized accounting forms, accounting systems, reporting forms, and other forms we periodically develop and file such forms with us as required.

6.6.6 To record all billings and maintain all business information and records associated with the Agency using the reporting systems and associated equipment we specify in the Operations Manual and to maintain, without alteration, all information and categories we require to be programmed into the billing reporting system unless we provide prior written approval or instructions to you to alter such categories. You hereby authorize us to access all information from such reporting systems and associated equipment, whether by inspection on the Premises or via retrieval by modem or other method of retrieval. The reporting systems and associated equipment must be accessible to us 24 hours per day, every day of the year, including Sundays and holidays, for electronic access, and during normal business hours for personal access, and you may not inhibit our access to the reporting system or associated equipment.

6.6.7 Upon reaching $15,000/week in Net Billings (although we make no representation how long this will take or whether it will occur), you must apply for Joint Commission Accreditation and within 6 months following application for Accreditation obtain Accreditation as well as licensure that enables you to perform the full BrightStar Care business model. If attaining skilled licensure in your state is delayed due to unpreventable administrative licensing issues at the state licensing authority, then an additional period of time not to exceed 6 months post-skilled license issuance will be allowed to obtain Joint Commission Accreditation. You must maintain your licenses and Joint Commission Accreditation in good standing throughout the Initial Term, including paying all licensure and accreditation dues and fees on time.

6.6.8 Provide customer service and dependable staff such that you maintain a customer Net Promoter Score (NPS) at or above the top seventy-five percent (75%) of the Net Promoter Scores of all BrightStar Care Agencies and the top fifty percent (50%) of the Net Promoter Scores prevailing in the home healthcare business industry as a whole, as measured by a third-party industry vendor, including both franchised and non-franchised home healthcare.

6.6.9 Develop, recognize, and reward field staff such that you maintain an Employee Net Promoter Score (eNPS) at or above the top seventy-five percent (75%) of the Employee Net Promoter Scores of all BrightStar Care Agencies and the top fifty percent (50%) of the Employee Net Promoter Scores prevailing in the home healthcare business industry as a whole, as measured by a third-party industry vendor, including both franchised and non-franchised home healthcare.

6.7 **Participation in Promotions**

You agree to participate in system-wide and applicable regional promotions and advertising campaigns that we originate or approve. These may include promotions via the

Internet, e-commerce, electronic media, or other technologically advanced media. You also agree to participate at your sole expense in all client loyalty, caregiver engagement, gift certificate, and similar programs we create.

6.8 **Purchases**

You acknowledge and agree that your obligations set forth in this Agreement and the Operations Manual are reasonable and necessary for the Agency's operation and to maintain uniformity throughout the BrightStar System. You must adhere to the standards and specifications set forth in this Agreement and the Operations Manual. You must use signs, medical supplies, marketing, insurance, and payroll services which comply with our then-current standards and specifications. We have the right to change our standards and specifications. You might incur an increased cost to comply with such changes.

6.8.1 We, our affiliate, and/or a third party may be one of several, or the only, approved supplier of any item. You will pay the then-current price in effect for the items you buy from us or our affiliate. In some instances, the costs for the items you purchase from us or our affiliate may be higher than the cost of other or similar supplies and products on the market.

6.8.2 Except for those instances where we have designated a single source as noted in Section 6.8.1, if you wish to purchase any unapproved item and/or acquire approved items from an unapproved supplier, you must provide us the name, address and telephone number of the proposed supplier, a description of the item you wish to purchase, and purchase price of the item, if known. At our request, you must provide us, for testing purposes, a sample of the item you wish to purchase. Nothing in the foregoing will be construed to require us to approve any particular supplier. We may base our approval on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation we deem necessary or desirable in our System as a whole. Nothing requires us to approve an unreasonable number of suppliers for a given item, which approval might, in our judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. We may revoke our approval of particular products or suppliers when we determine that such products or suppliers no longer meet our standards. Upon receiving written notice of such revocation, you must cease purchasing products from such supplier. You must use products purchased from approved suppliers solely in connection with operating your Agency and not for any competitive business purpose.

6.8.3 We periodically may establish business relationships with suppliers who may produce, among other things, certain signs, medical supplies, technology, and marketing programs according to our proprietary standards and specifications or private label goods which we have authorized and prescribed for sale by System franchisees ("System Suppliers"). You recognize that such products are essential to operating the Franchised Business and to the System generally. Your failure to pay System Suppliers may interfere with such suppliers' willingness to supply the System, which may result in other System franchisees' inability to obtain product or ability to obtain product only on less favorable credit terms. Accordingly, you agree to pay System Suppliers as and when due.

6.9 **Hours of Business**

Unless we otherwise approve, your Agency must be open for business at such times and for the minimum number of hours we specify in the Operations Manual or, if different, for such hours required by the terms of any lease for the Premises. You must at all times staff the Agency with such number of employees and operate the Agency diligently so as to maximize its revenues and profits. 24-hour live client service support staff will be available to all clients.

6.10 **Printed Materials**

You must use only business stationery, business cards, marketing materials, advertising materials, printed materials, and forms from our required vendors or from our approved libraries of marketing and advertising materials. Any and all supplies or materials you purchase, lease, or license must always meet our brand standards.

6.11 **Identification of Agency**

In all advertising displays and materials at the Agency, you must in such form and manner as we specify in the Operations Manual notify the public that you are operating the business licensed hereunder as a franchisee and identify the Agency in the manner we specify.

6.12 **Client Complaints**

You must respond promptly to client complaints and take such other steps we specify in the Operations Manual or otherwise to ensure positive client relations. You must promptly reimburse our costs if we must or choose to resolve a customer complaint because you fail to do so as or when required.

6.13 **Third Party Actions**

You must notify us in writing within five (5) days after any written threat or the actual commencement of any action, suit or proceeding, or after the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the Agency's operation or financial condition.

6.14 **Inspection of Agency Premises**

We and our agents have the right to enter upon the Premises, without notice, at any reasonable time to inspect the Premises, your books, records, computer hardware and software, and other business equipment. You must provide the assistance and take such steps necessary immediately to correct any deficiencies detected during such an inspection upon our or our agents' request.

6.15 **Possible Variation in Certain Standards**

Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege to vary standards for any franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, licensing requirements, existing business practices, or any other conditions we deem important to the successful operation of your business. You have no recourse against us on account of any variation from standard specifications and practices granted to any other franchisee and are not entitled to require us to grant you a like or similar variation.

6.16 **Attendance at Annual Meetings**

You (or, if you are an Entity, one of your owners) must attend all annual franchise meetings we hold to address subjects relevant to the BrightStar Care Agency Program, including recruiting and retention, service line matters, client relations, personnel administration, advertising programs, and billing control systems. We may use the annual meeting to offer continuing or advanced-level training instruction. If an annual meeting is held, we will determine its length and place and the persons who must attend. We reserve the right to charge a registration fee, and you must pay all travel expenses (transportation, hotel, meals, etc.) and related salary expenses. You must pay—for all of your required attendees—all registration fees charged for the annual meeting and all fees for the scheduled hotel accommodations, whether or not the required attendees actually attend. You will be required to attend no more than three (3) business days of each annual meeting. In addition to paying the registration fee, if you fail to attend the annual conference in person or attend online events for any reason, you must attend a two-day session at our corporate headquarters or other locations that we designate, at your sole expense and on the dates we determine, to review videos of key content that was presented. We reserve the right to hold annual franchise meetings via a virtual experience. Should we hold the annual franchise meeting via a virtual experience, you will be required to attend and must pay the registration fee regardless of your participation in the virtual annual meeting. All attendees at annual franchise meetings must remain at and participate in those meetings for their full duration.

Additionally, if held, you must send at least one person (either director of operations, branch manager, DON, or salesperson) to each Branch Leadership Conference. When your Agency is doing between $20,000 and $40,000 in weekly Net Billings in the quarter prior to Branch Leadership Conference, you must send a minimum of 2 key employees; if your Agency is doing over $40,000 in weekly Net Billings in the quarter prior to Branch Leadership Conference, you must send a minimum of 3 employees with an employee attending each of the following tracks and all related break-out sessions—operations, sales, clinical, and recruiting. The conference will last no more than three (3) business days. All attendees must remain at and participate in the Branch Leadership Conference for its full duration. We may charge a registration fee, and you must pay all travel expenses (transportation, hotel, meals, etc.) plus any related salary expenses. You must pay—for all of your required attendees—all registration fees charged for the Branch Leadership Conferences and all fees for the scheduled hotel accommodations, whether or not the required attendees actually attend. We reserve the right to hold up to two (2) Branch Leadership Conferences each year and the right to hold one or both of those Branch Leadership Conferences

via a virtual experience. Should we hold any Branch Leadership Conferences via a virtual experience, the same attendance requirements outlined above will be applicable. You must pay the registration fee regardless of your or your staff's participation in a virtual Branch Leadership Conference.

6.17 Intellectual Property Belongs to Franchisor

If you or your employees or owners develop any new concept, process or improvement in operating or promoting the Franchised Business or the ABS System, you must promptly notify us and give us all necessary related information, without compensation. Any such concept, process, or improvement will become our sole property, and we will be the sole owner of all patents, patent applications, trademarks, copyrights, and other intellectual property rights. You and your owners hereby assign to us any rights you or they may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all related rights of restraint and moral rights. You and your owners agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and to execute and give us all necessary documentation for obtaining and enforcing such rights. You and your owners hereby irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. If the preceding portions of this Section 6.17 are determined to be invalid or otherwise unenforceable, you and your owners hereby grant us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe your rights.

7 OPERATIONS MANUAL

7.1 Compliance with Operations Manual

You must conduct the Agency in accordance with various written instructions, including technical bulletins and confidential manuals (hereinafter and previously referred to collectively as the "Operations Manual"), including any amendments, we publish from time to time, all of which you acknowledge belong solely to us and are available during the Initial Term via our intranet website. Any required standards or specifications we establish are to protect the reputation and goodwill of the Licensed Marks and businesses operating under the BrightStar Care Agency Program and to maintain standards of operations rather than exercise control over the day-to-day operations of your Agency. When any provision in this Agreement requires you to comply with any standard, specification or requirement, unless otherwise indicated, such standard, specification or requirement will be as set forth in this Agreement or in the Operations Manual.

7.2 Confidential Use

You must at all times use best efforts to keep access to the Operations Manual and any other manuals, materials, goods and information we create and designate for confidential use

within the BrightStar Care Agency Program as confidential and limit access to your employees on a need-to-know basis. Unauthorized use or disclosure of our confidential information or trade secrets will cause irreparable injury to us; damages are not an adequate remedy. You covenant not to disclose, use, permit the use of (except as may be required by applicable law or authorized by this Agreement), copy, duplicate, record, transfer, transmit, allow access to, or otherwise reproduce such information, in any form or by any means, in whole or in part, or otherwise make the same available to any unauthorized person or source.

7.3 **Revisions**

We may periodically revise the Operations Manual's contents to implement new or different requirements for the Agency's operation. You agree to comply with all such changed requirements which are by their terms mandatory, provided that such requirements will also be applied in a reasonably nondiscriminatory manner to comparable businesses operated under the BrightStar Care Agency program by other franchisees. We may update the Operations Manual electronically over our intranet website. You therefore agree to check the intranet website at least twice per week for such updates. Implementation of such requirements may require you to spend additional money.

8 ADVERTISING AND MARKETING

8.1 **General Marketing Fund**

We or our designee will create, administer, and maintain a general marketing fund ("General Marketing Fund"). We will use General Marketing Fund contributions to develop, produce, and distribute national, regional and/or local advertising and to create advertising materials and public relations programs which promote, in our sole judgment, the Licensed Marks, any other marks owned by us or our affiliates when the use of such other marks is associated with use of the Licensed Marks, and/or the products and services offered by System franchisees. We have the sole right to determine contributions and expenditures from the General Marketing Fund, or any other advertising program, and sole authority to determine, without limitation, the selection of the advertising materials and programs; provided, however, that we will make a good faith effort to expend General Marketing Fund contributions in the System's general best interests on a national or regional basis. We may use the General Marketing Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, including the cost of preparing and producing Internet (including by using social media platforms), television, radio, digital media, magazine and newspaper advertising campaigns; the cost of direct mail and outdoor billboard advertising; the cost of public relations activities and advertising agencies; the cost of developing and maintaining an Internet website or websites (including costs of developing, maintaining, and integrating portions of such websites related to franchisees' employee recruiting and retention); the cost of developing and maintaining a social media presence; the costs of developing and operating a call center; legislative expenses; and personnel and other departmental costs for advertising that we internally administer or prepare. Nevertheless, you acknowledge that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. While we do not anticipate that any part of the General Marketing Fund contributions will be used for

advertising which is principally a solicitation for franchisees, we reserve the right to use the General Marketing Fund for public relations or recognition of the BrightStar brand, for the creation and maintenance of a web site, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available." The General Marketing Fund may spend in any fiscal year more or less than the total General Marketing Fund contributions in that year, borrow from us or our affiliates (paying reasonable interest) to cover deficits, or invest any surplus for future use. For purposes of this Section 8.1 "fiscal year" means our fiscal year.

8.1.1 We may periodically assist franchisees to maintain high quality standards through customer surveys, customer interviews, and other similar initiatives ("Surveys'). The cost of such programs can be paid by the General Marketing Fund and charged directly to you if your results from a Survey fall below System-established minimum standards for such Surveys. Any such fees charged will be contributed to the General Marketing Fund.

8.1.2 We have the right to use the General Marketing Fund to pay for our expenses in activities reasonably related to directing the General Marketing Fund and its programs, including, without limitation, market research, public relations, creating, preparing, and producing marketing materials, and collecting and accounting for General Marketing Fund contributions; reasonable salaries and benefits of personnel who manage and administer the General Marketing Fund; the General Marketing Fund's other administrative costs, including taxes we must pay on General Marketing Fund contributions we receive; travel expenses of personnel while they are on General Marketing Fund business; meeting costs; overhead relating to General Marketing Fund business; and franchisee conferences.

8.1.3 You agree that the General Marketing Fund may otherwise be used to meet any and all costs incident to such General Marketing, including joint or collective advertising campaigns of our direct or indirect parent corporations or affiliated companies, if any, using the BrightStar Care Agency Program.

8.1.4 We may terminate and resume the General Marketing Fund periodically during the Initial Term. However, any decision to terminate or resume the General Marketing Fund will apply to all franchisees and affiliate-owned locations equally. We will not terminate the General Marketing Fund before making arrangements to spend or rebate any balance in the General Marketing Fund after payment of all expenses. If we resume the General Marketing Fund, we will give you at least 30 days' prior written notice before General Marketing Fees become due again and will collect General Marketing Fees at the original rate in this Agreement.

8.2 **Accounting for General Marketing Fund**

We will administratively segregate all contributions to the Fund on our books and records. All such contributions to the Fund may be deposited in our general operating account and may be commingled with our general operating funds. Contributions to the Fund are not held in a "trust," and we do not hold them as a fiduciary or in a similar special capacity or relationship. Upon written request, we will furnish you an unaudited report in a form we determine no later than 120 days

after the close of our fiscal year on each Fund to which you contributed during the preceding year. We may elect to accumulate monies in the Fund for such periods of time we deem necessary or appropriate, with no obligation to expend all monies received in any fiscal year during such fiscal year. If our expenditures for General Marketing in any one fiscal year exceed the total amount contributed to the applicable Fund during such fiscal year, we have the right to be reimbursed to the extent of such excess expenditures from any amounts subsequently contributed to the applicable Funds.

8.3 **Local Advertising**

Beginning on your Agency's Opening Date, you must expend for local consumer marketing the greater of:

(i) 2% of your Agency's monthly Net Billings up to $200,000 (for a 4-week month or $250,000 for a 5-week month) and 1% of your Agency's monthly Net Billings over $200,000 (for a 4-week month or $250,000 for a 5-week month); or

(ii) $1,000 per month.

In addition, beginning on your Agency's Opening Date, you must expend on local recruitment marketing, including job boards, to support and grow your business the greater of:

(a) 2% of your Agency's monthly Net Billings up to $200,000 (for a 4-week month or $250,000 for a 5-week month) and 1% of your Agency's monthly Net Billings over $200,000 (for a 4-week month or $250,000 for a 5-week month); or

(b) $1,000 per month

The requirements in (i), (ii), (a), and (b) will be appropriately adjusted if the Agency's Opening Date is on a date other than the first of the month.

If you acquired the Agency as a result of a transfer, you must expend the amounts noted in this Section 8.3 beginning on the transfer's effective date. All your local consumer marketing and local recruitment advertising (including advertising on social media platforms and job boards) must be creative from our approved libraries of marketing, advertising, and recruiting materials, be conducted in a dignified manner, and conform to our standards and requirements. You may not use any advertising or promotional plans or materials that are not from our approved libraries unless and until you receive our written approval pursuant to the procedures and terms set forth in Section 8.4.

8.4 **Advertising Generally**

With regard to advertising generally for the Agency, you must place or display at the Agency location (interior and exterior) only such signs, emblems, lettering, logos, displays, and advertising materials we periodically approve in writing. If you wish to use creative that is not from our libraries of approved marketing and advertising materials, you must send us at least

fifteen (15) days before publication or use samples of all sales promotional and advertising materials you desire to use, including, but not limited to, print, radio and television advertising, signage, and supplies. Such submission will not affect your right to determine the prices at which you sell your services. Within ten (10) business days after we receive any sample sales promotional material or advertising materials from you that are not from our libraries of approved marketing and advertising materials, we will notify you in writing of our approval or disapproval of the materials. You may not use any advertising or promotional materials that are not from our libraries of approved marketing and advertising materials unless we give our prior written approval. All advertising must prominently display the Licensed Marks and comply with any brand standards for use of the Licensed Marks we establish. We may require you to discontinue using any advertising or marketing material that is not from our approved libraries of marketing and advertising materials, and you must do so at your sole cost and expense.

8.5 **Website Matters**

Except as we expressly permit, you may not maintain a Web Site, as defined below, or otherwise maintain a presence or advertise using any public computer other than on the Web Site we host pursuant to the ABS. "Web Site" means any part of the Internet (including social media) used by the public, and any successor technology, whether now existing or developed after the date of this Agreement that enables the public to purchase services or goods by means of electronic commerce. We may establish a website that provides information about the System and our products and services. We may use part of the monies from the General Marketing Fund to pay or reimburse the costs associated with developing, maintaining and updating such web site. We will be the web master, either directly or through a third party, and have the right to control such website.

8.5.1 We may design and provide to you a web page for the promotion of your Agency on our website. We will be the web master, either directly or through a third party, and have sole control over such web page. You must review and execute, subject to our approval, requested changes to your web page. You may not maintain an individual website related to the Agency, or establish an URL incorporating any variation of the "BrightStar" name or the Licensed Marks, without our prior written approval. You may not violate our privacy policies posted on the website. We may use part of the monies from the Funds we collect under this Agreement to pay or reimburse the costs associated with developing, maintaining, and updating the website. You also must participate in any System-wide intranet system or extranet we implement.

8.5.2 We are the lawful, rightful, and sole owner of the Internet domain names www.247brightstarhealthcare.com; www.brightstarhealthcare.com, www.brightstarcare.com, www.247brightstar.com, www.caretogether.com (as described in Section 1.6.3), and any other Internet domain names we register. You unconditionally disclaim any ownership interest in those or any similar Internet domain name. You may not register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by us or our affiliates, the names or likeness of any BrightStar Franchising, LLC executive or employee or BrightStar Technology Group, LLC executive or employee, or any abbreviation, acronym, phonetic variation, or visual variation of those words.

9 MODIFICATIONS.

9.1 Modifications to the BrightStar Care Agency Program

The business environment affecting our franchise program is continually changing. We may develop other business activities or modify existing business activities in response to changes in the business environment, including those resulting from technological advances, e-commerce, expansion into new markets, changes in government reimbursement for home care services, and other factors that may not presently be anticipated. We reserve the right to change or modify the Licensed Marks, the Agency concept, the Operations Manual, and any proprietary software we require you to use. We may adopt and use new or modified trade names, trademarks, service marks, logos, equipment, software, products, techniques, or concepts. We may add new and different services and products, withdraw services or products, or change their names or image; redesign the trade dress, software programs, and equipment or fixture standards; or discontinue them as we deem appropriate. You must accept and use the changes as if they were part of this Agreement. If changes are related to the Licensed Marks, then you will have one hundred twenty (120) days from the date of notice to implement any such changes under this Section 9.1.

9.2 Test Marketing

If we permit you to participate in any new service or product concept test, you must do so in compliance with our standards and requirements.

9.3 Dual Branding

We may co-brand one or more concepts with BrightStar ("Dual Branding"). Dual Branding may involve changes to the Licensed Marks and the Agency. If Dual Branding occurs, the scope and type of Dual Branding may vary in different markets. If we elect to conduct Dual Branding in the market in which your Agency is located, we will notify you regarding the contemplated Dual Branding. You will be required to implement Dual Branding at the Agency at your expense within the time period specified in the notice. Notwithstanding anything in this Section 9.3 to the contrary, however, we may elect not to make the Dual Branding opportunity available to you. You will have one hundred twenty (120) days from the date of notice to implement any such changes under this Section 9.3.

10 STATEMENTS, RECORDS AND FEE PAYMENTS

10.1 Maintenance of Records

You must obtain the right to use, maintain, and update (including any required replacements) the accounting system we prescribe in the Operations Manual or otherwise. You must, in a manner satisfactory to us, maintain original, full, and complete register records, accounts, books, data, licenses, contracts, and supplier invoices accurately reflecting all particulars relating to your business and such statistical and other information or records we require and keep all such information for not less than seven (7) years, even if this Agreement is no longer in effect.

Upon our request from time to time, you must send us copies of any or all supply invoices reflecting Agency purchases. In addition, you must compile and send us any statistical or financial information regarding the Agency's operation, the products it sells, or data of a similar nature as we reasonably request to evaluate or promote the Agency or the BrightStar Care Agency Program in general (other than Agency employee records, as you control exclusively your labor relations and employment practices).

10.2 **Examination of Records**

We and our designated agents, including accountants and auditors, have the right to examine and audit such records, accounts, business and personal tax returns, books, and data (other than Agency employee records, as you control exclusively your labor relations and employment practices) at all reasonable times at a place(s) we deem necessary, including, but not limited to, a place(s) where such records, accounts, books, and data are maintained by or for you to ensure you are complying with this Agreement's terms. We have the right to have an independent third party audit your records, accounts, books, and data (other than Agency employee records, as you control exclusively your labor relations and employment practices). If the independent third party's examination reveals that any financial information you reported and any amounts you paid us or our Affiliates are less than the amounts we calculate, you must immediately pay us the amount owing in accordance with the corrected report, plus interest as provided in this Agreement. If an independent third party finds a discrepancy in Net Billings of 2% or more of the amount you should have reported, you must pay royalties on the amount you should have reported, plus interest charged at the highest allowable rate for the period of time the underpayment occurred, and reimburse all of our expenses connected with the examination. This may include reasonable accounting and legal fees and travel expenses. We also may exercise our other remedies under this Agreement.

10.3 **Reports**

Upon our request, you must prepare and send us signed reports and returns of Net Billings, bank statements, quarterly unaudited financial statements, use and gross receipt taxes, and complete copies of any business and personal state or federal income tax returns covering the Agency's operation and such other reports we may reasonably request in the format we require (other than Agency employee records, as you control exclusively your labor relations and employment practices), all of which you must certify as true and correct.

10.4 **Unaudited Annual Statements**

In addition to the foregoing statements, within forty-five (45) days after the close of your fiscal year, you must send us financial statements, including a statement of income and retained earnings, a statement of changes in financial position, and a balance sheet, all as of the end of such fiscal year, which you must certify as true and correct.

11 COVENANTS NOT TO COMPETE AND MAINTAIN CONFIDENTIALITY

11.1 **You (As Franchisee) Defined**

Unless otherwise specified, the term "you" as used in this Article 11 will include, collectively and individually, all owners, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you.

11.2 **Confidential Information**

For purposes of this Agreement, "Confidential Information" means any information we regard as confidential or proprietary. "Confidential Information" includes, but is not limited to, the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements relating to the BrightStar Care Agency Program, the Operations Manual, methods of site selection, marketing methods, recruiting, service analysis and selection, service methods and skills, prospective and current client lists and client information (including National Accounts clients), employee information, and any other business information that is not generally known to our competitors, as well as the content of this Agreement and any other document executed in connection with this Agreement.

11.3 **Non-Use and Non-Disclosure of Confidential Information**

You acknowledge that over the Initial Term, you will receive Confidential Information that we have developed over time and at great expense. You acknowledge and agree that our Confidential Information is not generally known in the industry, is beyond your own present skills and experience, and would be expensive, time consuming, and difficult for you to develop. You further acknowledge that Confidential Information provides a competitive advantage and would be valuable to you in developing your business. Accordingly, you acknowledge you will not, during the Initial Term or at any time thereafter, use any Confidential Information for any purpose except to operate the Agency. You may not disclose any Confidential Information to any individual, entity, or organization, except to your representatives to the extent necessary to operate the Agency and only after the representatives are advised of the confidential nature of the information and agree to maintain its confidentiality.

Notwithstanding the foregoing, you may disclose this Agreement's terms to your landlord and any lender providing financing for the Agency. The protections granted under this Agreement are in addition to and not in lieu of all other protections for such trade secrets and Confidential Information that may otherwise be afforded in law or equity.

11.4 **Non-Compete Covenants**

You agree that you will receive valuable training, goodwill, and Confidential Information that you otherwise would not receive or have access to but for the rights licensed under this Agreement. You therefore agree to the following non-competition covenants:

1. You covenant that during the Initial Term you will not (a) divert or attempt to divert any business, client, or potential client of the Agency or any other

BrightStar Care Agency to any competitor, by direct or indirect inducement or otherwise; (b) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Licensed Marks or the BrightStar Care Agency Program; or (c) make, or authorize or direct any other person to make, any written or oral statement, or take any action, that disparages us, our affiliates, any of our respective owners, directors, or officers, or the BrightStar Care Agency Program.

2. You covenant during the Initial Term not directly or indirectly, for yourself or through, on behalf of, or in conjunction with any person or entity, to own, manage, operate, maintain, engage in, consult with or have any interest in any business, other than the one authorized by this Agreement or any other agreement between you and us, that would be considered a Competing Business. For purposes of this Section 11.4, 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 non-medical care services, or solely medical care services—to private-duty clients within their home or residence (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, long-term care, commercial insurance, National Accounts payor, Medicaid, etc.)); (c) case management and care management services; and/or (d) any other services, technology or devices, or products BrightStar may now or in the future authorize you to offer or sell in connection with the Agency's operation.

3. You covenant, for a period of twenty-four (24) months after the expiration, non-renewal or termination of this Agreement, regardless of the cause of termination (or for the longer period specified in the Asset Purchase Agreement attached to Exhibit N of this Agreement if we have exercised and closed on our Call Option purchase under Section 14.3 below following the non-renewal or termination of this Agreement), or for twenty-four (24) months after sale of the Agency or any interest in you (other than in connection with our exercise of and closing on our Call Option purchase under Section 14.3 below, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any person or entity, not to own, manage, operate, maintain, engage in, consult with or have any interest in any Competing Business:

a. Located at the premises of the former Agency;

b. Located or operating within the Protected Territory of the former Agency;

c. 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

d. 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. (The geographic scope of this post-term non-compete will differ, as specified in the Asset Purchase Agreement attached to Exhibit N of this Agreement, if we have exercised and closed on our Call Option purchase under Section 14.3 below following the non-renewal or termination of this Agreement.)

4. You covenant, for a period of twenty-four (24) months after the expiration, non-renewal or termination of this Agreement, regardless of the cause of termination (or for the longer period specified in the Asset Purchase Agreement attached to Exhibit N of this Agreement if we have exercised and closed on our Call Option purchase under Section 14.3 below following the non-renewal or termination of this Agreement), or for twenty-four (24) months after sale of the Agency or any interest in you (other than in connection with our exercise of and closing on our Call Option purchase under Section 14.3 below), not to solicit business from clients of your former Agency, from any National Accounts, or from referral sources with which your former Agency or the BrightStar System did business during the Initial Term and not to contact any of our suppliers or vendors in connection with your ownership, management, operation, maintenance of, engagement in, consulting with, or having any interest in any Competing Business.

5. You agree that the length of time in subparts (3) and (4) will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. Each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If a court of competent jurisdiction determines that the geographical limits, time period, or line of business defined by this Article 11 is unreasonable, we and you agree that such a court of competent jurisdiction may determine an appropriate limitation to accomplish this Section's intent and purpose, and the parties agree to be bound by such determination.

11.5 **Limited Exclusion**

The restrictions contained in Section 11.4 will not apply to ownership of less than two percent (2%) of the shares of a company whose shares are listed and traded on a national securities

exchange if such shares are owned for investment only and are not owned by an officer, director, employee or consultant of such publicly-traded company.

11.6 **Employees**

You must ensure that your owners, office and sales employees, and members of your immediate family with access to our Confidential Information execute a confidentiality, non-solicitation, and (in jurisdictions where permitted) non-compete agreement in the form substantially similar to the agreement attached as an exhibit to the Franchise Disclosure Document or as we otherwise pre-approve. While we may pre-approve the form you use in order to protect Confidential Information, under no circumstances will we control the forms or terms of employment agreements you use with Agency employees or otherwise be responsible for your labor relations. You must send us a copy of each executed agreement upon request.

12 TRANSFER AND ASSIGNMENT

12.1 **Transfer by Us**

We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After we assign this Agreement to a third party who expressly assumes this Agreement's obligations, we no longer will have any performance or other obligations under this Agreement. That assignment will constitute a release and novation with respect to this Agreement, and the new owner-assignee will be liable to you as if it had been an original party to this Agreement. Specifically, and without limiting the foregoing, you agree that we may sell our assets (including this Agreement), the Licensed Marks, or the System to a third party; offer our ownership interests privately or publicly; merge, acquire other business entities, or be acquired by another business entity; and/or undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

12.2 **Transfer by You**

You understand and acknowledge that the rights and duties this Agreement creates are personal to you and that we have granted you the right to operate the Agency in reliance on many factors, including, without limitation, the individual or collective character, skill, aptitude and business and financial capacity of you and your owners. Accordingly, neither you nor any person owning any direct or indirect equity interest in you, may, without our prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any interest in this Agreement or the Agency or any portion or aspect thereof, or any equity or voting interest in you (any such act or event is referred to as a "Transfer"). Any such purported Transfer occurring by operation of law or otherwise, including any assignment by a trustee in bankruptcy, without our prior written consent will be a material default of this Agreement.

Notwithstanding anything to the contrary in Section 12 of this Agreement, if you or any of your direct or indirect owners at any time determines to sell or transfer for consideration the franchise rights granted by this Agreement and the Agency (or all or substantially all of its

operating assets), a controlling ownership interest in you (as defined in Section 12.7 below), or a controlling ownership interest in an entity with a controlling ownership interest in you (except to or among your current owners), and the Agency's Net Billings during the immediately-preceding calendar year exceeded Two Million Dollars ($2,000,000), you or such owners shall, before beginning any part of the Transfer process described in this Section 12, notify us in writing of your or their desire to sell or transfer. Upon receiving such notice, we may request and you or such owners agree to provide any information and materials regarding the Agency or the controlling ownership interest that we deem relevant to assess whether we are interested in the possibility of purchasing the Agency or the controlling ownership interest, and if so to make the necessary arrangements with you or such owners, for a purchase price equal to fifty percent (50%) of the immediately-preceding calendar year's total Net Billings. The purpose of this paragraph is to enable us to discuss with you or your direct or indirect owners the possibility of such a purchase (but without any obligation on our part) before the parties spend time and costs commencing and following the standard Transfer process, as otherwise provided in this Section 12. Nothing in this paragraph will affect our right of first refusal under Section 12.7 below.

12.3 **Representations as to Ownership**

You represent that as of the execution of this Agreement your equity and voting control is owned as shown in Exhibit D. If you or any approved successor is a partnership, limited liability company, or privately-held corporation, you will submit to Franchisor prior to any proposed Transfer of an equity or voting interest, and at any other time upon request, a list of all owners reflecting their respective present and/or proposed direct or indirect interests in you in such form as we may require.

12.4 **Conditions to Our Consent to Transfer**

You understand and acknowledge the vital importance of your performance to the market position and overall image of the BrightStar Care Agency Program. You also recognize the many subjective factors comprising the process by which we select a suitable franchisee. We will not unreasonably withhold our consent to a Transfer of any interest in this Franchise or any equity or voting interest in you, but such consent will remain a subjective determination that is subject to your and the transferee's compliance with and satisfaction of numerous conditions, including, but not limited to, the following:

12.4.1 (a) The transferee and its owners must demonstrate to our sole satisfaction that they meet all of our requirements for becoming a franchisee, including, without limitation, our financial, entrepreneurial, and managerial and business standards then in effect for similarly-situated franchisees, possess a good moral character, business reputation, and satisfactory credit rating, will comply with our instruction and training requirements, and have the aptitude and ability to operate the Agency (as may be evidenced by prior related business experience or otherwise, including, without limitation, that the transferee and its affiliates are in substantial operational compliance, at the time of the application, under all other franchise agreements for BrightStar Care Agencies to which they then are parties with us), and (b) the transferee and/or its owners are not a private equity firm or a Search Fund.

12.4.2 As of the proposed Transfer's effective date, all your obligations under this Agreement and any other agreements with us are fully satisfied.

12.4.3 You have satisfied all monetary obligations owed to us and our affiliates and designated suppliers.

12.4.4 You have been in substantial compliance with this Agreement and all other agreements with us and our affiliates and designated suppliers throughout the Initial Term.

12.4.5 As of the proposed Transfer's effective date, all of the proposed transferee's obligations to us and our affiliates and designated suppliers (if any) must be fully satisfied.

12.4.6 As of the proposed Transfer's effective date, the transferee must have the unconditional right to occupy the Premises and assume your lease for its remaining term (and to secure an option to renew the lease on terms agreeable to the landlord and transferee).

12.4.7 Except as provided below in this Section 12.4.7, if the Transfer results in a 50% or more change in your ownership, you or the transferee must pay us a transfer fee of $15,000 for the Agency and (but only if a Transfer of multiple agencies is permitted by us as described below in Section 12.4.19) $5,000 for each additional agency transferred, plus any broker fees we incur in helping you find a transferee. However, if the Transfer results in a 49% or less change in your ownership, the transfer fee will be calculated based upon the percentage of ownership change, plus any broker fees we incur in helping you find a transferee. For example, if the Transfer results in a 25% ownership change in you, the transfer fee will be 25% of $15,000. If the transferee will be involved in the Agency's day-to-day operations, we may require the transferee to attend and successfully complete new owner training. If the Transfer involves 49% or less in ownership and a full transfer fee is not collected, the transferee must pay the then-current training fee to attend new owner training. Fifty percent (50%) of the transfer fee is due either upon listing the Agency for sale or, if the Agency is not formally listed for sale, before buyer attends Discovery Day. The balance is due when the transferee signs the franchise agreement.

12.4.8 Notwithstanding the foregoing, if the Transfer involves this Agreement or the Agency, or a 50% or more change in your ownership, and the transferee is a person or entity who was a "Lead" of ours (defined below) before you or your owner became aware of or was introduced to the Lead and before you had listed the Agency with us for sale, you or the transferee must pay us the greater of: (a) the applicable transfer fee for each agency affected by the Transfer; or (b) the initial franchise fee that we would have collected for the territory if we had granted the franchise rights for it to the Lead, plus any broker fees we incurred as a result of the Transfer. This higher transfer fee compensates us for our lost opportunity of potentially granting a new franchise to the Lead for a new Agency, as each year we spend significant financial and human resources on targeted advertising and marketing of the BrightStar Care franchise opportunity in order to attract and identify qualified persons who are interested in purchasing new franchise rights for newly-developed Agencies. For purposes of this Section, "Lead" means (i) a person or entity who contacts, or has been contacted by, us (including our authorized representative or affiliate) in connection with the possibility of purchasing a new BrightStar Care Agency franchise for a new

market area or territory and/or (ii) a lead located in our Lead Management System ("LMS") (in both (i) and (ii), a "Lead" does not include someone who is an existing franchisee in the BrightStar Care Agency system). You acknowledge this "contact" may be in person, in writing, via electronic mail, by telephone, or by LMS.

12.4.9 The transferor must execute a general release, in a form satisfactory to us, of any and all claims against us and our owners, affiliates, officers, directors, employees, and agents.

12.4.10 The proposed transferee must execute our then-current form of franchise agreement and the Addendum to Franchise Agreement attached as Exhibit F to this Agreement, which may contain terms and conditions substantially different from those contained in this Agreement, for an initial term equal to the time remaining on the Initial Term of this Agreement as of the date of such Transfer or for a full initial ten (10) year term, as we determine.

12.4.11 You and the proposed transferee must execute our then-current Assignment and Consent Agreement, and Co-Territory Agreement (if applicable) in a form satisfactory to us.

12.4.12 The transferee and/or its designated managerial personnel must have completed to our satisfaction the training then required of comparable Agency franchisees.

12.4.13 The transferee must obtain and maintain all licenses and/or registrations necessary to operate the Agency to the fullest extent of the BrightStar business model.

12.4.14 You and your owners, officers, and directors agree to comply with the post-termination provisions of this Agreement, including the non-competition and non-disclosure covenants.

12.4.15 You and the transferee agree to perform all maintenance and upgrades required to bring the Franchised Business up to our then current standards for an Agency, including upgrading the ABS and any other computer hardware and software as we require.

12.4.16 You or the transferee must provide us for review and approval a copy of the executed purchase agreement relating to the proposed Transfer with all supporting documents and schedules, including transferee's assumption of and agreement to faithfully perform all of your obligations under this Agreement.

12.4.17 You must ask us to provide the prospective transferee with our then-current form of disclosure document.

12.4.18 Our approval of the Transfer will not constitute a waiver of any claims we have against the transferring party.

12.4.19 Notwithstanding anything above, you expressly acknowledge the reasonableness of the following Transfer condition: If you and/or your affiliates (a) own and operate, either when you request approval of a proposed Transfer or as of the proposed Transfer's effective date, more than one BrightStar Care Agency under one or more additional franchise agreements with us,

regardless of when such franchise agreements were signed, and (b) desire to Transfer this Agreement and/or the Agency, together with one or more of your and/or your affiliates' other franchise agreements and/or BrightStar Care Agencies, at the same time and to the same proposed transferee and/or its affiliates as part of the same transaction or in a series of substantially contemporaneous transactions, we have no obligation to allow the Transfers of the multiple BrightStar Care Agencies and instead have the absolute right to limit the proposed Transfer solely to this Agreement and/or the Agency without regard to the proposed terms of the Transfer or Transfers negotiated between you and/or your affiliates and the proposed transferee and/or its affiliates. We reserve this right in order to preserve and enhance compliant operations of BrightStar Care Agencies and to protect the System's reputation and goodwill. You further acknowledge that the rights described in this paragraph will apply even if the proposed Transfer is of a controlling ownership interest in you (as defined in Section 12.7 below) in situations where you own multiple BrightStar Care Agencies under one or more franchise agreements with us. In other words, we may disapprove the Transfer of a controlling ownership interest in you if the Transfer would result in new owners of yours effectively controlling the Agency and additional BrightStar Care Agencies under separate franchise agreements with us.

12.4.20 In addition to the above, you acknowledge that we have legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with you, and our contact with potential transferees to protect our business interests will not constitute improper or unlawful conduct. Additionally, you acknowledge and agree that, if you acquire more than one Agency during the Initial Term or any renewal term and subsequently decide to sell one or more of your Agencies, we have the right (as provided in Section 12.4.19 above) to approve the sale of only a single Agency to a transferee. You expressly authorize us to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms, to communicate candidly and truthfully with the transferee regarding your operation of the Agency, and to withhold consent for the reasons specified above. You waive any claim that the action we take in good faith to protect our business interests in connection with a proposed transfer, consistent with the conditions above, constitutes tortious interference with contractual or business relationships. Similarly, we may review all information regarding the Agency you give the proposed transferee, correct any information we believe is inaccurate, and give the proposed transferee copies of any reports you have given us or we have made regarding the Agency. We may, depending on the circumstances, waive any of the above conditions and qualifications, especially for transfers among original owners of this Agreement, transfers to trusts created for the benefit of a spouse or children, and transfers to family members. We have the right, however, to recover all legal and administrative costs.

12.5 **Transfer in the Event of Death or Mental Incompetence**

Upon the death or mental incompetence (as reasonably determined by an independent third party such as a licensed doctor) of any person with any direct or indirect interest in you, the executor, administrator, or personal representative of such person must transfer his or her interest to a third party we approve within six months after the death or incompetence. Such Transfers will be subject to the same conditions as set forth in Section 12.4. If the person's heirs or beneficiaries cannot meet the conditions in Section 12.4, we may terminate this Agreement.

12.6 **Consent to Transfer not a Waiver**

Our consent to any transfer is not a representation of the fairness of any contract terms between you (or your owner) and the transferee, a guarantee of the Agency's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand full compliance with this Agreement.

12.7 **Right of First Refusal**

If you or any of your direct or indirect owners at any time determines to sell or transfer for consideration the franchise rights granted by this Agreement and the Agency (or all or substantially all of its operating assets), a controlling ownership interest in you, or a controlling ownership interest in an entity with a controlling ownership interest in you (except to or among your current owners) in a transaction that otherwise would be allowed under Section 12.4 above, you agree to obtain from a responsible and fully-disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer relating exclusively to the rights granted by this Agreement and the Agency, the controlling ownership interest in you, or the controlling ownership interest in the entity with a controlling ownership interest in you. The offer must include details of the proposed sale's payment terms and the financing sources and terms of the proposed purchase price and provide for an earnest money deposit of at least five percent (5%) of the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be a fixed dollar amount, without any contingent payments of purchase price (such as earn-out payments), and the proposed transaction must relate exclusively to an interest in the rights granted by this Agreement and the Agency (or all or substantially all of its operating assets), a controlling ownership interest in 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. The right of first refusal process will not be triggered by a proposed Transfer that would not be allowed under Section 12.4 above and therefore may not proceed. We may require you (or your owners) to send us copies of any materials or information you send to the proposed buyer or transferee regarding the possible transaction. (References to a "controlling ownership interest" in you or one of your owners (if an entity) mean the percent of voting shares or other voting rights resulting from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, whether a "controlling ownership interest" is involved must be determined both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).)

We may, by written notice delivered to you within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that: (i) we may substitute cash for any form of payment proposed in the offer; (ii) our credit will be deemed equal to the credit of any proposed buyer; (iii) the closing will be not less than sixty (60) days after we notify you of our election to purchase or, if later, the closing date proposed in the offer; (iv) you and your owners must sign a general release; and (v) we must receive, and you and your owners

agree to make, all customary representations, warranties, and indemnities given by the seller of the assets of a business or ownership interests in a legal entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests; your and your owners' authorization to sell, as applicable, any ownership interests or assets without violating any law, contract, or requirement of notice or consent; liens and encumbrances on ownership interests and assets; validity of contracts and liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Agency before the closing of our purchase.

Once you or your owners submit the offer and related information to us triggering the start of the thirty (30) day decision-period referenced above, the offer is irrevocable for that thirty (30) day period. This means we have the full thirty (30) days to decide whether to exercise the right of first refusal and may choose to do so even if you or your owners change your, his, her, or its mind during that period and prefer after all not to sell the particular interest that is the subject of the offer. You and your owners may not withdraw or revoke the offer for any reason during the thirty (30) days, and we may exercise the right to purchase the particular interest in accordance with this Section's terms.

If we exercise our right of first refusal and close the transaction, you and your transferring owners agree that, for eighteen (18) months beginning on the closing date, you and/or the transferring owners will be bound by the non-competition covenants contained in Sections 11.4.3 and 11.4.4.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we approve the transfer as provided in this Section 12. This means that, even if we do not exercise our right of first refusal (whether or not it is properly triggered as provided above), if the proposed transfer otherwise would not be allowed under this Section 12, you (or your owners) may not move forward with the transfer at all. If you or your owners do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the sale's terms (which you agree to tell us promptly), we will have an additional right of first refusal during the thirty (30) days following either expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our option.

We have the unrestricted right to assign this right of first refusal to a third party (including an affiliate), who then will have the rights described in this Section 12.7.

13 DEFAULT AND TERMINATION

13.1 Automatic Termination

This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following, which you agree constitutes good cause for termination:

13.1.1 Voluntary Bankruptcy. You make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, consent to an involuntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the franchised business.

13.1.2 Involuntary Bankruptcy. Proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, including an involuntary petition in bankruptcy, and such proceedings are not dismissed within sixty (60) days, or, if earlier than sixty (60) days, a trustee or receiver is appointed for you or the franchised business, an order for relief is entered against you, or any such involuntary case is converted to a voluntary case in bankruptcy.

13.1.3 Voluntary or Involuntary Bankruptcy. Any of your guarantors under this Agreement is the subject of any of the actions described in Sections 13.1.1 or 13.1.2 above.

13.2 **Termination by Us With Notice and Without Opportunity to Cure**

We have the right to terminate this Agreement upon notice without providing you an opportunity to cure for any of the following breaches or defaults:

13.2.1 Criminal Acts. You or any of your owners is or has been convicted by a trial court of, or pleads or has pleaded guilty or no contest to, a felony.

13.2.2 Other Misconduct. You or any of your owners engages in any dishonest, unethical, immoral, or similar conduct as a result of which your (or the owner's) association with the Agency (or the owner's association with you) could, in our reasonable opinion, have a material adverse effect on the goodwill associated with the Licensed Marks.

13.2.3 Fraud/Misrepresentation. You or any of your owners has made or makes any material misrepresentation or omission in connection with your application for and acquisition of the franchise or your operation of the Agency.

13.2.4 Failure to Complete Training. You or any of your owners fails to complete Pre-opening and/or Boot Camp training as provided in Section 6.3.

13.2.5 Repeated Breaches. We send you more than 2 notices to cure pursuant to Sections 13.3, 13.4, or 13.5 in any 12-month period, whether or not you cure the issues raised in those notices.

13.2.6 Violation of Health Code. You violate any health, safety, or sanitation law, ordinance, or regulation or otherwise operate the Agency in a manner that presents an immediate health or safety hazard to clients or the general public.

13.2.7 Violation of In-term Restrictive Covenant. You or any of your owners violates the in-term restrictive covenant contained in Section 11.

13.2.8 Liens. A levy of writ of attachment or execution or any other lien is placed against you, any of your owners, or any of your or their assets and not released or bonded against within 30 days. However, it will not be a breach of the Agreement if (a) you, an owner, or the spouse of an owner obtains any debt financing secured by the owner's and/or the spouse's principal residence, (b) you, an owner, and/or the spouse of an owner obtains debt financing for you from or through the Small Business Administration or another third-party lender, which financing is secured by a lien on your, the owner's, or the spouse's assets, and/or (c) an owner and/or spouse of the owner obtains debt financing from or through the Small Business Administration or another third-party lender for another entity which is at least majority-owned or controlled by the owner and/or the spouse, which financing is secured by a lien on the owner's and/or spouse's assets.

13.2.9 Insolvency. You or any of your owners becomes insolvent.

13.2.10 Abandonment. You (a) abandon the Agency, meaning you have deserted, walked away from, or closed the Agency under circumstances leading us to conclude that you have no intent to return to the Agency, regardless of how many days have passed since the apparent abandonment, or (b) fail actively and continuously to operate the Agency (a failure to operate the Agency for over two (2) consecutive days will be deemed a default under this clause (b), except where closure is due to fire, riot, flood, terrorist acts, or natural disaster and you notify us within three (3) days after the particular occurrence to obtain our written approval to remain closed for an agreed upon amount of time as is necessary under the circumstances before we will require you to re-open).

13.2.11 Proprietary Software. You misuse or make unauthorized use of our proprietary software.

13.2.12 Government Regulations. You fail within thirty (30) calendar days after notification of non-compliance by federal, state, or local government authorities to comply with any law or regulation applicable to the Agency (other than violations creating an immediate health or safety hazard to clients or the general public, which is actionable under Section 13.2.6).

13.2.13 Government Actions. Any government action is taken against you that results in any obligation upon us which in our sole judgment is uneconomical, not in our best interests, or results in our having an unintended relationship or obligation.

13.2.14 Anti-Terrorist Activities. You fail to comply with the provisions of Section 26.

13.2.15 Personal Use of Agency Property. You take for personal use any assets or property of the Agency, including employee taxes, FICA, insurance, or benefits.

13.2.16 Insufficient Funds. There are insufficient funds in your bank account to cover (1) a check or EFT payment to us three (3) or more times within any twelve (12) month period, or (2) payroll at any time whether or not those violations are cured.

13.2.17 National Accounts. (a) You fail to fill any Premier National Accounts requests three (3) times during any 12-month period, (b) we receive two (2) complaints from any National Accounts customer regarding the services provided, or (c) you decline to service any Premier National Accounts customer more than two (2) times within a sixty (60)-day period.

13.2.18 Attendance at Branch Leadership Conference. You fail more than once during any consecutive five (5)-year period to send the required number of attendees to all Branch Leadership Conferences for their full duration and to have the attendees fully participate in all Branch Leadership Conferences in the manner we specify. We have the right to terminate this Agreement upon the second default.

13.2.19 Attendance at Annual Meetings. You fail more than once during any consecutive five (5)-year period to attend or to send an approved Control Person to attend an annual franchise meeting for its full duration and to participate in such annual franchise meeting in the manner we specify. We have the right to terminate this Agreement upon the second default.

13.2.20 Licensure and Joint Commission Accreditation. You lose required licensure and/or accreditation (after having initially obtained it in accordance with this Agreement's requirements).

13.3 **Termination by Us Upon Notice and 15 Days' Opportunity to Cure**

We have the right to terminate this Agreement if any of the following defaults remains uncured after expiration of the 15-day cure period:

13.3.1 Nonpayment. You fail to pay as and when due any sums owed to us, our affiliates, any of our major suppliers or vendors, or another BrightStar franchisee (i.e., for timely payment of wrongly accepted funds or Cross-Territorial Restitution).

13.3.2 Under-reporting of Gross Sales. Any audit reveals that you understated your royalty or advertising payments, or your local consumer marketing expenditures, by more than 2%, or you failed to submit timely reports and/or remittances for any two (2) reporting periods within any 12-month period, as described in Section 10.

13.3.3 Endorsement of Checks. You fail to immediately endorse and deliver to us or another franchisee any payments due to us or the other franchisee that were erroneously sent to you by a third party.

13.3.4 Unauthorized Products or Services. You offer any unauthorized and unapproved services or products at, from, or through the Agency.

13.3.5 Unapproved Purchases. You order or purchase marketing materials, non-health insurance coverage, supplies, signs, furnishings, fixtures, equipment, or inventory from an unapproved or disapproved supplier.

13.3.6 Failure to Open. You fail to commence operating the Agency by the Opening Date.

13.3.7 Interruption of Service. You fail to maintain the prescribed months, days, or hours of operation at the Agency.

13.3.8 Failure to Personally Supervise Agency Operations or Employ Adequate Personnel. You fail to personally supervise the Agency's day-to-day operation for the first two years after the Opening Date, or through a branch manager/operations manager we approve after the first two years after the Opening Date.

13.3.9 Quality Control. You fail to maintain the strict quality controls reasonably required by this Agreement and/or the Operations Manual.

13.3.10 Licenses and Permits. You fail to procure or maintain any licenses, certifications, or permits necessary to operate the Agency.

13.3.11 Control Person. You do any of the following: (i) at any time during the Initial Term the Agency is not under the designated Control Person's direct supervision, (ii) you designate a replacement Control Person without first giving us notice of the change, or (iii) any replacement Control Person does not meet our then-current Control Person standards and requirements, including (1) living within a one-hour drive-time from the Protected Territory, or (2) being in the office, or at minimum in the Protected Territory, on a daily full-time basis.

13.3.12 Unauthorized Transfer. You or your owners make a Transfer in violation of Section 12.

13.3.13 Insurance. You fail to maintain insurance, to repay us for insurance we obtain for you, or otherwise to adhere to the requirements of Section 16.

13.3.14 Misuse of the Licensed Marks or Confidential Information. You or your owners materially violate any requirement regarding or misuse the Licensed Marks or Confidential Information.

13.3.15 Non-Use of Required Software and Systems. You fail to use all required software and systems in operating the Agency.

13.3.16 Personal Protective Equipment. You fail to provide the types and quantities of personal protective equipment we require for the field staff of BrightStar Care Agencies and to ensure such personal protective equipment is used in compliance with current clinical guidance (whether such guidance is originally issued by us as part of the BrightStar Care Agency program or by external authorities).

13.4 **Termination by Us With Notice and 30 Days' Opportunity to Cure**

We have the right to terminate this Agreement if any of the following defaults remains uncured after expiration of the 30-day cure period:

13.4.1 Failure to Comply with this Agreement or another franchise agreement between Us or any of Our Affiliates and You or any of Your Affiliates. Except as noted in Sections 13.1 through 13.3 above and Section 13.5 below, your other failures to comply with the terms and conditions of this Agreement are subject to a 30-day cure period. In addition, any default under another franchise agreement for any of the following reasons will be deemed a default under this Agreement: (i) any clinical or client care issues like those set forth in Sections 13.2.6 and 13.3.9 through 13.3.11 of this Agreement, or (ii) criminal acts, misconduct, fraud and misrepresentations like those set forth in Sections 13.2.1 through 13.2.3 of this Agreement. Your failure to pay fees owed or the failure to meet Performance Standards under another franchise agreement will not alone trigger a cross-default under this Agreement unless accompanied by a default described in (i) or (ii) above.

13.4.2 Failure to Service National Accounts. Unless you have formally notified us that you are opting out of servicing a specific National Account (as outlined in the Operations Manual), if you fail to: (i) sign up for National Accounts business upon completion of training, (ii) service a National Account in accordance with the National Accounts contract or bid or the guidelines contained in the Operations Manual, (iii) assist us in resolving a National Accounts service dispute, or (iv) otherwise comply with our requirements for National Accounts business as provided in this Agreement and as outlined in the Operations Manual. (The 30-day cure period does not apply to National Account defaults for which we have the right to terminate this Agreement upon notice, without providing you an opportunity to cure, under Section 13.2.17 above.)

13.4.3 Violation of Cross Territory Service ("Cross Territorial Policy"). You solicit and/or service clients in another franchisee's protected territory or in a territory currently served by an Agency owned by us or our affiliate without prior written permission from the owner of that territory and in violation of the Cross Territorial Policy contained in the Operations Manual. In the event you service clients who are sourced from an unclaimed territory that later becomes the protected territory of another franchisee, you must, in our sole discretion, transfer those clients in an orderly manner to the franchisee that acquired the protected territory within 90 days after the franchisee obtains licensure to service those clients. However, we have the right, in our sole discretion, to allow you to retain those and only those clients whom you secured prior to the unclaimed territory being purchased by another franchisee.

13.4.4 Failure to Hire and Maintain Director of Nursing. You fail to hire and maintain a part-time Director of Nursing during the initial period or fail to maintain a full-time Director of Nursing if required by state licensure or census and acuity of patients require a full-time Director of Nursing, unless a waiver was approved for the current calendar year.

13.5 **Termination by Us Upon Notice and 90 Days' Opportunity to Cure**

We have the right to terminate this Agreement if any of the following defaults remains uncured after expiration of the 90-day cure period:

13.5.1 Full-Time, Fully-Trained Salesperson. You fail to hire and maintain a full-time, fully-trained salesperson for the Agency unless a waiver was approved for the current calendar year.

13.5.2 Full-Time, Fully-Trained Branch Manager/Operations Manager. You fail to hire and maintain a full-time, fully-trained branch manager/operations manager for the Agency unless a waiver was approved for the current calendar year.

13.5.3 Training New Personnel. You fail to fully train a newly-hired Agency salesperson, branch manager/operations manager, or Director of Nursing within ninety (90) days after you hire them.

13.5.4 Agency Net Promotor Score. You fail to ensure that the Agency's Net Promoter Score (NPS) remains in (a) the top seventy-five percent (75%) of the Net Promoter Scores of all BrightStar Care Agencies and (b) the top fifty percent (50%) of the Net Promoter Scores prevailing in the home healthcare business industry as a whole, including both franchised and non-franchised home healthcare businesses.

13.5.5 Employee Engagement Score. You fail to ensure that the Agency's employee engagement score (eNPS) remains in (a) the top seventy-five percent (75%) of the employee engagement scores of all BrightStar Care Agencies and (b) the top fifty percent (50%) of the employee engagement scores prevailing in the home healthcare business industry as a whole, including both franchised and non-franchised home healthcare businesses.

13.5.6 Retention of Field Staff. You fail to ensure that the Agency (a) remains in the top seventy-five percent (75%) of all BrightStar Care Agencies for retention of field staff and (b) does not experience six (6)-month employee turnover in excess of fifty percent (50%).

13.6 **Interim Remedies**

If you are in default of any provision of this Agreement, we may, at our option, elect to exercise interim remedies with respect to, and/or to provide limited services for, your Agency (collectively, "Interim Remedies/Limited Services") before or instead of exercising our right to terminate this Agreement. We will provide written notice to you before implementing Interim Remedies/Limited Services. If you are in default and we have implemented Interim Remedies/Limited Services, we retain our right to terminate this Agreement at any time if you fail to cure the default. Interim Remedies/Limited Services include, without limitation:

13.6.1 Agency's web page(s) removed from BRIGHTSTARCARE.com;

13.6.2 no access to any General Marketing Fee-funded services;

13.6.3 no access to the Bright Connect (our intranet);

13.6.4 restrict eligibility to receive National Accounts referrals;

13.6.5 not eligible to attend any BrightStar conferences or events but still must pay required registration fees as applicable;

13.6.6 no access to BrightStar online training offerings;

13.6.7 must resign from the Franchise Advisory Committee or other BrightStar Committees, if applicable;

13.6.8 limited onsite support visits.

13.7 **Nonwaiver**

Our delay in exercising or failing to exercise any right or remedy under this Agreement or our acceptance of any late or partial payment due does not constitute a waiver of our rights against you.

13.8 **Step In Rights**

In addition to our right to implement Interim Remedies/Limited Services and/or terminate this Agreement, and not in lieu of such right or any other rights we have against you, upon your failure to cure any default within the applicable time period (if any), we have the right, but not the obligation, to enter upon the Agency premises and exercise complete authority with respect to the Agency's operation (or designate a third party to exercise authority) until we determine that the default has been cured and you otherwise are in compliance with this Agreement. If we exercise that right, you must reimburse us (or our designee) for all reasonable costs and overhead, if any, incurred in connection with operating your Agency, including, without limitation, costs of personnel for supervising and staffing the Agency and their travel and lodging accommodations, and pay a fee of up to $500 per day. If we operate the Agency pursuant to this Section, you must indemnify and hold harmless us (and our designees and employees) against any fines, claims, suits or proceedings which may arise out of our operation of the Agency.

13.9 **Termination by You**

You may terminate this Agreement if we materially breach any of our obligations under this Agreement and fail to correct that breach within thirty (30) days after you deliver written notice to us of the breach; provided, however, if we cannot reasonably correct the breach within those thirty (30) days but give you, within the thirty (30) days, evidence of our effort to correct the breach within a reasonable time period, then the cure period will run through the end of that reasonable time period. Your termination of this Agreement other than according to this Section 13.9 will be deemed a termination without cause and your breach of this Agreement. Similarly, you may not commence an action against us for damages for our alleged breach of this Agreement without first notifying us of the alleged breach and giving us the opportunity to correct that breach, as provided above in this Section. Your failure to give us such notice and opportunity to cure will preclude your claim for damages.

14 POST-TERM OBLIGATIONS

14.1 Your Obligations and Our Rights upon Termination or Expiration

Upon the termination or expiration of this Agreement for any reason, but subject to our right to exercise the Call Option described in Section 14.3 below (in which case your compliance with each of the following obligations will, as applicable, be suspended until immediately after the hard close of our Call Option purchase):

14.1.1 De-Identification. You and your owners may not directly or indirectly at any time afterward or in any manner (except in connection with other BrightStar Agencies you or they own and operate): (a) identify yourself or themselves in any business as a current or former BrightStar Care Agency or as one of our current or former franchisees; (b) use any Licensed Mark, any colorable imitation of a Licensed Mark, any trademark, service mark, or commercial symbol that is confusingly similar to any Licensed Mark, or other indicia of a BrightStar Care Agency for any purpose; or (c) use for any purpose any trade dress, trade name, trademark, service mark, or other commercial symbol suggesting or indicating a connection or association with us.

14.1.2 Immediately vacate the Agency premises if we exercise our rights pursuant to the Collateral Assignment of Lease attached as Exhibit C.

14.1.3 Immediately pay all sums owing to us, including Royalty/Continuing Fees, General Marketing Fees, VA Fees, interest, and all other amounts owed to us (and our affiliates) that then are unpaid. Upon termination due to your default, such sums will include actual damages, costs and expenses, and reasonable attorneys' fees we incurred as a result of the default.

14.1.4 Immediately return to us the Operations Manual, Confidential Information, and all trade secrets, confidential materials, and other property owned by us. You may not retain a copy or record of any of the foregoing, except you may retain your copy of this Agreement, any materials necessary to operate a franchise under another existing Agency franchise agreement, any correspondence between the parties, and any other document you reasonably need to comply with applicable law. Business cards, brochures, marketing materials, and other promotional materials must be returned to us.

14.1.5 Immediately cease using all telephone numbers and listings used in operating the Franchised Business and direct the telephone company to transfer all such numbers and listings to us or our designee pursuant to the Conditional Assignment of Telephone Numbers attached as Exhibit I or, if we direct, to disconnect the numbers.

14.1.6 Subject to any applicable state or federal laws, provide us at our request and in the manner we designate, all client lists and client records, including National Accounts clients, for the Agency, including the names, addresses, phone numbers, and client lists and numbers of previous, current, and prospective clients (the "Client Lists") and work cooperatively with us to transfer all clients with whom you then are working (whether private-duty, National Accounts, or staffing clients) to provider(s) approved by us in order for you to begin complying with certain of

your non-compete covenants described in Sections 11.4.3 and 11.4.4 above. You acknowledge and agree that we are the sole owner of the Client Lists. You may not distribute the Client Lists in any form or manner to any third party without our prior written consent. During the Initial Term, we and our affiliates have the right to communicate with and notify clients and other individuals listed on the Client Lists. Upon termination or expiration of this Agreement, you and your affiliates may not use the Client Lists in any form or manner, and we and our affiliates have the right to make any and all disclosures, and use the Client Lists in any manner, we or they deem necessary or appropriate. For example, we may contact (at our expense) previous, current, and prospective clients and other customers to inform them that a BrightStar Care Agency no longer will operate at the Agency's location or, if we intend to exercise the option under Section 13.8, that the Agency will operate under new management. We also have the right to inform them of other nearby BrightStar Agencies. Exercising these rights will not constitute interference with your contractual or business relationship with those clients.

14.1.7 Immediately disclose to us and satisfy any outstanding obligations you have to any third parties.

14.1.8 Immediately cease using in any manner whatsoever any methods, procedures, technology, or other component of the BrightStar Care Agency Program in which we have any right, title, or interest. We or our designated agent may enter upon the Premises at any time to make such changes and take possession of such items at your sole risk and expense and without liability to you for trespass or compensation.

14.1.9 Immediately cease using the Licensed Marks and any other marks and indicia of operation associated with the BrightStar Care Agency Program, including stationary and other printed matter, and remove from the Premises all trade dress, physical characteristics, color combinations, and other indications of operation under the BrightStar Care Agency Program. Without limiting the generality of the foregoing, you agree that in the event of termination or expiration of this Agreement, you will remove all signage bearing the Licensed Marks and, upon our request, deliver the fascia for such signs to us. We or our designated agent may enter upon the Premises at any time to make such changes at your sole risk and expense and without liability to you for trespass or compensation.

14.2 **Termination Damages**

If we terminate this Agreement before its scheduled expiration date due to any of your defaults (including your abandonment of the Agency), or if you terminate this Agreement without cause before its scheduled expiration date (which also will be considered your default under this Agreement), you must pay us within fifteen (15) days after the effective date of this Agreement's termination, in addition to the other amounts specified in Section 14.1.3 above, termination damages equal to the greater of either (a) $150,000 or (b) the product of the Agency's Net Billings during the 12 months before the effective date of termination multiplied by three and that product then multiplied by 5.25%. However, if the effective date of termination is during the last three years of the franchise term, the termination damages will equal the product of the Agency's Net Billings during the 12 months before the effective date of termination multiplied by x/12—where

"x" is the number of months that were remaining in the franchise term on the effective date of termination—and that product then is multiplied by 5.25%.

We and you acknowledge and agree that it would be impracticable to determine precisely the damages we will incur as a result of this Agreement's early termination. Some of those damages include loss of Royalty/Continuing Fee payments, loss of goodwill, loss of representation in the market area, consumer confusion, and expenses that we will incur in developing or finding another franchisee for that market area (collectively, "Brand Damages"). We and you 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 us. We and you agree that this termination damages provision is a reasonable, good faith pre-estimate of those damages. Your payment of the termination damages to us will not be considered a penalty but, rather, a reasonable estimate of fair compensation to us for the Brand Damages we will incur because this Agreement did not continue for the full length of the Initial Term due to your default. You acknowledge that your payment of termination damages is full compensation to us only for the Brand Damages resulting from the early termination of this Agreement and is in addition to, and not in lieu of, your obligations to pay other amounts due to us under this Agreement as of the effective date of termination and to comply strictly with your post-termination obligations. You further acknowledge that this termination damages provision does not cover any other damages to which we might be entitled as a result of your actions or inaction.

Notwithstanding anything in this Section 14.2 to the contrary, upon occurrence of a catastrophic health-related event (i.e., your or your principal owner's death or terminal illness or disability that prevents you or your principal owner from operating the Agency (as reasonably determined by an independent third party such as a licensed doctor)), we may choose not to pursue the full measure of termination damages against you under this Section 14.2 if, despite good-faith efforts to transfer the franchise pursuant to Section 12.5, those efforts are unsuccessful and we then terminate this Agreement. We may, in our sole discretion, reduce the termination damages to $50,000 if you use good-faith efforts to effect a transfer pursuant to Section 12.5. Any reduced termination damages will be contingent upon (i) the franchise not selling within 12 months from the formal resale listing, (ii) your working cooperatively with us to transition all customers and employees to approved providers, (iii) you confirm that W-2s have been paid in advance, (iv) all other employee obligations have been fulfilled, and (v) no legal action has been initiated against us or our affiliates.

14.3 **Call Option**

We have the right, but no obligation, to exercise the Call Option (the details and process of which are described in Exhibit N) to acquire the Agency and all of its assets in either of the following circumstances:

(a) Upon the expiration of this Agreement, if we elect not to renew the franchise for the Franchised Business under Section 2.2 of this Agreement because the Agency (or you or your owners) failed to satisfy one or more of the renewal conditions specified in Section 2.2; or

(b) Upon the termination of this Agreement, if we terminate this Agreement under Section 13 because the Agency (or you or your owners) fails to comply with any one (or more) of the following obligations under this Agreement (and, but only if a cure period is available for the particular default, to cure the default within the applicable cure period specified in this Agreement):

(i) To obtain and maintain separate Premises for the Agency's operation (as required under Sections 1.4, 1.7, and 6.1) unless a waiver was approved for the current calendar year;

(ii) To hire and maintain a full-time, fully-trained salesperson for the Agency (as required under Section 6.4.2) unless a waiver was approved for the current calendar year;

(iii) To hire and maintain a full-time, fully-trained branch manager/operations manager for the Agency (as required under Section 6.4.2) unless a waiver was approved for the current calendar year;

(iv) To hire and maintain a part-time (and eventually full-time) fully-trained Registered Nurse/Director of Nursing for the Agency (as required under Section 6.4.2) unless a waiver was approved for the current calendar year;

(v) To fully train a newly-hired Agency salesperson, branch manager/operations manager, and Director of Nursing within ninety (90) days after you hire them (as required under Section 3.2.4);

(vi) To spend the minimum amounts required for local advertising (using only vendors we approve) and to document to our satisfaction that you actually spent that minimum required amount (as required under Sections 8.3 and 8.4);

(vii) To send the required number of attendees to all Branch Leadership Conferences for their full duration and to have the attendees fully participate in all Branch Leadership Conferences in the manner we specify (as required under Section 6.16);

(viii) To attend all annual franchise meetings for their full duration and to participate in such annual franchise meetings in the manner we specify (as required under Section 6.16);

(ix) To ensure that the Agency offers, accepts, sells, and provides all of the types of services and products that we periodically require BrightStar Care Agencies to offer, accept, sell, and provide as part of the BrightStar Care Agency Program, including but not limited to personal care and skilled care (all of which services and products we have the right to add, supplement,

improve, and modify throughout the Initial Term as provided in, among others, Sections 1.1, 6.6.1, 7.1, 7.3, and 9.1);

(x) To ensure that the Agency offers and accepts all forms of payment that we periodically require BrightStar Care Agencies to offer and accept for the services and products offered, accepted, sold, and provided as part of the BrightStar Care Agency Program, including Medicare Advantage and long-term care insurance (all of which forms of payment we have the right to add, supplement, improve, and modify throughout the Initial Term as provided in, among others, Sections 1.1, 1.5.3, 1.6, 6.6.1, 7.1, 7.3, and 9.1);

(xi) To ensure that the Agency's Net Promoter Score (NPS) remains in (1) the top seventy-five percent (75%) of the Net Promoter Scores of all BrightStar Care Agencies and (2) the top fifty percent (50%) of the Net Promoter Scores prevailing in the home healthcare business industry as a whole, including both franchised and non-franchised home healthcare businesses (as required under Sections 6.6.8, 7.1, 7.3, and 9.1);

(xii) To ensure that the Agency's employee engagement score (eNPS) remains in (1) the top seventy-five percent (75%) of the employee engagement scores of all BrightStar Care Agencies and (2) the top fifty percent (50%) of the employee engagement scores prevailing in the home healthcare business industry as a whole, including both franchised and non-franchised home healthcare businesses (as required under Sections 6.6.9, 7.1, 7.3, and 9.1);

(xiii) To ensure that the Agency (1) remains in the top seventy-five percent (75%) of all BrightStar Care Agencies for retention of field staff and (2) does not experience six (6)-month employee turnover in excess of fifty percent (50%) (as required under Sections 6.4.1, 7.1, 7.3, and 9.1);

(xiv) To recruit and retain the field staff workforce necessary to accept new cases so as to maximize the Agency's revenue and profits (as required under, among others, Sections 6.9, 7.1, 7.3, and 9.1);

(xv) To satisfy the BrightStar Care Agency communication standards we specify for handling inbound calls to the Agency's Premises (as required under, among others, Section 6.9 and which we have the right to add, supplement, improve, and modify throughout the Initial Term as provided in, among others, Sections 1.1, 6.6.1, 7.1, 7.3, and 9.1);

(xvi) To follow all clinical standards required for BrightStar Care Agencies operating the BrightStar Care Agency Program (which we have the right to add, supplement, improve, and modify throughout the Initial Term as provided in, among others, Sections 6.6.1, 7.1, 7.3, and 9.1);

(xvii) To follow all employee training and screening requirements (as required under Sections 3.2.4, 6.3, and 6.4.3);

(xviii) To maintain throughout the Initial Term all required licensure and accreditation (as required under Sections 1.5, 6.2, and 6.6.7);

(xix) To use all technology we require, and only the technology we allow, in connection with the Agency's operation and to use all such technology in the manner we specify (as required under Sections 1.8, 6.6.1, and 7.1);

(xx) To provide the types and quantities of personal protective equipment we require for the field staff of BrightStar Care Agencies and to ensure such personal protective equipment is used in compliance with current clinical guidance (whether such guidance is originally issued by us as part of the BrightStar Care Agency program or by external authorities) (as required under, among others, Sections 6.6.1, 6.6.3, and 7.1); and

(xxi) The Agency fails to fill any Premier National Accounts requests three (3) times during any 12-month period, the Agency declines to service any Premier National Accounts customer more than two (2) times within a sixty (60)-day period, or we receive two (2) complaints from any National Accounts customer regarding the services provided (as provided in Section 1.6.2(d));

If we elect to exercise our Call Option right under this Section 14.3, we will notify you of that election no earlier than thirty (30) days before, and no later than thirty (30) days after, the effective date of expiration or termination (as applicable).

15 DISPUTE RESOLUTION AND CORRESPONDING PROCEDURES.

15.1 Meeting Between Senior Executives

We and you will attempt to resolve any controversy, claim, or dispute arising out of or relating to this Agreement and involving you and us or any of your and our respective affiliates, owners, officers, directors, employees, agents or representatives (a "Dispute") promptly by a meeting between senior executives of the respective organizations who have authority to settle the Dispute ("Senior Executives"). Either party may give the other written notice ("Dispute Notice") of any Dispute that has not been resolved in the ordinary course of business. Within 15 days after delivery of the Dispute Notice, the receiving party must give to the other a written response ("Response"). The Dispute Notice and the Response must include: (i) a statement describing the position of the party giving the Dispute Notice and the Response and a summary of arguments supporting such position, and (ii) the name of the Senior Executive and any other persons who will accompany the Senior Executive at the meeting at which the parties will attempt to resolve the Dispute. Within 30 days after delivery of the Dispute Notice, the Senior Executives will meet at a mutually acceptable time and place, and then as often as they reasonably consider necessary, to

attempt to resolve the Dispute. All reasonable requests for information made by one party to the other will be honored. If the Dispute has not been resolved within 60 days after delivery of the Dispute Notice, or if the Senior Executives do not meet within 30 days after delivery of the Dispute Notice, either party may initiate mediation of the Dispute. All meetings, discussions, and other communications under this Section will be treated as compromise and settlement discussions and communications.

15.2 **Mediation**

All claims or disputes between you and us or any of your and our respective affiliates, owners, officers, directors, employees, agents or representatives arising under, out of, in connection with, or in relation to this Agreement, the parties' relationship, your Agency, or any of the parties' respective rights and obligations arising out of this Agreement must be submitted first to mediation prior to initiating an arbitration proceeding (except as noted in Section 15.4 below). Such mediation will take place in Gurnee, Illinois (or our then-current headquarters) under the auspices of the American Arbitration Association ("AAA"), in accordance with the AAA's Commercial Mediation Rules then in effect. You may not commence any formal legal action against us or our affiliates with respect to any such claim or dispute unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. Each party will bear its own costs of mediation and share equally the filing fee imposed by AAA and the mediator's fees. We reserve the right to specifically enforce our right to mediation. Prior to mediation and before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us specifying in detail the precise nature and grounds of such claim or dispute.

15.3 **Arbitration**

If not resolved by mediation and except as qualified below, all controversies, disputes, or claims between us (and our affiliates and our and their respective owners, officers, directors, agents, and employees, as applicable) and you (and your affiliates and your and their respective owners, officers, and directors, as applicable) arising out of or related to:

a) this Agreement or any other agreement between you (or your owner) and us (or our affiliate) relating to the Agency or any provision of any such agreements;

b) our relationship with you;

c) the validity of this Agreement or any other agreement between you (or your owner) and us (or our affiliate) relating to the Agency, or any provision of any such agreements, and the validity and scope of the arbitration obligation under this Section; or

d) any standard, specification, or operating procedure relating to the Agency,

must be submitted for arbitration to the American Arbitration Association. Except as otherwise provided in this Agreement, such arbitration proceedings will be heard by one (1) arbitrator in accordance with the then-existing Commercial Arbitration Rules of the American Arbitration Association. All proceedings, including the hearing, will be conducted in Chicago, Illinois or, at our option, at a suitable location that is within ten (10) miles of where we have our principal business address when the arbitration demand is filed. The arbitrator will have no authority to select a different hearing locale other than as described in the prior sentence. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 *et seq.*) will be governed by it and not by any state arbitration law.

The arbitrator has the right to award any relief he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (in accordance with Section 19.2 below), provided that: (1) the arbitrator has no authority to declare any Licensed Mark generic or otherwise invalid; and (2) as provided in Section 15.9, you waive to the fullest extent that applicable law permits any right to or claim for any punitive, exemplary, treble, and other forms of damages. The arbitrator's award and decision will be conclusive and bind all parties covered by this Section, and judgment upon the award may be entered in a court specified or permitted in Section 15.7 below.

We and you will be bound by any limitation under this Agreement or applicable law, whichever expires first, on the timeframe in which claims must be brought. We and you further agree that, in connection with any arbitration proceeding, each must submit or file any claim constituting a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim not submitted or filed in the proceeding will be barred. The arbitrator may not consider any settlement discussions or offers either you or we made. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for the arbitration proceeding to take place and by doing so do not waive or relinquish our right to seek recovery of those costs in accordance with Section 19.2 above.

We and you agree that arbitration will be conducted on an individual basis and not in a class, consolidated, or representative action, that only we (and our affiliates and our and their respective owners, officers, directors, agents, and employees, as applicable) and you (and your affiliates and your and their respective owners, officers, and directors, as applicable) may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving us and/or any other person. Despite the foregoing or anything to the contrary in this Section or Section 23.1, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then we and you agree that this arbitration clause will not apply to that dispute, and such dispute will be resolved in a judicial proceeding in accordance with Section 15 (excluding this Section 15.3).

This Section's provisions will continue in full force and effect after and notwithstanding expiration or termination of this Agreement.

To the extent permitted by applicable law, no issue of fact or law may be given preclusive or collateral estoppel effect in any arbitration, except to the extent such issue may have been determined in another proceeding between the parties.

15.4 **Exceptions to Arbitration**

Notwithstanding Section 15.3, the parties agree that the following claims will not be subject to mediation or arbitration:

a) each has the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction, provided, however, each must contemporaneously submit its dispute for arbitration on the merits as provided in Section 15.3.

b) any action in ejectment or for possession of any interest in real or personal property.

15.5 **Third-Party Beneficiaries**

Our affiliates and their respective owners, officers, directors, agents, and employees are express third-party beneficiaries of this Agreement, each having authority to specifically enforce the right to mediate/arbitrate your claims asserted against such person(s).

15.6 **No Right to Offset**

You may not withhold any payment to us or our affiliates on the grounds of our alleged nonperformance of our obligations, or set off any amount you owe us or our affiliates against any amount we or our affiliates might owe you, under this Agreement or any related agreements. However, we may set off any amounts you or your owners owe us or our affiliates against any amounts that we or our affiliates owe you or your owners, whether in connection with this Agreement or otherwise.

15.7 **Venue**

We and you expressly agree, subject to our and your arbitration obligations under Section 15.3, to the exclusive jurisdiction and venue of any court of general jurisdiction in the city and state where our headquarters is located at the time the action is filed ("Home State"), and the jurisdiction and venue of the United States District Court presiding over our Home State. You acknowledge that this Agreement has been entered into in the State of Illinois, and you will receive valuable and continuing services emanating from the Home State where our headquarters are located. In recognition of such services and their origin, you hereby irrevocably consent to the personal jurisdiction of the state and federal courts of our Home State as set forth above.

15.8 **Limitation on Actions**

Except for claims arising from your non-payment or underpayment of amounts you owe us and except for our (and certain of our related parties') right to seek indemnification from you for third-party claims as provided in this Agreement, we and you agree that no cause of action arising out of or under this Agreement or as a result of the parties' relationship may be maintained by either party against the other unless an arbitration or judicial proceeding, as mandated or permitted by this Agreement, is commenced within two (2) years from the date on which the violation, act, or conduct giving rise to the claim occurs, regardless of when the party asserting the claim knew or should have known of the facts giving rise to the claim. Any action not brought within this period will be barred as a claim, counterclaim, defense, or set-off.

15.9 **Waiver of Punitive, Exemplary, and Certain Other Damages**

You hereby waive to the fullest extent the law permits any right to or claim for any punitive, exemplary, incidental, indirect, special, or consequential damages (including, without limitation, lost profits) against us arising out of any cause whatsoever (whether such cause is based in contract, negligence, strict liability, other tort, or otherwise) and agree that, if there is a dispute, your recovery is limited to actual damages and, if appropriate, equitable relief.

15.10 **Jury Trial Waiver**

Subject to the arbitration obligations in Section 15.3, we and you (and your owners) irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either us or you (or your owners). We and you (and your owners) acknowledge that we and you (and they) make this waiver knowingly, voluntarily, without duress, and only after considering this waiver's ramifications.

16 INSURANCE

16.1 **Lines of Insurance**

You must at your own expense procure on or before the Opening Date, and then maintain in full force and effect throughout the Initial Term, the lines of liability insurance enumerated in the Operations Manual in the minimum amounts we periodically require. All Professional Liability, General Liability, and Employment Practices Liability insurance policies must name, as additional insureds, BrightStar Group Holdings, Inc., us and our subsidiaries, our officers, directors, and employees, and any other person or entity we designate in the future. You bear all related costs. Required insurance includes the following:

16.1.1 Professional liability on an occurrence basis with limits not less than $1,000,000 per occurrence / $3,000,000 aggregate per policy year. Policies must not contain sub-limits for specified claims (abuse, molestation, etc.).

16.1.2 General liability on an occurrence basis with limits not less than $1,000,000 per occurrence / $2,000,000 aggregate per policy year. The following minimum sub-limits must be met: $1,000,000 Personal & Advertising Injury, $1,000,000 Products/Completed Ops Aggregate, $100,000 Damage to Rented Premises, and $5,000 Medical Expense.

16.1.3 Non-Owned automobile liability coverage not less than $1,000,000 combined single limit each accident.

16.1.4 Special Form property insurance in an amount appropriate for Agency personal property. Business Income and Extra Expense must be included in an amount no less than $300,000.

16.1.5 An umbrella with a minimum $1,000,000 limit excess over the professional, general, auto, and employer's liability (part of Work Comp);

16.1.6 Cyber-liability with a $500,000 minimum limit responding to unauthorized access of your location's computer system, covering costs associated with notification of affected parties, credit monitoring, investigative & administrative costs, as well as 3rd party liability for the breach

16.1.7 Workers' Compensation and Employer's Liability insurance with minimum limits of $500,000/$500,000/$500,000 or higher coverage as required by law in your state.

16.1.8 Crime Bond covering employee theft from you or a client's property with a minimum $25,000 limit per incident and must not contain a Conviction Clause.

16.1.9 Employment Practices Liability (EPL) with $500,000 minimum limit covering indemnification and defense costs for employee allegations of sexual harassment, discrimination, and wrongful termination practices. Coverage must include a "3rd Party Endorsement" to respond to client allegations of similar wrongful acts, to include at minimum $250,000 for Wage & Hour defense costs. If the EPL is not accessible or available at a reasonable cost (as determined by our finance department in writing), a minimum $100,000 for Wage & Hour defense costs may be accepted. Should you elect EPL with a minimum $100,000 for Wage & Hour defense costs and a claim is made against you or any of your employees or affiliates, you will be required to obtain a letter of credit for the difference between the standard $250,000 minimum and the $100,000 exception.

16.1.10 Any other insurance not listed here but required by applicable law, rule, regulation, ordinance, or licensing requirements and any updates made from time to time in the operations manuals.

16.1.11 We reserve the right to change the types and amounts of insurance required under this Agreement upon thirty (30) days' prior written notice to you, and you agree to conform your insurance coverage, at your own expense and by the deadline we specify, to our requirements.

16.1.12 You must obtain and maintain insurance coverage from the agency and carriers we approve. All insurance companies must carry an A.M. Best's rating of "A-/Excellent" or better or be approved by us in writing before placement of coverage. Any and all coverage contemplated must insure both skilled and non-skilled home care and temporary medical staffing.

16.2 **Insurance Certificates**

You must timely send us copies of certificates of all required insurance policies, in each of which the insurer must state that the policy will not be cancelled or materially altered without at least ten (10) days' prior written notice to us. You must carry such other insurance required by the lease of the Agency's premises or by your lenders or equipment lessors and all workers' compensation insurance required by applicable law. In order to monitor claims activity on a national level and effectively assess program exposures, you must collect Loss History Statements ("Loss Runs") from your carrier and send them to us at renewal each year.

16.3 **No Relief from Indemnity Requirement**

Obtaining and maintaining the insurance required by this Agreement will not relieve you of any liability to us under this Agreement's indemnification provision.

16.4 **Administrative Fee**

If you fail to comply with the minimum insurance requirements set forth above, we have the right to obtain and maintain the required insurance for you, in which case you must pay us, on demand, the premium costs and an administrative fee equal to 18% of the premium costs.

17 YOUR OWNERSHIP AND ORGANIZATION

17.1 **Disclosure of Ownership Interests**

You and each of your owners represent, warrant, and agree that Exhibit D is current, complete, and accurate. You agree to update Exhibit D as necessary (and as allowed by this Agreement) to ensure it is at all times current, complete, and accurate. Each owner must be an individual acting in his or her individual capacity unless we waive this requirement.

17.2 **Organizational Documents**

If you are, or at any time become, a business corporation, partnership, limited liability company, or other legal entity, you and each of your owners represent, warrant, and agree that: (a) you are duly organized and validly exist under the laws of the state of your organization or formation; (b) you have the authority to execute and deliver this Agreement and all related agreements and to perform your obligations under all such agreements; (c) the articles of incorporation, partnership agreement, or other organizational documents recite that the issuance, transfer, or pledge of any direct or indirect legal or beneficial ownership interest in you is restricted by this Agreement; and (d) all certificates representing direct or indirect legal or beneficial

ownership interests in you will bear a legend in conformity with applicable law reciting or referring to such restrictions.

17.3 Personal Guarantee Covenants and Assumption of Obligations

Each owner (regardless of the owner's ownership interest in you) executing Exhibit D must sign and irrevocably be bound by the Personal Guarantee included as Exhibit E. If you are a corporation initially owned in majority by the corporation's 401(k) plan, you must sign Exhibit L.

18 TAXES, PERMITS AND INDEBTEDNESS

18.1 Taxes

You must promptly pay when due any and all federal, state, and local taxes, including, without limitation, unemployment and sales taxes, levied or assessed with respect to the Agency's operation and all accounts or other indebtedness you incur in operating the Agency.

18.2 Permits

You must comply with all federal, state, and local laws, rules, and regulations (including, but not limited to, wage and hour laws, EEOC, OSHA, HIPAA, state consumer and data privacy laws, etc.) and timely obtain any and all permits, certificates, and licenses necessary for the full and proper conduct of the Agency. Currently, you may not participate in government payment programs, including, for example, Medicare, provided, however, that you may participate in state-sponsored Medicaid and Medicaid Waiver programs, as well as Medicare Advantage supplemental benefits personal care service programs, under certain circumstances (you may not participate in Medicaid programs that require a Medicare number or require billing through Medicare) and furnish services to Veteran's Administration beneficiaries as described more fully in the Operations Manual. The conditions that are required for participating in state-sponsored Medicaid and Medicaid Waiver programs include your sole evaluation and responsibility for any operational and technology compliance requirements that are unique to the state and/or in complying with CMS certified operating procedures, and you will solely bear the cost of this compliance. Even though your Agency is prohibited from participating in Medicare or Medicaid, it may from time to time provide staff to other facilities, including those that participate in the Medicare and/or Medicaid programs. It is your responsibility to determine whether, and to what extent, employees of your Agency need to be screened for their possible excluded status in these or other payment programs.

18.3 Full and Sole Responsibility for Debts and Obligations

You expressly covenant and agree to accept full and sole responsibility for any and all debts and obligations incurred in operating the Agency.

19 INDEMNIFICATION AND INDEPENDENT CONTRACTOR

19.1 **Indemnification**

You agree to indemnify and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all Losses (defined below) incurred as a result of a claim threatened or asserted or an inquiry made formally or informally, or a legal action, investigation, or other proceeding threatened or brought, by a third party and directly or indirectly arising out of or relating to: (i) the Agency's operation; (ii) the business you conduct under this Agreement; (iii) your breach of this Agreement or any other agreement with us or our affiliates; (iv) your non-compliance or alleged non-compliance with any federal, state, or local law, ordinance, rule, or regulation, including those concerning the Agency's design, operation, or employment or personnel practices (expressly including your compliance with wage and hour and other labor and employment laws), and including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to employees; or (v) claims alleging either intentional or negligent conduct, acts, or omissions by you (or any of your employees, agents, or representatives) or by us or our affiliates (or any of our or their employees, agents, or representatives). You also agree to defend the Indemnified Parties (unless an Indemnified Party chooses to defend at your expense as provided in the following paragraph) against any and all such claims, inquiries, actions, investigations, and proceedings. However, you have no obligation to indemnify or hold harmless an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's negligence or willful misconduct (so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability—including agency and apparent agency—or our failure to compel you to comply with this Agreement).

For purposes of this indemnification and hold harmless obligation, "Losses" includes all obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that any Indemnified Party incurs. Defense costs include, without limitation, accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party, with its own counsel and at your expense, may defend and otherwise respond to and address any claim threatened or asserted or any inquiry made, or any action, investigation, or proceeding threatened or brought (instead of having you defend it with your counsel, as provided in the preceding paragraph), and, in cooperation with you, agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible (except as provided in the last sentence of the preceding paragraph).

For the avoidance of all doubt, nothing in this Section 19.1 is intended to obligate any Indemnified Party to await the conclusion or resolution of a claim, inquiry, action, investigation, or proceeding before seeking to recover its aggregate Losses from you on account of the claim,

inquiry, action, investigation, or proceeding. An Indemnified Party may seek to recover from you the Losses for which it is entitled to indemnification under this Section as often as it wishes on an as-incurred basis.

Your obligations in this Section 19.1 will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you under this Section 19.1. You agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 19.1.

19.2 Cost of Enforcement or Defense

If we incur costs and expenses to enforce our rights or your obligations under this Agreement because you have failed to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree to reimburse us for all costs and expenses we incur, including, without limitation, reasonable accounting, attorneys', arbitrators', and related fees. Your obligation to reimburse us arises whether or not we begin a formal legal proceeding against you to enforce this Agreement. If we do begin such a formal legal proceeding against you, the reimbursement obligation applies to all costs and expenses we incur preparing for, commencing, and prosecuting the legal proceeding and until the proceeding has come to a complete end (including appeals and settlements).

19.3 No Fiduciary Relationship; Independent Contractor Status

This Agreement does not create a fiduciary relationship between you and us. You have no authority, express or implied, to act as an agent for us or our affiliates for any purpose. You are, and will remain, an independent contractor responsible for all obligations and liabilities of, and for all losses or damages to, the Agency and its assets, including any personal property, equipment, fixtures, or real property, and for all claims or demands based on damage to or destruction of property or based on injury, illness, or death of any person, directly or indirectly, resulting from the Agency's operation. Further, we and you are not and do not intend to be partners, joint venturers, associates, or employees of the other in any way, and we will not be construed to be jointly liable for any of your acts or omissions under any circumstances. We are not the employer or joint employer of your or the Agency's employees. You are solely responsible for managing and operating the Agency and all employment and personnel matters and decisions involving the Agency, including but not limited to the hiring, firing, supervision, direction, scheduling, and compensating of the Agency's employees. Notwithstanding your use of the ABS or any Third Party Materials, you are solely responsible and liable for understanding and following wage and hour laws as well as all other state, local, and federal laws applicable to the Agency's operation. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Agency personnel, and others as the Agency's owner, operator, and manager under a franchise we have granted and to place notices of independent ownership at the Agency's Premises and on the forms, business cards, stationery, advertising, e-mails, and other materials we require from time to time.

We will not exercise direct or indirect control over the working conditions of Agency personnel, except to the extent such indirect control is related to our legitimate interest in protecting the quality of our services or brand. We do not share or codetermine the employment terms and conditions of the Agency's employees and do not affect matters relating to the employment relationship between you and the Agency's employees, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. To that end, you must notify Agency personnel that you are their employer and that we, as the franchisor of BrightStar Agencies, and our affiliates are not their employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You also must obtain an acknowledgment (in the form we specify or approve) from all Agency employees that you (and not we or our affiliates) are their employer.

20 WRITTEN APPROVALS, WAIVERS, AND AMENDMENT

20.1 Approval Process

Whenever this Agreement requires our prior approval, you must make a timely written request. Unless a different time period is specified in this Agreement, we will respond with our approval or disapproval within thirty (30) calendar days. In addition, our approval will not be unreasonably withheld.

20.2 No Waiver

Our failure to exercise any power reserved in this Agreement, and customs or practices of the parties at variance with this Agreement's terms, will not constitute a waiver of our right to demand your exact compliance with this Agreement's terms. Our waiver or approval of one of your defaults will not be considered our waiver or approval of your preceding or subsequent breach of any term, covenant, or condition of this Agreement.

20.3 Amendments

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors-in-interest. Subject to our right to modify the Operations Manual and System standards, this Agreement may not be modified except by a written agreement signed by both you and us that is specifically identified as an amendment to this Agreement.

20.4 Non-uniform Agreements

You acknowledge that currently-effective franchise agreements for BrightStar Agencies to which we are party with other franchisees contain, and franchise agreements we will sign in the future with new and existing franchisees of BrightStar Agencies will contain, provisions differing

(in many cases materially) from those contained in this Agreement. Further, you agree that we may, due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements granted to other BrightStar franchisees in a non-uniform manner, subject, however, to those provisions of this Agreement requiring us to act toward our franchisees and franchise owners on a reasonably nondiscriminatory basis.

21 NOTICES

Any notice required under this Agreement must be in writing and mailed by registered or certified mail, hand-delivered by a recognized courier service, personally delivered, or telecopied and acknowledged by appropriate means. Notices to you must be addressed to the address listed on the first page of this Agreement. Notices to us must be addressed to the address listed on the first page of this Agreement, Attention: President. Either party may modify or change its address for delivery of notice by notifying the other party in writing in a timely manner of such modification or change. Any notice complying with these provisions will be deemed received five days after the date of mailing or on the actual date of receipt, as the case may be, whichever is earlier.

22 GOVERNING LAW

This Agreement or any other agreement between you (or your owners) and us (or our affiliates), our relationship with you, the validity of this Agreement or any other agreement between you (or your owners) and us (or our affiliate), and any System standard will be governed by the laws of the State of Illinois, without regard to its conflict of laws rules, except that any Illinois law regulating the offer or sale of franchises, business opportunities, or similar interests, or governing the relationship between a franchisor and a franchisee or any similar relationship, will not apply unless its jurisdictional requirements are met independently without reference to this Section 22.

23 SEVERABILITY AND CONSTRUCTION

23.1 **Severability**

Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable, such provision will be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement will in no way be affected and will remain valid and enforceable for all purposes, both parties declaring they would have executed this Agreement without inclusion of such provision. If such total or partial invalidity or unenforceability of any provision exists only with respect to the laws of a particular jurisdiction, this Article 23 will operate upon such provision only to the extent the laws of such jurisdiction apply to such provision. Each party agrees to execute and deliver to the other any further documents reasonably required to effectuate fully the provisions of this Agreement. We have the right to reduce the scope of any covenant (or portion) in this Agreement binding upon you without your consent, effective immediately upon your receipt of written notice. You agree to comply with any covenant so modified, which will be fully enforceable.

23.2 **Execution in Counterparts**

This Agreement will become valid and enforceable only upon its full execution by you and us by either original signature or facsimile or electronic transmittal, notwithstanding that we and you are not signatories to the same original, facsimile, or electronically-transmitted counterpart of this Agreement and might sign this Agreement on different dates.

23.3 **Headings and Captions**

The headings and captions in this Agreement are for convenience and reference only and are not to be construed as part of this Agreement. All terms and words used will be construed to include the number and gender as the context of this Agreement may require. The parties agree that each section of this Agreement will be construed independently of any other section or provision of this Agreement.

23.4 **Interpretation of Rights and Obligations**

The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties.

23.4.1 Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute, and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administer, develop, and change the System in any manner not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations set forth in this Agreement.

23.4.2 Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making a decision or exercising a right. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or arguably preferable alternatives are available, if our decisions or actions are intended, in whole or significant part, to promote or benefit the System generally, even if the decision or action also promotes our financial or other individual interests. Examples of items promoting or benefiting the System include, without limitation, enhancing the value of the Licensed Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the System's competitive position.

24 ENTIRE AGREEMENT

The preambles and exhibits are part of this Agreement, which, together with any riders or addenda signed at the same time as this Agreement and the Operations Manual and System standards, constitutes our and your entire agreement and supersedes all prior and contemporaneous oral or written agreements and understandings between us and you relating to this Agreement's subject matter. There are no other oral or written representations, warranties, understandings, or

agreements between us and you relating to this Agreement's subject matter. Notwithstanding the foregoing, nothing in this Agreement disclaims or requires you to waive reliance on any representation we made in the most recent franchise disclosure document (including its exhibits and amendments) we delivered to you or your representative. Any policies we adopt and implement from time to time to guide our decision-making are subject to change, are not a part of this Agreement, and do not bind us.

You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our owners, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement or any disclosure document, prospectus, or other similar document given to you.

25 SPOUSAL OR LIFE-PARTNER CONSENT

Your spouse (including common law spouse) or life-partner ("Spouse") or, if you are a legal entity, each owner's Spouse, personally and unconditionally guarantees without notice, demand, or presentment the payment of all your monetary obligations under this Agreement as if each Spouse were an original party to this Agreement in his or her individual capacity. All such Spouses further agree to be bound by the restrictions upon your activities upon transfer, termination, or expiration of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such Spouses must execute a spousal or life-partner consent in the form attached as Exhibit H. In the event of divorce and re-marriage, or subsequent marriage, you or, if you are a legal entity, your owners covenant and agree to give us a properly-executed spousal or life-partner consent in the form we prescribe.

26 ANTI-TERRORIST ACTIVITIES

You certify that neither you nor your owners, employees, or anyone associated with you is listed in the Annex to Executive Order 13224. (The Annex is available at http://www.treasury.gov/offices/enforcement/ofac/ sanctions/terrorism.html.) You agree not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you or your owners, employees, or anyone associated with you being listed in the Annex to Executive Order 13224. You agree to comply and assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, you certify, represent, and warrant that none of your property or interests are subject to being "blocked" under any Anti-Terrorism Law and that you and your owners are not otherwise in violation of any Anti-Terrorism Law. You are solely responsible for ascertaining what actions must be taken to comply with all Anti-Terrorism Laws and specifically acknowledge and agree that your indemnification responsibilities provided in Section 19 pertain to your obligations under this Section 26. Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by you or your owners or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or our affiliates in accordance with the terms of Section 13. "Anti-Terrorism Laws" include Executive Order 13224 issued by the President of the United

States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

27 ACKNOWLEDGMENTS

You acknowledge the truthfulness and accuracy of the acknowledgments signed and attached as Exhibit G.

28 NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first written above.

FRANCHISOR (US):
BRIGHTSTAR FRANCHISING, LLC

By:_____
Name:_____
Title: _____
Date:_____

FRANCHISEE (YOU):
_____

By:_____
Name:_____
Title:_____

FRANCHISEE (YOU):
_____
By:_____
Name:_____
Title:_____

FRANCHISEE (YOU):
_____
By:_____
Name:_____
Title:_____

FRANCHISEE (YOU):
_____
By:_____
Name:_____
Title:_____

EXHIBIT A

DECLARATIONS PAGE

1. **PROTECTED TERRITORY**. The Protected Territory granted to you in Section 1.1 of the Agreement will consist of the following Zip Codes: _____ _____ _____ _____.

2. **PREMISES**. The only Premises from which the Agency is to be operated pursuant to Section 1.4 of the Agreement is:_____ _____.

3. **INITIAL FRANCHISE FEE**. The Initial Franchise Fee payable pursuant to Section 4.1.1 is _____.

EXHIBIT B-1

AUTHORIZATION
TO INITIATE DEBIT ENTRIES
FOR FRANCHISE SERVICE FEES

_____, the undersigned franchisee, hereby authorizes BrightStar Franchising, LLC, a Delaware limited liability company, to initiate debit entries to the checking account indicated below at the depository identified below, hereinafter referred to as "Depository", to debit to such account the amount of such entry reflecting service fees and other amounts that become payable by the undersigned to BrightStar Franchising, LLC:

Depository Name: _____

Depository Branch: _____

Depository Address: _____

City_____State___Zip _____

Routing Number: _____

Account Name: _____

Account Number: _____

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that:

This authorization is to remain in full force and effect until BrightStar Franchising, LLC has received advance written notification of its termination from the undersigned in such manner as to afford BrightStar Franchising, LLC and Depository reasonable time and opportunity to act upon such notification.

IN WITNESS WHEREOF, this authorization has been executed on_____.

FRANCHISEE (YOU):

_____

By:_____ By:_____

Name:_____ Name:_____

Title:_____ Title:_____

By:_____ By:_____

Name:_____ Name:_____

Title:_____ Title:_____

EXHIBIT B-2

AUTHORIZATION
TO INITIATE DEBIT ENTRIES
FOR FRANCHISE SERVICE FEES

_____, the undersigned franchisee, hereby authorizes BrightStar Technology Group, LLC, a Delaware limited liability company, to initiate debit entries to its checking account indicated below at the depository identified below, hereinafter referred to as "Depository", to debit to such account the amount of such entry reflecting service fees and other amounts that become payable by the undersigned to BrightStar Technology Group, LLC:

Depository Name: _____

Depository Branch: _____

Depository Address: _____

City_____State___Zip _____

Routing Number: _____

Account Name: _____

Account Number: _____

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that:

This authorization is to remain in full force and effect until BrightStar Technology Group, LLC has received advance written notification of its termination from the undersigned in such manner as to afford BrightStar Technology Group, LLC and Depository reasonable time and opportunity to act upon such notification.

IN WITNESS WHEREOF, this authorization has been executed on_____.

FRANCHISEE (YOU):

_____

By:_____ By:_____

Name:_____ Name:_____

Title:_____ Title:_____

By:_____ By:_____

Name:_____ Name:_____

Title:_____ Title:_____

EXHIBIT C

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, _____ *[insert legal entity used on the lease]* the undersigned ("Assignor"), doing business as BrightStar Care of _____ *[insert territory/dba name]*, hereby assigns, transfers and sets over unto BrightStar Franchising, LLC, an Illinois limited liability company, with an address of 1125 Tri-State Parkway, Suite 700, Gurnee, IL 60031 ("Assignee") all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Schedule 1 (the "Lease") respecting Premises at _____ *[insert address of leased space]*. This agreement is for collateral purposes only and except as specified herein, Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment of the Lease unless Assignee takes possession of the Premises pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

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

Upon a default by Assignor under the Lease or under the franchise agreement for a BrightStar Care Agency Program between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, or upon expiration or termination of the Franchise Agreement, Assignee will have the right and is hereby empowered to take possession of the Premises, expel Assignor therefrom, and, in such event, Assignor will have no further right, title or interest in the Lease.

Assignor agrees it will not allow or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it may elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that such option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting such extension of renewal.

[SIGNATURES AT END OF EXHIBIT]

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the afore-described Lease hereby:

a. Agrees to notify Assignee in writing at the address noted in the opening paragraph, of and upon the failure of Assignor to cure any default by Assignor under the Lease;

b. Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within 30 days after delivery by Lessor of notice thereof in accordance with Paragraph (a) above;

c. Consents to the foregoing Collateral Assignment and agrees that if Assignee takes possession of the Premises and confirms to Lessor the assumption of the Lease by Assignee as tenant thereunder, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within such 30-day period the defaults of Assignor under the Lease;

d. Agrees that Assignee may further assign the Lease or its interest therein or sublet the Premises to a person, firm or corporation who is a BrightStar Care Agency Program franchisee who is reasonably acceptable to Lessor. In the case of an assignment, Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise. In the case of an assignment or sublease, this Consent and Agreement of Lessor will continue to apply with respect to any such subsequent BrightStar Care Agency Program franchisee.

e. Scanned or facsimile signatures shall be binding as if original.

ASSIGNOR / FRANCHISEE:

_____

[insert legal entity / name on lease above]

By:_____

[Signature above]

Printed Name: _____

Title:_____

(Affix Corporate Seal, if any)

Date: _____

ASSIGNEE/FRANCHISOR:

BRIGHTSTAR FRANCHISING, LLC

By:_____

Name:_____

Title: _____

(Affix Corporate Seal, if any)

Date:_____

LESSOR/LANDLORD:

_____

[Insert landlord legal entity/name above]

By:_____

[Signature above]

Printed Name: _____

Title:_____

(Affix Corporate Seal, if any)

Date:_____

EXHIBIT D

FRANCHISEE OWNERSHIP AND MANAGEMENT INFORMATION

1. Form of Entity.

a. Corporation. You were incorporated on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate name. The following is a list of all of your directors and officers as of _____

Name of Each Director/Officer	**Position(s) Held**
_____	_____
_____	_____

b. Limited Liability Company. You are a limited liability company formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your limited liability company name. The following is a list of all of your members as of _____ .

Name of Each Member
(Identify the Managing Member)

_____

_____

2. Owners.

You and each of your owners represent and warrant that the following is a complete and accurate list of all your owners, including the full name and mailing address of each owner, and fully describes the nature and extent of each owner's interest in you. You and each owner—as to his or her ownership interest—represents and warrants that each owner is the sole and exclusive legal and beneficial owner of his or her ownership interest in you, free and clear of all liens, restrictions, agreements, and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

Owner's Name and Address	**Description of Interest, Including Percentage of Ownership Interest**
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Submitted by you on _____.

_____, a _____
corporation/limited liability Franchisee

By:_____
Print Name:_____
Title:_____

By:_____
Print Name:_____
Title:_____

Owners:

_____
(Signature)
Print Name:_____

_____
(Signature)
Print Name:_____

_____
(Signature)
Print Name:_____

_____
(Signature)
Print Name:_____

Accepted by BrightStar Franchising, LLC, and made a part of the Agency Franchise Agreement as of _____.

BRIGHTSTAR FRANCHISING, LLC

By:_____
Name:_____
Title: _____

EXHIBIT E

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND PERSONALLY BY THE TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "**Agreement**") on this date by BrightStar Franchising, LLC, an Illinois limited liability company ("**Franchisor**"), each of the undersigned personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including, without limitation, any extensions of its term) and afterward as provided in the Agreement, that _____ ("**Franchisee**") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including, without limitation, any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including, without limitation, any amendments or modifications of the Agreement), including (i) monetary obligations, (ii) obligations to take or refrain from taking specific actions and to engage or refrain from engaging in specific activities, including, but not limited to, the non-competition, confidentiality, and transfer requirements, and (iii) the enforcement and other provisions in the Agreement, including the arbitration provision.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee or another person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence Franchisor may from time to time grant to Franchisee or to another person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, any release of other guarantors), none of which will in any way modify or amend this Guaranty, which will continue and be irrevocable during the term of the Agreement (including, without limitation, any extensions of its term) and afterward for so long as any performance is or might be owed under the Agreement by Franchisee or any of its owners and for so long as Franchisor has any cause of action against Franchisee or any of its owners; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; and (6) any Franchisee indebtedness to the undersigned, for whatever reason, whether currently existing or hereafter arising, will at all times be inferior and subordinate to any indebtedness owed by Franchisee to Franchisor or its affiliates.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty; (ii) acceptance and notice of acceptance by Franchisor of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest

and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled; and (iii) all rights to assert or plead any statute of limitations or other limitations period as to or relating to this Guaranty. The undersigned expressly acknowledges that the obligations under this Guaranty survive expiration or termination of the Agreement.

If Franchisor seeks to enforce this Guaranty in an arbitration, judicial, or other proceeding and prevails in that proceeding, Franchisor is entitled to recover its reasonable costs and expenses (including, but not limited to, attorneys' fees, arbitrators' fees, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and travel and living expenses) incurred in connection with such proceeding. If Franchisor is required to engage legal counsel in connection with the undersigned's failure to comply with this Guaranty, the undersigned must reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs, even if Franchisor does not commence a judicial or arbitration proceeding.

Subject to the arbitration obligations (as set forth in the Agreement) and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between Franchisor and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor has its principal business address when the action is commenced, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that Franchisor may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled. FRANCHISOR AND THE UNDERSIGNED IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY OF THEM. EACH ACKNOWLEDGES THAT THEY MAKE THIS WAIVER KNOWINGLY, VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERATION OF THIS WAIVER'S RAMIFICATIONS.

PERSONAL GUARANTORS:

_____	_____
(signature)	(signature)
_____	_____
Print Name, Individually	Print Name, Individually
_____	_____
Address	Address
_____	_____
City State Zip Code	City State Zip Code
_____	_____
Telephone	Telephone

EXHIBIT F

ADDENDUM TO FRANCHISE AGREEMENT

This first addendum (the "Addendum") to the BrightStar Franchising, LLC Agency Franchise Agreement is made and entered into as of _____ (the "Effective Date") by and between BrightStar Franchising, LLC, an Illinois limited liability company with its principal place of business at 1125 Tri-State Parkway, Suite 700, Gurnee, IL 60031 ("we," "us," or "our"), and _____, with an address at _____ ("you" or "your"). All capitalized terms not defined in this Addendum have the meanings ascribed to them in the Franchise Agreement (defined below). To the extent the terms of this Addendum are inconsistent with any terms of the Franchise Agreement, the terms of this Addendum will supersede and govern.

RECITALS

A. On or about _____, the parties entered into a BrightStar Franchising, LLC Agency Franchise Agreement (the "Franchise Agreement"), pursuant to which we granted you the right to operate a BrightStar Care Agency located at _____ (the "Franchised Business").

B. On _____, we, you, and _____ entered into an Assignment and Consent Agreement pursuant to which you purchased the assets and right to operate the Franchised Business.

C. In accordance with the transfer conditions set forth in the Assignment and Consent Agreement, the parties wish to amend the Franchise Agreement pursuant to the terms and conditions set forth in this Addendum.

AGREEMENT

NOW THEREFORE, in consideration of the agreements, covenants, and promises contained in this Addendum and for consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Section 1.5 Performance Standards. Section 1.5 of the Franchise Agreement is deleted in its entirety and replaced with the following:

[INSERT APPLICABLE PERFORMANCE STANDARDS]

2. Entire Agreement. This Addendum constitutes the entire agreement between the parties with respect to the subject matter hereof. No amendment will be binding unless in writing and signed by a party against whom enforcement is sought.

3. Counterparts. This Addendum may be executed in more than one counterpart, each of which will constitute an original copy.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Addendum the date and year first written above.

FRANCHISOR:
BRIGHTSTAR FRANCHISING, LLC

By:_____
Name:_____
Title: _____

FRANCHISEE (YOU):
_____

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

EXHIBIT G

ACKNOWLEDGMENT ADDENDUM TO
BRIGHTSTAR FRANCHISING, LLC AGENCY FRANCHISE AGREEMENT

THIS DOCUMENT SHALL NOT BE SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

As you know, you and we are entering into a Franchise Agreement for the operation of a BrightStar Care Agency Franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least fourteen calendar days prior to signing the Agreement? Check one: (_) Yes (_) No. If no, please comment:_____
_____

2. Have you studied and carefully reviewed our Disclosure Document and Franchise Agreement? Check one: (_) Yes (_) No. If no, please comment:_____
_____

3. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? Check one (_) Yes (_) No. If no, please comment:_____
_____
_____

4. Was any oral, written, or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? Check one: (_) No (_) Yes. If yes, please state in detail the oral, written, or visual claim or representation:_____
_____
_____

5. Did any employee or other person speaking on behalf of BrightStar Franchising, LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any BrightStar Franchising, LLC location or business, or the likelihood of success at your franchised business? Check one: (_) No (_) Yes. If yes, please state in detail the oral,

written or visual claim or representation:_____
_____

6. Did any employee or other person speaking on behalf of BrightStar Franchising, LLC make any statement or promise regarding the costs involved in operating a franchise that is contrary to, or different from, the information contained in the Disclosure Document? Check one: (__) Yes (__) No. If yes, please comment:_____
_____

7. Do you understand that the estimated initial investment range outlined in Item 7 of the Disclosure Document includes only 90 days of operating expenses for the first Agency you open and does not include additional working capital for accounts receivables or incremental working capital needed for opening additional agencies? Check one: (__) Yes (__) No. If no, please comment:_____
_____

8. Except as stated in Item 19, did any employee or other person speaking on behalf of BrightStar Franchising, LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any BrightStar Franchising, LLC location or business, or the likelihood of success at your franchised business? Check one: (_) Yes (_) No. If yes, please state in detail the oral, written or visual claim or representation:
_____

9. Do you understand that the franchise granted is for the right to develop a BrightStar Care Agency in a certain Protected Territory and that we and our affiliates have the right to issue franchises or operate competing businesses for or at locations as explained in more detail in Section 1.6 of the Franchise Agreement? Check one: (__) Yes (__) No. If no, please comment:_____
_____

10. Do you understand that the Agreement and Disclosure Document contain the entire agreement between you and us concerning your BrightStar franchise rights, meaning that any prior oral or written statements not set out in the Agreement or Disclosure Document will not be binding? Check one: (__) Yes (__) No. If no, please comment:_____
_____

11. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Sections 11.3 and 11.4 and that an injunction is an appropriate remedy to protect the interest of the BrightStar Franchising system if you violate the covenant(s)? Further, do you understand that the term "you" for purposes of the non-compete covenants is defined broadly such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one (__) Yes (__) No. If no, please comment:_____
_____
_____

12. On the receipt pages of your Disclosure Document you identified _____ _____ as the franchise sellers involved in this franchise sales process. Are the franchise sellers identified above the only franchise sellers involved with this transaction? Check one (__) Yes (__) No. If no, please identify any additional franchise sellers involved with this transaction: _____
_____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed:_____
Print Name:_____
Date:_____

Signed: _____
Print Name: _____
Date: _____

APPROVED ON BEHALF OF
BRIGHTSTAR FRANCHISING, LLC

By:_____
Name:_____
Title: _____

EXHIBIT H

SPOUSAL OR LIFE-PARTNER CONSENT

NOTE: EACH SPOUSE (INCLUDING COMMON LAW SPOUSE) OR LIFE-PARTNER OF FRANCHISEE OR, IF FRANCHISEE IS A LEGAL ENTITY, THE SPOUSE (INCLUDING COMMON LAW SPOUSE) OR LIFE-PARTNER OF EACH OWNER OF FRANCHISEE MUST SIGN THIS SPOUSAL OR LIFE-PARTNER CONSENT.

The individual(s) listed below represents to BrightStar Franchising, LLC's ("Company") that each is the spouse (including a common law spouse) or life -partner of the individual(s) who have signed an Agreement with the Company dated _____.

In consideration of the grant by the Company to Franchisee under the Agreement, each of the individual spouses (including common law spouse) or life-partner listed below agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they, and each of them:

a. must be firmly bound by all of the terms, provisions and conditions of the Agreement;

b. unconditionally guarantee the full and timely performance by Franchisee of all of Franchisee's obligations under the Agreement, including, without limitation, any of Franchisee's indebtedness arising under or by virtue of the Agreement;

c. agree to be bound by the in-term and post-term covenants of the Agreement.

_____

_____

EXHIBIT I

CONDITIONAL ASSIGNMENT
OF YOUR TELEPHONE NUMBERS

1. _____, doing business at _____ _____ ("Assignor"), in exchange for valuable consideration provided by BrightStar Franchising, LLC ("Assignee"), receipt of which is hereby acknowledged, conditionally assigns to Assignee all telephone numbers and listings obtained and utilized by Assignor in the operation of the Agency operated under this Agreement.

2. The conditional agreement will become effective automatically upon termination of Assignor's franchise. Upon the occurrence of that condition, Assignor must do all things required by the telephone company to assure the effectiveness of the assignment of telephone numbers as if the Assignee had been originally issued such telephones, telephone numbers, telephone listings, and the usage thereof.

3. Assignor agrees to pay the telephone company on or before the effective date of assignment all amounts owed for the use of the telephone number(s) including, without limitation, Yellow Pages advertising. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company to effectuate this agreement and agrees to fully cooperate with the telephone company and Assignee in effectuating this assignment.

ASSIGNOR:

_____

By: _____ Date: _____
Name:_____
Title: _____

By: _____ Date: _____
Name:_____
Title: _____

ASSIGNEE:

BRIGHTSTAR FRANCHISING, LLC

By:_____
Name _____
Title: _____

EXHIBIT J

SITE SELECTION ADDENDUM

BrightStar Franchising, LLC ("we," "us," or "our") and _____("you") have as of _____, , entered into the Agreement for the operation of an agency providing and marketing supplemental healthcare staff to institutional clients and comprehensive personal care and medical services to private-duty clients using our Licensed Marks and System (the "Agency") and desire to supplement its terms, as set forth below. The parties therefore agree as follows:

1. Within one hundred fifty (150) days after you receive notice of approval of the Agreement, you must obtain a site, at your expense, for the business franchised under the Agreement (the "Franchised Business"), which site we must approve as provided below. The site will be within the following territory: _____ _____ (the "Site Selection Territory").

2. Your failure to obtain a site for the Agency within the time required in Paragraph 1 will constitute a default under the Agreement and this Site Selection Addendum. Time is of the essence.

3. Prior to your acquisition by lease or purchase of a site for the Agency, you must submit to us, in the form we specify, such information or materials we may reasonably require and a letter of intent or other evidence satisfactory to us confirming your favorable prospects for obtaining the proposed site. Recognizing that time is of the essence, you must submit a proposed site to us, together with the information and materials required by this Paragraph 3, for our approval within one hundred fifty (150) days after execution of this Site Selection Addendum. We will have ten (10) days after receiving such information and materials from you to approve or disapprove the site as a location for the Agency. No proposed site will be deemed approved unless we have expressly approved it in writing.

4. We will grant you access to the Operations Manual, which outlines such site selection guidelines, consultation, and on-site evaluation we deem advisable as part of our evaluation of your request for site approval. We will not, however, provide on-site evaluation for any proposed site before we receive the information and materials required by Paragraph 3. If we deem on-site evaluation necessary and appropriate, we will conduct up to two (2) on-site evaluations at our cost. For each additional on-site evaluation (if any), you must reimburse our reasonable expenses, including, without limitation, the costs of travel, lodging, and meals.

5. If you will occupy the Agency premises under a lease, you must send us the lease for our written approval before you sign it. Our approval will be conditioned upon your execution of a Collateral Assignment of Lease in the form we prescribe and inclusion of the following terms and conditions:

- That the initial term of the office building lease will be for a minimum of one year, together with two one-year renewal terms, for a total of three years.

    - That the lessor consents to your use of such Licensed Marks and initial signage as we may prescribe for the Agency;

    - That use of the premises be restricted solely to the operation of the Agency;

    - That you be prohibited from subleasing or assigning all or any part of your occupancy rights or extending the term of or renewing the lease without our prior written consent;

    - That the lessor provide us copies of any and all notices of default given to you under the lease;

    - That we (or our designee) have the right to enter the premises to make modifications necessary to protect the Licensed Marks or the System or to cure any default under the Agreement or under the lease;

    - That we (or our designee) have the option, upon default, expiration, or termination of the Agreement, and upon notice to the lessor, to assume all of your rights under the lease terms, including the right to assign or sublease.

6. You must give us a copy of any executed lease and Collateral Assignment of Lease within ten (10) days after signing them.

7. After we have approved a site for the Agency in writing and you have acquired the site pursuant to Paragraph 3, the site will constitute the Premises referred to in Section 1.4 of the Agreement.

8. You acknowledge and agree that our approval of a site does not constitute an assurance, representation or warranty of any kind, express or implied, as to the site's suitability for the Agency or any other purpose. Our approval of the site indicates only that we believe the site complies with acceptable minimum criteria we establish solely for our purposes as of the time of the evaluation. Both parties to this Agreement acknowledge that application of criteria that have been effective with respect to other sites and premises may not predict the potential for all sites and that, after our approval of a site, demographic and/or economic factors included in or excluded from our criteria could change, thereby altering the site's potential. Such factors are unpredictable and beyond our control. We will not be responsible for the failure of a site we approve to meet your expectations as to revenue or operational criteria. You further acknowledge and agree that your acceptance of a franchise for the Agency's operation at the site is based on your own independent investigation of the site's suitability.

9. This Site Selection Addendum constitutes an integral part of the Agreement between the parties and will control the subject matter it addresses. Except as modified or supplemented by this Site Selection Addendum, the Franchise Agreement's terms are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

FRANCHISOR:
BRIGHTSTAR FRANCHISING, LLC

_____
Witness

By:_____
Name:_____
Title: _____

FRANCHISEE (YOU):

_____

_____
Witness

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

EXHIBIT K

CONTROL PERSON ADDENDUM

1. Control Person. You (or, if you are an entity, your owner) must be the Control Person. We require that your Agency at all times be under your designated Control Person's direct supervision. You represent and warrant to us that the following person, and only the following person, is the Control Person:

NAME	TITLE	ADDRESS

2. Control Person's Responsibilities. Your Control Person must meet our standards and requirements and must have successfully completed the BrightStar initial training program. Your Control Person is the individual who has the authority to actively direct your business affairs regarding the Agency, is responsible for overseeing the general management of the Agency, and has authority to sign all contracts. You must seek our approval if you want the Control Person to be someone other than you (or your owner) during the franchise term. Prior to there being any change to your designated Control Person, you must give us advance written notice of this change, and we must confirm that your proposed replacement Control Person meets our then-current Control Person standards and requirements.

2. Default of the Agreement. You will be in default under the Franchise Agreement if any of the following occurs: (i) at any time during the Franchise Agreement's term, your Agency is not under the designated Control Person's direct supervision, (ii) you designate a replacement Control Person without first providing us with advance written notice of this change and we approve the change, or (iii) any replacement Control Person does not meet our then-current Control Person standards and requirements including (1) living within a one-hour drive-time from the Protected Territory, or (2) being in the office, or at minimum in the Protected Territory, on a daily full-time basis. Upon any of these occurrences, we have the right, after giving you advance written notice of the default and a 15-day opportunity to cure the default, to terminate the Franchise Agreement.

FRANCHISOR:
BRIGHTSTAR FRANCHISING, LLC

By:_____
Name:_____
Title: _____

FRANCHISEE (YOU):
_____

By:_____
Name:_____
Title:_____

EXHIBIT L

FRANCHISOR AND FRANCHISEE ACKNOWLEDGMENTS

We and you acknowledge the following:

You will be a corporation owned initially in majority by the corporation's 401(k) plan and in minority by _____ in (their/his/her) individual legal capacity. The 401(k) plan will not be a guarantor of franchise royalty payments or any other payment obligations under the Franchise Agreement, including, but not limited to, Section 14.2 of the Agreement. This does not relieve _____ in (their/his/ her) individual legal capacity from (their/his/her) obligation to personally guarantee performance under the Franchise Agreement.

Additionally, _____ will be treated as the principal owner(s) for purposes of operational obligations, training requirements, or other provisions in the contract that require such performance of the "owners," since instead the majority shareholder will at least initially be the corporation's 401(k) plan. The mix of 401(k) and individual ownership outlined in the above paragraph will be permitted under the Franchise Agreement.

Finally, transfer fee provisions and transfer restrictions contained in, but not limited to, Section 12 of the Franchise Agreement will not apply to redemptions of stock by the corporation that is initially held by the 401(k) plan. The purpose of this paragraph is to permit _____ to cause the corporation to redeem stock from the 401(k) so that (they/he/she) will eventually own and control 100% of the stock in (their/his/her) individual legal capacity.

This addendum supersedes any contradictory provisions in or any other modifications to the Franchise Agreement and is incorporated into the Franchise Agreement in its entirety. It does not change the enforceability of the contract in any manner against _____ acting in (their / his / her) individual legal capacity in using (their/his/her) own assets to guarantee performance under the Franchise Agreement.

FRANCHISOR:
BRIGHTSTAR FRANCHISING, LLC

By:_____
Name:_____
Title: _____

FRANCHISEE (YOU):

_____

By:_____
Name:_____
Title:_____

EXHIBIT M

BUSINESS ASSOCIATE AND CONFIDENTIALITY AGREEMENT

_____ ("Covered Entity") and BrightStar Franchising, LLC ("BrightStar" or "Business Associate") hereby enter into this Agreement, effective as of Effective Date of the Franchise Agreement (the "Effective Date").

Recitals

A. BrightStar arranges for certain products and services (the "Services") as a franchisor, to Covered Entity as a franchisee, as set forth in the BrightStar Franchising, LLC Agency Franchise Agreement between Covered Entity and BrightStar ("Franchise Agreement").

B. The Parties' performance under the Franchise Agreement may or will require Covered Entity to disclose and/or provide to Business Associate private and/or protected health and/or medical information as defined under, and governed by, applicable state law and Individually Identifiable Health Information and/or Electronic Protected Health Information as defined in the Health Insurance Portability and Accountability Act ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act ("HITECH"), and/or regulations promulgated under such laws (state law, HIPAA, and HITECH are hereafter referred to collectively as "Privacy Laws") and may or will require BrightStar to receive, access, review, maintain, retain, modify, record, store, forward, produce, hold, use, create, disclose, and/or destroy such information (the "PHI").

C. BrightStar's performance of the Services may give rise to certain legal obligations under Privacy Laws and BrightStar may be considered a "business associate" and franchisee may be a "covered entity" as those terms are defined in 45 C.F.R. § 160.103. This Agreement will not apply to relationships between the parties where BrightStar is not considered a "business associate" as defined in 45 C.F.R. 160.103.

Accordingly, the parties hereto ("Parties") agree to the terms and conditions set forth below:

Terms of Agreement

1. Performance and Compliance With Law. The Parties will work together in good faith to determine applicability of Privacy Laws, to comply with applicable Privacy Laws, and to amend this Agreement as necessary for Covered Entity and Business Associate to comply with applicable Privacy Laws, as modified and/or supplemented from time to time.

2. Interpretation. Any ambiguity herein must be resolved in favor of a meaning that permits both Covered Entity and Business Associate to comply with applicable Privacy Laws, consistent with the Franchise Agreement. Terms that are not otherwise defined herein shall have the meaning given to them by HIPAA, the HITECH Act, and their implementing regulations.

3. Privileges and Protections. This Agreement does not constitute or evidence a waiver of, nor does it amend, the attorney-client privilege, the attorney work-product doctrine, and/or any other applicable privileges or protections.

4. Business Associate's Obligations.

4.1 Handling of the PHI and Safeguards. Business Associate agrees to prevent access, use and/or disclosure of PHI other than as permitted or required by this Agreement and/or applicable Privacy Laws, and will implement and use, at all times, appropriate administrative, physical and technical safeguards to (i) prevent access, use or disclosure of PHI other than as permitted by this Agreement and/or Privacy Laws; and (ii) reasonably and appropriately protect the confidentiality, integrity, security, and availability of PHI.

4.2 Minimum Necessary Use and Disclosure. Business Associate will determine the amount of PHI necessary for performance of the Services and will make reasonable efforts to limit the receipt, use, and disclosure of PHI to the minimum necessary as required by the Privacy Laws.

4.3 Data Aggregation and De-identification. Business Associate may use PHI to aggregate information to provide reports regarding health care operations to Covered Entity. The parties agree that the Business Associate may de-identify PHI as defined by and in compliance with Privacy Laws, and may use such de-identified information as permitted by applicable law.

4.4 Management and Administration. Business Associate may use and disclose PHI for management and administrative purposes. In doing so, Business Associate will comply with all applicable Privacy Laws and with Covered Entity's obligations under subpart E of 45 CFR Part 164.

4.5 Disclosures to Subcontractors and/or Third Parties. Business Associate shall ensure that all representatives, subcontractors, persons and/or entities (other than entities that are merely conduits) to whom Business Associate discloses or provides the PHI execute a written Business Associate Agreement, as required under the Privacy Laws, in which such third persons and/or entities expressly agree to the same restrictions and conditions that apply to Business Associate hereunder, as applicable. If a Business Associate Agreement is not required by the Privacy Laws, Business Associate shall obtain reasonable assurances from all persons and entities who have access to or are recipients of the PHI that: (i) the PHI will be held confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the third party; and (ii) the third party will promptly notify Business Associate of any Compromise of PHI, and Business Associate will, in turn, notify Covered Entity.

4.6 Access to, or Amendment of, PHI. If Business Associate maintains any PHI in a Designated Record Set on behalf of Covered Entity, Business Associate agrees:

(a) to provide access to the PHI in a Designated Record Set to authorized individuals as required by Privacy Laws and in the time, manner, and format designated by such individuals to the extent required by Privacy Laws; and

(b) to make any amendment(s) to PHI in a Designated Record Set as requested by Covered Entity and/or authorized individuals pursuant to 45 C.F.R. § 164.526.

4.7 Restrictions on PHI. Business Associate will comply with any patient restrictions on the Use and Disclosure of PHI requested by Covered Entity under Section 5.3 below.

4.8 Accounting of PHI Disclosures. Business Associate will document and report to Covered Entity all disclosures of PHI that are required for Covered Entity to provide an accounting under 45 C.F.R. § 164.528 and/or the Privacy Laws. If an individual contacts Business Associate directly for such an accounting, Business Associate will direct the individual to contact Covered Entity.

4.9 Reporting of Violations and Security Incidents. Business Associate will promptly report to Covered Entity any impermissible use or disclosure under Privacy Laws of which it becomes aware that Compromises the security or privacy of the PHI ("Breach"). Business Associate will include in the report of Breach the following information if known or can be reasonably obtained:

(a) Contact information for individuals who may be impacted by the Breach;

(b) The date of Breach and a brief description of the circumstances surrounding the breach;

(c) A description of the type of information involved; and

(d) What Business Associate is doing to investigate the Breach and mitigate harm to individuals.

In addition, Business Associate will report attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system that does not Compromise the security or privacy of the PHI ("Security Incidents"). Business Associate will identify and respond internally to suspected or known Security Incidents, and will mitigate, to the extent practicable, their harmful effects, document their outcomes, and provide such documentation to Covered Entity upon request. Notice is hereby deemed provided, and no further notice will be given, with respect to routine unsuccessful attempts at unauthorized access to the PHI such as pings and other broadcast attacks on firewalls, denial of service attacks, failed login attempts, and port scans.

The parties will meet and confer in good faith before notifying affected individuals, government agencies, and/or commencing any legal action regarding any suspected or

actual Breach or Security Incident and/or breach of this Agreement, and shall comply with applicable Privacy Laws regarding the need for and nature of any notification of individuals or reporting to government agencies.

4.10 Mitigation and Notification. Mitigation efforts by Business Associate shall not require Business Associate to pay the costs of credit monitoring or other similar credit protection services unless required by law. Business Associate will not be responsible for notifying individuals of a Breach and will not be responsible for any notification costs.

4.11 Audits and Inspections. Business Associate will make its internal practices, books, and such records as are not protected by applicable legal privilege or work product protection relating to the use, disclosure, and/or compromise of PHI available to Covered Entity to determine compliance with applicable Privacy Laws and this Agreement, and to the Secretary of the United States, Department of Health and Human Services and/or other authorized lawful authority as required by law or authorized by Covered Entity in writing.

4.12 Prohibition on Sale of PHI and use of PHI for Marketing. Business Associate will not directly or indirectly receive remuneration in exchange for any PHI, and will not use or disclose PHI for Fundraising and/or Marketing purposes, except with prior written consent of Covered Entity and in accordance with applicable Privacy Laws.

5. Covered Entity's Obligations.

5.1 HIPAA Compliance. Covered Entity agrees that it will comply with Privacy Laws, including, but not limited to, using appropriate safeguards to protect the privacy, security, and integrity of electronic PHI and training workforce members on the appropriate use of the Athena Business System.

5.2 Notice of Privacy Practices. Covered Entity is responsible for using the services of Business Associate in accordance with its Notice of Privacy Practices (NPP). Covered Entity will provide a copy of its NPP to Business Associate upon request.

5.3 Restrictions and Revocations. Covered Entity will promptly notify Business Associate in writing of any patient-requested restrictions, changes to, or revocation of, consent and/or authorization to use and/or disclose PHI that may affect Business Associate's ability to perform its obligations under this Agreement or the Franchise Agreement.

5.4 Compliant Requests. Covered Entity will not request or cause Business Associate to make a Use or Disclosure of PH in a manner that does not comply with Privacy Laws.

5.5 Authorizations. Covered Entity will obtain all consents and authorizations necessary and/or required by law for Covered Entity and Business Associate to fulfill their obligations under applicable Privacy Laws and this Agreement.

5.6 Accounting of PHI Disclosures. Covered Entity will include in individual accountings requested under the Privacy Laws, including without limitation, 45 C.F.R. § 164.528, any disclosures by Business Associate, to the extent such disclosures are made.

5.7 Meet and Confer. Upon any suspected or actual Breach, unauthorized disclosure of the PHI or breach of this Agreement, Covered Entity will meet and confer in good faith with Business Associate before notifying affected individuals, government agencies, and/or commencing any legal action.

6. Term and Termination.

6.1 Term. The term of this Agreement will commence upon receipt by Business Associate of any PHI or the date set forth below, whichever is earlier, and will terminate upon discharge of Business Associate's obligations under the Franchise Agreement and this Agreement, including the obligations set forth in Section 6.2 below, and/or performance of the Services.

6.2 Effects of Termination. Covered Entity acknowledges that due to the relationship with Business Associate, it will not be feasible for Business Associate to return or destroy PHI after the termination of the Franchise Agreement. Business Associate will continue extend the protections of this Agreement to PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible or contrary to the Privacy Laws, for so long as Business Associate maintains such PHI.

6.3 Breach. If either party hereto breaches its obligations under this Agreement, the non-breaching party will provide the other with notice and a thirty (30) day period to cure the breach. If the breaching party fails to cure the breach or cure is not possible within thirty (30) days, the non-breaching party may terminate this Agreement immediately upon written notice and without further legal action or declaration.

7. Miscellaneous.

7.1 Entire Agreement. This Agreement and the Franchise Agreement, the consistent terms of which are incorporated herein, constitute the entire agreement between the Parties and supersede all prior negotiations, discussions, representations, or proposals, whether oral or written, unless expressly incorporated herein, related to the subject matter of this Agreement. Unless otherwise expressly provided herein, this Agreement may not be modified unless in writing signed by the duly authorized representatives of the parties.

7.2 Severability. If any provision of this Agreement or part thereof is found to be invalid, the remaining provisions will remain in full force and effect.

7.3 Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking, or condition of this Agreement will not be deemed to be a waiver of such

term, undertaking, or condition. To be effective, a waiver must be in writing, signed and dated by the parties to this Agreement.

7.4 No Third-Party Beneficiaries. Except as otherwise provided in the Privacy Laws or this Agreement, there are no third-party beneficiaries to this Agreement. Business Associate's obligations are to Covered Entity only.

7.5 Successors and Assigns. This Agreement will inure to the benefit of, and be binding upon, the successors and assigns of the parties. However, this Agreement is not assignable by any party without the prior written consent of the other parties.

7.6 Dispute Resolution. If at any time during or after the term of this Agreement either party hereto believes that a dispute exists between them, then the parties agree that they shall follow the Dispute Resolution process outlined in the Franchise Agreement.

7.7 Counterparts. This Agreement may be executed in counterparts, by manual, electronic, or facsimile signature, each of which will be deemed an original and all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF the undersigned duly authorized representatives of the parties hereby execute this Business Associate Agreement as of _____.

COVERED ENTITY:	**BUSINESS ASSOCIATE:**
_____	**BrightStar Franchising, LLC**
By: _____	By: _____
Name: _____	Name: _____
Its:_____	Its: _____
By: _____	
Name: _____	
Its:_____	

EXHIBIT N

CALL OPTION

1. **Acquired Interests**. In addition to, but not in lieu or limitation of, all of BrightStar Franchising, LLC's ("we," "us," or "our") other rights and remedies set forth in the BrightStar Care Agency Franchise Agreement, to which this Exhibit N is attached (the "Franchise Agreement"), made by and between us and _____, the undersigned Franchisee ("you" or "your"), we have the option (the "Call Option") in the circumstances set forth in Section 2 below to purchase from you and your owners, including your Control Person, and upon our exercise of the Call Option you and/or your owners shall sell to us, all "Acquired Assets" of your BrightStar Care Agency operated pursuant to the Franchise Agreement (the "Call Option Agency"), which term is defined to mean the assets described in Exhibit B of the template Asset Purchase Agreement ("APA") attached as Attachment 1 to this Call Option Exhibit.

For ease of reference in this Exhibit N, the "Option Parties" shall refer collectively to you and all Owners and, when applicable, your affiliates. Further, the Call Option Agency and any Other BrightStar Care Agencies that we allow to participate in this Call Option process (in accordance with Section 10) may be referred to individually as a "Purchased Agency" and collectively as the "Purchased Agencies."

We have the unrestricted right upon notice to, but without the required consent of, the Option Parties to assign this Call Option to any other person or entity, which then will have all of the rights described in this Call Option. (All references in this Call Option to "we" or "us" are deemed to include our assignee if we assign this Call Option.)

The Option Parties agree to take all steps we reasonably require to ensure that the obligations under this Exhibit N are binding on their respective affiliates and all Owners.

2. **Call Option Triggers**. We have the right to exercise the Call Option by giving you an option exercise notice (the "Option Exercise Notice"), within the timeframe specified in Section 14.3 of the Franchise Agreement, in either of the circumstances specified in Section 14.3 of the Franchise Agreement.

By signing the Franchise Agreement, including this Call Option Exhibit, you agree that, if we give you the Option Exercise Notice in either of the circumstances specified in Section 14.3 of the Franchise Agreement, that Option Exercise Notice will confirm (a) our willingness to forbear from enforcing the expiration or termination (as applicable) of the Franchise Agreement—which expiration or termination will not otherwise be reversed, repealed, or otherwise made ineffective—for the sole purpose of allowing the Call Option process to continue in accordance with this Call Option Exhibit and (b) the Option Parties' obligation to comply with the Call Option process in accordance with this Call Option Exhibit.

However, if the Call Option process ends (for any or no reason) before the "Hard Close" (as defined below)—including, without limitation, if we rescind our exercise of the Call Option in accordance with Section 9—then our forbearance from enforcing the expiration or termination (as applicable) of the Franchise Agreement will end concurrently with the end of the Call Option process, without further notice from or action by us, at which time you and your Owners must immediately comply with all post-expiration or post-termination (as applicable) obligations specified in the Franchise Agreement (including, without limitation, those specified in Sections 11.4 and 14.1).

3. **Delivery of Option Exercise Notice**. The date on which you receive the Option Exercise Notice is called the "Option Notice Date." Beginning immediately upon the Option Notice Date and continuing until the Hard Close, the Option Parties will continue to operate the Call Option Agency in the ordinary course of business in accordance with the Franchise Agreement, and comply with all other requirements in Section 8 of this Call Option, and no further actions related to the exercise of the Call Option will take place except as set forth in this Call Option Exhibit. At all times after the Option Notice Date and continuing until the Hard Close, the Option Parties shall give us and our authorized representatives full access to the Franchised Business and all Option Parties' books and records related to the Franchised Business consistent with our rights under the Franchise Agreement.

4. **Execution of APA**. Within sixty (60) days after the determination of the Call Option Price in accordance with Section 5, we and the Option Parties shall conduct a "soft close" of the sale to us of the Acquired Assets of the Purchased Agency (or Agencies) by, among other things:

(a) executing the APA, which, together with all related exhibits and transaction documents (collectively, the "Transaction Documents"), shall first be modified as reasonably necessary to reflect, among other things, the specifics of each Purchased Agency and its operation, the Acquired Assets, the Excluded Assets, the Assumed Liabilities, and the Excluded Liabilities (as such terms are defined in the APA); and

(b) taking all other action that customarily occurs in connection with the "soft close" of the sale of a BrightStar Care Agency, as we reasonably determine.

Except as otherwise expressly provided in this Call Option Exhibit, the executed APA (as modified for the transaction between us and the Option Parties) and the other Transaction Documents will govern all substantive and procedural aspects of our acquisition of the Acquired Assets from the Option Parties.

5. **Call Option Price**.

(a) The purchase price payable to the Option Parties at the Closing (as defined in the APA, which is customarily referred to in the BrightStar Care Agency franchise system and in this Call Option Exhibit as the "Hard Close") of our purchase of the

Acquired Assets following our exercise of the Call Option (the "Call Option Price") shall, except as provided below, be the product of:

(1) the Agency's Adjusted EBITDA (defined below); multiplied by

(2) the following applicable multiple, which will depend on the Annualized T6M Revenue (defined below) of the Purchased Agency or Purchased Agencies (as applicable):

Annualized T6M Revenue	Multiple
$0 - $2,500,000	3.00x
$2,500,001 - $4,000,000	3.25x
$4,000,001 - $5,000,000	3.50x
$5,000,001 - $6,000,000	3.75x
$6,000,001 - $10,000,000	4.00x
$10,000,001 - $15,000,000	4.25x
$15,000,001 - $20,000,000	4.50x
$20,000,001 - $30,000,000	5.00x
$30,000,001 - $40,000,000	5.50x
$40,000,001 - $50,000,000	6.00x
$50,000,001 - $60,000,000	6.50x
$60,000,001 or greater	7.00x

For purposes of this Section 5:

- "Annualized T6M Revenue" means the product of (A) two multiplied by (B) billed Agency Sales within ABS, fully expected to be collectible and including Contractual Allowances/Voids/Rebills, during the 26 full-week period ending on the Sunday immediately preceding the Option Notice Date (with a "week" running from Monday through Sunday).

- "Adjusted EBITDA" means the product of (A) two multiplied by (B) the Purchased Agency's (or Agencies') EBITDA (i.e., net income before interest, taxes, depreciation and amortization) during the six full calendar-month period preceding the Option Notice Date (the "Measurement Period"), plus adjustments for (1) nonrecurring related revenue or expense activities, (2) profit attributed to one-time or short-term business opportunities resulting from National Account participation or local contracts where business is not expected to continue for longer than twelve (12) months (short-term staffing that is other than COVID-specific staffing will not be used as an adjustment unless it represents more than 20% of the Annualized T6M Revenue of the Purchased Agency (or Agencies)), (3) add-backs for owner discretionary expenses and compensation that will not continue offset by fair-market replacement cost for the owner's day-to-day participation, (4) client price adjustments that have not been fully reflected

in trailing results, (5) business expense activities that are not fully reflected in trailing results, and (6) expenses that would have been incurred had the Purchased Agency (or Agencies) been in full compliance with the Franchise Agreement prior to our exercise of the Call Option (which may include, without limitation, those expenses set forth in Item 7 of the Franchise Disclosure Document—which include, among other things, expenditures for leased space for the Purchased Agency (or Agencies) and expenses related to the employment of a Director of Nursing, an Operations Manager/branch manager, and a salesperson—to the extent such expenses were not incurred but should have been incurred to maintain compliance with the Franchise Agreement).

Notwithstanding anything herein to the contrary, if

(A) the Call Option Agency is the only BrightStar Care Agency owned by you and your affiliates; or

(B) you and your affiliates own one or more Other BrightStar Care Agencies and you request that we include in the Call Option process, and purchase from you and, if applicable, your affiliates, the Acquired Assets of such Other BrightStar Care Agencies (as contemplated in Section 10), and we accept such request;

then the Call Option Price will be, at a minimum, an amount which results in the cash paid at the Hard Close under the APA (net of any escrowed amounts) being (i) equal to or more than the amount paid by you (and, if applicable, your affiliates) for the Purchased Agency (or Agencies), if such Purchased Agency was (or such Purchased Agencies, if applicable, were) acquired by you as part of a resale transaction, and (ii) sufficient to pay off in full and discharge any loans held by you (and, if applicable, your affiliates) with respect to the Purchased Agency (or Agencies) that are guaranteed by the United States Small Business Administration.

For purposes of clause (i) above, if the Purchased Agency was (or the Purchased Agencies, if applicable, were) acquired by you as part of a resale transaction, and such resale transaction involved one or more other BrightStar Care Agencies that you or your affiliates later sold (each, a "Divested Agency"), then the amount paid by you (and, if applicable, your affiliates) for the Purchased Agency (or Agencies) in connection with such resale transaction will be determined by deducting the purchase price paid to you or your affiliates for the Divested Agencies from the total purchase price of such resale transaction.

Attachment 2 to this Call Option Exhibit includes illustrative examples of the calculation of the Call Option Price under this Section 5(a) in various hypothetical scenarios.

(b) If there is more than one Purchased Agency, the Call Option Price will be calculated, based on the formula described in (a) above, to include the value in the aggregate of all such Purchased Agencies (the "Enterprise Value").

(c) The Option Parties shall close the books of account for the Measurement Period and provide us with copies of unaudited statements of profit and loss and balance sheets for the Measurement Period (along with such workpapers and supporting documentation as we may request) within thirty (30) days following the end of the Measurement Period. We will then provide you with written notice setting forth our calculation of the Call Option Price in accordance with Section 5(a) ("Call Option Price Notice") within thirty (30) days following our receipt of such financial information.

(d) (1) If the Option Parties disagree with our calculation of the Call Option Price, they must provide us with written notice of such objection ("Notice of Objection") within fifteen (15) days following receipt of the Call Option Price Notice. If the Option Parties do not deliver a Notice of Objection to us within fifteen (15) days following receipt of the Call Option Price Notice, then the Call Option Price set forth in the Call Option Price Notice will be final.

(2) If the Option Parties timely deliver a Notice of Objection, they agree to negotiate with us in good faith during the immediately-succeeding fifteen (15) days to determine the Call Option Price ("Call Option Price Negotiation Period").

(3) If we and the Option Parties cannot agree on the Call Option Price during the Call Option Price Negotiation Period, the Call Option Price will be calculated as set forth above in Section 5(a), except that "Adjusted EBITDA" for purposes thereof, and the Call Option Price resulting therefrom (and from the application of the other provisions of Section 5(a)), will be determined as follows:

(i) The Option Parties will select an Accounting Firm (as defined below), subject to our approval (which will not be unreasonably withheld, conditioned, or delayed), within fifteen (15) days after expiration of the Call Option Price Negotiation Period to determine the Adjusted EBITDA and the Call Option Price resulting therefrom (and from the application of the other provisions of Section 5(a)). Subject to Section 9, the fees and expenses of the Accounting Firm will be shared 50% by us and 50% by the Option Parties.

(ii) We and the Option Parties must send the Accounting Firm any details and supporting documents the Accounting Firm requests within ten (10) days after receiving such request from the Accounting Firm.

(iii) In determining the Adjusted EBITDA, the Accounting Firm shall be bound to apply the definition of Adjusted EBITDA set forth in Section 5(a) above, including the adjustments contemplated therein, and shall otherwise determine Adjusted EBITDA in the same manner as it would customarily perform a "quality of earnings" analysis for a franchised healthcare/homecare business of a similar size as the Purchased Agency (or Agencies). Further, to the extent that the Option Parties own one or more BrightStar Care Agencies that are not included in the Call Option process ("Excluded Agencies"), and any costs and expenses are shared between the Purchased Agency (or Agencies) and such Excluded Agencies, the Accounting Firm shall allocate such shared costs and expenses between the Purchased Agency (or Agencies) and such Excluded Agencies on a pro rata basis based upon the Purchased Agency's (or Agencies') Annualized T6M Revenue compared to the Annualized T6M Revenue of all BrightStar Care Agencies owned by the Option Parties.

(iv) The Accounting Firm must complete its determination of the Adjusted EBITDA and the Call Option Price resulting therefrom (and from the application of the other provisions of Section 5(a)) within forty-five (45) days following the end of the Call Option Price Negotiation Period.

For the avoidance of doubt, if an Accounting Firm is engaged in accordance with this Section 5(d)(3), then the Call Option Price calculated by the Accounting Firm in accordance with its determination of Adjusted EBITDA and its application of the other provisions of Section 5(a) will be the Call Option Price, notwithstanding the other provisions of this Section 5. Further, if an Accounting Firm is engaged in accordance with this Section 5(d)(3) and there is more than one Purchased Agency, the Accounting Firm shall calculate the Adjusted EBITDA of all such Purchased Agencies and shall determine the Enterprise Value in accordance therewith (taking into account the other provisions of Section 5(a) above).

For purposes of this Section 5(d)(3), "Accounting Firm" means an independent, nationally-recognized accounting firm with expertise in performing quality of earnings analyses of homecare businesses and whose fees for conducting the calculations contemplated herein are on a flat hourly or project basis and are not in any way tied to the determination of Adjusted EBITDA or the Call Option Price.

Attachment 2 to this Call Option Exhibit includes an illustrative example of the process to be followed to calculate the Call Option Price under this Section 5(d) in a hypothetical scenario in which you disagree with our calculation of the Call Option Price under Section 5(a) and are allowed by us to have one or more

additional BrightStar Care Agencies that you and your affiliates own participate in the Call Option process in addition to the Call Option Agency.

(e) The Option Parties will be entitled to collect and retain all Pre-Closing Receivables, as defined and provided in the APA. The Call Option Price will be paid in cash at the Hard Close, (1) subject to an amount up to fifteen percent (15%) of the Call Option Price being deposited into and held in escrow for a period of six (6) months following the Hard Close (with ten percent (10%) of the Call Option Price released at the three (3)-month anniversary of the Hard Close and the remaining five percent (5%) released at the six (6)-month anniversary of the Hard Close) to satisfy the Option Parties' indemnification obligations specified in the APA, and (2) minus the other deductions permitted in the APA.

6. **Closing Date**. The Hard Close of the sale to us of the Acquired Assets shall occur on or before the date specified in the APA (unless we otherwise agree), and in all cases is subject to the satisfaction of all conditions precedent to closing set forth in the APA, including, without limitation, our having received all Licenses (defined in the APA) enabling us to operate the Purchased Agency (or Agencies) in the same manner as you operated the Purchased Agency (or Agencies) before the Hard Close. At the Hard Close, we are entitled to receive all agreements, covenants, representations and warranties, closing documents, and post-closing indemnifications we reasonably require, with all sales, business, value-added, and other transfer taxes paid by the seller, such deliverables to include, without limitation, instruments transferring to us good and merchantable title to the Acquired Assets, free and clear of all liens and encumbrances. The Option Parties shall take all further action that is necessary or desirable (in our sole judgment) to consummate and make effective, in the most expeditious manner practicable, the sale to us of the Acquired Assets free and clear of all liens and encumbrances.

7. **Enforcement of Call Option**. You and your Owners acknowledge and agree that, notwithstanding anything to the contrary in the Franchise Agreement, we have the right to enforce this Call Option against you and your Owners by seeking injunctive relief or an order for specific performance from an arbitrator or a court. The mediation provision in Section 15.2 of the Franchise Agreement shall not apply to our efforts to enforce this Call Option.

8. **Receipt of Option Exercise Notice**. Upon the Option Notice Date and until the Hard Close, the Option Parties shall:

(a) continue operating the Purchased Agency (or Agencies), or cause the Purchased Agency (or Agencies) to be operated, in full compliance with the applicable Franchise Agreement(s) and in the ordinary course of business, without regard to the circumstances under Section 14.3 of the Franchise Agreement that triggered our right to exercise the Call Option;

(b) not sell any of the Acquired Assets in one transaction or in a related series of transactions, other than in the ordinary course of the Purchased Agency's (or Agencies') business;

(c) not initiate any proposed Transfer under Section 12 of the Franchise Agreement for any Purchased Agency, which Transfer (with respect to the Call Option Agency) is prohibited in light of the expiration or termination of the Franchise Agreement;

(d) not permit the Purchased Agency (or Agencies) to create, incur, or assume any additional debt other than in the ordinary course of the Purchased Agency's (or Agencies') business;

(e) cause the Purchased Agency (or Agencies) to pay or otherwise satisfy (unless being contested in good faith and subject to any applicable grace period) all other indebtedness and liabilities (including taxes and trade payables) when the same shall become due and consistent with past practice;

(f) not take any action to liquidate the Purchased Agency (or Agencies), make any general assignment for the benefit of the Purchased Agency's (or Agencies') creditors, voluntarily file or consent to the involuntary filing under the United States Bankruptcy Code, or commence any proceeding for the appointment of a receiver; and

(g) remain subject to the terms of the Franchise Agreement.

9. **Right to Rescind Exercise of Call Option**. We have the right to rescind our exercise of the Call Option at any time—and for any reason or no reason—after the Option Notice Date and before our and the Option Parties' full execution of the APA. Further, we have the right to rescind our exercise of the Call Option at any time after the Parties' full execution of the APA and before the Closing (as defined in the APA) if we terminate the APA in accordance with its terms.

If we rescind our exercise of the Call Option as contemplated herein, you and your Owners must immediately comply with all post-expiration or post-termination (as applicable) obligations specified in the Franchise Agreement (including, without limitation, those specified in Sections 11.4 and 14.1). Further, if we rescind our exercise of the Call Option after an Accounting Firm has been engaged in accordance with Section 5(d)(3), we will bear responsibility for 100% of the fees and expenses of the Accounting Firm.

10. **Request for Participation in Call Option Process**. If we exercise the Call Option with respect to the Call Option Agency, you will have the option to request that we include in the Call Option process, and purchase from you and, if applicable, your affiliates, the Acquired Assets of all of the other BrightStar Care Agencies that you and your affiliates then own and operate under separate franchise agreements with us (the "Other BrightStar Care Agencies"). You must submit your request to us in the manner and by the deadline we specify when we send you our Option Exercise Notice. We have the right, but no obligation, to accept your request. If we do accept your request for such Other BrightStar Care Agencies, the Call Option process for such Other BrightStar Care Agencies will follow the same process and be subject to the same terms provided in this Call Option.

We have the right to require that the sale of the Acquired Assets of such Other BrightStar Care Agencies be governed either by the same APA and other Transaction Documents to be executed for the sale of the Call Option Agency or by a separate Asset Purchase Agreement and transaction documents, although in the latter circumstances (a) the documents will be identical in form to the APA and other Transaction Documents, subject only to modifications necessary to reflect information and materials specific to the Other BrightStar Care Agencies whose Acquired Assets we are acquiring, and (b) the Call Option Price shall equal the Enterprise Value, minus the deductions permitted in the APA. In all cases, the Hard Close with respect to all Purchased Agencies shall occur on the same date. (If we agree to include in the Call Option process the Other BrightStar Care Agencies, the franchise agreements for such Other BrightStar Care Agencies (other than the Call Option Agency's Franchise Agreement) will be deemed effectively terminated automatically and concurrently with the effectiveness of the Hard Close.)

11. **Further Assurances**. From time to time after the Option Notice Date and until the Hard Close, the Option Parties shall take and cause their affiliates and others under their direction or control to take such further action as we reasonably request to more effectively transfer to and vest in us, and to put us in possession of, the Acquired Assets, including, without limitation, completing filings with governmental authorities, processing change of ownership or information documentation, and preparing financial information, tax returns, or cost reports.

12. **Miscellaneous**. All initial-capitalized terms used but not defined in this Exhibit N will have the meanings set forth in the Franchise Agreement.

FRANCHISOR:
BRIGHTSTAR FRANCHISING, LLC

By:_____
Name:_____
Title: _____
Date:_____

FRANCHISEE (YOU):

_____

By:_____
Name:_____
Title:_____
Date:_____

By:_____
Name:_____
Title:_____
Date:_____

By:_____
Name:_____
Title:_____
Date:_____

By:_____
Name:_____
Title:_____
Date:_____

FRANCHISEE OWNERS:

_____	_____
(signature / date)	(signature / date)
_____	_____
Print Name, Individually	Print Name, Individually
_____	_____
Address	Address
_____	_____
City State Zip Code	City State Zip Code
_____	_____
Telephone	Telephone

ATTACHMENT 1 TO EXHIBIT N

ASSET PURCHASE AGREEMENT

by and among

[BRIGHTSTAR [_____] OPERATIONS, LLC]
(Buyer)

****

[_____]
(Seller)

****

[_____]
(Owner)

****

[_____], 20[__]

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "***Agreement***") is made and entered into as of [_____], 20[__] (the "***Signing Date***"), by and among: [BrightStar [_____] Operations, LLC], a [Delaware] limited liability company ("***Buyer***"); [_____], a [_____] [_____] doing business as "BrightStar Care of [_____]" and "BrightStar Care of [_____]"[1] ("***Seller***"); and [_____], an [individual residing in the State of [_____]] ("***Owner***").[2] Buyer, Seller, and Owner are each also sometimes referred to in this Agreement individually as a "***Party***" and collectively as the "***Parties***."

R E C I T A L S

WHEREAS, Buyer and certain of its Affiliates (as defined in **Exhibit A**) and franchisees are in the business of furnishing home health, personal care, and other home care services throughout the United States;

WHEREAS, Seller is engaged in the business of providing (a) supplemental healthcare staff to institutional clients, such as hospitals, Medicare agencies, hospice agencies, assisted-living centers, nursing homes, clinics, and schools; (b) comprehensive care, including medical and non-medical services, to Private-Duty Clients (as defined in **Exhibit A**) within their home; and (c) case management and care management services, in each case in the State(s) of [_____] by and through the following home care agencies (each, an "***Acquired Agency***" and together, the "***Acquired Agencies***") pursuant to BrightStar Franchising, LLC Agency Franchise Agreements with BrightStar Franchising, LLC, an Illinois limited liability company ("***BrightStar Franchising***"), each dated as set forth below (the "***Franchise Agreements***"):

Agency	**Date of Franchise Agreement**
[_____]	[_____]
[_____]	[_____]

WHEREAS, Buyer and Seller wish to enter into this Agreement in order to set forth the definitive terms and conditions upon which Buyer will purchase from Seller, and Seller will sell the Acquired Agencies and Acquired Assets (as defined in **Exhibit B**) to Buyer;

WHEREAS, Owner is the direct record legal and beneficial owner and holder of 100% of the issued and outstanding [membership interests] of Seller;

WHEREAS, Owner wishes to enter into this Agreement as a further inducement for Buyer to enter into this Agreement and for the purpose of making certain representations, warranties, covenants, agreements, guarantees, and indemnifications in this Agreement and the other Transaction Documents (as defined in **Exhibit A**); and

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[1] [Note to Draft: To list Seller's legal name(s) and all D/B/A names under which Seller or the Acquired Agencies operate.]

[2] [Note to Draft: "Owner" or "Owners" will include all direct and indirect owners of Seller.]

WHEREAS, subject to **Section 17** of this Agreement, the satisfaction or waiver of the conditions in **Section 11** of this Agreement, and the compliance with the other provisions of this Agreement, the Closing (as defined below) will take place on the first Monday following Buyer's receipt of the Licenses (as defined in **Exhibit A**) that enable Buyer to operate the Acquired Agencies in the same manner as Seller prior to the Closing.

NOW, **THEREFORE**, in consideration of the mutual promises, covenants, agreements, undertakings, obligations and conditions hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties, intending to be legally bound, agree as follows:

1. DEFINITIONS. As used in this Agreement, capitalized terms and variations thereof have the meanings ascribed in **Exhibit A** (unless otherwise specifically defined or the context clearly requires otherwise). Other terms may be defined elsewhere in this Agreement and have the meanings so ascribed.

2. ACQUIRED ASSETS. Upon the terms and subject to the conditions in this Agreement, on the Closing Date, Seller shall sell, transfer, assign, and deliver to Buyer, free and clear of Liens, and Buyer shall purchase, accept, assume, and receive from Seller, all right, title, and interest in and to the Acquired Assets (as defined in **Exhibit B**). Seller will hold in trust for the benefit of Buyer any Acquired Assets which cannot be transferred on the Closing Date until such time as the transfer is completed to Buyer's satisfaction, in its discretion.

3. ASSUMED LIABILITIES. Upon the terms and subject to the conditions in this Agreement, Buyer will assume, become responsible for, and obligated to pay, perform, and discharge when due only the Assumed Liabilities (as defined in **Exhibit C**) as they exist on the Closing Date. Except for the Assumed Liabilities, (a) Buyer will not assume, become responsible for, or otherwise be obligated to pay, perform, or discharge any Liabilities of Seller or the Acquired Agencies, and (b) Seller will be solely responsible for the timely payment and satisfaction of all Liabilities of Seller and the Acquired Agencies.

4. PAYMENTS.

(a) Purchase Price.

(i) Deposit. On the Signing Date, Buyer will deliver to and deposit the amount of [5% of Purchase Price] (the "***Deposit***") with Fifth Third Bank, National Association (the "***Escrow Agent***") by wire transfer of immediately available funds, to be held and disbursed in accordance with the Deposit Escrow Agreement by and among Buyer, Seller, and Escrow Agent dated as of the date hereof (the "***Deposit Escrow Agreement***"). In the event this Agreement is terminated pursuant to Section 17(a)(i), (ii), or (iv) of this Agreement, the Deposit shall be fully refunded to Buyer. In the event this Agreement is terminated pursuant to Section 17(a)(iii) of this Agreement, the Deposit shall be disbursed to Seller.

(ii) Closing Date Cash Payment. On the Closing Date, Buyer will pay to Seller, by wire transfer of immediately available funds to the account designated by Seller, an amount equal to the sum of: (i) [$XXXX], minus (ii) the Deposit, minus (iii) the Indemnification Escrow Amount, minus (iv) the Closing Date Indebtedness, plus (v) the dollar amount equal to the sum of all Proration Items described in clause (a) of the definition of the "Proration Items" and listed on **Schedule 6**, minus (vi) the dollar amount equal to the sum of all Proration Items described in clause (b) of the definition of the "Proration Items" and listed on **Schedule 6**.

(iii) **Indemnification Escrow Amount**. On the Closing Date, Buyer will deliver to and deposit the amount of [10% of the Purchase Price] (the "***Indemnification Escrow Amount***") with Escrow Agent by wire transfer of immediately available funds, to be held for a period of 18 months following the Closing Date and disbursed in accordance with an Indemnification Escrow Agreement to be entered into by and among Buyer, Seller, and Escrow Agent on the Closing Date, in a form reasonably satisfactory to Buyer (the "***Indemnification Escrow Agreement***").

(b) **Closing Date Indebtedness**. On behalf of Seller, Buyer will pay the creditors of Seller to which any Closing Date Indebtedness is owed the amount set forth on **Schedule 4(c)** due to such Person as of the Closing Date.

5. CLOSING DATE; PURCHASE PRICE ALLOCATION.

(a) **Closing Date**. Subject to **Section 17**, the satisfaction or waiver of the conditions in **Section 11**, and compliance with the other provisions of this Agreement, the closing and consummation of the Transaction (the "***Closing***") will take place on the first Monday following Buyer's receipt of the Licenses that enable Buyer to operate the Acquired Agencies in the same manner as Seller prior to the Closing. The Closing will be effectuated with the Parties exchanging signature pages to the Transaction Documents via email delivery, with originals sent by overnight delivery, to the Parties at their addresses in **Section 18**. The Closing will be effective for Tax, accounting, and other purposes at the Effective Time. The date that the Closing occurs under this Agreement will be referred to herein as the "***Closing Date***".

(b) **Purchase Price Allocation**. The Purchase Price, Assumed Liabilities, and other relevant items or adjustments will be allocated among the Acquired Assets in accordance with **Schedule 5(b)**. The Parties agree that the allocation of the Purchase Price on **Schedule 5(b)** will be controlling for Tax purposes and will be utilized by each Party in preparing IRS Form 8594. The Parties will not take a position that is inconsistent with such allocation in any communications with the IRS or on any Tax Returns.

(c) **Payment of Expenses for Transfer of Acquired Assets**. Buyer, on the one hand, and Seller and Owner, jointly and severally on the other hand, will each be responsible for and will pay one-half of applicable transfer, documentary, sales, use, stamp, recordation, registration, and other such taxes, if any, incurred in connection with this Agreement and the other Transaction Documents. Seller and Owner, jointly and severally, will be responsible for and pay all other Taxes, filing fees, and expenses associated with the transfer of the Acquired Assets and the Acquired Agencies as described in this Agreement, including, without limitation, any (i) income taxes assessed against Seller or Owner as a result of such transfer, and (ii) any filing fees or expenses incurred or required due to actions taken before the Closing Date.

(d) **Negotiated Value**. The Parties agree that the Purchase Price reflects the agreed fair market value of the Acquired Assets and the Acquired Agencies. The Parties agree that no consideration or anything else of value given or received under this Agreement or any other agreement between the Parties is or will be paid for the value of any patient referrals (direct or indirect) to or from Buyer, Seller, or any of their respective Affiliates.

(e) **Withholding Taxes**. Buyer will be entitled to deduct and withhold from any payments due to (or paid on behalf of) Seller and Owner under this Agreement such amounts as Buyer is required to deduct and withhold with respect to the making of such payment under the Code. To the extent that amounts are withheld by Buyer and appropriately remitted to the applicable governmental authority, such withheld amounts will be treated as paid to Seller for purposes of this Agreement.

6. RECONCILIATION OF PRORATION ITEMS. **Schedule 6** sets forth Seller's best good faith estimate as of the Closing Date of the following Liabilities (the "***Proration Items***"):

(a) those Liabilities that properly relate to the period on or after the Closing Date, but that have been paid by Seller or Owner before the Closing Date; or

(b) those Liabilities that properly relate to the period before the Closing Date, but that will be paid by Buyer on or after the Closing Date;

in each case of clause (a) or (b), including, without limitation, advance payments and other prepaid items, current trade, account, and other payables of Seller. At the end of each Reconciliation Cycle, Buyer and Seller will meet, discuss, and attempt to resolve any Proration Items not listed on **Schedule 6**, with (i) Buyer to pay and reimburse Seller for the Proration Items described in clause (a) of the definition of "Proration Items," and (ii) Seller and Owner, jointly and severally, to pay and reimburse Buyer for the Proration Items described in clause (b) of the definition of "Proration Items." Buyer and Seller agree that all Proration Items will be included in the reconciliation process under this **Section 6** if known at the end of a Reconciliation Cycle, and if not known at the end of the Final Reconciliation Cycle, then will be paid and reimbursed by Seller and Owner, jointly and severally, to Buyer or by Buyer to Seller (as applicable) when requested following the Final Reconciliation Cycle.

7. RECONCILIATION OF PRE-CLOSING RECEIVABLES.

(a) Collection. During each Reconciliation Cycle, Buyer will collect the Pre-Closing Receivables and, subject to Buyer's prior receipt of true, complete, and correct documentation from Seller and Owner, Buyer will timely file, submit, or obtain all such reports, billings, and documents required to be filed, submitted, or obtained on the Pre-Closing Receivables. In so doing, Buyer will not settle, extend, or otherwise materially change the payment terms of the Pre-Closing Receivables without Seller's consent, which will not be unreasonably delayed or withheld. Notwithstanding the foregoing, Buyer does not guarantee the collection of the Pre-Closing Receivables and will not be obligated to incur any costs or expenses different or in addition to those that could reasonably be expected to be incurred in the ordinary course of business in filing, submitting, and obtaining the reports, billings, and documents of the Acquired Agencies for services furnished on and after the Closing Date. If Seller or Owner receives collections on any Pre-Closing Receivables following the Closing Date, Seller or Owner (as applicable) will forward such collections to Buyer within five Business Days of receipt for purposes of reconciliation in accordance with this **Section 7**.

(b) Reconciliation. On the first Business Day after the end of each Reconciliation Cycle, Buyer will perform a reconciliation of the collections on the Pre-Closing Receivables and any Payment Adjustments during such Reconciliation Cycle. The reconciliations under this **Section 7** will be performed on the basis of specific dates of service. Buyer will follow the allocation methodologies and the payment mechanisms described in this **Section 7** in performing all the reconciliations. During each Reconciliation Cycle, Buyer will maintain a Reconciliation Statement. Buyer will have 15 Business Days after the last day of each Reconciliation Cycle to deliver the Reconciliation Statement to Seller. Seller will then have 10 Business Days after its receipt of the Reconciliation Statement to provide written notice to Buyer of any items included on the Reconciliation Statement with which Seller disagrees (a "***Dispute Notice***"). If Seller does not deliver a Dispute Notice within such 10 Business Day period, then the Reconciliation Statement will be deemed final and binding on the Parties. If Seller does deliver a Dispute Notice within such 10 Business Day period, then Buyer and Seller shall negotiate in good faith to resolve any disputed items therein.

(c) **Allocation**. During each Reconciliation Cycle, whether collections on the Pre-Closing Receivables or other accounts receivable are received by Buyer, Seller, or Owner, (i) Seller will be allocated and entitled to collections on the Pre-Closing Receivables, and (ii) Buyer will be allocated and entitled to collections on accounts receivable arising or generated on or after the Closing Date, without any claim from Seller or Owner. Any Payment Adjustments made during any Reconciliation Cycle with respect to collections on the Pre-Closing Receivables may be allocated against Seller as part of the reconciliation process under this **Section 7**.

(d) **Payment of Proration Items and Pre-Closing Receivables**. The amounts owed by one Party to another under **Section 6** and this **Section 7** will be paid within 10 Business Days following Buyer's delivery of a Reconciliation Statement under **Section 7(b)**; *provided, however*, that Buyer will not be required to pay any amount owed to Seller unless and until the aggregate amount owed by Buyer to Seller (taking into account applicable Payment Adjustments) exceeds the amount owed by Seller to Buyer. If Seller or Owner receive collections on accounts receivable to which Buyer is entitled under this **Section 7**, Seller or Owner will promptly pay over the collections to Buyer without deduction or set-off.

(e) **Uncollected Pre-Closing Receivables**. Any Pre-Closing Receivables that remain uncollected at the end of the Final Reconciliation Cycle will belong to Buyer, without any claim from Seller or Owner.

8. **REPRESENTATIONS AND WARRANTIES BY SELLER AND OWNER**. To induce Buyer to enter into and perform this Agreement, Seller and Owner, jointly and severally, represent and warrant to Buyer that the following statements in this **Section 8** are true, complete, and correct on the Signing Date and will be true, complete, and correct on the Closing Date:

(a) **Organization and Good Standing**. Seller is a [_____] duly formed, validly existing, and in good standing under the laws of the State of [_____], with all requisite power and authority to own and operate its properties and assets and to carry on its businesses. Seller is in good standing in each jurisdiction in which it conducts business. Seller has delivered to Buyer true, complete, and correct copies of its articles of organization and operating agreement (or equivalent organizational or governing documents). Owner legally of record and beneficially owns and holds 100% of the issued and outstanding [membership interests] of Seller, free and clear of Liens. Other than Owner, no Person has any right, title, or interest in or to any [membership interest] or other equity interest of Seller.

(b) **Authorization, Execution and Delivery of Agreement**. Seller and Owner have all requisite power and authority to enter into and perform their respective obligations under the Transaction Documents. This Agreement has been duly executed and delivered by Seller and Owner on the Signing Date, and the other Transaction Documents will be duly executed and delivered by Seller and Owner on the Closing Date, and each of the Transaction Documents once executed and delivered will constitute the valid and binding obligation of Seller and Owner enforceable against each of them in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, and other similar state or federal debt relief laws in effect from time to time and to general principles of equity.

(c) **No Conflicts; Consents and Approvals**. The execution and delivery of this Agreement, on the Signing Date, and the other Transaction Documents, on the Closing Date, and the performance by Seller and Owner of their respective obligations under the Transaction Documents, will not violate or conflict with, constitute a default or breach (either alone or with the giving of notice or the passage of time or both) under, or accelerate or permit the acceleration of the performance required by, any of the

terms or provisions of: (i) Seller's articles of organization or operating agreement (or equivalent organizational or governing documents); (ii) any Contract; (iii) any judgment, award, order, writ, injunction, arbitration decision, or decree to which Seller or Owner is a party or by which Seller or any of its properties, assets, or businesses is bound; or (iv) Applicable Laws. Except as set forth on **Schedule 8(c)**, no Consent or filing with or notice to any Governmental Authority or other Person is required for Seller or Owner to enter into and to perform their respective obligations under the Transaction Documents. There is no pending or threatened action by any Governmental Authority or other Person to take any adverse action relating to any of the Licenses.

(d) **Absence of Adverse Changes.** Since January 1, 20[__]:[3]

(i) There has been no increase in the compensation payable to any employees or independent contractors of Seller, except in the ordinary course of business and consistent with past practices;

(ii) There has been no threatened employee strike, work stoppage, or labor dispute involving Seller; and

(iii) There has not been a Material Adverse Effect.

(e) **Title to Assets**. Except as set forth on **Schedule 8(e)**, as of the Signing Date, Seller has good and marketable title in and to the Equipment and all of its other properties and assets, in all cases, free and clear of Liens. Seller will convey good and marketable title in and to the Acquired Assets, in all cases free and clear of Liens, on the Closing Date. There are no material assets, properties, rights, or written or unwritten contracts, agreements, commitments, leases, or mortgages that are necessary to the ongoing operations of Seller following the Closing that will not be included in the Acquired Assets delivered to Buyer at the Closing.

(f) **Licenses**. All Licenses have been obtained by Seller and the Acquired Agencies, are in good standing, and are listed on **Schedule 8(f)**. There are no Licenses that are material to the ongoing operations of the Acquired Agencies that will not be included in the Acquired Assets delivered to Buyer at the Closing. There is no pending or threatened action by any Governmental Authority or other Person to take adverse action relating to any of the Licenses.

(g) **Condition and Sufficiency of Assets**.

(i) A true, complete, and correct list of the Equipment and all of Seller's other tangible properties and assets (other than inventory and supplies) is attached as **Schedule 8(g)(i)**. The Acquired Assets constitute all the tangible and intangible rights, assets, and properties necessary to conduct the businesses and operations of the Acquired Agencies as conducted during the periods covered by the Financial Statements. The Equipment is in good working order and operating condition and repair, normal wear and tear excepted, free from material defects, and usable in conducting the businesses and operations of the Acquired Agencies by Buyer immediately after the Closing in the same manner as used in conducting the business and operation of the Acquired Agencies before the Closing.

[3] [Note to Draft: To be the year immediately preceding the year in which the Signing Date occurs.]

(ii) **Schedule 8(g)(ii)** contains an accurate and complete list of the social media accounts used in connection with the operation of the Acquired Agencies (whether owned by Seller or Owner).

(h) **Contracts; Consents to Assignment**. **Schedule 8(h)** is a true, complete, and correct list of the Contracts. True, complete, and correct copies of the original Contracts have been delivered to Buyer. Each Assigned Contract is a valid and binding agreement of Seller and the other party thereto. Neither Seller nor any other party to any of the Assigned Contracts is in default under the terms of an Assigned Contract to which they are a party, nor has any event occurred that (with the passage of time or the giving of notice or both) would constitute a default by Seller or the other party. Except as set forth on **Schedule 8(h)**, no Consent of any party to any Assigned Contract is required for the execution or performance of the Transaction Documents, the consummation of the Transaction, or the assignment of the Assigned Contracts to Buyer. Seller has no written or unwritten contracts, agreements, commitments, leases, or mortgages other than the Contracts.

(i) **Compliance with Law**. Neither Seller nor any Owner has ever violated, and Seller and Owner have always been in compliance with, Applicable Laws in connection with the operation of the Acquired Agencies. Neither Seller nor Owner has ever received any written or unwritten notice or other communication to the effect that, or otherwise been advised that, Seller or Owner have not been in compliance with Applicable Laws or the requirements of applicable Accreditation Bodies, and neither Seller nor Owner has any reason to anticipate that any facts or circumstances are likely to result in a violation of or failure to comply with Applicable Laws or the requirements of applicable Accreditation Bodies.

(j) **Timely Filing**. Seller has timely filed, submitted, or obtained in the ordinary course of business all reports, billings, and documents required to be filed, submitted, or obtained for home health services or personal care services furnished by it before the Closing Date under any Payor Programs. All such reports, billings, and documents that have been filed, submitted, or obtained by Seller were true, complete, and correct in all material respects when filed, submitted, or obtained.

(k) **Financial Statements**. The Financial Statements are attached as **Schedule 8(k)**. The Financial Statements accurately reflect and fairly present in accordance with the Accounting Principles and Applicable Laws the financial condition and results of operations of Seller as of the dates and for the periods indicated in the Financial Statements. The Financial Statements make full provision for all established, deferred, and contingent Liabilities of Seller.

(l) **Undisclosed Liabilities**. Seller has no Liabilities that are of a type or nature required to be disclosed in the Financial Statements, except for (i) Liabilities reflected and fully reserved against in the Financial Statements, and (ii) Liabilities incurred in the ordinary course of business since the date of the most recent balance sheet of Seller and disclosed in the Financial Statements that are not individually or in the aggregate greater than Three Thousand Dollars ($3,000) or otherwise material to Seller or Buyer.

(m) **Litigation**. Except as set forth on **Schedule 8(m)**, there is no action, suit, claim, inquiry, qui tam action, appeal, arbitration, proceeding, or investigation (whether or not purportedly on behalf of or against Seller) filed, pending, or threatened against or affecting Seller, the Acquired Assets, or the Acquired Agencies by or before any Governmental Authority or any Accreditation Body or relating in any way to a violation or threatened violation of Applicable Laws, or that if resolved in a manner adverse to Seller or the Acquired Agencies, would (or could reasonably be expected to): (i) result in the imposition

of penalties, fines, sanctions, or other losses; (ii) restrict Seller or the Acquired Agencies' ability to conduct businesses following the Closing Date as currently conducted; (iii) exclude Seller, Owner, or the Acquired Agencies from licensure by the Licensing Authority, accreditation by any Accreditation Body, or participation in any Federal Health Care Program; or (iv) result in a Material Adverse Effect. Neither Seller nor the Acquired Agencies are bound by or subject to any judgment, award, order, writ, injunction, arbitration decision, or decree.

(n) **Taxes**. Except as set forth on **Schedule 8(n)**, all Tax Returns have been duly filed by Seller and all Taxes due in connection with the operations of Seller have been paid by Seller or will be timely paid by Seller in accordance with Applicable Laws. Each filed Tax Return was true, complete, and correct in all respects when filed and was prepared in compliance with Applicable Laws. None of the Tax Returns have been audited or adjusted by any Governmental Authority. Seller has not waived any statute of limitation for any Tax applicable to Seller, the Acquired Agencies, or Acquired Assets, and all Taxes that Seller is required by Applicable Laws to withhold or to collect have been duly withheld and collected and have been paid over to the applicable Governmental Authority or segregated and set aside for such payment and, if so segregated and set aside, will be timely paid by Seller as required by Applicable Laws. Neither the IRS nor any other Governmental Authority has asserted or threatened to assert against Seller, the Acquired Agencies, or the Acquired Assets any deficiency or claim for additional Taxes. No Tax is required to be withheld pursuant to Section 1445 of the Code as a result of the Transaction. Buyer will not be obligated to make a payment to any individual that would be a "parachute payment" to a "disqualified individual" (as each term is defined in Section 280G of the Code) as a result of the Transaction.

(o) **Employee Information**.

(i) **Schedule 8(o)** is a true, complete, and correct list of the following information for each employee of Seller and the Acquired Agencies and individual engaged by Seller on an independent contractor basis, including each individual on leave of absence or layoff status as of the Closing Date: name; job title; status as an employee or independent contractor; exempt or non-exempt status; current compensation paid or payable (including any bonuses); accrued PTO (whether vested or unvested); hourly rate at which PTO accrues; the total value of such accrued PTO (whether vested or unvested); service credited for purposes of vesting and eligibility to participate under Seller's pension, retirement, profit-sharing, thrift-savings, deferred compensation, stock bonus, stock option, cash bonus, employee stock ownership (including investment credit or payroll stock ownership), severance pay, insurance, medical, welfare, or vacation plan or the like; and any Employee Benefit Plans to which the employee is a party or otherwise applying to the individual. There is no accrued severance pay Liability, whether current, accrued, or deferred, applicable to any employee of Seller.

(ii) No employee of Seller is a party to, or is otherwise bound by, any agreement or arrangement, including, without limitation, any non-disclosure, non-competition, non-solicitation, or proprietary rights agreement, between such employee and any other Person that in any way adversely affects or will adversely affect the performance of his or her, as the case may be, duties as an employee of Seller or Buyer.

(iii) There is no pending or threatened workers' compensation claim or claim for on-the-job injuries against Seller, including, without limitation, those relating to any termination of employment and any wages and benefits or other Liabilities.

(p) **Employee Benefit Plans**. A true, complete, and correct list of the Employee Benefit Plans is attached as **Schedule 8(p)**. Neither Seller, Owner, nor any of their respective Affiliates

have been liable at any time for contributions to or relating to an Employee Benefit Plan that is subject to Section 412 of the Code, Section 302 of ERISA, or Title IV of ERISA. Neither Seller, Owner, nor any of their respective Affiliates have sponsored or contributed to, or been required to contribute to, a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, or to a multiple employer welfare arrangement, as defined in Section 3(40) of ERISA. All Employee Benefit Plans of Seller and Owner have been operated and administered in compliance in all respects with their terms and Applicable Laws, including the Code. Other than as required under COBRA or similar state laws, no Employee Benefit Plan provides for, and no written or unwritten agreements have been entered into promising or guaranteeing, retiree welfare benefits or other continuation of medical, dental, vision, life, or disability insurance coverage for any current or former employee of the Acquired Agencies beyond termination of employment, and no such coverage has been promised or guaranteed, through an Employee Benefit Plan or other agreement at any time to any individual. All contributions required to be made under the terms of any Employee Benefit Plan have been made, except to the extent such contributions are not yet due. There have been no prohibited transactions, breaches of fiduciary duty, or other breaches or violations of any Applicable Laws relating to the Employee Benefit Plans and related funding arrangements that could subject Buyer or Seller to any liability, and no event has occurred that would reasonably be expected to cause any Employee Benefit Plan to become disqualified for purposes of Section 401(a) of the Code.

(q) **Brokers and Finders**. Neither Seller nor Owner has engaged an investment banker, broker, or finder in connection with the Transaction.

(r) **Insurance**. **Schedule 8(r)** lists the Seller Insurance Policies and their coverage amounts and describes whether the Seller Insurance Policies are "occurrence" or "claims made" policies. There is no claim pending that has been denied or rejected by any insurer under any fire, casualty, liability, or other form of insurance policy maintained by Seller (the "***Seller Insurance Policies***") and there is no loss, claim, or incident covered by any Seller Insurance Policies that has not yet been reported to the applicable insurer. Seller has not received any written or unwritten notice or other communication from an insurer under any Seller Insurance Policies disclaiming coverage or reserving rights with respect to any claim or repudiating any provision of any Seller Insurance Policies.

(s) **COVID Relief Programs**.

(i) **Schedule 8(s)** sets forth all PPP Loans that Seller and its affiliates (as such term is defined by SBA regulations) have received. Seller was eligible for its PPP Loans at the time of application, and truthfully and accurately completed the application for such PPP Loans. Seller correctly determined the maximum loan amount that it was eligible for under Applicable Laws, and the loan documents represent such applied for amount. Each PPP Loan set forth on **Schedule 8(s)** has been fully and finally forgiven by the lender thereof and the SBA as of the Signing Date.

(ii) **Schedule 8(s)** sets forth all other funds or advance payments received by Seller pursuant to any COVID Relief Program. Seller: (A) has met the qualifications to receive such funds; (B) has truthfully and accurately submitted any attestations or applications required for receipt of such funds; (C) is in compliance with all terms and conditions required in order to receive such funds; (D) otherwise met and meets all requirements and qualifications in order to receive, use and retain such funds; and (E) have made available for inspection by Buyer and its representatives true, correct, and complete copies of all documentation related to such funds.

(t) **No Misstatements or Omissions**. None of the documents, certificates, instruments, or information furnished or to be furnished by Seller or Owner to Buyer or any Buyer

Representatives: (i) are or will be false or misleading as to any material fact; or (ii) omit or will omit to state a material fact necessary to make any of the statements therein not misleading. Seller has provided Buyer all requested information as part of Buyer's due diligence investigation of the Transaction, including, without limitation, of Seller, the Acquired Agencies, the Acquired Assets, and the Assumed Liabilities. Seller's responses set forth in the due diligence questionnaire attached hereto as **Schedule 8(t)** are true and correct in all respects.

9. REPRESENTATIONS AND WARRANTIES BY BUYER. To induce Seller and Owner to enter into and perform this Agreement, Buyer represents and warrants to Seller and Owner that the following statements in this **Section 9** are true, complete, and correct on the Signing Date and will be true, complete, and correct on the Closing Date:

(a) Organization and Good Standing. Buyer is a limited liability company duly formed, validly existing, and in good standing under the laws of the State of [Delaware], with all requisite power and authority to own and operate its properties and assets and to carry on its businesses.

(b) Authorization, Execution and Delivery of Agreement. Buyer has all requisite power and authority to enter into and perform its obligations under the Transaction Documents. This Agreement has been duly executed and delivered by Buyer on the Signing Date and the other Transaction Documents will be duly executed and delivered by Buyer on the Closing Date, and each of the Transaction Documents once executed and delivered will constitute the valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, and other similar state or federal debt relief Applicable Laws in effect from time to time and to general principles of equity.

10. PRE-CLOSING COVENANTS.

(a) Operation of Business Before the Closing.

(i) Operation of the Business. Except as Buyer may otherwise consent to in writing, from the Signing Date until the earlier of the Closing or the termination this Agreement in accordance with **Section 17**, in either case, except to the extent consented to in writing in advance by Buyer, Seller will (and Owner will cause Seller to):

(A) conduct the Acquired Agencies only in the ordinary course of business;

(B) without making any commitment on Buyer's behalf, preserve intact Seller's current business organization, keep available the services of Seller's present officers, employees, independent contractors and agents and managers, and maintain Seller's relations and goodwill with those having business relationships with Seller (including customers);

(C) maintain Seller's assets in a state of good repair (ordinary wear and tear excepted) and in a condition that complies with all Applicable Laws and is consistent with the requirements and ordinary conduct of the Acquired Agencies;

(D) pay when due or otherwise satisfy in the ordinary course of business all of Seller's bona fide Liabilities incurred in the ordinary course of business, subject to good faith disputes;

(E) keep in full force and effect, without amendment, all material rights relating to the Acquired Agencies;

(F) comply with all Applicable Laws, orders, and contractual obligations relating to the Acquired Agencies;

(G) not make or change any material Tax election, file any amended Tax Return, or settle any Tax claim;

(H) continue in full force and effect the insurance coverage under the policies required to be disclosed on **Schedule 8(r)** or substantially equivalent policies;

(I) except as required to comply with ERISA or maintain qualification under Code § 401(a), not amend, modify or terminate any Employee Benefit Plan;

(J) cooperate with and assist Buyer in identifying all Licenses required by Buyer to operate the Acquired Agencies after the Closing, continuing Seller's existing Licenses, transferring Seller's existing Licenses to Buyer (to the extent legally transferable), or obtaining new Licenses for Buyer; and

(K) maintain all books and records of the Acquired Agencies in the ordinary course of business.

(ii) **Negative Covenant**. Until the Closing, Seller will not, without Buyer's prior written consent, (a) take any action or fail to take any action within its control, the likely result of which would be a Material Adverse Effect or any change or event listed in **Section 8(d)**, (b) purchase or otherwise acquire any assets except in the ordinary course of business consistent with historical practices, (c) enter into, amend, or restate any Contract or License in respect of the Acquired Agencies, or (d) enter into any compromise or settlement of any litigation, proceeding, or governmental investigation relating to the Acquired Agencies.

(b) **Bill of Sale; Licensure Transition Matters**. Upon Buyer's request at any time prior to the Closing Date, Seller will sign a Bill of Sale in a form reasonably satisfactory to Buyer (the "***Bill of Sale***") to be held in escrow by Buyer pending the Closing and used by Buyer in order to satisfy application and notification requirements of the Licensing Authority and other Governmental Authorities (which may include a requirement to submit an executed bill of sale) in advance of the Closing as may be necessary to effectuate the transfer of the Assigned Licenses or the issuance of new Licenses to Buyer. Notwithstanding Seller's and Buyer's execution of the Bill of Sale prior to the Closing, the Parties agree that the Bill of Sale will not be released from escrow and will have no force or effect as between the Parties until the Closing. If Buyer is notified that any of its applications to transfer the Assigned Licenses to Buyer or to obtain new Licenses are denied by the Licensing Authority or other applicable Governmental Authority, then as of the date of such denial (the "***Denial Date***"), Seller's signature on the Bill of Sale will be deemed rescinded without further action by Seller or Buyer.

(c) **Seller and Owner to Permit Buyer Access to Information**. From the Signing Date until the earlier of the Closing or the termination of this Agreement in accordance with **Section 17**, subject to HIPAA and other Applicable Laws, and in a manner that is reasonably designed to maintain the confidentiality of the transaction contemplated in this Agreement, Seller will permit Buyer, its Affiliates,

and the Buyer Representatives reasonable access during normal business hours to all properties, books, accounts, records, Contracts, and documents of Seller, including, without limitation, its financial and clinical data. In addition, subject to HIPAA and other Applicable Laws, Seller will furnish to Buyer copies of the Contracts and will permit Buyer to review the original written reports of all Governmental Authorities and Accreditation Bodies, including, without limitation, state licensure survey reports.

(d) **Pre-Employment Screening and Planning**. Beginning after the Signing Date in anticipation of the Closing, Buyer or its Affiliates may conduct license checks and other pre-employment screening and planning that does not require notice to or consent from Seller's employees in the ordinary course of business for Seller's employees who Buyer intends to employ beginning on the Closing Date.

11. CONDITIONS PRECEDENT TO CLOSING.

(a) **Conditions Precedent to Closing for Buyer**. The obligations of Buyer to effect the Closing under this Agreement are subject to the satisfaction and fulfillment of the following conditions, any one or more of which may be waived, in whole or in part, by Buyer in writing:

(i) **Accuracy of Representations and Warranties**. Seller and Owner's representations and warranties in this Agreement will have been accurate as of the Signing Date, and will be accurate in all material respects as of the Closing Date as if made on the Closing Date, without giving effect to any supplement to the Seller Disclosure Schedules; *provided*, *however*, that any supplement to the Seller Disclosure Schedules must be acceptable to Buyer, in its discretion.

(ii) **Pre-Closing Schedules**. At least two (2) Business Days before the Closing Date, Seller will have delivered to Buyer an updated **Schedule 4(c)**, **Schedule 6**, and **Schedule 8(g)(ii)**, in each case which must be acceptable to Buyer, in its discretion.

(iii) **Performance**. Seller and Owner will have performed and complied with all of the covenants, agreements, and obligations required to be performed or complied with by any of them before or on the Closing Date under this Agreement or any of the other Transaction Documents.

(iv) **Absence of Actions**. There will have been no action, suit, claim, inquiry, qui tam action, appeal, arbitration, proceeding, or investigation (whether or not purportedly on behalf of or against Seller) filed, pending, or threatened against or affecting Seller, the Acquired Assets, or the Acquired Agencies by or before any Governmental Authority, regardless whether related to the Transaction.

(v) **Other Inspections, Studies, and Tests; Due Diligence**. Buyer will have favorably completed to its satisfaction, in its discretion, all of the investigations, reviews, inspections, studies, and tests required by Buyer with respect to Seller, the Acquired Agencies, the Acquired Assets, and the Assumed Liabilities and Buyer's due diligence investigation, whether conducted before, on, or after the Signing Date, of Seller, the Acquired Agencies, the Acquired Assets, and the Assumed Liabilities will not have disclosed anything materially adverse, in Buyer's discretion, about Seller's properties or assets or operations, business, financial condition, or prospects of the Acquired Agencies.

(vi) **Supervening Laws**. After the Signing Date, no (A) Governmental Authority or its representative will have passed, issued, or promulgated Applicable Laws, including, without limitation, any standards or interpretations of existing Applicable Laws, or (B) court of competent jurisdiction will have rendered any decision or issued any other pronouncement, in either case, that would reasonably be expected to result in a Material Adverse Effect.

(vii) **Seller Insurance Policies**. Seller will have in effect at least the same liability insurance coverage as it had in effect on the Signing Date, and Seller will be in compliance with the terms thereof.

(viii) **Consents**. Seller will have obtained all Consents and submitted all filings with and notices to any Governmental Authority, or other Person that are required for Seller or Owner to enter into and to perform their respective obligations under this Agreement and the other Transaction Documents, including, without limitation, the Consents set forth on **Schedule 8(c)**.

(ix) **Payor Programs**. Buyer must have received evidence or assurances, satisfactory to Buyer in its sole discretion, that (i) all change of ownership applications for governmental Payor Programs have been or will be, promptly following the Closing, fully approved such that Buyer will be issued provider numbers (or equivalent) for such governmental Payor Programs retroactive to the Closing Date, and (ii) Buyer has received or will receive, promptly following the Closing, contracts (or valid assignments of Seller's contracts) with all of Seller's Payor Programs effective as of the Closing Date, in each case such that Buyer will be eligible to participate and receive uninterrupted reimbursement from all of Seller's Payor Programs in the same manner as Seller prior to the Closing.

(b) **Conditions Precedent to Closing for Seller and Owner**. The obligations of Seller and Owner to effect the Closing under this Agreement are subject to the satisfaction and fulfillment of the following conditions, any one or more of which may be waived, in whole or in part, by Seller and Owner in writing:

(i) **Accuracy of Representations and Warranties**. Buyer's representations and warranties will have been accurate as of the Signing Date, and will be accurate in all material respects as of the Closing Date as if made on the Closing Date.

(ii) **Performance**. Buyer will have performed and complied with the covenants, agreements, and obligations required to be performed or complied with by it before or on the Closing Date under this Agreement or any of the other Transaction Documents.

(iii) **Absence of Actions**. There will have been no filed, pending, or threatened suit, action, or proceeding before any Governmental Authority relating to the Transaction.

12. CLOSING DELIVERABLES.

(a) At the Closing, Seller and Owner will have delivered to Buyer:

(i) The Bill of Sale, signed by Seller (or, as applicable, released from escrow as contemplated by **Section 10(b)**);

(ii) An assignment and assumption agreement for the Assigned Contracts and Assigned Licenses in a form reasonably satisfactory to Buyer (the "***Assignment and Assumption Agreement***"), signed by Seller;

(iii) An assignment of lease for each of the offices listed on **Schedule 12(a)(iii)**,[4] each in a form reasonably satisfactory to Buyer (the "***Lease Assignments***"), each signed by Seller and the landlord under such lease;

(iv) [A lease for each of the offices listed on **Schedule 12(a)(iv)**,[5] each in a form reasonably satisfactory to Buyer and reflecting a fair market value rental rate and other commercially-reasonable terms (the "***New Leases***"), each signed by the current owner of each such office as landlord;]

(v) The Indemnification Escrow Agreement, signed by Seller; and

(vi) A termination of each of the Franchise Agreements between BrightStar Franchising and Seller in a form reasonably satisfactory to Buyer (the "***Franchise Agreement Terminations***"), signed by Seller.

(b) At the Closing, Buyer will deliver to Seller and Owner:

(i) The Bill of Sale, signed by Buyer (or, as applicable, released from escrow as contemplated by **Section 10(b)**);

(ii) The Assignment and Assumption Agreement, signed by Buyer;

(iii) The Lease Assignments, signed by Buyer;

(iv) [The New Leases, signed by Buyer;]

(v) The Indemnification Escrow Agreement, signed by Buyer; and

(vi) The Franchise Agreement Terminations, signed by BrightStar Franchising.

13. POST-CLOSING COVENANTS OF SELLER AND OWNER.

(a) **Post-Closing Assistance**. Beginning with the Closing Date, Seller and Owner will endeavor in good faith to ensure that a positive message is conveyed to the employees, referral sources, customers, and clients of Seller about Buyer's purchase of the Acquired Agencies, and will in good faith diligently assist Buyer in the initial transitional operations of the Acquired Agencies, as reasonably requested by Buyer from time to time. Seller and Owner will be independent contractors of Buyer in furnishing their respective services under this **Section 13(a)**. Seller and Owner agree to provide this support and these services to accommodate Buyer temporarily in connection with the efficient and orderly transfer of responsibilities involved in the day to day operations of Seller and the Acquired Agencies, and to enable Buyer to realize the full value of the Transaction.

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[4] [Note to Draft: Schedule 12(a)(iii) will list each Acquired Agency office/location that is leased from a non-affiliated third party.]

[5] [Note to Draft: Schedule 12(a)(iv) will list each Acquired Agency office/location that is owned by Seller, Owner, or any of their respective Affiliates (if any).]

(b) **Use of Names and Marks; Website and Social Media Accounts**.

(i) Promptly (but, in any event, no later than seven Business Days) after the Closing Date, Seller and Owner and their respective Affiliates will (i) cease use of the names "BrightStar Care of [_____]" and "BrightStar Care of [_____]"[6] (collectively, the "***DBA Names***") and any derivative of any of the foregoing, and (ii) execute and file all the instruments, agreements, and documents with the applicable Governmental Authorities in the State(s) of [_____] and elsewhere, if applicable, as necessary or appropriate for Seller, Owner, and their respective Affiliates to abandon all uses of the DBA Names and any derivative thereof. Further, beginning with the Closing Date, Seller and Owner and their respective Affiliates will not form, own, or be a lender to any Person that conducts business under any of the DBA Names or any derivative thereof.

(ii) Promptly (but, in any event, no later than three Business Days) after the Closing Date, Seller will re-program any websites relating to the Acquired Agencies under its control to redirect users to the website designated by Buyer.

(iii) Seller and Owner shall provide an updated **Schedule 8(g)(ii)** to Buyer at least two (2) Business Days before the Closing Date containing the username, password, and other credentials for each social media account used in connection with the operation of the Acquired Agencies, and shall not change any such usernames, passwords, or credentials between the delivery of such updated **Schedule 8(g)(ii)** and the Closing Date without Buyer's consent. Seller and Buyer agree to cooperate with Buyer to transition the ownership and control of such social media accounts to Buyer as of or immediately following the Closing Date.

(c) **No Dissolution of Seller**. Seller will not, and Owner will not permit Seller to, dissolve or liquidate before the third anniversary of the Closing Date.

(d) **Payroll and Accounts Payable**. Following the Closing, Seller will pay its payroll and trade, account, and other payables in the ordinary course of business. On or prior to the Closing Date, except as otherwise required by Applicable Laws, Seller will pay in full the PTO accrued as of the Closing Date (whether vested or unvested) due under Seller's termination policies and procedures or Applicable Laws to each employee of Seller (whether or not hired by Buyer on the Closing Date as part of the Transaction), and will promptly provide written evidence of such payment to Buyer.

(e) **Tail Insurance Policy**. For no less than three years following the Closing Date, Seller will at all times maintain in effect an insurance policy to provide at least the same coverage as the Seller Insurance Policies identified as being "claims made" policies in **Schedule 8(r)** for events or losses of Seller or the Acquired Agencies occurring before the Closing Date (the "***Tail Insurance Policy***"). Further, the Tail Insurance Policy must provide coverage of at least One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) in the aggregate with an annual deductible not in excess of Five Thousand Dollars ($5,000). The total premium cost of the Tail Insurance Policy will be paid by Seller before the Closing Date. If the Tail Insurance Policy is terminated or canceled during such three-year period, Seller will immediately cause a replacement policy with substantially the same terms to be obtained for the remainder of the period, and will promptly notify Buyer of the termination or cancellation and issuance of the replacement policy.

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[6] [Note to Draft: To list all D/B/A names under which Seller or the Acquired Agencies operate.]

(f) **COBRA**. After the Closing, Seller covenants and agrees, with respect to its employees who, with respect to the Transaction, are M&A Qualified Beneficiaries pursuant to Treasury Regulation Section 54.4980B-9, Q&A-4(a), and otherwise eligible for such coverage, to offer any required continuation coverage under COBRA in accordance with COBRA and other Applicable Laws.

(g) **Correspondence Relating to Acquired Agencies**. After the Closing, if Seller or Owner receives any correspondence or written or unwritten notice from any Governmental Authority, Payor Program, or other Person that relates in whole or in part to the Acquired Agencies, then Seller or Owner (as applicable) will forward such correspondence or notice to Buyer (or inform Buyer in writing of any notice that was unwritten) within three Business Days after Seller's or Owner's receipt of same, in accordance with the provisions of **Section 18**.

14. TAX MATTERS.

(a) **Cooperation**. The Parties will reasonably cooperate with each other to provide each other with such assistance as may be reasonably requested by them in connection with the preparation of any Tax Returns, including any Tax audit or other examination in connection with an administrative or judicial proceeding involving a Taxing Authority relating to Taxes.

(b) **Straddle Period Allocation**. For purposes of this Agreement, in the case of any Straddle Period, the amount of Taxes allocable to the Pre-Closing Tax Period portion of such Straddle Period shall be deemed to be the amount of such Tax for the entire Tax period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), multiplied by a fraction (i) the numerator of which is the number of days in the Straddle Period ending on and including the Closing Date, and (ii) the denominator of which is the number of days in the entire Straddle Period.

15. HIRING OF SELLER'S EMPLOYEES. Buyer ultimately retains the right to decide, in its discretion, whether to employ any employees of Seller or the Acquired Agencies. Prior to the Closing Date, Buyer will identify to Seller all the employees that Buyer will not employ. Buyer, Seller, and Owner agree that this **Section 15** is for the sole benefit of Buyer and Seller, and that nothing in this Agreement creates a third-party beneficiary or other right (a) in any other Person, including, without limitation, any employees of Seller or the Acquired Agencies, or (b) to continued employment with Buyer, Seller, the Acquired Agencies, or any of their respective Affiliates.

16. INDEMNIFICATION.

(a) **Survival**. The representations and warranties made by each Party or its Affiliates under this Agreement or any of the Transaction Documents or in connection with the Transaction will survive the Closing indefinitely. The covenants, agreements, and obligations of each Party or its Affiliates under this Agreement or any of the Transaction Documents or in connection with the Transaction, will survive the Closing indefinitely and be performable in accordance with their terms. Notwithstanding anything to the contrary in this **Section 16**, any Claim made before the expiration of any representation, warranty, covenant, or agreement under this **Section 16(a)**, and associated rights to indemnification, will survive until the final determination of the Claim.

(b) **Indemnification**.

(i) **Indemnification by Seller and Owner**. Subject to other provisions of this **Section 16**, the Seller Indemnifying Parties, jointly and severally, will defend, indemnify, and hold Buyer Indemnitees harmless from and against, and will pay and reimburse Buyer Indemnitees for, the Damages

incurred or reasonably expected to be incurred by Buyer Indemnitees, based upon, arising out of, resulting from, with respect to, or by reason of: (A) any inaccuracy in or breach of any representation or warranty of any Seller Indemnifying Party; (B) any breach, non-fulfillment, or failure of a Seller Indemnifying Party to timely pay, perform, or discharge, in any case, any of the covenants, obligations, or other agreements of such Seller Indemnifying Party; (C) any action or inaction of Seller, Owner, or any of their respective Affiliates before the Closing Date; (D) any event occurring or circumstance existing before the Closing Date involving Seller, Owner, or any of their respective Affiliates; or (E) any Excluded Assets or Excluded Liabilities; (F) any amount owed but not paid to Buyer pursuant to **Section 6** (Reconciliation of Proration Items); or (G) any amounts owed but not paid to Buyer pursuant to **Section 7** (Reconciliation of Pre-Closing Receivables).

(ii) **Indemnification by Buyer**. Subject to other provisions of this **Section 16**, Buyer will defend, indemnify, and hold Seller and Owner harmless from and against, and will pay and reimburse for, the Damages incurred or reasonably expected to be incurred by Seller and Owner, based upon, arising out of, resulting from, with respect to, or by reason of (A) any inaccuracy in or breach of any representation or warranty of Buyer; or (B) any breach, non-fulfillment, or failure of Buyer to timely pay, perform, or discharge, in any case, any of the covenants, obligations, or other agreements of Buyer.

(c) **Limits**.

(i) An Indemnifying Party will be required to pay and be liable for Damages under this **Section 16** for an inaccuracy in or breach of a representation and warranty of such Indemnifying Party when the aggregate amount of all Damages incurred by the Indemnified Parties for which indemnification may be provided under this **Section 16** exceeds the amount of [0.5% of the Purchase Price], whereupon an Indemnifying Party will be required to pay and be liable for all such Damages from the first dollar.

(ii) [100% of the Purchase Price] is the maximum aggregate amount of Damages that an Indemnifying Party can be required to pay and be liable for under this **Section 16** for inaccuracies in or breaches of representation and warranties of such Indemnifying Party.

(iii) The limitations set forth in this **Section 16(c)** will not apply in the event of a breach of or inaccuracy in a representation and warranty involving fraud or intentional misrepresentation on the part of the Indemnifying Party.

(d) **Claims**. To assert a Claim, an Indemnified Party must give the Indemnifying Party from whom indemnification is sought a Claim Notice within five Business Days of learning that it has incurred Damages for which indemnification may be sought under this **Section 16**; *provided, however*, that failure to give a Claim Notice will not excuse the Indemnifying Party from any obligations under the Transaction Documents, except to the extent the Indemnifying Party is actually materially prejudiced by the failure to have been given a Claim Notice.

(e) **Procedures for Payment**. Upon the earlier of (i) agreement with Indemnifying Party or (ii) a final, non-appealable determination, in either case, of the Damages sought in a Claim Notice, Indemnifying Party will pay the Indemnified Party the amount so determined within 10 Business Days after the date of such agreement or final, non-appealable determination. If there is a dispute as to the amount or manner of determination of any indemnification obligations under the Transaction Documents, Indemnifying Party will nevertheless pay when due the portion, if any, of the obligations that is not disputed, and the Indemnified Party will be free to pursue any additional remedy available to collect the remaining

obligations. Any amounts to which a Buyer Indemnitee is entitled to receive under this **Section 16** will be paid in accordance with **Section 16(j)**.

(f) **Third-Party Claims**. If a third party notifies or Buyer otherwise becomes aware of a Claim or Damages asserted or sought by a third party for which Seller or Owner are, or may be, obligated to indemnify Buyer or another Indemnified Party under this Agreement, then: (i) Buyer will be entitled to assume the defense of any claim, suit, action, investigation, proceeding, or other activity or matter arising out of or resulting from such Claim or Damages, and thereafter Seller and Owner will cooperate with Buyer in good faith in such defense; and (ii) without Buyer's prior written consent, neither Seller, Owner, nor any other Indemnifying Party will admit liability or compromise or settle with respect to such Claim or Damages.

(g) **Tax Treatment of Payments**. Subject to Applicable Laws, the Parties will treat all indemnification payments as an adjustment to the Purchase Price for Tax purposes.

(h) **Materiality and Knowledge Qualifiers**. Notwithstanding anything to the contrary in this Agreement, any inaccuracy in or breach of any representation, warranty, covenant, or agreement and any resulting Damages made the subject matter of a Claim, in all cases, will be determined without regard to any knowledge acquired (or capable of being acquired), information, belief, materiality, or other similar qualification contained in or otherwise applicable to such representation, warranty, covenant, or agreement or Damages.

(i) **Effect of Investigation**. The period of survival and liability of an Indemnifying Party with respect to its, his, or her, as the case may be, representations, warranties, covenants, or agreements under the Transaction Documents will not be reduced, affected, or deemed waived by any (A) knowledge or information an Indemnified Party may possess or be aware of at any time, including, without limitation, knowledge gained or information discovered during the course of any due diligence or other investigation, review, inspection, study, or test, or (B) knowledge or information acquired or capable of being acquired by an Indemnified Party at any time, whether before, on or after the Closing Date.

(j) **Source of Recovery; Set-Off Rights**. Any amounts to which a Buyer Indemnitee is entitled to receive under this **Section 16** will be paid (i) first, by setting off such amount against any amount owed to Seller under this Agreement, (ii) second, by payment from the Indemnification Escrow Amount in accordance with the Indemnification Escrow Agreement, and (iii) third, from Seller and Owner, jointly and severally, in immediately available funds.

(k) **Non-Prevailing Party to Pay Costs and Expenses**. Without limiting the obligations of an Indemnifying Party to Indemnified Parties under **Section 16(b)**, in the event of any dispute, litigation, or arbitration between Buyer, on the one hand, and Seller or Owner, on the other hand, the non-prevailing Party in such dispute, litigation, or arbitration will pay and reimburse the prevailing Party for all costs and expenses (including reasonable attorneys' fees, expert fees, and expenses related to investigation, defense, or settlement) incurred by the prevailing Party in connection with such dispute, litigation, or arbitration, in addition to any other Damages the non-prevailing Party may be obligated to pay.

(l) **Exclusive Remedy**. If the Closing occurs, the indemnification provided in this **Section 16** will be the sole and exclusive legal remedy for any inaccuracy of any representation or warranty, or the breach or default of or under any covenant or agreement, made by any party in this Agreement, and no Party may seek any other legal remedy (whether under federal or state securities laws or otherwise) that might otherwise be available to such Party; *provided, however*, that nothing in this **Section 16** will preclude

any party from seeking any legal remedy available to such party for any such inaccuracy, breach, or default that constitutes fraud on the part of any other party; and *provided further, however*, nothing in this **Section 16** will preclude any party from seeking any equitable remedy available to such party for such inaccuracy, breach, or default or for any failure by any other party to comply with any of the covenants or agreements of such other party contained herein or in any other Transaction Document to be performed or complied with after the Closing Date.

17. TERMINATION.

(a) Events of Termination. Before the Closing, this Agreement may be terminated and the Transaction abandoned:

(i) By the mutual written consent of the Parties;

(ii) By Buyer, by delivery of notice of termination to Seller and Owner, if there is any inaccuracy in or breach of any of Seller or Owner respective representations and warranties in this Agreement or failure to comply with any of the covenants, agreements, or obligations in this Agreement to be complied with or performed by any of them before or at the Closing;

(iii) By Seller and Owner, by delivery of notice of termination to Buyer, if there is any inaccuracy in or breach of any of Buyer's representations and warranties in this Agreement or failure to comply with any of the covenants, agreements, or obligations in this Agreement to be complied with or performed by it before or at the Closing; or

(iv) By Buyer, on the one hand, or Seller and Owner, on the other hand, by delivery of notice to the other Party(ies) at any time on or after the Denial Date.

18. NOTICES. All notices and other communications required or permitted to be given under this Agreement must be in writing and will be deemed duly given on the earlier of (a) the date actually received by the applicable Party, by whatever means and however addressed, (b) the date sent if properly addressed and sent by electronic transmission, and (c) the date of personal delivery if delivered by hand or the date signed for if sent by reputable overnight courier service (charges prepaid), to the following addresses (or to another address a Party may request, in the case of Seller or Owner, on the one hand, by notifying Buyer, and in the case of Buyer, on the other hand, by notifying Seller or Owner):

If to Buyer:

[BrightStar [_____] Operations, LLC]
C/o BrightStar Owned, LLC
1125 Tri-State Pkwy, Suite 700
Gurnee, IL 60031
Attn: David Pallaschke
Phone: 847-856-7663
Email:
david.pallaschke@brightstarcare.com

With a copy to:

Polsinelli PC
900 W. 48th Place, Suite 900
Kansas City, MO 64112
Attn: Cullin Hughes
Phone: (816) 360-4121
Facsimile: (816) 817-0206
Email: chughes@polsinelli.com

If to Seller or Owner:

[_____]	[_____]
[_____]	[_____]
[_____]	[_____]
Attn: [_____]	Attn: [_____]
Phone: [_____]	Phone: [_____]
Email: [_____]	Email: [_____]

19. FURTHER ASSURANCES. From time to time after the Closing Date, without further cost or expense to Buyer, Seller and Owner will take, and cause their Affiliates and other Persons under their direction or control to take, such further actions as Buyer may reasonably request to more effectively transfer to and vest in Buyer and to put Buyer in possession of the Acquired Agencies and Acquired Assets, including, without limitation, completing filings with Governmental Authorities, processing change of ownership or information documentation, or preparation of financial information, Tax Returns, or cost reports.

20. GOVERNING LAW. This Agreement will be governed by and construed and enforced in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws. Each Party irrevocably and unconditionally consents to venue in the state or federal courts located in the State of Illinois for any litigation arising out of or relating to this Agreement and waives any objection to the laying of venue of any such litigation in such courts and agrees not to plead or claim in such courts that such litigation brought in such court has been brought in an inconvenient forum. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY (AND MAY HAVE A TRIAL BEFORE A JUDGE ONLY) IN RESPECT TO ANY DISPUTE OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THE TRANSACTION DOCUMENTS OR THE TRANSACTION.

21. RESTRICTIVE COVENANTS.

(a) Non-Compete. During the period commencing on the Closing Date and ending on the five-year anniversary of the Closing Date (the "***Restricted Period***"), none of Seller, Owner, or any of their Affiliates shall (i) have any direct or indirect interest (including through any family member or Affiliate) as an owner, investor, partner, shareholder, director, officer, member, manager, operator, employee, or consultant in or to any Person engaged in the business of providing (A) supplemental healthcare staff to institutional clients, such as hospitals, Medicare agencies, hospice agencies, assisted-living centers, nursing homes and clinics; (B) home care services—whether comprehensive care (including medical and non-medical services), solely non-medical care services, or solely medical care services—to Private-Duty Clients within their home or residence; (C) case management and care management services, and/or (D) any other services or products that BrightStar Franchising or its Affiliates have authorized you to offer or sell in connection with the operation of any Acquired Agency, in each case anywhere in the Restricted Territory ("***Competing Business***"); (ii) in any other capacity engage in, own any assets used in, or receive any portion of the sales proceeds or income or any other benefit from a Competing Business; or (iii) directly or indirectly, either for Seller's or Owner's own benefit or for the benefit of any other Person, compete with Buyer in any manner or capacity (e.g., through any form of ownership, principal, partner, officer, director, shareholder, member, manager, employee, employer, member of any association or otherwise) through a Competing Business, except on behalf of and for the benefit of Buyer. For purposes

of this Agreement, "***Restricted Territory***" means the geographic territory comprising the zip codes in the State(s) of [_____] listed on **Exhibit D**.[7]

(b) **Non-Inference with Business Relationships**. During the Restricted Period, Seller, Owner, and their Affiliates shall not, directly or indirectly, without the prior written consent of Buyer, induce or attempt to induce, directly or indirectly, any supplier, vendor, distributor, licensee, consultant or other business relation of either Acquired Agency, within the two (2) years preceding the Closing Date, to cease doing business with Buyer or its Affiliates, or in any way interfere with the relationship between any such supplier, vendor, distributor, licensee, consultant or business relation and the Buyer or its Affiliates.

(c) **Non-Solicitation of Clients and Referral Sources**. During the Restricted Period, Seller, Owner, and their Affiliates shall not, directly or indirectly, without the prior written consent of Buyer, contact, solicit, or communicate with a Client or Referral Source of either Acquired Agency for the purpose of encouraging, causing or inducing such Client or Referral Source to cease or reduce doing business with Buyer or its Affiliates, modify their relationship with Buyer or its Affiliates to their detriment, or to divert business from Buyer or its Affiliates, nor will Seller, Owner, or their Affiliates assist any Competing Business in so doing or solicit or accept business from a Client or Referral Source. For purposes of this provision, "***Clients***" means each client, customer, client's or customer's family member, or guardian/power of attorney/other reasonable person with whom either Acquired Agency provided products or services to within the two (2) years preceding the Closing Date. For purposes of this provision, "***Referral Sources***" means a person or entity who has provided client referrals to either Acquired Agency within the two (2) years preceding the Closing Date, including, but not limited to, any physician, surgeon, medical doctor, doctor of osteopathy, nurse, therapist, hospitalist, discharge planner, volunteer, patient family member, colleague, medical director, assistant or associate medical director, health care provider, or representative of any senior living facility (inclusive of assisted living facilities, independent living facilities, continuing care retirement communities, nursing homes, rehabilitation facilities or skilled nursing facilities) who orders, refers, or arranges for the provision of in-home senior care services with either Acquired Agency, or any nursing or clerical staff under the supervision of the foregoing.

(d) **Non-Solicitation of Restricted Personnel**. During the Restricted Period, Seller, Owner, and their Affiliates shall not, directly or indirectly, without the prior written consent of Buyer, solicit, induce, influence, encourage or attempt to solicit, induce, influence, or encourage any Restricted Personnel to: (i) terminate his or her employment or relationship with the Buyer or its Affiliates; (ii) go to work for another entity; and/or (iii) otherwise not devote his or her full business time to the Buyer or its Affiliates. For purposes of this provision, "***Restricted Personnel***" means any employee, independent contractor, member, or service provider of either Acquired Agency within the two (2) years preceding the Closing Date.

(e) **Non-Disparagement**. Seller and Owner agree to (and to cause their respective employees, contractors, representatives, agents, and Affiliates to) agree to refrain from directly or indirectly making any written or oral statement about the Acquired Agencies, the Acquired Assets, or Buyer and its Affiliates, officers, directors, shareholders, managers, members and/or employees, which may reasonably be interpreted as impugning the character, integrity, or ethics, or damage the business, reputation, goodwill, image, interests or reputation of the Acquired Agencies, the Acquired Assets or such Persons.

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[7] [Note to Draft: Exhibit D to list all zip codes in Seller's franchise territories plus any additional zip codes covered by Seller's state license(s).]

(f) **Reasonable Limitations**. Seller and Owner acknowledge and agree that (i) the restrictive covenants contained in this **Section 21** are a material term of the Agreement and directly impact the Purchase Price and value of the Acquired Agencies and Acquired Assets that Buyer is acquiring under this Agreement; (ii) a simple agreement not to disclose or use the confidential information related to the Acquired Agencies and Acquired Assets, standing alone, would be inadequate to protect Buyer against the kind of irreparable harm that could be caused by Seller, Owner or their Affiliates engaging in certain types of conduct; (iii) the restrictions in this Agreement are: reasonable; necessary to protect the goodwill, Confidential Information, and other business interests of Buyer, including the value of the Acquired Agencies and Acquired Assets that Buyer is acquiring under this Agreement; enforceable; and do not create an undue burden on Seller, Owner, or the public; (iv) Owner's experience, capabilities, and personal assets are such that this Agreement does not deprive Owner from either earning a livelihood in the unrestricted business activities that remain open to Owner; (v) the absence of the restrictive covenants contained in this **Section 21** would impair the value of the Acquired Agencies and Acquired Assets that Buyer is acquiring under this Agreement to Buyer's detriment; and (vi) the consideration received for the restrictions in this **Section 21** is sufficient to support the restrictions and Seller and Owner shall not challenge the sufficiency of such consideration. Seller and Owner further acknowledge and agree that the Restricted Period will be tolled for any period during which Seller or Owner is in breach of the restrictive covenants contained in this **Section 21** and will begin to run or recommence running only at the time such breach is cured to the reasonable satisfaction of Buyer.

(g) **Blue Pencil/Judicial Modification**. Seller and Owner acknowledge and agree that (i) if any duly-appointed arbitrator (if applicable) or court of competent jurisdiction subsequently determines that any of such covenants or agreements in **Section 21**, or any part thereof, is invalid or unenforceable, the remainder of such covenants and agreements shall not thereby be affected and shall be given full effect without regard to the invalid portions; and (ii) if any such arbitrator or court determines that any of the covenants and agreements, or any part thereof, is invalid or unenforceable because of the duration or scope of such provision, such arbitrator or court shall have the power to reduce or modify the duration or scope of such provision, as the case may be, and, in its reduced or modified form, such provision shall then be enforceable to the maximum extent permitted by applicable law.

(h) **Confidentiality**. Seller and Owner agree to (and to cause their respective employees, contractors, representatives, agents, and Affiliates to) treat confidentially and not to disclose to any Person (other than an Affiliate, employee, contractor, representative, or agent of such Party who needs to know such information for the purpose of pursuing and consummating the Transaction) Confidential Information, and to not use Confidential Information in any manner or for any other purpose, except in connection with pursuing or consummating the Transaction. Notwithstanding anything to the contrary in this **Section 21(h)**, if Seller or Owner is requested or required to disclose Confidential Information of Buyer or the Acquired Agencies, Seller and Owner will promptly notify Buyer and will afford Buyer the opportunity to obtain a protective order or other appropriate remedy to maintain the confidentiality of the Confidential Information. If a protective order or other remedy is not available, Seller and Owner will furnish only the portion of Confidential Information that Buyer is advised in writing by its counsel that it is legally required to furnish and will use reasonable efforts to obtain, prior to disclosure, assurances that confidential treatment will be given thereto. But, notwithstanding the foregoing, Seller and Owner are permitted to disclose Confidential Information to the minimal extent necessary to receive the Consents which are necessary for timely consummation of the Transaction.

22. **SPECIFIC PERFORMANCE**. Seller and Owner agree that irreparable Damage will occur if any provision of this Agreement is not performed in accordance with its terms and conditions or is otherwise breached, and that as a result, Buyer will be entitled to seek specific performance, injunctive, and

other equitable relief to prevent breach of this Agreement and to specifically enforce this Agreement and the terms and conditions hereof, in addition to other remedies to which Buyer may be entitled, at law or in equity. In particular, Seller and Owner acknowledge that the Acquired Assets and Acquired Agencies are unique and recognize and affirm that if Seller or Owner breaches any obligations under the Transaction Documents, monetary damages will be inadequate and Buyer will have no adequate remedy at law, and that as a result, Buyer will be entitled, in addition to any other rights and remedies existing in its favor, to enforce its rights and Seller's and Owner's obligations under this Agreement not only by an action for damages but also by action for specific performance, injunctive, or other equitable relief without being required to prove actual damages, post bond, or furnish other security.

23. **CONSTRUCTION AND INTERPRETATION**. In this Agreement, unless the context otherwise requires or unless otherwise specifically provided:

(a) Words in the singular form must be construed to include the plural form and words in the plural form must be construed to include the singular form, unless the context otherwise specifically requires.

(b) Terms defined in this Agreement that refer to a particular instrument, agreement, or document also refer to and include, without limitation, all renewals, extensions, modifications, amendments, or restatements of such instruments, agreements or documents; *provided, however*, that nothing in this subsection may be construed to authorize such renewal, extension, modification, amendment, or restatement.

(c) The word "including" and its derivatives means "including, without limitation" and corresponding derivative expressions.

(d) The word "or" is not exclusive.

(e) References to a "Party" include references to its respective successors and permitted assigns.

(f) The Parties intend that each representation, warranty, covenant, agreement, and obligation in this Agreement will have independent significance. If a Party has breached any representation, warranty, covenant, agreement, or obligation in this Agreement in any respect, the fact that there exists another representation, warranty, covenant, agreement, or obligation relating to the same subject matter (regardless of the relative levels of specificity) that the Party has not breached will not detract from or mitigate the fact that the Party is in breach of the first representation, warranty, covenant, agreement, or obligation.

(g) References to any Applicable Laws are references to the Applicable Laws on the Closing Date (taking into account any amendments to such Applicable Laws in effect as of the Closing Date), unless specifically indicated otherwise.

24. **MISCELLANEOUS**. Except as otherwise provided in this Agreement, each Party will pay all costs, fees, and expenses it or she, as the case may be, incurs in connection with the Transaction, including, without limitation, Taxes and accountant and attorneys' fees. The titles and headings of sections and subsections in this Agreement are inserted for convenience of reference only, and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. Each Party was represented by counsel who participated in the negotiation and drafting of this Agreement and the other Transaction Documents, and consequently no rule of construction against the drafting party is applicable in the

interpretation of this Agreement or the other Transaction Documents. This Agreement, together with the schedules and exhibits to this Agreement, constitute the entire agreement of the Parties and supersede all prior agreements and understandings among them relating to the subject matter hereof. This Agreement may not be amended or modified except by a writing signed by all the Parties. This Agreement will inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person, other than any Buyer Indemnitee. No waiver of any of provision of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver of any other provision constitute a continuing waiver. No waiver will be binding unless executed in writing by the Party making the waiver. No Party will be entitled to assign its rights or delegate its obligations under this Agreement without the prior written consent of the other Parties, except that Buyer may assign its rights to any of its Affiliates. This Agreement may be executed in one or more counterparts (including by electronic means), each counterpart is deemed an original, and all counterparts collectively constitute one and the same document.

SIGNATURES FOLLOW

IN WITNESS WHEREOF, each Party has executed, or caused its duly authorized representative to execute, this Agreement on and as of the Closing Date.

BUYER:

[BRIGHTSTAR [_____] OPERATIONS, LLC]

By: _____
Name: [_____]
Title: [_____]

SELLER:

[_____]

By: _____
Name: [_____]
Title: [_____]

OWNER:

_____
[_____]

Signature Page to Asset Purchase Agreement

EXHIBIT A

DEFINITIONS

"***Accounting Principles***" means United States generally accepted accounting principles in effect throughout the periods covered by the Financial Statements.

"***Affiliate***" any Person means any other Person which, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, such Person.

"***Applicable Laws***" means any statute, law, ruling, ordinance, rule, requirement, judgment, decision, decree, order, or regulation of any Governmental Authority applicable to Seller, the Acquired Agencies, or any of their properties, assets, or businesses, including, without limitation, applicable healthcare Laws, all relevant federal and state laws, the Code, and ERISA, and the regulations promulgated pursuant to such laws.

"***Business Day***" means any day, other than a Saturday, Sunday, or a holiday on which national banking associations in the State of Illinois are closed.

"***Buyer Indemnitee***" and "***Buyer Indemnitees***" mean, individually and collectively, Buyer and its Affiliates and any present or former officer, shareholder, member, partner, director, manager, contractor, employee, agent, or representative of Buyer (other than Seller or Owner to the extent any of them would otherwise be included in any such capacities).

"***Buyer Representatives***" means, collectively, Buyer and its authorized counsel, accountants, consultants, and other agents and representatives.

"***Claim***" means the claim of an Indemnified Party to recover Damages from and against an Indemnifying Party under **Section 16**.

"***Claim Notice***" means a prompt written notice of any claim, demand, action, suit, proceeding, investigation, or discovery of facts for which indemnification is being claimed under **Section 16**, including (i) a statement that the Indemnified Party is entitled to indemnification under **Section 16** for Damages, (ii) a description in reasonable detail and a good faith estimate of the amount of Damages incurred or reasonably expected to be incurred by the Indemnified Party, and (iii) a demand for payment of Damages.

"***Closing Date Indebtedness***" means the combined principal amount of, and accrued interest and prepayment penalties or breakage fees with respect to, Seller's (i) indebtedness for borrowed money, including all outstanding amounts under notes, bonds, debentures, mortgages and similar instruments, (ii) capitalized leases, (iii) obligations under conditional sale or other title retention agreements, (iv) deferred purchase price for property or services (including all "earn out" and similar obligations but excluding accounts payable incurred in the ordinary course of business), (v) obligations, contingent or otherwise, as an account party in respect of letters of credit and letters of guaranty, (vi) deferred compensation and other similar liabilities or arrangements with personnel (whether employees or independent contractors) that are outside the ordinary course of business, (vii) patient accounts receivable credits and historical credits previously taken into income, (viii) obligations, contingent or otherwise, in respect of any accrued interest, success fees, prepayment penalties, interest rate swap breakage costs, make-whole premiums or penalties and all costs and expenses associated with the repayment of any of the foregoing, (ix) the amount of any payroll, social security, employment or similar Taxes deferred pursuant to any COVID Relief Program, to the extent unpaid as of the Closing, and (x) guaranties of any obligations described in clauses (i) through (ix) above of any other Person.

"***COBRA***" means the continuation coverage requirements of Part 6 of Subtitle B of Title I of

ERISA and Section 4980B(f) of the Code, and any similar state Applicable Laws.

"***Code***" means the Internal Revenue Code of 1986 (26 U.S.C.).

"***Confidential Information***" as to any Party, means all confidential information, knowledge, materials, or data concerning the business affairs, operations, trade secrets, dealings, or finances of another Party or Parties furnished, directly or indirectly, by such other Party or Parties.

"***Consent***" means any authorization, consent, or approval of a third party or Governmental Authority, in either case, that are necessary or advisable in order: (i) for Seller or Owner to sell, transfer, assign, and deliver to Buyer, and Buyer thereupon to purchase, accept, assume, and receive from Seller, the Acquired Agencies and Acquired Assets, including, without limitation, the Assigned Licenses and Assigned Contracts; (ii) for Buyer to pay the Purchase Price to Seller; or (iii) to otherwise consummate the Transaction.

"***Contract***" means any written or unwritten contract, agreement, commitment, lease, or mortgage relating to Seller or by which Seller or any of its assets, business, or properties is bound.

"***COVID Relief Programs***" means all Governmental Authority grant, loan, or funding programs intended to provide financial assistance or relief to businesses in connection with the COVID-19 pandemic, whether implemented pursuant to statute or regulation, including, without limitation, those programs established under (i) the Coronavirus Aid, Relief and Economic Security Act of 2020, (ii) the Consolidated Appropriations Act of 2021, and (iii) the American Rescue Plan Act of 2021, in each case as amended.

"***Damages***" means all losses, liabilities, demands, claims, actions or causes of action, regulatory, legislative or judicial proceedings or investigations, assessments, levies, fines, penalties, judgments, damages, costs and expenses (including reasonable attorneys', accountants', investigators' and experts' fees and expenses).

"***Effective Time***" means 12:01 a.m. (Central time) on the Closing Date.

"***Employee Benefit Plan***" means any plan, policy, program or Contract providing compensation or benefits, including employee benefit plans within the meaning of ERISA § 3(3) (whether or not subject to ERISA), pension, retirement, savings, disability, medical, dental, health, life, death benefit, group insurance, profit sharing, deferred compensation, stock option, bonus, incentive, vacation pay, tuition reimbursement, severance pay, or other employee benefit, whether funded, insured or self-funded, written or oral, (i) sponsored or maintained by Seller and covering Seller's active or former directors, officers and personnel (whether employees or independent contractors) and their immediate family members, dependents and beneficiaries, (ii) to which Seller is a party or is bound, or (iii) with respect to which Seller has made any payments, contributions or commitments or may otherwise have any liability (whether or not such Employee Benefit Plan is still maintained).

"***Equipment***" means all of Seller's furniture, fixtures, leasehold improvements, computer hardware, machinery, and equipment relating to the operation of the Acquired Agencies.

"***ERISA***" means the Employee Retirement Income Security Act of 1974 (Pub. L. No. 93- 406, codified in part at 29 U.S.C. § 1002 et seq.).

"***Federal Health Care Program***" and "***Federal Health Care Programs***" mean, individually and collectively, Medicare, Medicaid or any other "Federal Health Care Program," as defined in 42 U.S.C. § 1320a-7b(f).

"***Final Reconciliation Cycle***" means the period beginning on the Closing Date and ending on the 180th calendar day after the Closing Date.

"***Financial Statements***" means (i) Seller's unaudited annual income statements for the fiscal

year ending December 31, 20[__], and unaudited balance sheets as of December 31, 20[__],[8] if applicable; and (ii) Seller's unaudited income statements for the [_____]-month period from January 1, 20[__][9] to [[____], 20[__]],[10] and unaudited balance sheets as of the end of such [__]-month period, if applicable.

"***Governmental Authority***" means any federal, state, municipal, or other governmental body, court, department, commission, board, bureau, agency, or instrumentality, or a contractor or designee of any of the foregoing.

"***HIPAA***" means the Health Insurance Portability and Accountability Act of 1996, as amended by the HITECH Act, and as otherwise may be amended from time to time, including the Privacy Standards (45 C.F.R. Parts 160 and 164), the Electronic Transactions Standards (45 C.F.R. Parts 160 and 162), and the Security Standards (45 C.F.R. Parts 160, 162 and 164) promulgated under the Administrative Simplifications subtitle of the Health Insurance Portability and Accountability Act of 1996, as amended by the HIPAA Omnibus Rule.

"***HIPAA Omnibus Rule***" means the final rule promulgated by the United States Department of Health and Human Services amending 45 C.F.R. Parts 160 and 164, published at 78 Fed. Reg. 5566 (Jan. 25, 2013).

"***HITECH Act***" means the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009, Pub. Law No. 111-5, and its implementing regulations, as amended by the HIPAA Omnibus Rule.

"***Indemnified Party***" and "***Indemnified Parties***" mean, individually and collectively, any Buyer Indemnitee, on the one hand, or Seller or Owner, on the other hand, that are entitled to indemnification from an Indemnifying Party under **Section 16**.

"***Indemnifying Party***" means Buyer, on the one hand, or any Seller Indemnifying Party, on the other hand, that is required to indemnify an Indemnified Party under **Section 16**.

"***IRS***" means the United States Internal Revenue Service and, to the extent relevant, the United States Department of Treasury, and any successor Governmental Authority exercising similar authority.

"***Liability***" and "***Liabilities***" mean, individually and collectively, any direct or indirect liability, obligation, guarantee, or endorsement of any kind, nature, or description (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due).

"***Licenses***" means all licenses, permits, approvals, provider numbers and agreements, qualifications, registrations, accreditations, certifications, and other authorizations of any Governmental Authority that are required by Applicable Laws to operate the Acquired Agencies.

"***Licensing Authority***" means the [_____][11] and any successor Governmental Authority exercising similar authority.

"***Liens***" means all liens (including workmen, mechanics and materialmen's liens), Liabilities, claims, encumbrances, security interests, charges, mortgages, deeds of trust, suits, proceedings, options, easements, trusts, restrictions, obligations,

[8] [Note to Draft: Will be the last two completed fiscal years.]

[9] [Note to Draft: Will be the year in which the Signing Date occurs.]

[10] [Note to Draft: Will be the end of the month immediately prior to the month in which the Signing Date occurs.]

[11] [Note to Draft: Will be the main state licensing authority for Seller's home care license(s).]

or other adverse claims of any kind, nature, or description.

"***Material Adverse Effect***" means any event or circumstance that, individually or in the aggregate with all other events or circumstances, has resulted in, or could be reasonably expected to result in, a material adverse change in or a material adverse effect upon, the Acquired Assets or in the business, prospects, financial condition, operations, operating results, patient census, payor mix, amount of or methodology for payment or reimbursement under Payor Programs, customer or patient relations, referral source relations, employee relations, or vendor relations of the Acquired Agencies.

"***Payment Adjustments***" means: (i) the net amount of all charge backs, take backs, or negative or positive adjustments taken or imposed by any Governmental Authority or Payor Program relating to (A) amounts paid to Seller for services furnished before the Closing Date or (B) amounts collected on the Pre-Closing Receivables.

"***Payor Program***" means (i) any federal or state governmental health program, including any Federal Health Care Program, (ii) any health maintenance organization, preferred provider organization, health care service plan, health benefit plan, health insurance plan, or other third-party reimbursement and payment program in which Seller or the Acquired Agencies participate or have participated, and (iii) any direct or indirect contractor or designee of any of the foregoing.

"***Person***" means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, other business entity, or Governmental Authority.

"***PPP Loan***" means a loan issued through the Paycheck Protection Program pursuant to the Coronavirus Aid, Relief and Economic Security Act of 2020, as amended.

"***Pre-Closing Receivables***" means Seller's accounts receivable arising or generated from furnishing services before the Closing Date, whether or not reflected on Seller's balance sheet as of the Closing Date and whether billed or unbilled on the Closing Date.

"***Pre-Closing Tax Periods***" means any taxable period that ends on or before the Closing Date and any portion of a Straddle Period up to an including the Closing Date.

"***Private Duty Clients***" means clients who receive care in their homes or other places of residence regardless of the source of payment for such care (e.g., cash pay by a private individual, long-term care, commercial insurance, BrightStar national accounts payor, Medicaid, or other Payor Program).

"***PTO***" means paid time off, paid sick leave, and paid vacation time.

"***Purchase Price***" means [XXXX] Dollars ($[XXXX]).

"***Reconciliation Cycle***" means each of the following periods: (i) the period beginning on the Closing Date and ending 60 calendar days after the Closing Date; (ii) the period beginning on the 61st calendar day after the Closing Date and ending 120 calendar days after the Closing Date; and (iii) the period beginning on the 121st calendar day after the Closing Date and ending 180 days after the Closing Date.

"***Reconciliation Statement***" means a statement itemizing the collections covered by **Section 7** that Buyer will receive during the applicable Reconciliation Cycle, which statement will include, without limitation, the applicable Client identifier, start of care date, discharge date (if known), actual reimbursement amount, and any Payment Adjustments relating to such collections.

"***SBA***" means the United States Small Business Administration.

"***Seller Indemnifying Party***" means each of Seller and Owner (or any successor, heir, legal representative, and permitted assign).

"***Straddle Period***" means any taxable period that begins on or before and ends after the Closing Date.

"***Taxes***" mean all taxes and other assessments and levies (including all interest and penalties), including, without limitation, income, franchise, real estate, sales, gross receipts, use, unclaimed property, escheatment, excise, and service taxes and employee withholding taxes.

"***Tax Returns***" means any return, report, schedule, notice, form, or other information filed with or submitted to, or required to be filed with or submitted to, any Governmental Authority in connection with any Tax or in connection with the administration of or compliance with Applicable Laws relating to any Tax.

"***Transaction***" means the transactions described in this Agreement.

"***Transaction Documents***" means: this Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Lease Assignments, the New Leases, the Franchise Agreement Terminations, the Deposit Escrow Agreement, and the Indemnification Escrow Agreement.

Index of Terms Defined Elsewhere. The following is a list of additional terms used in this Agreement and a reference to the Section hereof in which such term is defined:

Term	**Section**
Acquired Agency and Acquired Agencies	Recitals
Acquired Assets	Exhibit B
Agreement	Introductory paragraph
Assigned Contracts	Exhibit B
Assigned Licenses	Exhibit B
Assignment and Assumption Agreement	12(a)(ii)
Assumed Liabilities	Exhibit C
Bill of Sale	10(b)
BrightStar Franchising	Recitals
Buyer	Introductory paragraph
Client Deposits	Exhibit B
Clients	21(c)
Closing	5(a)
Closing Date	5(a)
Competing Business	21(a)
DBA Names	13(b)(i)
Denial Date	10(b)
Deposit	4(a)(i)
Dispute Notice	7(b)
Escrow Agent	4(a)(i)
Escrow Agreement	4(a)(i)
Excluded Assets	Exhibit B
Excluded Contracts	Exhibit B
Excluded Liabilities	Exhibit C
Franchise Agreement Terminations	12(a)(v)
Indemnification Escrow Agreement	4(a)(iii)
Indemnification Escrow Amount	4(a)(iii)
Lease Assignments	12(a)(iii)
New Leases	12(a)(iv)
Owner	Introductory paragraph
Party and Parties	Introductory paragraph
Proration Items	6
Referral Sources	21(c)
Restricted Period	21(a)
Restricted Personnel	21(d)
Restricted Territory	21(a)
Seller	Introductory paragraph

Term	**Section**
Seller Insurance Policies	8(r)
Signing Date	Introductory paragraph
Tail Insurance Policy	13(e)

EXHIBIT B

ASSETS

A. **Acquired Assets**. The term "***Acquired Assets***" means all the assets, properties, and businesses of every kind, nature and description, whether real, personal, or mixed, whether tangible or intangible, and wherever located, relating to the Acquired Agencies, except the Excluded Assets, as they exist at the Closing, including, without limitation:

(i) **Acquired Assets – Personal Property; Equipment**. All tangible personal property of Seller relating to the Acquired Agencies, and all transferable warranties, guarantees, and service contracts relating to the Equipment;

(ii) **Acquired Assets – Supplies**. All supplies, drugs, and other disposables and consumables in stock at the Acquired Agencies on the Closing Date, which stock level has been maintained in the ordinary course of business consistent with past business practices and as required by Applicable Laws or by applicable Governmental Authorities;

(iii) **Acquired Assets – Records**. Subject to HIPAA and other similar state Applicable Laws, all records, files, patient records, and documents of any kind whatsoever, whether in hard copy or on computer tapes or disks, relating to the operations of the Acquired Agencies;

(iv) **Acquired Assets – Intangible Assets**. All intangible assets relating to the Acquired Agencies, including (a) to the extent assignable, all license agreements, copyrights, trademarks, assumed names, trade names, service marks, internet domain names and websites, social media accounts, computer software, patents, applications for patents, know-how, proprietary information, licenses, and telephone and facsimile numbers of the Acquired Agencies, including, without limitation, the items listed on **Annex A(iv)** to this **Exhibit B**; and (b) all of Seller's and the Acquired Agencies' lists of referral sources that have been active in the three years immediately preceding the Closing Date and all related documents;

(v) **Acquired Assets – Assigned Licenses**. To the extent assignable, all Licenses listed on **Annex A(v)** to this **Exhibit B**, including all Licensing Authority, Accreditation Body, and Medicaid login rights, user names, passwords, and other internet credentials associated therewith (collectively, the "***Assigned Licenses***");

(vi) **Acquired Assets – Assigned Contracts**. All rights of Seller in and to all Contracts, other than the Excluded Contracts (as defined in this **Exhibit B**), that are listed on **Annex A(vi)** to this **Exhibit B**, including, without limitation, all security deposits related thereto (collectively, the "***Assigned Contracts***");

(vii) **Acquired Assets – Client Deposits**. All deposits received from clients of the Acquired Agencies at any time prior to the Closing (the "***Client Deposits***"), regardless of where such Client Deposits are held as of the Closing; and

(viii) **Acquired Assets – Business and Goodwill**. The business and goodwill of Seller relating to the Acquired Agencies as a going concern and the other Acquired Assets.

B. **Excluded Assets**. Notwithstanding any other provision of this Agreement to the contrary, the Acquired Assets do not include (collectively, the "***Excluded Assets***"):**Excluded Assets – Cash; Deposits**.

Other than the Client Deposits, all of Seller's cash, cash equivalents, and deposits in banks or other financial institutions on the Closing Date;

(ii) **Excluded Assets – Accounts Receivable**. Subject to **Section 7**, the Pre-Closing Receivables;

(iii) **Excluded Assets – Records**. The originals of any records that Seller or its Affiliates are required by Applicable Laws to retain in their possession;

(iv) **Excluded Assets – Employee Benefit Plans**. Seller's Employee Benefit Plans and any related Contracts;

(v) **Excluded Assets – Contracts**. All rights of Seller in and to (a) all Contracts not listed on **Annex(A)(vi)** to this **Exhibit B** and (b) all Contracts listed on **Annex B(v)** to this **Exhibit B** (collectively, the "***Excluded Contracts***");

(vi) **Excluded Assets – Seller Documents**. Seller's qualifications to conduct business as a corporation or limited liability company and its arrangements with registered agents relating to qualifications, federal taxpayer identification numbers, seals, minute books, and other documents relating to the organization, maintenance, and existence of Seller as a corporation or limited liability company; *provided, however*, that Buyer may make copies of such materials and items; and

(vii) **Excluded Assets – Other**. The additional assets and properties specifically listed on **Annex B(vii)** to this **Exhibit B**.

EXHIBIT C

LIABILITIES

A. **Assumed Liabilities**. The term "***Assumed Liabilities***" means only the following known Liabilities of Seller arising exclusively in connection with the operations of the Acquired Agencies (collectively, the "***Assumed Liabilities***"):

(i) **Assumed Liabilities – Proration Items**. The Proration Items of Seller to be paid on or after the Closing Date that are expressly prorated to Buyer at the Closing pursuant to **Section 6**;

(ii) **Assumed Liabilities – Assigned Contracts**. The unfulfilled obligations of Seller arising or accruing on or after the Closing Date under the Assigned Contracts, provided that the rights under the Assigned Contracts have been duly and effectively assigned to Buyer, but excluding Liabilities of Seller under such Assigned Contracts that (a) are the result of Seller's violation or breach thereof or (b) should have been paid or performed by Seller before the Closing Date; and

(iii) **Assumed Liabilities – Assigned Licenses**. The unfulfilled obligations of Seller arising or accruing on or after the Closing Date under the Assigned Licenses, but excluding Liabilities under Payor Programs for overpayments or adjustments for services furnished by Seller or the Acquired Agencies before the Closing Date or for criminal activity, willful misconduct, fraud, or knowing, intentional, or grossly negligent misrepresentation.

B. **Excluded Liabilities**. Notwithstanding any other provision of this Agreement to the contrary, the Assumed Liabilities do not include, and Buyer does not assume, become responsible for, or otherwise obligated to pay, perform, or discharge any Liabilities of Seller, Owner, or the Acquired Agencies ("***Excluded Liabilities***"), including, without limitation, any of the following:

(i) **Excluded Liabilities – Acquired Agencies and Acquired Assets**. All Liabilities arising from events occurring or conditions existing before the Closing Date (except as otherwise specifically provided in this Agreement relating to the Assumed Liabilities assumed by Buyer), relating to the ownership, conduct, or operations of the Acquired Agencies, the Acquired Assets, or otherwise, including, without limitation, rent, accrued insurance expenses, accounts payable, and notes payable;

(ii) **Excluded Liabilities – Seller's Employees**. All Liabilities relating to Seller's employees, including, without limitation, accrued salaries, wages, and PTO; payroll taxes; retirement plan payables; any obligations relating to any other Employee Benefit Plans, if any; and Liabilities for any Equal Employment Opportunity Commission claim, wage and hour claim, unemployment compensation claim, or workers' compensation claim or personnel policy, or claim for on-the-job injuries, including, without limitation, those relating to any termination of employment and all other wages and benefits or Liabilities arising from events occurring or conditions existing before the Closing Date. Without limiting the foregoing, Seller, and not Buyer, will remain responsible and liable for any and all Liabilities arising from the termination or liquidation of any Employee Benefit Plan, if any, including, without limitation, Seller's 401(k) plan, if any;

(iii) **Excluded Liabilities – Contracts**. All Liabilities under the Excluded Contracts;

(iv) **Excluded Liabilities – Taxes**. All Liabilities for Taxes of Seller or Owner arising or accruing before the Closing Date or as the result of the consummation of the Transaction; and

(v) **Excluded Liabilities – COBRA**. Without limiting the foregoing, all Liabilities for COBRA relating to Seller's employees and former employees and its "qualified beneficiaries" (as defined in the Code and ERISA).

EXHIBIT D

RESTRICTED TERRITORY

Zip codes

ATTACHMENT 2 TO EXHIBIT N

Attachment 2 to Call Option Exhibit

Examples of Call Option Price Calculation

Example 1. Your Adjusted EBITDA was $375,000 and your Annualized T6M Revenue was $3,600,000.

- Accordingly, the multiple to be applied to your Adjusted EBITDA is 3.25x.
- 3.25x multiplied by your Adjusted EBITDA of $375,000 results in a Call Option Price of $1,218,750.

Example 2. Your Adjusted EBITDA was $100,000 and your Annualized T6M Revenue was $1,000,000. You are the initial franchisee owner of the Call Option Agency and you obtained an SBA loan in the amount of $500,000 to fund the acquisition and start-up costs of the Call Option Agency, and the current amount required to pay off in full and discharge such loan is $425,000.

- Since your Annualized T6M Revenue was less than $2,500,000, the multiple to be applied to your Adjusted EBITDA is 3.00x.
- 3.00x multiplied by your Adjusted EBITDA of $100,000 is $300,000.
- However, since your SBA loan balance is $425,000, the Call Option Price will be an amount that results in the cash paid at the Hard Close (net of any escrowed amounts) being no less than $425,000.
    - For example, we may determine that there will be no escrow under the APA, meaning that the Call Option Price will be $425,000.

Example 3. You acquired the Call Option Agency in a resale transaction for $1,500,000. Your Adjusted EBITDA was $150,000 and your Annualized T6M Revenue was $1,000,000 (representing a decrease in Adjusted EBITDA and Annualized T6M Revenue of approximately 50% since your acquisition of the Call Option Agency). You obtained an SBA loan to fund the acquisition of the Call Option Agency, and the current amount required to pay off in full and discharge such loan is $1,000,000.

- Since your Annualized T6M Revenue was less than $2,500,000, the multiple to be applied to your Adjusted EBITDA is 3.00x.
- 3.00x multiplied by your Adjusted EBITDA of $150,000 is $450,000.
- However, since you paid $1,500,000 for the Call Option Agency, the Call Option Price will be an amount that results in the cash paid at the Hard Close (net of any escrowed amounts) being no less than $1,500,000.
    - For example, we may determine that there will be no escrow under the APA, meaning that the Call Option Price will be $1,500,000.

Example 4. Same facts as Example 1, but you disagree with our calculation of the Call Option Price, which was provided to you in a Call Option Price Notice delivered on August 15, 2026.

- You would have until August 30, 2026 to deliver a Notice of Objection to us.
- Assuming you deliver a Notice of Objection to us on August 25, 2026, we would negotiate in good faith during the immediately-succeeding fifteen (15) days (i.e., until September 9, 2026) to determine the Call Option Price.

- If the Call Option Price cannot be agreed upon by us and the Option Parties by September 9, 2026, then you must select an Accounting Firm (subject to our approval, which will not be unreasonably withheld, conditioned, or delayed) within fifteen (15) days thereafter (i.e., by September 24, 2026).
- The Accounting Firm must complete its determination of the Adjusted EBITDA and the Call Option Price within forty-five (45) days after September 9, 2026 (i.e., by October 24, 2026).
- The Call Option Price determined by the Accounting Firm (resulting from its determination of Adjusted EBITDA and the application of the other provisions of Section 5(a) of the Call Option Exhibit) will be the Call Option Price. Therefore, if the Accounting Firm determines that the Adjusted EBITDA is $400,000, then the Call Option Price would be $1,300,000. Conversely, if the Accounting Firm determines that the Adjusted EBITDA is $350,000, then the Call Option Price would be $1,137,500, notwithstanding the fact that the Call Option Price would have been $1,218,750 under our initial calculation.

Example 5. Same facts as Example 1, but you own two other BrightStar Care Agencies in addition to the Call Option Agency. After receipt of the Option Exercise Notice with respect to the Call Option Agency, you request (in the manner and by the deadline specified in the Option Exercise Notice) that we include in the Call Option process and purchase from you the other two BrightStar Care Agencies that you own. We accept your request and agree to purchase all three BrightStar Care Agencies that you own. The Adjusted EBITDA and Annualized T6M Revenue for all three Purchased Agencies were $1,500,000 and $14,500,000, respectively.

- Accordingly, the multiple to be applied to your Adjusted EBITDA is 4.25x.
- 4.25x multiplied by the three Purchased Agencies' Adjusted EBITDA of $1,500,000 results in a Call Option Price of $6,375,000.

Example 6. Same facts as Example 5, but you disagree with our calculation of the Call Option Price, which was provided to you in a Call Option Price Notice delivered on August 15, 2026.

- You would have until August 30, 2026 to deliver a Notice of Objection to us.
- Assuming you deliver a Notice of Objection to us on August 25, 2026, we would negotiate in good faith during the immediately-succeeding fifteen (15) days (i.e., until September 9, 2026) to determine the Call Option Price.
- If the Call Option Price cannot be agreed upon by us and the Option Parties by September 9, 2026, then you must select an Accounting Firm (subject to our approval, which will not be unreasonably withheld, conditioned, or delayed) within fifteen (15) days thereafter (i.e., by September 24, 2026).
- The Accounting Firm must complete its determination of the Adjusted EBITDA of all three Purchased Agencies included in the Call Option process—and the resulting Call Option Price for those three Purchased Agencies—within forty-five (45) days after September 9, 2026 (i.e., by October 24, 2026).
- The Call Option Price determined by the Accounting Firm (resulting from its determination of Adjusted EBITDA and the application of the other provisions of Section 5(a) of the Call Option Exhibit) will be the Call Option Price. Therefore, if the Accounting Firm determines that the Adjusted EBITDA of all three Purchased Agencies is $1,650,000, then the Call Option Price

would be $7,012,500. Conversely, if the Accounting Firm determines that the Adjusted EBITDA of all three Purchased Agencies is $1,350,000, then the Call Option Price would be $5,737,500, notwithstanding the fact that the Call Option Price would have been $6,375,000 under our initial calculation.

EXHIBIT C

TO BRIGHTSTAR FRANCHISING, LLC'S FRANCHISE DISCLOSURE DOCUMENT

OPERATIONS MANUAL TABLE OF CONTENTS

Our Operations Manual contains a total of 1049 pages and covers the following topics: Getting Started (37 pages), Setting Up Your Business (20 pages), Personnel (72 pages), Franchise Administration (26 pages), Sales & Marketing (118 pages), Business Operations (71 pages), ABS User Manual (625 pages), Clinical Operations (27 pages) and Skilled Operations (53 pages).

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EXHIBIT D

TO BRIGHTSTAR FRANCHISING, LLC'S FRANCHISE DISCLOSURE DOCUMENT

CONFIDENTIALITY, NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

CONFIDENTIALITY, NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

WHEREAS, the undersigned is an officer, director, member, manager, key employee, partner or owner of an interest in the equity or voting interests of _____, the Franchisee under, and signatory to, that certain Franchise Agreement dated _____, _____ (the "Franchise Agreement") entered into with BrightStar Franchising, LLC ("Company") granting Franchisee the right to own and operate a BrightStar Care Agency on the terms and conditions stated in the Franchise Agreement.

WHEREAS, the undersigned acknowledges that, in order to induce Company to enter into the Franchise Agreement, Franchisee must cause certain persons owning an interest in Franchise or who are associated with Franchisee in an executive or similar capacity, to sign this Confidentiality and Non-Disclosure Agreement ("Agreement") for the benefit of Company.

NOW, THEREFORE, the undersigned, having read this Agreement and understanding its terms, hereby agrees as follows:

1. Nondisclosure of Confidential Information.

a. The undersigned agrees not to disclose, duplicate, sell, reveal, divulge, publish, furnish or communicate, either directly or indirectly, any Confidential Information (as defined below) to any other person, firm or entity, unless authorized in writing by Company.

b. The undersigned agrees not to use any Confidential Information for his or her own personal gain or to further the purposes of others, whether or not the Confidential Information has been conceived, originated, discovered or developed, in whole or in part, by the undersigned or represents the undersigned's work product. To the extent the undersigned has assisted in the preparation of any information which Company considers to be Confidential Information or has prepared or created such information by himself or herself, the undersigned hereby assigns any rights that he or she may have in such information as creator to Company, including all ideas made or conceived by the undersigned.

c. The undersigned understands and agrees that the use, publication, or duplication of the Confidential Information for any purpose not authorized by this Agreement constitutes an unfair method of competition by the undersigned.

d. The provisions of this paragraph 1 shall survive the expiration or termination of all contracts between Company and Franchisee.

e. The provisions concerning non-disclosure of Confidential Information shall not apply if disclosure of Confidential Information is legally compelled in a judicial or administrative proceeding, provided the undersigned shall have used its best efforts, and shall have afforded Company the opportunity, to obtain an appropriate protective order or other assurance satisfactory to Company of confidential treatment for the information required to be disclosed.

f. The term "Confidential Information" shall have the same meaning assigned to it in the Franchise Agreement. A copy of the relevant Sections of the Franchise Agreement is attached to this Agreement as Schedule 1.

2. Return of Proprietary Materials.

Upon expiration or termination of the Franchise Agreement, the undersigned shall surrender to Franchisee, or, if directed by Company, directly to Company, all materials in the possession of the undersigned relating to or concerning any Confidential Information. The undersigned understands and agrees that such materials shall be and remain the sole property of Company.

3. Agreements Regarding Competition.

a. For purposes of this Paragraph 3, the term "Competing Business" shall mean 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 non-medical care services, or solely medical care services—to private-duty clients within their home or residence (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, long-term care, commercial insurance, National Accounts payor, Medicaid, etc.)); (c) case management and care management services; and/or (d)) any other services, technology or devices, or products BrightStar may now or in the future authorize you to offer or sell in connection with the Agency's operation.

b. For as long as the Franchise Agreement shall remain in effect, the undersigned agrees that he or she shall neither directly nor indirectly, whether individually, or through, on behalf of, as a member of, or in conjunction with any person, persons, partnership, corporation, or other legal entity, operate, advise on the development or operation of, be employed in a managerial or sales capacity by, or have any interest as an owner of any business, other than as a Franchisee of the Franchisor, that would be considered to be a Competing Business located anywhere in the world, provided, however, the restrictions stated in this paragraph shall not apply to the undersigned after twenty-four (24) months from the date that the undersigned ceases to be an officer, director, member, manager, key employee, partner or owner of an interest in the equity or voting interests in Franchisee.

c. For a period of twenty-four (24) months after expiration or termination of the Franchise Agreement, regardless of the cause of termination, or an event of transfer as defined in the Franchise Agreement, whichever occurs first, the undersigned agrees that it, he or she shall neither directly nor indirectly, whether individually, or through, on behalf of, as a member of, or in conjunction with any person, persons, partnership, corporation, or other legal entity, operate, advise on the development or operation of, be employed in a managerial or sales capacity by, or have any interest as an owner of any business, other than as a Franchisee of the Franchisor, that would be considered to be a Competing Business located at the premises of the former Agency, located or operating within the protected territory of the former Agency or any 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 located or operating within a 25-mile radius of the outer boundaries of the protected territory of any 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..

d. This Agreement does not prohibit the undersigned from owning 2% or less of the voting stock of a company that is in a Competing Business and whose shares are publicly traded on a national exchange.

e. The parties understand and agree that the undersigned may engage in any activities not expressly prohibited by this Agreement. However, in connection with permitted activities, the undersigned shall not (i) use the Confidential Information or any of the Licensed Marks (as that term is defined in the Franchise Agreement); (ii) engage in any conduct or activity which suggests or implies that Company endorses, or authorizes, the undersigned's activities; or (iii) induce any person to engage in conduct prohibited by this Agreement.

4. Interference.

The undersigned agrees not to, directly or indirectly, for itself or on behalf of any other person:

(a) Divert, or attempt to divert, any business or customer of any BrightStar Care Agency to any competitor by direct or indirect inducement or perform any act which directly or indirectly could, or may, injure or prejudice the goodwill and reputation of the Licensed Marks or the BrightStar Care Agency Program; or

(b) Employ or seek to employ any person who is at that time employed by Company, an Affiliate, or another franchisee of Company in a management-level or director-level position or otherwise directly or indirectly induce or seek to induce the person to leave his or her employment.

5. Irreparable Harm to Company.

a. The undersigned understands and agrees that Company will suffer irreparable injury not capable of precise measurement in monetary damages if it discloses or misuses any Confidential Information, or if the undersigned breaches the covenants contained in this Agreement. Accordingly, in the event of a breach of this Agreement by the undersigned, the undersigned consents to entry of interim relief, including, without limitation, the entry of a temporary restraining order, preliminary injunction, permanent injunction, writ of attachment, appointment of a receiver, and any other equitable relief which the court deems necessary in order to prevent irreparable injury, all without the requirement that bond be posted.

b. The undersigned agrees that the award of equitable remedies to Company in the event of such breach is reasonable and necessary for the protection of the business and goodwill of Company.

6. Survival.

The agreements made by the undersigned shall survive the expiration or termination of all contracts between Company and Franchisee.

7. Validity; Conformity With Applicable Law.

a. Wherever possible, each provision of this Agreement shall be interpreted in a manner as to be valid under applicable law, but if any provision of this Agreement shall be invalid or prohibited thereunder, the provision shall be ineffective only to the extent of the prohibition or invalidity without invalidating the remainder of this Agreement.

b. If any provision of Paragraph 3 is void or unenforceable under Illinois law, but would be enforceable as written or as modified under the laws of any state having jurisdiction over the undersigned (the "Local Laws"), the parties agree that the Local Laws shall govern any dispute concerning or involving the construction, interpretation, validity or enforcement of the provisions of this Agreement regarding competition, but only with respect to the subjects covered in Paragraph 3.

8. Miscellaneous

a. Any waiver granted to the undersigned by Company excusing or reducing any obligation or restriction imposed under this Agreement shall be evidenced by a writing signed by Company in order to be effective and shall only be effective to the extent specifically allowed in such writing. No waiver granted by Company shall constitute a continuing waiver. Any waiver granted by Company shall be without prejudice to any other rights Company may have. The rights and remedies granted to Company are cumulative. No delay on the part of Company in exercising any right or remedy shall preclude Company from fully exercising such right or remedy or any other right or remedy.

b. This Agreement sets forth the entire agreement made by the undersigned pertaining to the subject matter hereof, fully superseding any and all prior agreements or understandings that may exist between the undersigned and the Company pertaining to such subject matter. No amendment, change, modification, or variance to or from the terms and conditions contained in this Agreement shall be binding on the undersigned unless it is contained in a writing and duly signed by the undersigned and Company.

c. This Agreement shall be binding on the undersigned's heirs, executors, successors, and assigns as though originally signed by such persons.

d. The parties agree that all capitalized terms in this Agreement shall have the same meaning assigned to them in any Franchise Agreement between Company and Franchisee, and incorporate such definitions into this Agreement.

IN WITNESS WHEREOF, the undersigned has entered into this Agreement as of the date shown above the undersigned's signature.

_____
Signature of Individual

_____
Print Name of Individual
Dated: _____

SCHEDULE 1

CONFIDENTIAL INFORMATION

The following Sections of the Franchise Agreement shall define the term "Confidential Information" for purposes of this Agreement:

11.2 Confidential Information

During the term of this Agreement and following the expiration or termination of this Agreement, Franchisee covenants not to communicate directly or indirectly, nor to divulge to or use for its benefit or the benefit of any other person or legal entity, any trade secrets which are proprietary to Franchisor or any information, knowledge or know-how identified to Franchisee by Franchisor in writing as confidential (including but not limited to the Operations Manual) or otherwise deemed confidential under Sections 7.2 and 11.3 of this Agreement, except as permitted by Franchisor. In the event of any expiration, termination or non-renewal of this Agreement, Franchisee agrees that it will never use Franchisor's Confidential Information, trade secrets, methods of operation or any proprietary components of the BrightStar Care Agency Program in the design, development or operation of any business providing (a) supplemental healthcare staff to institutional clients, such as hospitals, Medicare agencies, hospice agencies, assisted-living centers, nursing homes and clinics, and/or (b) homecare services—whether comprehensive care services (including medical and non-medical care services), solely non-medical care services, or solely medical care services—to private-duty clients within their home or residence (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, long-term care, commercial insurance, National Accounts payor, Medicaid, etc.)). Notwithstanding the foregoing, the obligations in this Section 11.2 shall not apply to information: (a) which at the time of disclosure is readily available to the trade or public; (b) which after disclosure becomes readily available to the trade or public, other than through breach of this Agreement; (c) which is subsequently lawfully and in good faith obtained by Franchisee from an independent third party without breach of this Agreement; (d) which was in possession of such party prior to the date of disclosure; or (e) which is disclosed to others in accordance with the terms of a prior written authorization between the parties to this Agreement. The protections granted hereunder shall be in addition to and not in lieu of all other protections for such trade secrets and confidential information as may otherwise be afforded in law or in equity.

Confidential Use

Franchisee shall at all times use its best efforts to keep the Operations Manual and any other manuals, materials, goods and information created or used by Franchisor and designated for confidential use within the BrightStar Care Agency Program and the information contained in those documents as confidential and shall limit access to employees of Franchisee on a need-to-know basis. Franchisee acknowledges that the unauthorized use or disclosure of Franchisor's confidential information or trade secrets will cause irreparable injury to Franchisor and that damages are not an adequate remedy. Franchisee accordingly covenants that it shall not at any time, without Franchisor's prior written consent, disclose, use, permit the use thereof (except as may be required by applicable law or authorized by this Agreement), copy, duplicate, record, transfer, transmit or otherwise reproduce such information, in any form or by any means, in whole or in part, or otherwise make the same available to any unauthorized person or source. Any and all

information, knowledge and know-how not known about the BrightStar Care Agency Program and Franchisor's products, services, standards, procedures, techniques and such other information or material as Franchisor may designate as confidential shall be deemed confidential for purposes of this Agreement.

EXHIBIT E

TO BRIGHTSTAR FRANCHISING, LLC'S
FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> 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.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
FOR THE STATE OF CALIFORNIA

1. The "Summary" column of Item 17(o) of the Franchise Disclosure Document, titled "Franchisor's option to purchase franchisee's business," is amended to add the following language to the end of what now appears: "Under Section 14.4 of the Franchise Agreement, we also have the right (but no obligation) to buy the Agency's business and related goodwill for a specific purchase price, and at our option to receive an assignment of the lease for the Agency's premises, after the Franchise Agreement is terminated or expires (without renewal) when we do not have the right to exercise the Call Option described above."

2. The "Summary" column of Item 17(r) of the Franchise Disclosure Document, titled "Non-competition covenants after the franchise is terminated or expires," is amended to add the following language to the end of what now appears: "Under Section 11.4 of the Franchise Agreement, you are subject to certain client/customer non-solicitation obligations after the Franchise Agreement is terminated or expires (without renewal) if we exercise our right to purchase the Agency's business and related goodwill."

ADDENDUM TO THE FRANCHISE AGREEMENT
FOR CALIFORNIA FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between BrightStar Franchising, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This addendum is being signed because: (a) any of the franchise offer or sales activity occurred in California and you are a resident of California; or (b) your BrightStar Care Agency will be located in California.

2. The following language is added to the Franchise Agreement as new Section 14.4:

Upon our termination of this Agreement in compliance with its terms for any cause other than the defaults listed in Sections 14.3(b)(i) through (xxi) above, your termination of this Agreement without cause in breach of this Agreement, or expiration of this Agreement (if we offer you the right to renew the franchise for the Franchised Business but you choose not to renew), we have the right (but no obligation), exercisable by giving you written notice before or within thirty (30) days after the effective date of termination or expiration, to purchase the Agency's business and related goodwill (other than any goodwill we already own). We have the unrestricted right to assign this purchase option to a third party (including an affiliate), which then will have the rights and obligations described in this Section 14.4. We (or our designee) are entitled to all customary representations, warranties, and indemnities in our purchase, including representations and warranties regarding ownership and condition of, and title to, assets; liens and encumbrances on assets; validity of contracts and liabilities affecting the assets, contingent or otherwise; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Agency before the closing of the purchase. You also agree (at our option) to assign to us (or our designee) the lease for the Agency's premises or to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the lease.

If we (or our designee) elect to purchase the Agency's business and related goodwill under this Section 14.4, the purchase price will be equal to the greater of (a) one-and-one-half (1.5) multiplied by the Agency's Adjusted EBITDA (defined below) during the twelve (12) full calendar months immediately preceding the effective date of termination or expiration of this Agreement and (b) One Thousand Dollars ($1,000) for each active client of the Franchised Business as of the effective date of termination or expiration that is fully and effectively transferred and transitioned to us (or our designee) as part of our purchase.

"Adjusted EBITDA" means EBITDA (i.e., net income before interest, taxes, depreciation and amortization) plus adjustments for (1) nonrecurring related revenue or expense activities, (2) profit attributed to one-time or short-term business opportunities resulting from National Account participation or local contracts where business is not expected to continue for longer than twelve (12) months (short-term staffing that is other than COVID-specific staffing will not be used as an adjustment unless it represents more than 20% of the Agency's trailing twelve (12)-month revenue, (3) add-backs for owner discretionary expenses and compensation that will not continue offset by fair-market replacement cost for the owner's day-to-day participation, (4) client price adjustments that have not been fully reflected in trailing results, (5) business expense activities that are not fully reflected in trailing results, and

(6) expenses that would have been incurred had the Agency been in full compliance with this Agreement before the effective date of termination or expiration.

We (or our designee) will pay the purchase price at the closing, which will take place not later than thirty (30) days after we notify you that we (or our designee) are exercising our right to purchase, as provided above. We have the right to set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us (or our affiliates). At the closing, you agree to deliver instruments transferring to us (or our designee): (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us or our designee), with all sales and transfer taxes paid by you; and (b) all of the Agency's licenses and permits that may be assigned.

If you cannot deliver clear title to all purchased assets, or if there are other unresolved issues, we have the right to require that the sale be closed through an escrow. You and your owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, agents, representatives, successors, and assigns.

In consideration of the valuable payments that you will receive in connection with our (or our designee's) purchase from you of the Agency's business and related goodwill, you and your owners agree that for as long as we or our designee, or any person deriving title to the ownership of the Agency's business and goodwill from us or our designee, carries on (after the acquisition) a Similar Business in the territory where you operated the Franchised Business pursuant to this Agreement, you and your owners will not directly or indirectly, individually, or through, on behalf of, as a member of, or in conjunction with any person, persons, partnership, corporation, or other legal entity:

(a) solicit any customers within the territory covered by this Agreement that were serviced by the Agency during this Agreement's term, including, without limitation, any customers defined as National Accounts customers or referral sources; or

(b) provide services to any customers within the territory covered by this Agreement that were serviced by the Agency during this Agreement's term, including, without limitation, any customers defined as National Accounts customers or referral sources.

For purposes of this Section 14.4, "Similar Business" means any business that provides: (1) supplemental healthcare staff to institutional clients, such as hospitals, Medicare agencies, hospice agencies, assisted-living centers, nursing homes and clinics; (2) homecare services—whether comprehensive care services (including medical and non-medical care services), solely non-medical care services, or solely medical care services—to private-duty clients within their home or residence (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, long-term care, commercial insurance, National Accounts payor, 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. The obligations described above are in addition to your other post-term obligations in this Agreement described in Sections 14.1 and 14.2. The non-solicitation restrictions above are in lieu of your post-term non-competition obligations under Sections 11.4.3 and 11.4.4 of this Agreement.

FRANCHISOR:	**FRANCHISEE:**
BrightStar Franchising, LLC	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF MARYLAND

1. The following language 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), titled **Conditions for franchisor approval of transfer**:

Any release required as a condition of renewal and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. The following language is added to the end of the "Summary" section of Item 17(h), titled **"Cause" defined – non-curable defaults**:

Termination upon insolvency might not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.), but we will enforce it to the extent enforceable.

3. The following language is added to the end of the "Summary" section of Item 17(v), titled **Choice of forum**:

; however, to the extent required by the Maryland Franchise Registration and Disclosure Law, but subject to your arbitration obligation, you may bring an action in Maryland.

4. The following language is added to the end of the "Summary" section of Item 17(w), titled **Choice of forum**:

Except for Federal Arbitration Act and other federal law, to the extent required by law, Maryland law applies.

5. The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR MARYLAND FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between BrightStar Franchising, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being signed because: (a) Franchisee is a resident of the State of Maryland; or (b) the BrightStar Care Agency will be located or operated in Maryland.

2. **RELEASES**. The following language is added to the end of Section 2.2, 12.4.9, and 12.7 of the Franchise Agreement:

> ; provided, however, that such general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. **CONSENT TO JURISDICTION**. The following sentence is added to the end of Section 15.7 of the Franchise Agreement:

> Franchisee may, subject to its arbitration obligations, bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **LIMITATIONS OF CLAIMS**. The following sentence is added to the end of Section 15.8 of the Franchise Agreement:

> , except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

5. **GOVERNING LAW**. The following sentence is added to the end of Section 22 of the Franchise Agreement:

> However, to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **ACKNOWLEDGMENTS**. The following language is added to the end of Section 27 of the Franchise Agreement:

> Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:	**FRANCHISEE:**
BrightStar Franchising, LLC	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDITION]AL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF MINNESOTA

Item 13, Additional Disclosure: The following statement is added to Item 13:

> We will protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name to the extent required by Minn. Stat. Sec. 80C.12, Subd.1(g).

Notice of Termination. The following statement is added to Item 17:

> With respect to franchises governed by Minnesota law, BrightStar Franchising, LLC will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Governing Law, Jurisdiction and Venue and Choice of Forum. The following statement is added to the cover page and Item 17:

> Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce 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.

General Release. The following statement is added to Item 17:

> Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between BrightStar Franchising, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Minnesota; (b) Franchisee is a resident of the State of Minnesota; and/or (c) the BrightStar Care Agency will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Sections 1.5 and 13:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, subdivision 3, 4, and 5 which requires, except in certain cases, that 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. The following sentence is added to the end of Sections 2.2, 12.4.9, and 12.7:

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

4. The following sentences are added to the end of Sections 15.3 and 15.8:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring arbitration or litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or the Franchise Agreement can abrogate or reduce any of Licensee'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.

5. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:	**FRANCHISEE:**
BrightStar Franchising, LLC	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF 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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. 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 language is added to Item 1:

You are responsible for obtaining, maintaining, and owning any health care or employment related permits, licenses, or other indications of authority for your Agency that may be necessary and appropriate for operation of your Agency. Below is a list of New York licensing statutes that may apply to your franchise:

Franchisee is subject to, and shall comply with all New York laws and regulations, including the applicable provisions of Article 36 of the New York Public Health Law and Parts 700, 765 and 766 of Title 10 of the New York Codes, Rules and regulations.

1. The following is added at the end of Item 3:

Except as provided above, with regard 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 a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

4. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

5. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

6. 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.

7. 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.

8. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

9. 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.

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR NEW YORK FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between BrightStar Franchising, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of New York; (b) Franchisee is a resident of the State of New York; and/or (c) the BrightStar Care Agency will be located or operated in the State of New York.

2. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

3. The following sentence is added to the end of Sections 2.2, 12.4.9, and 12.7:

Any provision in the Franchise Agreement requiring Franchisee to sign a general release of claims against Franchisor does not release any claim Franchisee may have under New York General Business Law, Article 33, Sections 680-695.

4. The following language is added as Section 6.18 of the Franchise Agreement:

Franchisee's responsibilities under New York Law are in no way lessened by entering into the Franchise Agreement. Notwithstanding any provision to the contrary in the Franchise Agreement, Franchisee retains:

(i) ongoing responsibility and full legal authority over the operation and management of the Agency;

(ii) ongoing responsibility for compliance with all statutory and regulatory requirements;

(iii) authority to hire or fire Agency staff;

(iv) control of the Agency's books and records;

(v) authority over the disposition of assets and the authority to incur liabilities on behalf of the Agency.

By entering into the Franchise Agreement, Franchisee has agreed to adopt and utilize the policies and procedures Franchisor has developed. Notwithstanding the foregoing, Franchisee retains the right and authority to adopt, amend, enforce, and implement policies and procedures regarding the operation of the Agency in order to ensure compliance with applicable licensing or permitting requirements.

5. The following sentence is added at the end of Section 12.1:

Franchisor will not assign its rights under the Franchise Agreement except to an assignee who in Franchisor's good faith and judgment is willing and able to assume Franchisor's obligations under the Franchise Agreement.

6. The following sentence is added to the end of Section 22:

Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

7. The following language is added as Section 29 of the Franchise Agreement:

The Franchise Agreement approved by the New York State Commissioner of Health will be the sole Franchise Agreement between Franchisor and Franchisee during the initial term, relating to the operation of the Agency in the geographic area that is covered by the Franchise Agreement.

8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

9. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect full force and effect.

FRANCHISOR:	**FRANCHISEE:**
BrightStar Franchising, LLC	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

SUPPLEMENTAL ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR NEW YORK LHCSA FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____, between BrightStar Franchising, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

The following statements are added to the Franchise Agreement and supersede any inconsistent provisions appearing thereunder:

1. Franchisee's responsibilities under New York Law are in no way lessened by entering into the Franchise Agreement. Notwithstanding any provision to the contrary in the Franchise Agreement, Franchisee retains:

(i) ongoing responsibility and full legal authority over the operation and management of the agency;

(ii) ongoing responsibility for compliance with all statutory and regulatory requirements;

(iii) authority to hire or fire agency staff;

(iv) control of the agency's books and records;

(v) authority over the disposition of assets and the authority to incur liabilities on behalf of the agency.

See 10 N.Y.C.R.R. § 766.9.

2. By entering into the Franchise Agreement, Franchisee has agreed to adopt and utilize the policies and procedures BrightStar has developed. Notwithstanding the foregoing, Franchisee retains the right and authority to independently adopt, amend, enforce and implement policies and procedures regarding the operation of the agency in order to ensure the provision of quality home care services and that the agency is operated in compliance with all applicable statutes and regulations. *See* 10 N.Y.C.R.R. § 766.9.

3. The policies, standards, procedures, manuals and other documents BrightStar has developed which relate to the operating standards, policies and procedures for the agency shall be available for inspection and copying by the New York State Department of Health ("DOH") in accordance with DOH's statutory and regulatory authority. Such documents, when received by DOH, shall be subject to the relevant provisions of the Freedom of Information Law including, if applicable, provisions relating to excepting from disclosure documents which are trade secrets or are maintained for the regulation of commercial enterprise which if disclosed would cause substantial injury to the competitive position of the subject enterprise. *See* 10 N.Y.C.R.R. § 766.9.

4. The Franchise Agreement approved by the New York State Commissioner of Health shall be the sole Franchise Agreement between BrightStar and Franchisee for the agency, or any

portion thereof, relating to the geographic service area that is covered by the Franchise Agreement. *See* 10 N.Y.C.R.R. § 766.9.

FRANCHISOR:
BRIGHTSTAR FRANCHISING, LLC

By:_____
Printed Name:_____
Title:_____

FRANCHISEE: _____

By:_____
Printed Name:_____
Title:_____

By:_____
Printed Name:_____
Title:_____

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
FOR THE STATE OF NORTH DAKOTA

1. The "Summary" sections of Items 17(c) and 17(m) are amended by adding the following:

> However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The row entitled "Termination Damages" in Item 6 and the "Summary" section of Item 17(i) are amended by adding the following:

> The Commissioner has determined termination or liquidated damages to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, we and you agree to enforce these provisions to the extent the law allows.

3. The "Summary" section of Item 17(r) is amended by adding the following:

> Covenants not to compete such as those mentioned above generally are considered unenforceable in North Dakota. However, we will seek to enforce them to the extent enforceable.

4. The "Summary" section of Item 17(v) is amended by adding the following:

> To the extent required by the North Dakota Franchise Investment Law, but subject to your arbitration obligations, you may bring an action in North Dakota.

5. The "Summary" section of Item 17(w) is amended by adding the following:

> Except for federal law, North Dakota law applies.

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR NORTH DAKOTA FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between BrightStar Franchising, LLC ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This addendum is being signed because: (a) Franchisee is a resident of the State of North Dakota and the BrightStar Care Agency that Franchisee will operate under the Franchise Agreement will be located or operated in North Dakota, or (b) any of the franchise offer or sales activity occurred in North Dakota.

2. The following sentence is added to the end of Sections 2.2, 12.4.9, and 12.7:

> Any release executed will not apply to the extent otherwise prohibited by applicable law with respect to claims arising under the North Dakota Franchise Investment Law.

3. Section 11.4 of the Franchise Agreement is amended by adding the following:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. However, you acknowledge and agree that we intend to seek enforcement of these provisions to the extent allowed under the law.

4. The following language is added to the end of Section 14.2 of the Franchise Agreement:

> The Commissioner has determined termination or liquidated damages to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, we and you agree to enforce these provisions to the extent the law allows.

5. The third sentence of Section 15.3 of the Franchise Agreement is amended to read as follows:

> All proceedings, including the hearing, will be conducted in Chicago, Illinois or, at our option, at a suitable location that is within ten (10) miles of where we have our principal business address when the arbitration demand is filed, provided, however, that to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration proceedings will be held at a site to which we and you agree.

6. The following language is added at the end of Section 15.7 of the Franchise Agreement:

However, to the extent required by applicable law, but subject to Franchisee's arbitration obligations, Franchisee may bring an action in North Dakota.

7. The following sentence is added to the end of Section 15.8 of the Franchise Agreement:

The statutes of limitations under North Dakota law apply with respect to claims arising under the North Dakota Franchise Investment Law.

8. If and then only to the extent required by the North Dakota Franchise Investment Law, Sections 15.9 and 15.10 of the Franchise Agreement are deleted in their entirety.

9. The following language is added at the end of Section 22 of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to this Agreement.

10. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:	**FRANCHISEE:**
BrightStar Franchising, LLC	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
FOR THE STATE OF WASHINGTON

1. The following paragraphs are added at the end of Item 17 of the Franchise Disclosure Document:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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.

The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, FRANCHISE REPRESENTATIONS, AND RELATED AGREEMENTS

This Addendum is made by and between BrightStar Franchising, LLC ("Franchisor") and _____ ("Franchisee").

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) Franchisee is domiciled in Washington; and/or (b) the BrightStar Agency will be located or operated in Washington; and/or (c) any of the franchise offer or sales activity occurred in Washington.

2. **WASHINGTON LAW**. The following paragraphs are added to the end of the Franchise Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in a franchisee's relationship with a franchisor including the areas of termination and renewal of a franchisee's franchise. There may also be court decisions which may supersede the Franchise Agreement in a franchisee's relationship with a franchisor including the areas of termination and renewal of a franchisee's franchise.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect Franchisor' reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per

year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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.

FRANCHISOR:	**FRANCHISEE:**
BrightStar Franchising, LLC	_____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT F

TO BRIGHTSTAR FRANCHISING, LLC'S FRANCHISE DISCLOSURE DOCUMENT

SUPPLEMENTAL DISCUSSION ON SPECIAL INDUSTRY LAWS

SUPPLEMENTAL DISCUSSION ON SPECIAL INDUSTRY LAWS

In addition to the information provided in Item 1 of the Franchise Disclosure Document, you should consider the following types of regulation that may apply to the ownership and operation of your Agency:

a. Licensure; Record Keeping

Most states have licensing, certification or registration requirements applicable to the services you will be providing as a BrightStar Healthcare franchisee. You therefore may be required to register as a home health agency, nurse staffing and/or employment agency and to comply with the screening requirements of health care workers. Special training and competency requirements may apply, including with respect to infection control, abuse and neglect, patient confidentiality and the handling of client finances. You will also be required to pay a fee to the state agency responsible for enforcing these requirements. State licensing, certification, and registration statutes may require a minimum level of education or related work experience and/or the payment of a fee in order to obtain the license.

You may also be required to have a full-time registered nurse (RN) to comply with the regulations in your state governing nursing agencies and/or home health agencies. Some states impose restrictions on advertising, and conduct pre-licensure and/or complaint surveys of agencies' facilities. Fines and penalties may be levied for non-compliance. You should inquire about any applicable laws and your corresponding obligations and cost of compliance.

Some states may also have specific record-keeping or other requirements for health care providers. In addition, almost all states prohibit the use or disclosure of individual's health information for purposes other than treatment, payment or internal health care operations. Civil and criminal fines or penalties may be imposed for the unauthorized use of health or financial information, and state authorities may impose remediation measures in the event of breaches of information security. You will be responsible for investigating and complying with any such laws that may apply in your territory.

b. Anti-Kickback Laws

Certain provisions of the Social Security Act, commonly referred to as the "Anti-Kickback Act," prohibit the offer, payment, solicitation or receipt of any form of remuneration either in return for the referral of patients or patient care opportunities paid in whole or in part by a federal health care program, including the VA, or in return for the recommendation, arrangement, purchase, lease or order of items or services paid in whole or in part by a federal health care program, including VA benefits.

The Anti-Kickback Act is broad in scope and has been broadly interpreted by courts in many jurisdictions. Violation of the Act constitutes a felony punishable by a maximum fine of $25,000, imprisonment up to five years, or both. Conviction will also lead to automatic exclusion from federal health care programs, including the VA.

Additionally, a number of states have enacted laws which prohibit payment for referrals and other types of "kickback" arrangements. These state laws sometimes apply to all patients regardless of their insurance coverage.

c. State Stark Laws

Several states have enacted variants of the federal Ethics in Patient Referrals Act, the so-called "Stark" law, that prohibits physicians or other practitioners from referring patients for certain designated health services to entities with which the physician or practitioner has an ownership or compensation relationship. Penalties include denial of government payment, recoupment, fines, other penalties and exclusion from government program participation. These laws may contain various exceptions to the referral prohibitions. If you are in a position to refer patients to your own Agency, then you should consult with competent legal counsel regarding the existence and applicability of these laws.

d. Fee-Splitting Prohibitions

You may have an opportunity to have relationships with suppliers through the franchise system or on your own in your local market in which referrals are made to/from other health care providers and other non-healthcare businesses. In this regard, you should be aware of the following:

i. The laws of some states prohibit health care providers from splitting professional fees, i.e., sharing a portion of a professional fee earned by a health care provider for the provision of a health care service with a person, company, partnership or other entity that does not also provide the same type of health care services. These statutes are sometimes quite broad and as a result prohibit otherwise legitimate business arrangements.

ii. A number of states also prohibit compensation arrangements when the amount received in payment for furnishing space, facilities, equipment or personnel services is based upon a percentage of, or is dependent upon, the income or receipts of the licensed professional.

iii. Other states only prohibit fee splitting arrangements that are based on referrals.

iv. Penalties for violating these fee-splitting statutes or regulations may include revocation, suspension or probation of a health care professional's license, or other disciplinary action, as well as monetary penalties. Alleged violations of the fee-splitting laws have also been used successfully by health care professionals to declare a contract to be void as against public policy.

e. Other Federal Regulations

There are a number of federal laws prohibiting certain activities and arrangements relating to services or items which are reimbursable by Medicare or Medicaid. Even though your Agency is prohibited by its Franchise Agreement from participating in Medicare, it may from time to time provide staff to other facilities, including those that participate in the Medicare and/or Medicaid programs. While Medicare laws may not apply to your Agency, these laws may apply to those facilities, including laws prohibiting Medicare- or Medicaid-participating facilities from employing providers excluded from those programs. If a practitioner is an excluded provider from Medicare or Medicaid, he or she will be prohibited from receiving payment from that facility. It is your responsibility to determine whether and to what extent employees of your Agency need to be screened for their possible excluded status in these or other payment programs.

To the extent your franchise accepts reimbursement directly from the VA, it will be required to satisfy the applicable regulatory requirements the VA imposes on its vendors, including but not limited to the Federal Acquisition Regulations and various VA contract requirements. The False Claims Act imposes civil liability on persons or corporations which submit or cause to be submitted false or fraudulent claims for payment to the government. A violation of the False Claims Act may result in liability for fines, treble damages, attorneys' fees, and exclusion from federal health care programs.

F. General Matters

Laws and regulations may change at any level of government that increase the scrutiny applied to medical, home care, and/or staffing agencies. As such, the costs of compliance may increase. You are responsible for keeping informed about changes in legislation that may impact the operation of your Agency. We strongly urge you to consult with competent local counsel regarding all of the laws and regulations described above and others that may be applicable to you and your Agency.

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EXHIBIT G

TO BRIGHTSTAR FRANCHISING, LLC'S FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

BrightStar Franchising, LLC

Consolidated Financial Statements
For the Fiscal Years Ended January 1, 2023
and January 2, 2022

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

BDO®

BrightStar Franchising, LLC

Consolidated Financial Statements
For the Fiscal Years Ended January 1, 2023 and January 2, 2022

BrightStar Franchising, LLC

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Independent Auditor's Report

BrightStar Franchising, LLC
Gurnee, Illinois

Opinion

We have audited the consolidated financial statements of BrightStar Franchising, LLC (the Company), which comprise the consolidated balance sheets as of January 1, 2023 and January 2, 2022, the related consolidated statements of income, member's equity, and cash flows for the fiscal years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 1, 2023 and January 2, 2022, and the results of its operations and its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Recently Adopted Accounting Standards

As discussed in Notes 2 and 9 to the consolidated financial statements, in 2022, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases* (ASC 842). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

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

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

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

BDO USA, LLP

April 18, 2023

Consolidated Financial Statements

BrightStar Franchising, LLC

Consolidated Balance Sheets

	January 1, 2023	January 2, 2022
Assets		
Current Assets		
Cash and cash equivalents	$ 16,868	$ 9,309,079
Accounts receivable, net of allowances of $309,337 and $625,066, respectively	5,170,910	5,538,381
Prepaid expenses	888,291	872,046
Inventory	74,793	78,623
Other current assets	724,829	385,502
Total Current Assets	6,875,691	16,183,631
Property and Equipment, Net	7,605,214	6,368,081
Other Long-Term Assets		
Operating lease - right-of-use asset	543,187	-
Notes receivable - affiliated companies	15,322,517	13,230,826
Total Other Long-Term Assets	15,865,704	13,230,826
Total Assets	$ 30,346,609	$ 35,782,538
Liabilities and Member's Equity		
Current Liabilities		
Accounts payable	$ 1,891,620	$ 806,026
Accrued salaries and payroll tax	2,695,354	2,597,129
Operating lease liability	463,557	-
Other current liabilities	2,773,898	3,764,498
Total Current Liabilities	7,824,429	7,167,653
Long-Term Liabilities		
Operating lease liability, net of current	96,472	-
Deferred rent	-	127,653
Total Long-Term Liabilities	96,472	127,653
Total Liabilities	7,920,901	7,295,306
Commitments and Contingencies		
BrightStar Franchising, LLC Member's Equity	35,998,333	40,485,629
Non-Controlling Interest	(13,572,625)	(11,998,397)
Total Member's Equity	22,425,708	28,487,232
Total Liabilities and Member's Equity	$ 30,346,609	$ 35,782,538

See accompanying notes to consolidated financial statements.

BrightStar Franchising, LLC

Consolidated Statements of Income

Fiscal year ended	**January 1,2023**	January 2, 2022
Revenues		
Royalty fees	**$ 34,071,726**	$ 32,901,262
General marketing fund fees	**12,833,485**	11,995,895
System fees	**4,370,553**	4,120,057
Initial franchisee fees	**370,235**	1,198,188
Other	**904,997**	276,127
Total Revenues	**52,550,996**	50,491,529
Expenses		
Payroll and related expenses	**16,702,745**	14,470,765
Marketing	**10,809,966**	12,213,407
Professional fees	**3,697,791**	2,212,340
Travel and meals	**3,264,840**	2,075,730
Depreciation and amortization expense	**1,741,168**	2,108,373
Occupancy and office expense	**726,227**	770,935
IT services	**1,304,904**	1,335,862
Insurance expense	**338,003**	304,138
Bad debt expense	**255,220**	-
Broker fees	**38,000**	67,442
Miscellaneous expenses	**804,721**	273,295
Total Expenses	**39,683,585**	35,832,287
Other Income		
Other income – affiliates	**1,697**	4
Interest income – affiliates	**3,882**	3,800
Total Other Income	**5,579**	3,804
Net Income	**12,872,990**	14,663,046
Less: Net Loss Attributable to the Non-Controlling Interest	**(1,574,228)**	(1,280,733)
Net Income Attributable to BrightStar Franchising, LLC	**$ 14,447,218**	$ 15,943,779

See accompanying notes to consolidated financial statements.

BrightStar Franchising, LLC

Consolidated Statements of Member's Equity

	BrightStar Franchising, LLC Member's Equity	Non-Controlling Interest	Total Equity
Balance, January 3, 2021	$ 41,413,495	$ (10,717,664)	$ 30,695,831
Dividend distribution, net	(16,871,645)	-	(16,871,645)
Net income	15,943,779	(1,280,733)	14,663,046
Balance, January 2, 2022	40,485,629	(11,998,397)	28,487,232
Dividend distribution, net	(18,934,514)	-	(18,934,514)
Net income	14,447,218	(1,574,228)	12,872,990
Balance, January 1, 2023	$ 35,998,333	$ (13,572,625)	$ 22,425,708

See accompanying notes to consolidated financial statements.

BrightStar Franchising, LLC

Consolidated Statements of Cash Flows

Fiscal year ended	**January 1, 2023**	January 2, 2022
Cash Flows from Operating Activities		
Net income	**$ 12,872,990**	$ 14,663,046
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	**1,741,168**	2,108,373
Bad debt expense	**255,220**	-
Non-cash change in operating leases	**329,349**	-
Net change in assets and liabilities:		
Accounts receivable	**112,251**	(654,432)
Prepaid expenses	**(16,245)**	(296,514)
Inventory	**3,830**	29,107
Other current assets	**(339,327)**	(121,797)
Operating lease liabilities	**(440,160)**	-
Accounts payable	**1,085,594**	(213,446)
Accrued salaries and payroll tax	**(990,600)**	(561,686)
Deferred rent	**-**	(37,797)
Other current liabilities	**98,225**	2,758,183
Net Cash Provided by Operating Activities	**14,712,295**	17,673,037
Cash Flows from Investing Activities		
Notes receivable - affiliated companies	**(21,026,205)**	(16,141,934)
Purchase of property and equipment	**(2,978,301)**	(2,216,666)
Net Cash Used in Investing Activities	**(24,004,506)**	(18,358,600)
Net Decrease in Cash and Cash Equivalents	**(9,292,211)**	(685,563)
Cash and Cash Equivalents, beginning of year	**9,309,079**	9,994,642
Cash and Cash Equivalents, end of year	**$ 16,868**	$ 9,309,079
Supplemental Disclosures		
Deemed dividend, net	**$ (18,934,514)**	$ (16,871,645)

See accompanying notes to consolidated financial statements.

1. Description of Business and Operations

BrightStar Franchising, LLC (the Company) is a member of a consolidated group whose parent is BrightStar Group Holdings, Inc. (the Parent), which consists of 16 additional members—BrightStar Technology Group, LLC; 24-7 BrightStar Operations, LLC; 24-7 BrightStar Healthcare, LLC (BrightStar Nevada); BrightStar Franchising, LLC; BrightStar Senior Living, LLC; BrightStar CRDM, LLC; BrightStar Senior Living Development of Fort Wayne, LLC; BrightStar Senior Living Operations of Fort Wayne, LLC; BrightStar Senior Living Development of Mason, LLC; and Brightstar Senior Living Operations of Mason, LLC; BrightStar Owned LLC; BrightStar Scottsdale Operations, LLC; BrightStar FL/AL Operations, LLC; BrightStar Spartanburg/Greenville Operations, LLC; BrightStar TN Operations, LLC; and BrightStar Wisconsin Operations, LLC. As noted in Note 6, there are various intercompany receivables and notes between these companies. BrightStar Franchising, LLC is organized as a limited liability company under the laws of the state of Illinois, and it is a franchiser of businesses, BrightStar Care franchises, which provide medical staffing and home medical care services throughout the United States.

The Company's fiscal year ends on the nearest Sunday to December 31. There were 52 weeks included in the years ended January 1, 2023 and January 2, 2022.

2. Summary of Significant Accounting Policies

Variable Interest Entity and Principles of Consolidation

The Company consolidates BrightStar Technology Group, LLC in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, *Consolidation*. The standard addresses consolidation by a business enterprise of a variable interest entity (VIE). The provisions identify the primary beneficiary of a VIE as the enterprise that has both the power to direct the activities of a VIE that most significantly impact the entity's economic performance, and the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE.

Generally, a VIE is an entity with at least one of the following conditions: (1) the total equity investment at risk is insufficient to allow the entity to finance its activities without additional subordinated financial support, or (2) the holders of the equity investment at risk, as a group, lack any one of the following three characteristics: (i) the power to direct the entity's activities that most significantly impact its performance, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity. The primary beneficiary of a VIE is an entity that has a variable interest or a combination of variable interests that provide that entity with a controlling financial interest in the VIE. An entity is deemed to have a controlling financial interest in a VIE if it has both of the following characteristics: (1) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and (2) the obligation to absorb the losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

BrightStar Technology Group is an LLC established to provide technology services to the franchisees within the affiliated group.

BrightStar Franchising, LLC and BrightStar Technology Group, LLC are commonly controlled and BrightStar Franchising, LLC is deemed to be the primary beneficiary of BrightStar Technology Group, LLC. BrightStar Franchising, LLC provides funding for the operations of BrightStar Technology Group,

LLC and the franchisees of BrightStar Franchising, LLC are required to use the technology services provided by BrightStar Technology Group, LLC for their technology needs.

Accordingly, the accompanying consolidated financial statements include the accounts of BrightStar Technology Group, LLC. All intercompany balances and transactions are eliminated in consolidation.

Basis of Accounting

The Company maintains its books and records on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Under the accrual method of accounting, revenues are recorded when earned and expenses are recorded when incurred.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash equivalents include the general checking account held by the Company. From time-to-time, cash balances may exceed federally insured limits of $250,000. The Company believes the associated credit risk to be minimal.

Accounts Receivable

The Company grants credit to its customers in the normal course of business. Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company may create payment plans for customers with significant past-due balances. The Company maintains an allowance for doubtful accounts to cover potential credit losses relating to its accounts receivable. The allowance is based on the Company's historical collection experience, as well as an analysis of specific past-due accounts. All accounts or portions thereof deemed to be uncollectible by management are written off in the period in which that determination is made. Balances outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Revenue Recognition

Under ASC 606, *Revenue from Contracts with Customers*, the Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. The Company recognizes revenue only when it satisfies a performance obligation by transferring a promised good or service to the customer. The good or service is considered to be transferred when the customer obtains control, meaning when the customer has the ability to direct the use and obtain substantially all of the remaining benefits of the good or service. At each contract inception, the Company determines whether control of a good or service transfers to a customer over time or at a point in time.

Franchise Revenue

The terms of the franchise agreements are typically for ten years. As of January 1, 2023, there were 368 franchises: 348 franchised and 20 Company-owned.

As part of each agreement, the Company identified one performance obligation that requires the Company to provide a combination of the following:

- *Intellectual Property (IP)* - Licenses grant a non-exclusive right to establish and operate a medical staffing and home medical care services business under the trademarks and systems established as part of the BrightStar license during the term of the agreement.
- *Marketing Services* – These services are ongoing local and national advertising programs that are implemented throughout the course of the contract term.
- *Continuing Consulting Services* – These services include the review of plans and equipment and merchandise selection.

The Company determined that the services noted above represent a set of integrated or highly interrelated tasks/services and are, therefore, accounted for as a single-performance obligation of providing the franchise license.

In addition, the Company has also determined the following performance obligation is included in the contracts but is distinct from the above performance obligation:

- *Pre-opening Services* - These services provide primarily training programs, operating manuals, assistance in site selection, and setting up franchisee records.

The contracts the Company enters contain several types of payments including:

- *Initial Fees* – Franchise agreements require an initial fee up to $50,000 for the first 200,000 to 300,000 in population in the Territory. If franchisees wish to purchase a Territory with a population of over 300,000, the franchisees must pay the franchiser an additional $100 per additional 1,000 people in the Territory above 300,000. Initial franchise fees are due and payable when a contract is signed.
- *Royalty Fees* – The Company receives weekly royalty payments based on a percentage of each franchisee's prior month's net billings. The franchisee is required to meet a certain minimum revenue level for the payment of these royalty fees in any given month, effective two years after the opening date.
- *General Marketing Fund Fees* – These fees are based on the greater of $500 per month or 2.5% of franchisee net billings to contribute to the local franchise and to the national brand advertising activities directed by the franchisor. These fees are typically due on a monthly basis over the course of the contract term.
- *Monthly Technology Fees* – The Company receives monthly fees for the use of its ABS technology software based on the greater of $250 per month or 0.83% of franchisee prior month's net billings.
- *Renewal Fees* – Franchise agreements include renewal options and require the franchisee to pay a renewal fee.
- *Transfer Fees* – Franchise agreements include transfer options and require the franchisee to pay a transfer fee.

The Company recognizes revenue for each performance obligation identified within the customer contracts when, or as, the performance obligation is satisfied by transferring the promised goods or services. All revenue is recognized over time. The Company recognizes revenue over time for the combined franchise license performance obligation and for pre-opening services, as these performance obligations involve a continuous transfer of control to the customer.

The standard specifically identifies franchise rights as an example of a symbolic license. This type of license is satisfied over time since the customer simultaneously receives and consumes the benefit as the entity performs its obligation to provide access and, therefore, meets the criterion of recognizing revenue over time. Royalty fees represent the majority of consideration the Company receives under franchise agreements and are recognized over time at the greater of the actual royalty earned or the contract monthly minimum each month. Revenue related to upfront fees allocated to this single-performance obligation is recognized over time using a straight-line (time-lapse) measure of progress as the control of various services is provided to the customer ratably over the term of the contract for the initial upfront fee. The renewal option provides continued access for the franchise rights (symbolic license) for an extended period of time and, therefore, would also be recognized over time (over the course of the renewal term) as it meets the above-mentioned criterion. The Company allocates the consideration between the pre-opening services and symbolic license based upon relative standalone selling prices.

For the pre-opening services, primarily related to setup and training, the Company also recognizes revenue over time since the customer simultaneously receives and consumes the benefit as the entity provides the services. Revenue for this performance obligations is recognized over time using an input measure of progress based upon when the service is performed.

General Marketing Fund

The General Marketing Fund (GMF) funds received from the franchisees are recognized as revenue over time at the greater of the actual GMF fees earned or the contract monthly minimum each month and marketing expenses are recognized when incurred within the Company's consolidated statements of income. GMF income was $12,833,485 and $11,995,895 for the years ended January 1, 2023 and January 2, 2022, respectively, and is included within the consolidated statements of income. GMF expense was $12,572,362 and $13,154,527 for the years ended January 1, 2023 and January 2, 2022, respectively, and is included within the consolidated statements of income.

Contract assets include accrued revenue for items not invoiced as of period end due to billing occurring subsequent to the performance obligation being fulfilled. Contract assets were $1,881,050 and $2,165,967 as of January 1, 2023 and January 2, 2022, respectively, included within accounts receivable. Contract liabilities include Initial Franchise Fees received upfront for the right to use the BrightStar brand. These fees are recognized ratably over the initial term of the individual contacts, which typically lasts ten years. Contract liabilities were immaterial as of January 1, 2023 and January 2, 2022.

Property and Equipment, Net

Property and equipment is recorded at historical cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the equipment, three to seven years, or the life of the lease.

For property and equipment that is sold or retired, its cost and accumulated depreciation are removed from the consolidated balance sheet during the period of the disposition and any gain or loss on disposition is credited or charged to operations. Repair and maintenance costs are charged to expense as incurred.

The Company evaluates its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. Management did not identify any impairment of its property and equipment existed at January 1, 2023 or January 2, 2022.

Internally Developed Software

The Company capitalizes certain costs of software developed or obtained for use of its franchises. Capitalized software costs consist of salaries and related compensation costs of employees and consultants for certain projects that qualify for capitalization. The capitalized software costs are amortized on a straight-line basis over the expected useful lives, which are generally 60 months. As of January 1, 2023 and January 2, 2022, the Company capitalized $3,143,129 and $2,216,665, respectively.

Income Taxes

The Company's Parent has elected to be taxed as an S-Corporation under provisions of the Internal Revenue Code. Under those provisions, the Company's Parent does not pay federal income taxes. Instead, the Parent's stockholder is liable for individual federal income taxes on the Parent's combined taxable income.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leases

On January 3, 2022, the date of initial application, the Company adopted ASC 842 – *Leases* using the transition alternative approach method whereby prior comparative periods have not been restated and continue to be reported under the accounting standards in effect for the prior period. The Company elected the package of practical expedients permitted under the transition guidance for all leases, which allowed the Company to adopt ASC 842 without reassessing whether arrangements contain leases, the lease classification, and the determination of initial direct costs. The Company also elected to implement the short-term lease exception policy.

The Company determines if an arrangement contains a lease in whole or in part at the inception of the contract. Right of use (ROU) assets represent the right to use an underlying asset for the lease term while lease liabilities represent the obligation to make lease payments arising from the lease. All leases with an expected term greater than 12 months result in the recognition of a ROU asset and liability at the lease commencement date based on the present value of the lease payments

over the lease term. The Company elected the practical expedient for private companies that allows companies to use the risk-free discount rate at the lease commencement date to determine the present value of the lease payments instead of calculating their incremental borrowing rate.

Upon adoption, the Company recognized operating lease liabilities of $1,038,551 based on the present value of the remaining minimum rental payments, with corresponding ROU assets of $910,898, net of previously recorded deferred rent.

The lease term includes all non-cancellable periods and may include options to extend (or to not terminate) the lease when its reasonably certain that the Company will exercise that option. Leases that have a term of 12 months or less at the commencement date are expensed on a straight-line basis over the lease term and do not result in the recognition of a ROU asset of lease liability.

Lease expense for operating leases is recognized on a straight-line basis over the lease term. Variable lease payments are expensed in the period in which the obligation for those payments is incurred. The Company has elected to combine lease and non-lease components, such as fixed maintenance costs, as single lease component in calculating ROU assets and lease liabilities for all classed of leased assets.

Recent Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments,* which applies primarily to the Company's accounts receivable impairment loss allowances. The guidance provides a revised model whereby the current expected credit losses are used to compute impairment of financial instruments. The new model requires evaluation of historical experience and various current and expected factors, which may affect the estimated amount of losses and requires determination of whether the affected financial instruments should be grouped in units of account. This standard is effective for private entities for annual periods beginning after December 15, 2022. The Company is currently assessing the impact of this standard on the Company's financial position, results of operations, and cash flows.

3. Accounts Receivable

The following is a summary of accounts receivable:

	January 1, 2023	January 2, 2022
Accounts receivable	**$ 5,480,247**	$ 6,163,447
Less:		
Allowance for doubtful accounts	**(309,337)**	(545,263)
Allowance for reinvestment/grace option	**-**	(79,803)
Accounts Receivable, Net	**$ 5,170,910**	$ 5,538,381

4. Prepaid Expenses

The following is a summary of prepaid expenses:

	January 1, 2023	January 2, 2022
Prepaid broker, professional and travel fees	**$ 604,039**	$ 605,221
Prepaid insurance	**255,071**	197,396
Prepaid deposits	**29,181**	69,429
Total Prepaid Expenses	**$ 888,291**	$ 872,046

5. Property and Equipment

	January 1, 2023	January 2, 2022
Office equipment	**$ 1,712,982**	$ 1,596,540
Technology costs, including internally developed software	**19,767,956**	17,818,778
Website development costs	**1,047,316**	134,635
Leasehold improvement	**160,683**	160,683
	22,688,937	19,710,636
Less: accumulated depreciation and amortization	**(15,083,723)**	(13,342,555)
Property and Equipment, Net	**$ 7,605,214**	$ 6,368,081

Depreciation and amortization expense was $1,741,168 and $2,108,373 for the fiscal years ended January 1, 2023 and January 2, 2022, respectively.

6. Notes Receivable – Affiliated Companies, net

The Company has historically provided advances to companies affiliated through common ownership. The notes are subject to voluntary prepayment at any time, in whole or in part, without penalty. No formal repayment plans exist for these uncollateralized notes. A right of offset exists with the notes.

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The year-end balance of principal and interest on these notes receivable due from affiliated companies are as follows:

January 1, 2023

Affiliated Company Notes Receivable	Principal Balance	Accrued Interest Income	Total Principal and Interest
24-7 BrightStar Health Care, LLC	$ (440,744)	$ -	$ (440,744)
24-7 BrightStar Operations, LLC	(1,177,230)	-	(1,177,230)
BrightStar Senior Living Franchising, LLC	3,229,877	-	3,229,877
BrightStar CRDM, LLC	644,959	-	644,959
BrightStar Senior Living Operations of Fort Wayne, LLC	4,386,606	-	4,386,606
BrightStar Senior LVFR5iving Operations of Mason, LLC	4,868,002	-	4,868,002
BrightStar Senior Living Development of Mason, LLC	44,770	-	44,770
BrightStar Arizona Operations, LLC	707,299	-	707,299
BrightStar FL/AL Operations, LLC	2,732,437	-	2,732,437
BrightStar Spartanburg-Greenville Operations, LLC	326,541	-	326,541
Total	$ 15,322,517	$ -	$ 15,322,517

January 2, 2022

Affiliated Company Notes Receivable	Principal Balance	Accrued Interest Income	Total Principal and Interest
BrightStar Group Holdings, Inc. – payable	$ (42,540)	$ -	$ (42,540)
24-7 BrightStar Health Care, LLC	327,377	-	327,377
24-7 BrightStar Operations, LLC	912,638	-	912,638
BrightStar Senior Living Franchising, LLC	3,105,741	-	3,105,741
BrightStar CRDM, LLC	1,567,400	-	1,567,400
BrightStar Senior Living Operations of Fort Wayne, LLC	3,834,196	-	3,834,196
BrightStar Senior Living Operations of Mason, LLC	3,481,244	-	3,481,244
BrightStar Senior Living Development of Mason, LLC	44,770	-	44,770
Total	$ 13,230,826	$ -	$ 13,230,826

During 2022 and 2021, the Company made additional advances of $21,026,205 and $16,141,934 under the notes, respectively. During 2022 and 2021, the Company recorded distributions of $18,934,514 and $16,871,645, respectively, as a reduction of these notes.

7. Retirement Benefits

The Company has a defined contribution retirement plan under which participants may elect to defer a portion of their compensation for which an amount may be matched at the discretion of the Company. Substantially all of the Company's full-time employees who have met the provisions of the plan are eligible to participate. The employer contribution was $280,382 and $134,944 for the years ended January 1, 2023 and January 2, 2022, respectively, related to this plan.

8. Commitments

Guarantee of Debt

The Company is a guarantor of certain debt obligations of its Parent. On May 22, 2019, the Parent Company entered into a new debt agreement with its lender, which increased the term loan to $51,000,000 and increased the revolving commitment to $7,500,000. Under the Term Loan Agreement, the Parent Company can elect to borrow at a floating rate based on either the Eurodollar Rate plus 5.75% to 6.50%, depending on the leverage ratio, or at the prime rate plus 4.75% to 5.50%, with a minimum required interest rate of 7.50%.

On December 15, 2021, the Parent Company restated and amended the existing term loan in its entirety to (1) extend the maturity date, (2) extend up to an additional $30,000,000 in aggregate principal amount of Delayed Draw Term Loans, (3) extend on an uncommitted basis up to an additional $45,000,000 in aggregate principal amount of Incremental Term Loans, and (4) extend the Revolving Commitment Termination Date.

On July 18, 2022, and effective September 16, 2022, the Parent Company amended the existing term loan to delete each reference to the phrases "Eurodollar Loan" and "Eurodollar Rate Loan" in their entirety and substituting therefor in each instance the phrase "SOFR Loan."

On August 22, 2022, and effective July 1, 2022, the Parent Company amended the existing term loan to (1) clarify shareholder promissory loan limitations, and (2) obtain waiver of Subject Delivery Requirements related to promissory loans.

On November 3, 2022, the Parent Company restated and amended the existing term loan to increase the Revolving Commitment from $7,500,000 to $12,500,000.

There were $5,502,220 outstanding borrowings under the Parent's revolving commitment as of January 1, 2023 and there were no outstanding borrowings under the Parent's revolving commitment as of January 2, 2022. The outstanding balance under the Parent's term loan obligation is $79,342,500 and $49,852,500 as of January 1, 2023 and January 2, 2022, respectively.

As of January 1, 2023 and January 2, 2022, the effective interest rate on the term loan was 10.96% and 5.75%, respectively. The remaining unpaid balance is due on February 15, 2026.

The following is a schedule of the annual debt payments required by the parent for the term loan over the next five years:

Fiscal year ending		
December 31, 2023	$	616,250
December 29, 2024		685,000
December 28, 2025		685,000
January 3, 2027		77,356,250
Total	$	79,342,500

9. Leases

The Company has operating lease arrangements for office spaces that have lease terms that range from two to five years, some of which include renewal and termination options that can be elected by the Company. For the majority of leases entered into during the current period, the Company concluded it is not reasonably certain that the Company would exercise the options to extend the lease or not terminate the lease. Therefore, as of the lease commencement date, the Company's lease terms generally do not include these options. The Company includes options to extend the lease when it is reasonably certain that the Company will exercise the option.

The Company recorded initial ROU assets of $910,898 during the fiscal year ended January 1, 2023. Total lease costs were $726,227 and $472,599 in 2022 and 2021, respectively, and are included in occupancy and office expenses within the consolidated statements of income.

The Company recognized rent expense associated with leases as follows:

Fiscal year ending January 1, 2023		
Operating lease cost:		
Fixed rent expense	$	440,160
Variable rent expense		-
Short-term lease costs		286,067
Net Lease Cost	$	726,227

The operating cash flows from operating leases was $440,180 in the fiscal year ending January 1, 2023.

The following table presents the weighted average remaining lease term and discount rate:

Fiscal year ending January 1, 2023	
Weighted-average remaining lease term – operating leases	15 months
Weighted-average discount rate – operating leases	1.04%

Maturities of operating leases liabilities as of January 1, 2023 are as follows:

Fiscal year ending		
December 31, 2023	$	463,557
December 29, 2024		96,472
Total Future Lease Payments		560,029
Less: effects of discounting		(13,520)
Total Lease Liabilities	$	546,509

Minimum lease payments as of the fiscal year ended January 2, 2022 were as follows:

Fiscal year ending		
January 1, 2023	$	351,054
December 31, 2023		359,831
December 29, 2024		184,030
Total	$	894,915

10. Contingencies

From time-to-time, the Company is involved in legal proceedings, claims, or investigations that are incidental to the conduct of the Company's business. Although the ultimate outcome of any legal matter cannot be predicted with certainty, based on present information, including management's assessment of the merits of any particular claim, the Company does not expect that these legal proceedings or claims will have any material adverse impact on its future financial position or results of operations.

The Company is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Company carries commercial insurance. There have been no significant reductions in coverage from the prior year, and settlements, if any, have not exceeded coverage.

11. Subsequent Events

The Company has evaluated subsequent events through April 18, 2023, the date the consolidated financial statements became available for issuance.

BrightStar Franchising, LLC

Consolidated Financial Statements
For the Years Ended January 2, 2022
and January 3, 2021

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

BrightStar Franchising, LLC

Consolidated Financial Statements
For the Years Ended January 2, 2022 and January 3, 2021

BrightStar Franchising, LLC

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Independent Auditor's Report

BrightStar Franchising, LLC
Gurnee, Illinois

Opinion

We have audited the consolidated financial statements of BrightStar Franchising, LLC (the Company), which comprise the consolidated balance sheets as of January 2, 2022 and January 3, 2021, the related consolidated statements of income, member's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 2, 2022 and January 3, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

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

BDO USA, LLP

April 6, 2022

Consolidated Financial Statements

BrightStar Franchising, LLC

Consolidated Balance Sheets

	January 2, 2022	January 3, 2021
Assets		
Current Assets		
Cash and cash equivalents	$ 9,309,079	$ 9,994,642
Accounts receivable, net of allowances of $625,066 and $568,069, respectively	5,538,381	4,883,949
Prepaid expenses	872,046	575,532
Inventory	78,623	107,730
Other current assets	385,502	263,705
Total Current Assets	16,183,631	15,825,558
Property and Equipment, Net	6,368,081	6,259,788
Other Assets		
Notes receivable - affiliated companies	13,230,826	13,960,537
Total Other Assets	13,230,826	13,960,537
Total Assets	$ 35,782,538	$ 36,045,883
Liabilities and Member's Equity		
Current Liabilities		
Accounts payable	$ 806,026	$ 1,019,472
Accrued salaries and payroll tax	2,597,129	3,158,815
Other current liabilities	3,764,498	1,006,315
Total Current Liabilities	7,167,653	5,184,602
Long-Term Liabilities - Deferred Rent	127,653	165,450
Total Liabilities	7,295,306	5,350,052
Commitments and Contingencies		
BrightStar Franchising, LLC Member's Equity	40,485,629	41,413,495
Non-Controlling Interest	(11,998,397)	(10,717,664)
Total Member's Equity	28,487,232	30,695,831
Total Liabilities and Member's Equity	$ 35,782,538	$ 36,045,883

See accompanying notes to consolidated financial statements.

BrightStar Franchising, LLC

Consolidated Statements of Income

Year ended	**January 2, 2022**	January 3, 2021
Revenue		
Royalty fees	**$ 32,901,262**	$ 29,057,768
General marketing fund fees	**11,995,895**	11,898,820
System fees	**4,120,057**	3,598,677
Initial franchisee fees	**1,198,188**	1,132,918
Other	**276,127**	325,215
Total Revenue	**50,491,529**	46,013,398
Expenses		
Payroll and related expenses	**14,470,765**	13,567,330
Marketing	**12,213,407**	11,692,575
Professional fees	**2,212,340**	2,073,767
Travel and meals	**2,075,730**	1,431,214
Depreciation and amortization expense	**2,108,373**	1,871,471
Supplies inventory expense	**-**	796,950
Occupancy and office expense	**770,935**	728,098
IT services	**1,335,862**	982,090
Insurance expense	**304,138**	288,976
Bad debt expense	**-**	16,670
Broker fees	**67,442**	112,000
Miscellaneous expenses	**273,295**	464,475
Total Expenses	**35,832,287**	34,025,616
Other Income		
Other income – affiliates	**4**	375
Interest income – affiliates	**3,800**	6,896
Total Other Income	**3,804**	7,271
Income, before income tax provision	**14,663,046**	11,995,053
Income Tax Provision	**-**	-
Net Income	**14,663,046**	11,995,053
Less: Net Loss Attributable to the Non-Controlling Interest	**(1,280,733)**	(1,588,044)
Net Income Attributable to BrightStar Franchising, LLC	**$ 15,943,779**	$ 13,583,097

See accompanying notes to consolidated financial statements.

BrightStar Franchising, LLC

Consolidated Statements of Member's Equity

	BrightStar Franchising, LLC Member's Equity	Non-Controlling Interest	Total Equity
Balance, December 29, 2019	$ 27,830,398	$ (9,129,620)	$ 18,700,778
Net income (loss)	13,583,097	(1,588,044)	11,995,053
Balance, January 3, 2021	41,413,495	(10,717,664)	30,695,831
Dividend distribution, net	(16,871,645)	-	(16,871,645)
Net income (loss)	15,943,779	(1,280,733)	14,663,046
Balance, January 2, 2022	$ 40,485,629	$ (11,998,397)	$ 28,487,232

See accompanying notes to consolidated financial statements.

BrightStar Franchising, LLC

Consolidated Statements of Cash Flows

Year ended	**January 2, 2022**	January 3, 2021
Cash Flows from Operating Activities		
Net income	**$ 14,663,046**	$ 11,995,053
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	**2,108,373**	1,871,471
Allowance for bad debt expense	**-**	16,670
Decrease (increase) in:		
Accounts receivable	**(654,432)**	(1,166,971)
Prepaid expenses	**(296,514)**	(91,125)
Inventory	**29,107**	(107,730)
Other current assets	**(121,797)**	(49,641)
Increase (decrease) in:		
Accounts payable	**(213,446)**	(172,388)
Accrued salaries and payroll tax	**(561,686)**	477,682
Deferred rent	**(37,797)**	(29,426)
Other current liabilities	**2,758,183**	(64,166)
Net Cash Provided by Operating Activities	**17,673,037**	12,679,429
Cash Flows from Investing Activities		
Notes receivable - affiliated companies	**(16,141,934)**	(6,430,123)
Purchase of property and equipment	**(2,216,666)**	(1,645,911)
Net Cash Used in Investing Activities	**(18,358,600)**	(8,076,034)
Net (Decrease) Increase in Cash and Cash Equivalents	**(685,563)**	4,603,395
Cash and Cash Equivalents, beginning of year	**9,994,642**	5,391,247
Cash and Cash Equivalents, end of year	**$ 9,309,079**	$ 9,994,642
Supplemental Disclosures		
Deemed dividend	**$ (16,871,645)**	$ -

See accompanying notes to consolidated financial statements.

1. Description of Business and Operations

BrightStar Franchising, LLC (the Company) is a member of a consolidated group whose parent is BrightStar Group Holdings, Inc. (the Parent), which consists of 17 additional members—BrightStar 10+3, Inc.; International Franchise Holdings, Inc.; BrightStar Technology Group, LLC; 24-7 BrightStar Operations, LLC; 24-7 BrightStar Healthcare, LLC (BrightStar Nevada); BrightStar Senior Living Franchising, LLC; BrightStar Senior Living, LLC; BrightStar Toronto Operations ULC; BrightStar CRDM, LLC; BrightStar Florida Operations, LLC; BrightStar Georgia Operations, LLC; BrightStar Senior Living Development of Fort Wayne, LLC; BrightStar Senior Living Operations of Fort Wayne, LLC; BrightStar Senior Living Development of Mason, LLC; BrightStar Senior Living Operations of Mason, LLC; BrightStar Owned, LLC; and BrightStar Scottsdale Operations, LLC. As noted in Note 6, there are various intercompany receivables and notes between these companies. BrightStar Franchising, LLC is organized as a limited liability company under the laws of the state of Illinois, and it is a franchiser of businesses which provide medical staffing and home medical care services throughout the United States.

The Company's fiscal year ends on the nearest Sunday to December 31. There were 52 weeks included in the year ended January 2, 2022 and 53 weeks included in the year ended January 3, 2021.

2. Summary of Significant Accounting Policies

Variable Interest Entity and Principles of Consolidation

The Company consolidates BrightStar Technology Group, LLC in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, *Consolidation*. The standard addresses consolidation by a business enterprise of a variable interest entity (VIE). The provisions identify the primary beneficiary of a VIE as the enterprise that has both the power to direct the activities of a VIE that most significantly impact the entity's economic performance, and the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE.

Generally, a VIE is an entity with at least one of the following conditions: (1) the total equity investment at risk is insufficient to allow the entity to finance its activities without additional subordinated financial support or (2) the holders of the equity investment at risk, as a group, lack any one of the following three characteristics: (i) the power to direct the entity's activities that most significantly impact its performance, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity. The primary beneficiary of a VIE is an entity that has a variable interest or a combination of variable interests that provide that entity with a controlling financial interest in the VIE. An entity is deemed to have a controlling financial interest in a VIE if it has both of the following characteristics: (1) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (2) the obligation to absorb the losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

BrightStar Technology Group is an LLC established to provide technology services to the franchisees within the affiliated group.

BrightStar Franchising, LLC and BrightStar Technology Group, LLC are commonly controlled and BrightStar Franchising, LLC is deemed to be the primary beneficiary of BrightStar Technology Group, LLC. BrightStar Franchising, LLC provides funding for the operations of BrightStar Technology

Group, LLC and the franchisees of BrightStar Franchising, LLC are required to use the technology services provided by BrightStar Technology Group, LLC for their technology needs.

Accordingly, the accompanying consolidated financial statements include the accounts of BrightStar Technology Group, LLC. All intercompany balances and transactions are eliminated in consolidation.

Basis of Accounting

The Company maintains its books and records on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Under the accrual method of accounting, revenues are recorded when earned and expenses are recorded when incurred.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash equivalents include the general checking account held by the Company. From time-to-time, cash balances may exceed federally insured limits of $250,000. The Company believes the associated credit risk to be minimal.

Accounts Receivable

The Company grants credit to its customers in the normal course of business. Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company may create payment plans for customers with significant past-due balances. The Company maintains an allowance for doubtful accounts to cover potential credit losses relating to its accounts receivable. The allowance is based on the Company's historical collection experience, as well as an analysis of specific past-due accounts. All accounts or portions thereof deemed to be uncollectible by management are written off in the period in which that determination is made. Balances outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Revenue Recognition

Under ASC 606, *Revenue from Contracts with Customers*, the Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. The Company recognizes revenue only when it satisfies a performance obligation by transferring a promised good or service to the customer. The good or service is considered to be transferred when the customer obtains control, meaning when the customer has the ability to direct the use and obtain substantially all of the remaining benefits of the good or service. At each contract inception, the Company determines whether control of a good or service transfers to a customer over time or at a point in time.

Franchise Revenue

The terms of the franchise agreements are typically for ten years. As of January 2, 2022, there were 353 franchises, 350 franchised and three Company-owned.

As part of each agreement, the Company identified one performance obligation that requires the Company to provide a combination of the following:

- *Intellectual Property (IP)* - Licenses grant a non-exclusive right to establish and operate a medical staffing and home medical care services business under the trademarks and systems established as part of the BrightStar license during the term of the agreement.
- *Marketing Services* – These are ongoing local and national advertising programs that are implemented throughout the course of the contract term.
- *Continuing Consulting Services* – These include the review of plans and equipment and merchandise selection.

The Company determined that the services noted above represent a set of integrated or highly interrelated tasks/services and are, therefore, accounted for as a single-performance obligation of providing the franchise license.

In addition, the Company has also determined the following performance obligation is included in the contracts but is distinct from the above performance obligation:

- *Pre-opening Services* - These provide primarily training programs, operating manuals, assistance in site selection, and setting up franchisee records.

The contracts the Company enters contain several types of payments including:

- *Initial Fees* – Franchise agreements require an initial fee up to $50,000 for the first 200,000 to 300,000 in population in the Territory. If franchisees wish to purchase a Territory with a population of over 300,000, the franchisees must pay the franchiser an additional $100 per additional 1,000 people in the Territory above 300,000. Initial franchise fees are due and payable when a contract is signed.
- *Royalty Fees* – The Company receives weekly royalty payments based on a percentage of each franchisee's net billings. The franchisee is required to meet a certain minimum revenue level for the payment of these royalty fees in any given month, effective two years after the opening date.
- *General Marketing Fund Fees* – These are based on the greater of $500 per month or 2.5% of franchisee net billings to contribute to the local franchise and to the national brand advertising activities directed by the franchisor. These fees are typically due on a monthly basis over the course of the contract term.
- *Monthly Technology Fees* – The Company receives monthly fees for the use of its ABS technology software based on the greater of $250 per month or 0.83% of franchisee net billings.
- *Renewal Fees* – Franchise agreements include renewal options and require the franchisee to pay a renewal fee.
- *Transfer Fees* – Franchise agreements include transfer options and require the franchisee to pay a transfer fee.

The Company recognizes revenue for each performance obligation identified within the customer contracts when, or as, the performance obligation is satisfied by transferring the promised goods or

services. All revenue is recognized over time. The Company recognizes revenue over time for the combined franchise license performance obligation and for pre-opening services, as these performance obligations involve a continuous transfer of control to the customer.

The standard specifically identifies franchise rights as an example of a symbolic license. This type of license is satisfied over time since the customer simultaneously receives and consumes the benefit as the entity performs its obligation to provide access and, therefore, meets the criterion of recognizing revenue over time. Royalty fees represent the majority of consideration the Company receives under franchise agreements and are recognized over time at the greater of the actual royalty earned or the contract monthly minimum each month. Revenue related to upfront fees allocated to this single-performance obligation is recognized over time using a straight-line (time-lapse) measure of progress as the control of various services is provided to the customer ratably over the term of the contract for the initial upfront fee. The renewal option provides continued access for the franchise rights (symbolic license) for an extended period of time and, therefore, would also be recognized over time (over the course of the renewal term) as it meets the above-mentioned criterion.

For the pre-opening services, primarily related to setup and training, the Company also recognizes revenue over time since the customer simultaneously receives and consumes the benefit as the entity provides the services. Revenue for this performance obligations is recognized over time using an input measure of progress based upon when the service is performed.

General Marketing Fund (GMF)

The GMF funds received from the franchisees are recognized as revenue over time at the greater of the actual GMF fees earned or the contract monthly minimum each month and marketing expenses are recognized when incurred within the Company's consolidated statements of income. GMF income was $11,995,895 and $11,898,820 for the years ended January 2, 2022 and January 3, 2021, respectively, and is included within the consolidated statements of income. GMF expense was $13,154,527 and $13,456,220 for the years ended January 2, 2022 and January 3, 2021, respectively, and is included within the consolidated statements of income.

Contract assets include accrued revenue for items not invoiced as of period end due to billing occurring subsequent to the performance obligation being fulfilled. Contract assets were $2,165,967 and $1,479,721 as of January 2, 2022 and January 3, 2021, respectively, included within accounts receivable. Contract liabilities include Initial Franchise Fees received upfront for the right to use the BrightStar brand. These fees are recognized ratably over the initial term of the individual contacts, which typically lasts ten years. Contract liabilities were immaterial as of January 2, 2022 and January 3, 2021.

Property and Equipment, Net

Property and equipment is recorded at historical cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the equipment, three to seven years, or the life of the lease.

For property and equipment that is sold or retired, its cost and accumulated depreciation are removed from the consolidated balance sheet during the period of the disposition and any gain or loss on disposition is credited or charged to operations. Repair and maintenance costs are charged to expense as incurred.

The Company evaluates its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. Management did not identify any impairment of its property and equipment existed at January 2, 2022 or January 3, 2021.

Internally Developed Software

The Company capitalizes certain costs of software developed or obtained for use of its franchises. Capitalized software costs consist of salaries and related compensation costs of employees and consultants for certain projects that qualify for capitalization. The capitalized software costs are amortized on a straight-line basis over the expected useful lives, which are generally 60 months. As of January 2, 2022 and January 3, 2021, the Company capitalized $2,216,665 and $1,620,012, respectively.

Income Taxes

The Company's Parent has elected to be taxed as an S-Corporation under provisions of the Internal Revenue Code. Under those provisions, the Company's Parent does not pay federal income taxes. Instead, the Parent's stockholder is liable for individual federal income taxes on the Parent's combined taxable income.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. In October 2019, the FASB deferred the effective date of ASU 2016-02 for private companies, not-for-profit organizations, and certain small public companies. Private entities will apply ASU 2016-02 for annual periods beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is currently evaluating the impact that adoption of ASU 2016-02 will have on its consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments,* which applies primarily to the Company's accounts receivable impairment loss allowances. The guidance provides a revised model whereby the current expected credit losses are used to compute impairment of financial instruments. The new model requires evaluation of historical experience and various current and expected factors, which may

affect the estimated amount of losses and requires determination of whether the affected financial instruments should be grouped in units of account. This standard is effective for private entities for annual periods beginning after December 15, 2022. The Company is currently assessing the impact of this standard on the Company's financial position, results of operations, and cash flows.

3. Accounts Receivable

The following is a summary of accounts receivable:

	January 2, 2022	January 3, 2021
Accounts receivable	**$ 6,163,447**	$ 5,452,018
Less:		
Allowance for doubtful accounts	**(545,263)**	(533,738)
Allowance for reinvestment/grace option	**(79,803)**	(34,331)
Accounts Receivable, Net	**$ 5,538,381**	$ 4,883,949

4. Prepaid Expenses

The following is a summary of prepaid expenses:

	January 2, 2022	January 3, 2021
Prepaid broker, professional and travel fees	**$ 605,221**	$ 378,809
Prepaid insurance	**197,396**	166,863
Prepaid deposits	**69,429**	29,860
Total Prepaid Expenses	**$ 872,046**	$ 575,532

5. Property and Equipment

	January 2, 2022	January 3, 2021
Office equipment	**$ 1,596,540**	$ 1,496,758
Technology costs, including internally developed software	**17,818,778**	15,811,529
Website development costs	**134,635**	25,000
Leasehold improvement	**160,683**	160,683
	19,710,636	17,493,970
Less: accumulated depreciation/amortization	**(13,342,555)**	(11,234,182)
Property and Equipment, Net	**$ 6,368,081**	$ 6,259,788

Depreciation and amortization expense was $2,108,373 and $1,871,471 for the years ended January 2, 2022 and January 3, 2021, respectively.

6. Notes Receivable – Affiliated Companies, net

The Company has historically provided advances to companies affiliated through common ownership. The notes are subject to voluntary prepayment at any time, in whole or in part, without penalty. No formal repayment plans exist for these uncollateralized notes.

The year-end balance of principal and interest on these notes receivable due from affiliated companies are as follows:

January 2, 2022

Affiliated Company Notes Receivable	Principal Balance	Accrued Interest Income	Total Principal and Interest
BrightStar Group Holdings, Inc. – payable	$ (42,540)	$ -	$ (42,540)
24-7 BrightStar Health Care, LLC	327,377	-	327,377
24-7 BrightStar Operations, LLC	912,638	-	912,638
BrightStar Senior Living Franchising, LLC	3,105,741	-	3,105,741
BrightStar CRDM, LLC	1,567,400	-	1,567,400
BrightStar Senior Living Operations of Fort Wayne, LLC	3,834,196	-	3,834,196
BrightStar Senior Living Operations of Mason, LLC	3,481,244	-	3,481,244
BrightStar Senior Living Development of Mason, LLC	44,770	-	44,770
Total	$ 13,230,826	$ -	$ 13,230,826

January 3, 2021

Affiliated Company Notes Receivable	Principal Balance	Accrued Interest Income	Total Principal and Interest
BrightStar Group Holdings, Inc. – receivable	$ 4,941,120	$ 444,550	$ 5,385,670
24-7 BrightStar Health Care, LLC	145,811	-	145,811
24-7 BrightStar Operations, LLC	278,642	-	278,642
BrightStar 10+3, Inc.	10,955	-	10,955
BrightStar Senior Living Franchising, LLC	2,631,046	-	2,631,046
BrightStar Florida Operations, LLC	(80,000)	-	(80,000)
BrightStar Georgia Operations, LLC	28	-	28
BrightStar CRDM, LLC	1,208,166	-	1,208,166
BrightStar Senior Living Operations of Fort Wayne, LLC	2,533,781	-	2,533,781
BrightStar Senior Living Operations of Mason, LLC	1,801,548	-	1,801,548
BrightStar Senior Living Development of Mason, LLC	44,770	-	44,770
International Franchise Holdings, Inc.	120	-	120
Total	$ 13,515,987	$ 444,550	$ 13,960,537

During 2021 and 2020, the Company made additional advances of $16,141,934 and $6,430,123 under the notes, respectively. During 2021, the Company recorded a net deemed dividend of $16,871,645 as a reduction of these notes.

7. Retirement Benefits

The Company has a defined contribution retirement plan under which participants may elect to defer a portion of their compensation for which an amount may be matched at the discretion of the Company. Substantially all of the Company's full-time employees who have met the provisions of the plan are eligible to participate. The employer contribution was $134,944 and $105,262 for the years ended January 2, 2022 and January 3, 2021, respectively, related to this plan.

8. Commitments

Guarantee of Debt

The Company is a guarantor of certain debt obligations of its Parent. On May 22, 2019, the Parent Company entered into a new debt agreement with its lender, which increased the term loan to $51,000,000 and increased the revolving line of credit to $7,500,000. Under the Term Loan Agreement, the Company can elect to borrow at a floating rate based on either the Eurodollar Rate plus 5.75% to 6.5%, depending on the leverage ratio, or at the prime rate plus 4.75% to 5.50%, with a minimum required interest rate of 7.5%.

On December 15, 2021, the Parent Company restated and amended the existing term loan in its entirety to (1) extend the maturity date, (2) extend up to an additional $30,000,000 in aggregate principal amount of Delayed Draw Term Loans, (3) extend on an uncommitted basis up to an additional $45,000,000 in aggregate principal amount of Incremental Term Loans, and (4) extend the Revolving Commitment Termination Date.

There were no outstanding borrowings under the Parent's line of credit as of January 2, 2022 and $5,000,000 as of January 3, 2021. The outstanding balance under the Parent's term loan obligation is $49,852,500 and $50,362,500 as of January 2, 2022 and January 3, 2021, respectively.

As of January 2, 2022 and January 3, 2021, the effective interest rate on the term loan was 5.75% and 6.50%, respectively. The remaining unpaid balance is due on February 15, 2026.

The following is a schedule of the annual debt payments required by the parent for the term loan over the next five years:

Year ending		
2022	$	510,000
2023		510,000
2024		510,000
2025		510,000
2026		47,812,500
Total	$	49,852,500

Office Lease

The Company leases corporate office space. Non-cancelable future minimum lease payments as of January 2, 2022 are as follows:

Year ending		
2022	$	351,054
2023		359,831
2024		184,030
Total	$	894,915

The lease agreement contains a provision for future rent increases. The total amount of rental payments due over the lease term is being charged to rent expense on the straight-line method over the term of the lease. The difference between rent expense recorded and the amount paid was credited to deferred rent expense. Rent expense under the operating lease was $472,599 and $460,523 for the years ended January 2, 2022 and January 3, 2021, respectively.

9. Risks and Uncertainties

COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

To date, the Company has not experienced a significant unfavorable financial impact as a result of the COVID-19 outbreak. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude of the impact that the pandemic may have on the Company's industry, financial condition, liquidity, and future results of operations. Although the Company cannot estimate the length or gravity of the COVID-19 outbreak at this time, the Company continues to actively monitor any impacts that the COVID-19 outbreak may have on its business.

10. Contingencies

From time-to-time, the Company is involved in legal proceedings, claims, or investigations that are incidental to the conduct of the Company’s business. Although the ultimate outcome of any legal matter cannot be predicted with certainty, based on present information, including management’s assessment of the merits of any particular claim, the Company does not expect that these legal proceedings or claims will have any material adverse impact on its future financial position or results of operations.

The Company is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Company carries commercial insurance. There have been no significant reductions in coverage from the prior year, and settlements, if any, have not exceeded coverage.

11. Subsequent Events

The Company has evaluated subsequent events through April 6, 2022, the date the consolidated financial statements became available for issuance.

EXHIBIT H

TO BRIGHTSTAR FRANCHISING, LLC'S FRANCHISE DISCLOSURE DOCUMENT

MICROSOFT DYNAMICS GP SOFTWARE AGREEMENT TO BE BOUND

Microsoft Dynamics GP Software

Agreement to be Bound

Reference is hereby made to that certain Dynamics GP Franchisee Addendum between Microsoft Corporation and BrightStar Franchising, LLC (the "Addendum") and the Microsoft Dynamics GP Software License Terms referred to in the Addendum (the "License Terms"), copies of each of which are attached to this Addendum as Attachment A.

The undersigned hereby agrees (1) that his/her/their right to use and access the software referred to in the Addendum and the License Terms is conditioned on his/her/their execution and delivery of this Agreement to be Bound and (2) to be bound by all terms and conditions of each of the Addendum and the License Terms that are applicable to "additional affiliates" or any "additional affiliate". This Agreement to be Bound will inure to the benefit of Microsoft Corporation and BrightStar Franchising, LLC and their respective successors and assigns.

IN WITNESS WHEREOF, the undersigned has/have duly signed this Agreement to be Bound as of the date identified below.

Dated: _____

By:_____
[type name]

By:_____
[type name]

By:_____
[type name]

Microsoft

Instructions:

- Please have an officer or authorized company representative of the licensee authorize two copies.
- It is recommended that you fax or scan a copy to obtain a soft copy.
- Upon completion please send this and other documents to:

Microsoft Corporation
Attention: Agreement Processing
One Lone Tree Road
Fargo, North Dakota 58104
USA

Microsoft

Microsoft Software License Terms
Dynamics GP Franchisee Addendum (this "Addendum")

Microsoft Corporation ("Microsoft") and BrightStar Franchising, LLC, an Illinois limited liability company ("Licensee"), enter this agreement to amend the Microsoft Dynamics GP Software License Terms between the parties (the "License Terms") (a copy of the License Terms is attached hereto as Exhibit A).

WHEREAS, Microsoft and Licensee are parties to the License Terms; and

WHEREAS, Microsoft and Licensee desire to amend and supplement the License Terms, on the terms and conditions set forth in this Addendum;

NOW, THEREFORE, for good and valuable consideration, the parties hereby agree as follows:

1. Definition of Affiliates. Clause (i) of the definition of "affiliates" in Section 2 of the License Terms is hereby amended to read in its entirety as follows:

> "(i) for you, any person or entity that, directly or indirectly, you own or control, owns or controls you or is under common ownership or control with you, in each case as of the date of this agreement or thereafter; provided, that there will be a maximum of 500 persons and entities in the aggregate that qualify as your "affiliates" under this agreement;"

2. Definition of Ownership. The definition of "ownership" in Section 2 of the License Terms is hereby amended to read in its entirety as follows: " "ownership" or "own" means more than 50% ownership;"

3. Additional Definitions. The following definitions are hereby added to Section 2 of the License Terms:

> " "additional affiliates" means franchisees, master franchisees and sub-franchisees;"
>
> " "control", as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person or entity, whether through the ownership of voting securities, by contract or otherwise;"
>
> " "franchisee" means any person or entity that has entered into or hereafter enters into one or more agreements with you or any of your affiliates pursuant to which or as a result of which you or such affiliate would be considered a franchisor under applicable law or pursuant to which you or any of your affiliates is acting in the capacity of franchisor and pursuant to which such person or entity has a right to use a trade name containing the term "BrightStar" or "Bright Star"; provided, that a person or entity will cease to be a "franchisee" hereunder upon the expiration or termination of substantially all of its material franchise rights under such agreement(s);"

" "master franchisee" means any person or entity that has entered into or hereafter enters into one or more agreements with you or any of your affiliates pursuant to which such person or entity has rights to grant one or more third parties franchises or related rights relating to any franchise system or concept offered at any time by you or any of your affiliates, which franchise system or concept includes use of a trade name containing the term "BrightStar" or "Bright Star"; provided, that a person or entity will cease to be a "master franchisee" hereunder upon the expiration or termination of substantially all of such rights to grant franchises or related rights under such agreement(s);"

" "sub-franchisee" means any person or entity that has entered into or hereafter enters into one or more agreements with a master franchisee pursuant to which such person or entity is granted a franchise or related rights relating to any franchise system or concept offered at any time by you or any of your affiliates, which franchise system or concept includes use of a trade name containing the term "BrightStar" or "Bright Star"; provided, that a person or entity will cease to be a sub-franchisee upon the expiration or termination of substantially all of its material franchise rights under such agreement(s);"

4. Breach, etc. Section 7 of the License Terms is hereby amended by adding the following after the last sentence thereof:

"Notwithstanding the foregoing provisions of this Section 7, such right of revocation is limited by and subject to the following: (a) Microsoft will give you or your affiliate or an additional affiliate (as applicable) written notice of any failure to comply with the terms of this agreement, (b) you or your affiliate or an additional affiliate, as applicable, will have a reasonable period of time, which will not be less than 60 days after receipt of such written notice, to cure such failure to comply, (c) if such failure to comply is not substantially cured within such period, Microsoft may revoke the breaching person's right to use the software under this agreement, but such revocation will not apply to the rights of any person other than the breaching person, and (d) for purposes of this Section 7, in no event will you or any of your affiliates be deemed out of compliance with the terms of this agreement based in whole or in part on actions or omissions of any additional affiliate nor will any additional affiliate be deemed out of compliance with the terms of this agreement based in whole or in part on actions or omissions of any other additional affiliate or you. Such notice and opportunity to cure shall not apply to a breach of this agreement that is not capable of being cured and that involves material infringement of Microsoft's intellectual property rights in the software."

5. Assignment. Section 10 of the License Terms is hereby amended by adding the following sentence immediately after the last sentence thereof:

"Notwithstanding the foregoing provisions of this Section 10, you shall be permitted to assign the software license terms and/or this agreement to an affiliate or in the event of an initial public offering, merger, acquisition, consolidation or sale of all or substantially all of your assets or stock, or by operation of law, except that you shall notify Microsoft in writing of such assignment or transfer. These terms shall inure to the benefit of and shall be binding upon the successors."

6. Rights of Additional Affiliates, etc. Additional affiliates will have all rights to use (for their internal business purposes as related to their status as additional affiliates) and access the software that is the subject of the License Terms and all other rights that Licensee and its affiliates have under the License Terms. For purposes of Section 4(a) of the License Terms, users that are employees, contractors or agents of additional affiliates will be licensed on the terms in such Section 4(a) that apply to employees, contractors or agents of Licensee's affiliates. Licensee will list and keep reasonably current all additional affiliates which use this software on Appendix A to this Addendum (as amended from time to time by Licensee) and they must sign this Addendum (or an instrument reasonably satisfactory to Microsoft in which they agree to be bound by the terms of this Addendum and the License Terms) before accessing the software; provided, that additional affiliates existing as of the effective date of this Addendum will have a period of up to 90 days after such effective date to sign this Addendum or such an instrument and during such period Licensee will cause each such additional affiliate to comply with such terms. By signing this Addendum or such an instrument, an additional affiliate agrees to be bound by the terms and conditions of this Addendum and the License Terms (with respect to the License Terms, as if such additional affiliate was the licensee thereunder).

7. Certain Obligations of Licensee, etc. Licensee agrees to maintain an active Microsoft Dynamics Enhancement plan for three (3) years from the date of its execution of this Addendum.

Licensee agrees to indemnify Microsoft and its affiliates against any loss, damage, liability or cost which results from non-compliance by additional affiliates with the terms of this Addendum or the License Terms.

Each additional affiliate agrees to indemnify Microsoft and its affiliates and (without limiting any other obligations such additional affiliate may have) Licensee and its affiliates against any loss, damage, liability or cost which results from such additional affiliate's non-compliance with this Addendum or the License Terms.

8. Miscellaneous. The parties may sign this Addendum by facsimile or other electronic means of communication and in any number of counterparts, all of which taken together comprise one and the same agreement. Notwithstanding anything to the contrary set forth in this Addendum and/or the License Terms, this Addendum shall terminate automatically and without notice with respect to any additional affiliate upon such person or entity ceasing to satisfy the requirements for qualifying as an additional affiliate, except that a reasonable transition period to migrate data and information relating or belonging to such person or entity shall be permitted without using the software to run the non-qualifying person or entity's business; provided, that such termination will not affect the rights of any other person or entity, which rights will continue in accordance with the terms of this Addendum and the License Terms. This Addendum will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No right of Licensee, any of its affiliates or any additional affiliate arising under this Addendum or the License Terms may be limited or otherwise modified, and no obligation or liability of any such person or entity may be expanded or created, without such person or entity's agreement thereto contained in a writing executed (which execution must be by ink on paper and not electronically) and delivered by such person or entity.

9. Verifying Compliance. The following new Section 21 is hereby added to the License Terms:

> **"21. VERIFYING COMPLIANCE.** We have the right to verify compliance with this agreement, at our expense, for so long as you are licensed to use the software. To do so, we will engage an independent accountant from a nationally recognized public accounting firm, which will be subject to a confidentiality obligation. Verification will take place upon not fewer than 30 days notice, during normal business hours and in a manner that does not interfere unreasonably with your operations. If verification or self-audit reveals unlicensed use of the software, you must promptly order sufficient licenses to permit all usage disclosed. If material unlicensed use is found (license shortage of 10% or more), you must reimburse us for the costs we have incurred in verification and acquire the necessary additional licenses within 30 days. If we undertake such verification and do not find material unlicensed use of the software, we will not undertake verification for at least one year. We and our auditors will use the information obtained in compliance verification only to enforce our rights and to determine whether you are in compliance with the terms of the applicable license agreement. By invoking the rights and procedures described above, we do no waive our rights to enforce this agreement or to protect our intellectual property by any other means permitted by law."

10. Prior Use and Access. None of Licensee or any of its affiliates will have liability for use of or access to the software by or on behalf of, or for hosting the software or making it available to, additional affiliates prior to the effective date of this Addendum, to the extent applicable license fees are paid and such conduct would have complied with this Addendum and the License Terms if done as of the effective date of this Addendum with respect to a person or entity qualifying as an additional affiliate that had signed this Addendum as of such date. Licensee will indemnify Microsoft against any loss, damage, liability or cost which results from any use of or access to the software by or on behalf of any additional affiliate prior to the effective date of this Addendum to the extent such use or access (x) was enabled by Licensee on Licensee's licensed copy of the software and (y) would not have complied with this Addendum and the License Terms if done as of such effective date by an additional affiliate that had signed this Addendum as of such date.

Microsoft

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their duly authorized representatives as of the date set forth below.

Customer	Microsoft
Name of Entity: **BrightStar Franchising, LLC**	**Microsoft Corporation**
Signature * By:	Signature
Printed Name * Shelly A SUN	Printed Name
Printed Title * CEO	Printed Title
Signature Date * 6-24-09	Signature Date (date Microsoft affiliate countersigns) KELLY LEARY STRATEGIC ALLIANCE MGR.
* indicates required field	Effective Date (may be different than our signature date) 6-24.09 **June __, 2009**

Microsoft

Appendix A

The Licensee agrees maintain this list of all additional affiliates which use the Dynamics GP software on this addendum. See attached (as it may be amended from time to time by Licensee).

EXHIBIT A

License Terms

See attached.

MICROSOFT SOFTWARE LICENSE TERMS

MICROSOFT DYNAMICS AX 3.x, AX 4.0, AX 2009

MICROSOFT DYNAMICS GP 9.x, GP 10.0

MICROSOFT DYNAMICS NAV 4.x, NAV 5.0, NAV 2009

MICROSOFT DYNAMICS SL 6.x, SL 7.0

These license terms are an agreement between Microsoft Corporation (or based on where you are located, one of its affiliates) and you. Please read them. They apply to the software named above, which includes the media on which you received it, if any. The terms also apply to any Microsoft

- updates,
- supplements,
- Internet-based services, and
- support services

for this software, unless other terms accompany those items. If so, those terms apply. **These license terms supersede the license terms embedded in the software.**

By installing, having installed, or using the software, you accept these terms. If you do not accept them, do not install, have installed or use the software.

If you comply with these license terms, you have the rights below.

1. **OVERVIEW.**
   a. **Software.** The software may include
      - server software;
      - client software that can be installed on devices and used with the server software;
      - additional components that may be separately licensed; and
      - any fixes, patches or updates for the software.

   b. **License Model.** The software is licensed based on
      - the number of copies of system databases that you install;
      - the number of your users that access the system database; and
      - additional components you license.

2. **DEFINITIONS.**
   - "you" means the legal entity that has agreed to these license terms and your affiliates.
   - "affiliates" means (i) for you, any legal entity that you own, which owns you, or which is under common ownership with you; (ii) for Microsoft, any legal entity that Microsoft owns, which owns Microsoft, or which is under common ownership with Microsoft;
   - "ownership" means more than 50% ownership;
   - "client software" means the software that allows a single personal computer, workstation, terminal, handheld computer, personal digital assistant, or other electronic device ("device") to access or use the server software or to use certain aspects of the server software when disconnected from the server;
   - "server software" means the software that provides services or functionality on your server (your computers capable of running the server software are "servers"); and
   - "system database" means the underlying database that controls your users and financial reporting units.

3. **INSTALLATION AND USE RIGHTS.**
   a. **Server Software.** You may install an unlimited number of copies of the server software to access your system database. However, you may only use the number of copies that your license key permits. You may not duplicate

license keys without Microsoft's prior written consent.

b. **Client Software.** You may install an unlimited number of copies of the client software. However, you may use the client software only with the server software.

c. **Additional Components.** You may install an unlimited number of copies of the additional components you have licensed for your system database. You must obtain a separate license for each system database if you wish to install an additional component for multiple system databases. You may not duplicate license keys without Microsoft's express written consent. For additional information and license restrictions regarding additional components, see http://www.microsoft.com/dynamics/purchase/editionsandlicensing.mspx.

4. **ADDITIONAL LICENSING REQUIREMENTS AND/OR USE RIGHTS.**

a. **User Licenses.** In addition to the server software license, you must acquire user licenses for the total number of users that access the system database directly or indirectly. User licenses are specific to a system database and may not be used with or shared among different system databases. You may license concurrent users, named users, or the external connector depending on the type of access to the system database that the user requires. For users that are your or your affiliates' employees, contractors or agents, you must license concurrent users and named users. For all other access to the system database, including access where no individual users are involved you must license either the external connector, concurrent users or named users. "Concurrent users" are licenses that allow any individual to access the system database. The number of concurrent users licensed refers to the maximum number of individuals that may access the system database simultaneously. "Named users" are licenses that are specific to individual users and may not be shared among individual users. "Third party users" are any concurrent user or named user that is not your or your affiliates' employees, contractors or agents. "External connector" is a license that allows any third party user, application or device to access the system database. For additional information types of user licenses and license restrictions regarding user licenses, see http://www.microsoft.com/dynamics/purchase/editionsandlicensing.mspx.

b. **Multiplexing.** Hardware or software you use to

- pool connections,
- reroute information,
- reduce the number of devices or users that directly access or use the software, or
- reduce the number of devices or users the software directly manages,

(sometimes referred to as "multiplexing" or "pooling"), does not reduce the number of licenses you need.

c. **External Connector Licenses.** You must assign each external connector license you acquire to a system database. Each external connector license assigned to a system database permits any number of third party users , applications or devices to access that system database. You do not need concurrent or named user licenses for those users. You may not use the external connector for business process outsourcing purposes.

d. **Third Party Hosting.** You may have a third party host the software on your behalf solely for access by you and your affiliates. You may not permit your third party hosting vendor to allow access to the software by unaffiliated third parties except as otherwise allowed through an external connector license. Your third party hosting vendor must agree to be bound by these terms.

e. **License Grant for Templates.** You may copy and use templates provided with the software and identified for such use in documents and projects that you create. You may distribute those documents and projects non-commercially.

f. **Restrictions related to the use of Crystal Reports.** If Crystal Reports Runtime Server is included in the software, you may not distribute the Crystal Reports Runtime Server component of the software (the "Runtime Component") with any general-purpose report writing, data analysis or report delivery product or any other product that performs the same or similar functions as the Runtime Component. You may not use the Runtime Component to create for distribution a product that is generally competitive with Business Objects product offerings. You may not use the Runtime Component to create for distribution a product that converts the report file (.RPT) format to an alternative report file format used by any general-purpose report writing, data analysis or report delivery product that is not the property of Business Objects.

g. **Modification.** You may modify the software only as necessary to use it for your internal business purposes if you received it in source code form or you have licensed tools from Microsoft that allow you to modify the object code form. You agree that Microsoft is not responsible for any problems that result from modifications made by you or a third party or that are caused by third party hardware or software.

h. **Additional Functionality.** Microsoft may provide additional functionality for the software. Other license terms

and fees may apply.

5. **INTERNET-BASED SERVICES.** Microsoft provides Internet-based services with the software. It may change or cancel them at any time.

   a. **Consent for Internet-Based Services.** Certain features in the software may connect to Microsoft or third party service provider computer systems over the Internet. In some cases, you will not receive a separate notice when they connect. You may switch off these features or not use them. For more information about these features, see the software documentation. By using these features, you consent to the transmission of this information. Microsoft does not use the information to identify or contact you.

   b. **Computer Information.** The following features use Internet protocols, which send to the appropriate systems computer information, such as your Internet protocol address, the type of operating system, browser and name and version of the software you are using, and the language code of the device where you installed the software. Microsoft uses this information to make the Internet-based services available to you.

      - Web Content Features. Features in the software can retrieve related content from Microsoft and provide it to you. To provide the content, these features send to Microsoft the type of operating system, name and version of the software you are using, type of browser and language code of the device where you installed the software. Examples of these features are clip art, templates, online training, online assistance and Appshelp. You may choose not to use these web content features.

   c. **Misuse of Internet-based Services.** You may not use these services in any way that could harm them or impair anyone else's use of them. You may not use the services to try to gain unauthorized access to any service, data, account or network by any means.

6. **BENCHMARK TESTING**. You must obtain Microsoft's prior written approval to disclose to a third party the results of any benchmark test of the software.

7. **SCOPE OF LICENSE.** The software is licensed, not sold. This agreement only gives you some rights to use the software. Microsoft reserves all other rights. Unless applicable law or a separate written contract with Microsoft gives you more rights despite this limitation, you may use the software only as expressly permitted in this agreement. In doing so, you must comply with any technical limitations in the software that only allow you to use it in certain ways. You may only use the software for your internal business purposes. You may not

   - work around any technical limitations in the software;
   - reverse engineer, decompile or disassemble the software, except and only to the extent that applicable law expressly permits, despite this limitation;
   - make more copies of the software than specified in this agreement or allowed by applicable law, despite this limitation;
   - publish the software for others to copy;
   - rent, lease or lend the software; or
   - use the software for commercial software hosting services. However, you may use the software to provide business process outsourcing services to unaffiliated third parties provided that they do not access the software or system database.

   Your rights to use the software are perpetual but may be revoked if you or your affiliates do not comply with the terms of this agreement. Rights to access the server software do not give you any right to implement Microsoft patents or other Microsoft intellectual property in software or devices that access the server.

8. **BACKUP COPY.** You may make multiple copies of the software for backup, development and testing purposes, so long as such copies are not used in production and the development is for your internal use only. Your backup copies may be hosted by a third party on your behalf.

9. **FAIL-OVER RIGHTS.** You may run a single passive fail-over instance of your system database for temporary support.

10. **LICENSE TRANSFER.** You may not transfer the software to a third party without Microsoft's prior written consent. If permitted, there may be additional charges for transferring the software to a third party.

11. **DOCUMENTATION.** Any person that has valid access to your computer or internal network may copy and use the documentation for your internal, reference purposes.

12. **ACADEMIC EDITION SOFTWARE.** You must be a "Qualified Educational User" to use software marked as "Academic Edition" or "AE." If you do not know whether you are a Qualified Educational User, visit www.microsoft.com/education or contact the Microsoft affiliate serving your country.

13. **DOWNGRADE.** Instead of installing the software, you may install and use an earlier version. This agreement applies to your use of the earlier version. If the earlier version includes different components, any terms for those components in the agreement that comes with the earlier version apply to your use of them. Microsoft is not obligated to supply earlier versions to you. At any time, you may replace an earlier version with this version of the software.

14. **EXPORT RESTRICTIONS.** The software is subject to United States export laws and regulations. You must comply with all domestic and international export laws and regulations that apply to the software. These laws include restrictions on destinations, end users and end use. For additional information, see www.microsoft.com/exporting.

15. **SUPPORT SERVICES.** Microsoft provides support services for the software as described at www.support.microsoft.com/common/international.aspx.

16. **ENTIRE AGREEMENT.** This agreement (including the warranty below), and the terms for supplements, updates, Internet-based services and support services that you use, are the entire agreement for the software and support services.

17. **APPLICABLE LAW.**

    a. **United States.** If you acquired the software in the United States, Washington state law governs the interpretation of this agreement and applies to claims for breach of it, regardless of conflict of laws principles. The laws of the state where you are located govern all other claims, including claims under state consumer protection laws, unfair competition laws, and in tort.

    b. **Outside the United States.** If you acquired the software in any other country, the laws of that country apply.

18. **LEGAL EFFECT.** This agreement describes certain legal rights. You may have other rights under the laws of your state or country. You may also have rights with respect to the party from whom you acquired the software. This agreement does not change your rights under the laws of your state or country if the laws of your state or country do not permit it to do so.

19. **DEFENSE OF INFRINGEMENT AND MISAPPROPRIATION CLAIMS.** Microsoft will defend you against any claims made by an unaffiliated third party that the software infringes its patent, copyright or trademark or misappropriates its trade secret, and will pay the amount of any resulting adverse final judgment (or settlement to which Microsoft consents).

    You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance in defending the claim, and Microsoft will reimburse you for reasonable out of pocket expenses that you incur in providing that assistance. The terms "misappropriation" and "trade secret" are used as defined in the Uniform Trade Secrets Act, except in the case of claims arising outside the United States, in which case "misappropriation" will mean intentionally unlawful use and "trade secret" will mean "undisclosed information" as specified in Article 39.2 of the TRIPs agreement.

    Our obligations will not apply to the extent that the claim or adverse final judgment is based on (i) your use of the software after Microsoft notifies you to discontinue use due to such a claim; (ii) your combining the software with a non-Microsoft product, data or business process including third party add-ons or programs; (iii) damages attributable to the value of the use of a non-Microsoft product, data or business process; (iv) your altering or modifying the software, including any modifications by third parties; (v) your distribution of the software to, or its use for the benefit of, any third party; (vi) your use of Microsoft trademark(s) without express written consent to do so; or (vii) for any trade secret claim, your acquiring a trade secret (a) through improper means; (b) under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (c) from a person (other than Microsoft or its affiliates) who owed to the party asserting the claim a duty to maintain the secrecy or limit the use of the trade secret. You will reimburse us for any costs or damages that result from these actions.

    If Microsoft receives information concerning an infringement or misappropriation claim related to the software, Microsoft may, at its expense and without obligation to do so, either (i) procure for you the right to continue to run the software, or (ii) modify the software or replace it with a functional equivalent, to make it non-infringing, in which case you will stop running the software immediately. If, as a result of an infringement or misappropriation claim, your use of the software is enjoined by a court of competent jurisdiction, Microsoft will, at its option, either procure the right to continue its use, replace it with a functional equivalent, modify it to make it non-infringing, or refund the amount paid and terminate this license.

    If any other type of third party claim is brought against you regarding Microsoft's intellectual property, you must notify us promptly in writing. Microsoft may, at its option, choose to treat these claims as being covered by this section. This Section 19 provides your exclusive remedy for third party infringement and trade secret misappropriation claims.

20. **LIMITATION ON AND EXCLUSION OF DAMAGES. You can recover from Microsoft and its suppliers only direct damages up to the amount you paid for the software except for claims covered by Section 19. You cannot recover any other damages, including consequential, lost profits, special, indirect or incidental**

damages.

This limitation applies to

- anything related to the software, services, content (including code) on third party Internet sites, or third party programs; and
- claims for breach of contract, breach of warranty, guarantee or condition, strict liability, negligence, or other tort to the extent permitted by applicable law.

It also applies even if

- repair, replacement or a refund for the software does not fully compensate you for any losses; or
- Microsoft knew or should have known about the possibility of the damages.

Some jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you.

****

LIMITED WARRANTY

A. LIMITED WARRANTY. If you follow the instructions, the software will perform substantially as described in the Microsoft materials that you receive in or with the software.

B. TERM OF WARRANTY; WARRANTY RECIPIENT; LENGTH OF ANY IMPLIED WARRANTIES. The limited warranty covers the software for one year after acquired by you. If you receive supplements, updates, or replacement software during that year, they will be covered for the remainder of the warranty or 30 days, whichever is longer.

To the extent permitted by law, any implied warranties, guarantees or conditions last only during the term of the limited warranty. Some jurisdictions do not allow limitations on how long an implied warranty, guarantee or condition lasts, so these limitations may not apply to you.

C. EXCLUSIONS FROM WARRANTY. This warranty does not cover problems caused by your acts (or failures to act), the acts of others, or events beyond Microsoft's reasonable control.

D. REMEDY FOR BREACH OF WARRANTY. Microsoft will repair or replace the software at no charge. If Microsoft cannot repair or replace it, Microsoft will refund the amount shown on your receipt for the software. It will also repair or replace supplements, updates and replacement software at no charge. If Microsoft cannot repair or replace them, it will refund the amount you paid for them, if any. You must uninstall the software and return any media and other associated materials to Microsoft with proof of purchase to obtain a refund. These are your only remedies for breach of the limited warranty.

E. CONSUMER RIGHTS NOT AFFECTED. You may have additional consumer rights under your local laws, which this agreement cannot change.

F. WARRANTY PROCEDURES. You need proof of purchase for warranty service.

1. **United States and Canada.** For warranty service or information about how to obtain a refund for software acquired in the United States and Canada, contact Microsoft at
   - (800) MICROSOFT;
   - Microsoft Customer Service and Support, One Microsoft Way, Redmond, WA 98052-6399; or
   - visit www.microsoft.com/info/nareturns.htm.
2. **Europe, Middle East and Africa.** If you acquired the software in Europe, the Middle East or Africa, Microsoft Ireland Operations Limited makes this limited warranty. To make a claim under this warranty, you should contact either
   - Microsoft Ireland Operations Limited, Customer Care Centre, Atrium Building Block B, Carmanhall Road, Sandyford Industrial Estate, Dublin 18, Ireland; or
   - the Microsoft affiliate serving your country (see www.microsoft.com/worldwide).
3. **Outside United States, Canada, Europe, Middle East and Africa.** If you acquired the software outside the United States, Canada, Europe, the Middle East and Africa, contact the Microsoft affiliate serving your country (see www.microsoft.com/worldwide).

G. NO OTHER WARRANTIES. The limited warranty is the only direct warranty from Microsoft. Microsoft gives no other express warranties, guarantees or conditions. Where allowed by your local laws, Microsoft excludes implied warranties of merchantability, fitness for a particular purpose and non-infringement. If your local laws give you any implied warranties, guarantees or conditions, despite this exclusion, your remedies are described in the Remedy for Breach of Warranty clause above, to the extent permitted by your local laws.

H. LIMITATION ON AND EXCLUSION OF DAMAGES FOR BREACH OF WARRANTY. The Limitation on and Exclusion of Damages clause above applies to breaches of this limited warranty.

This warranty gives you specific legal rights, and you may also have other rights which vary from state to state or country to country.

EXHIBIT I

TO BRIGHTSTAR FRANCHISING, LLC'S FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

As of December 31, 2022

BRIGHTSTAR AGENCY OFFICE LIST
AS OF DECEMBER 31, 2022

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Contact Name	Legal Name	Location Address	City	State	Zip	Phone	Email
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Irina Davis, Kris Davis	Davis Managed Services, Inc.	6300 Ridglea Place Suite 125	Fort Worth	TX	76116	(817) 377-3420	irina.davis@brightstarcare.com; kris.davis@brightstarcare.com
Kayla Casey, Randy Casey	KC Home Care, LLC	1560 W. Bay Area Blvd. Suite 315	Friendswood	TX	77546	(281) 606-4335	Kayla.Casey@brightstarcare.com; Randy.Casey@brightstarcare.com
Ruth Martinez, Seun Solesi	Accentcare Provider, LLC	2990 Richmond Avenue Suite 525	Houston	TX	77098	(713) 393-7520	Ruth.Martinez@brightstarcare.com; Seun.Solesi@brightstarcare.com
Jennifer Wong, Patrick Wong	PW Health Services, LLC	615 Gale Street Building A	Laredo	TX	78041	(956) 712-9988	jennifer.wong@brightstarcare.com; patrick.wong@brightstarcare.com
Heather Kane, Lonny Kane	Higher Expectations, LLC	6701 Aberdeen Avenue Suite 6	Lubbock	TX	79424	(806) 745-9996	lonny.kane@brightstarcare.com
Dwan Denk, Jeremy Denk	Neighbors Complete Care, LLC	7070 Knights Court Unit 101	Missouri City	TX	77459	(346) 899-8500	Dwan.Denk@brightstarcare.com; Jeremy.Denk@brightstarcare.com
Susan Stinson, William Stinson	Home Care and Staffing Solutions, LLC	660 N. Central Expressway Suite 250	Plano	TX	75074	(214) 295-4667	susan.stinson@brightstarcare.com; bill.stinson@brightstarcare.com
Jennifer Wong, Patrick Wong	PJW Health Services, LLC	7710 West Interstate 10	San Antonio	TX	78230	(210) 377-3355	jennifer.wong@brightstarcare.com; Patrick.wong@brightstarcare.com
Scott Yokley, Susan Yokley	SSBL, LLC	101 Southwestern Blvd Suite 250	Sugar Land	TX	77478	(281) 201-3700	scott.yokley@brightstarcare.com; susan.yokley@brightstarcare.com
Andrea "Andi" Horger, Christopher C. Miller, David A. Strassburg, Jr., Donald M. Forlani	ARH Focused Care Group, LLC	8505 Technology Forest Pl Suite 502	The Woodlands	TX	77381	(281) 367-7827	andi.horger@brightstarcare.com; Christopher.Miller@brightstarcare.com; david.strassburg@brightstarcare.com; don.forlani@brightstarcare.com
Alex Brown, Tammara Brown	Utah Home Health Care, LLC	5320 South 900 East Suite 280	Salt Lake City	UT	84117	(801) 559-3999	Alex.Brown@brightstarcare.com; Tammara.Brown@brightstarcare.com
Dan Price	Sweet Virginia Care, LLC	21035 Sycolin Road Suite 055	Ashburn	VA	20147	(703) 496-4616	dan.price@brightstarcare.com
Chad Hoyt, Chris Thomson, Matthew Johnson	Central Virginia Holdings, Inc.	2820 Hydraulic Road Ste. 400	Charlottesville	VA	22901	(434) 422-3600	chad.hoyt@brightstarcare.com; chris.thomson@brightstarcare.com; matthew.johnson@brightstarcare.com

Contact Name	Legal Name	Location Address	City	State	Zip	Phone	Email
Rick Killingsworth	Legacy Healthcare, LLC	816 Greenbrier Circle Suite 208	Chesapeake	VA	23320	(757) 227-4047	Rick.Killingsworth@brightstarcare.com
Kerry Massie, Robert Massie	Lone Jack Holdings, Inc.	10517C Braddock Rd	Fairfax	VA	22032-2236	(703) 267-2380	kerry.massie@brightstarcare.com; Robert.massie@brightstarcare.com
Edward Fichtel, Karen Fichtel	Orion Holdings, Inc.	510 Princess Anne St. Suite 201	Fredericksburg	VA	22401	(540) 376-3131	edward.fichtel@brightstarcare.com; karen.fichtel@brightstarcare.com
John S. Howell, III, Kenneth Lynch, Margaret Howell	H&L Venture Group, LLC	7443 Lee Davis Road Suite 101	Mechanicsville	VA	23111	(804) 723-1616	John.Howell@brightstarcare.com; Kenneth.Lynch@brightstarcare.com; Margaret.Howell@brightstarcare.com
Amy Grasser, Mark Grasser	Ressarg Ventures, LLC	7202 Glen Forest Drive Suite 302	Richmond	VA	23226	(804) 378-8686	amy.grasser@brightstarcare.com; mark.grasser@brightstarcare.com
Karl Larsen, Nathan Jackson	Faith-Alliance, LLC	2211 Rimland Drive Suite 405	Bellingham	WA	98226	(360) 922-0975	Karl.Larsen@brightstarcare.com; Nathan.Jackson@brightstarcare.com
Steven Cleeland	SRC Homecare, Inc.	1102 8th Street Suite A	Kirkland	WA	98033	(206) 777-1190	Steven.Cleeland@brightstarcare.com
Shelly Forest	SForest, Inc.	116 E. Lee Street Suite C	Tumwater	WA	98501	(360) 915-6183	Shelly.Forest@brightstarcare.com
Carol J. Brauer	CJB Ventures, Inc.	35 Park Place Suite 100	Appleton	WI	54914	(920) 882-7277	cbrauer@brightstarcare.com
Sini Ross	Swedehill Lifecare, LLC	701 2nd Street Suite A	Hudson	WI	54016	(715) 690-3900	sini.ross@brightstarcare.com
Jeff Jaworski, Katherine Jaworski	Norline Healthcare, Inc.	W227 N16841 Tillie Lake Court	Jackson	WI	53037	(262) 677-9200	Jeff.Jaworski@brightstarcare.com; Kate.Jaworski@brightstarcare.com
Jeffrey Tews, Ryan Tews, Susan Rather	S and J Home Care, LLC	3240 University Ave Ste 3A	Madison	WI	53705	(608) 441-8620	jtews@brightstarcare.com; ryan.tews@brightstarseniorliving.com; srather@brightstarcare.com
Leonorilda "Ilda" Ramirez, William Bodemer	Badger Pura Vida, LLC	601 S. Main Street	Oshkosh	WI	54902	(920) 808-2020	Ilda.Ramirez@brightstarcare.com; William.Bodemer@brightstarcare.com
Joanne Belanger, Mahmood Gohar	JNMJ, LLC	N27 W 23957 Paul Road Suite 100	Pewaukee	WI	53072	(262) 408-5873	Joanne.Belanger@brightstarcare.com; Mahmood.Gohar@brightstarcare.com
Richard Sheridan	RBS Healthcare, LLC	2200 Grand Central Ave Suite 110	Vienna	WV	26105	(304) 699-3330	richard.sheridan@brightstarcare.com

AGREEMENT SIGNED; NOT OPEN
AS OF DECEMBER 31, 2022

Contract Name	Location Address	City	State	Zip	Legal Name
Dhara Patel, Ricky Patel	To be determined	Pell City	AL	35956	Care First Health Inc
Daniel Sweiger, Susan Sweiger	To be determined	Oceanside	CA	92058	Dusie Corporation
Ignacio Cespedes	To be determined	Sacramento / Davis	CA	95834	Altus Health, Inc.
Ignacio Cespedes	To be determined	North Sacramento	CA	95626	Altus Health, Inc.
Sanaz Vzairi, Seyamak "Mak" Vaziri	To be determined	La Jolla	CA	92037	Vaziri Care, Inc.
Batoul Tahiry, Robert Tahiry	To be determined	Chula Vista	CA	91911	Sumad, LLC
Donna Zimmerman	To be determined	Redding	CA	96001	DHL Enterprises, LLC
Parwaiz Khalid, Shahnila Khalid	To be determined	Sacamento	DE	95670	Angel Heart Healthcare Services LLC
Daniel J. Price	To be determined	Washington	DC	20010	Sweet Virginia Care, LLC
Roberto Fernandez	To be determined	Doral	FL	33016	Doral Healthcare Solutions LLC
Richard Lovelace	To be determined	Hollywood	FL	33009	Whole Care Solutions, LLC
Richard Lovelace	To be determined	Miami Gardens	FL	33014	Whole Care Solutions, LLC
Fernando Ors, Sonia Castillejos	To be determined	Cutler Bay	FL	33031	Savia Health, LLC
Fernando Ors, Sonia Castillejos	To be determined	Tamiami	FL	33165	Savia Health, LLC
Michael J. O'Connor	To be determined	Augusta	GA	30806	MJO Enterprises, LLC
Michael J. O'Connor	To be determined	Duluth	GA	30024	MJO Enterprises, LLC
Charles D. Rudder, Teresa E. Rudder	To be determined	Roswell	GA	30062	2CBO Home Care, LLC
Charles D. Rudder, Teresa E. Rudder	To be determined	Sandy Springs	GA	30328	2CBO Home Care, LLC
Daniel J. Price	To be determined	Hyattsville	MD	20705	Sweet Virginia Care Montgomery County, LLC
Daniel J. Price	To be determined	Upper Malboro	MD	20623	Sweet Virginia Care Montgomery County, LLC
Daniel J. Price	To be determined	St. Mary's	MD	20608	Sweet Virginia Care Montgomery County, LLC

Contract Name	Location Address	City	State	Zip	Legal Name
Daniel J. Price	To be determined	Waldorf	MD	20601	Sweet Virginia Care Montgomery County, LLC
Alexis Shires, Lindsey Holmgren	To be determined	Lee's Summit	MO	64147	LASH Healthcare Association, LLC
Alexis Shires, Lindsey Holmgren	To be determined	Metro Kansas City	MO	64121	LASH Healthcare Association, LLC
Alexis Shires, Lindsey Holmgren	To be determined	North Kansas City	MO	64163	LASH Healthcare Association, LLC
Jill Starcevich, Todd Starcevich	To be determined	Winston-Salem	NC	27009	Starcevich Family Holdings, LLC
Ari Tiktin, Miki Yamanoi	To be determined	Passaic County East	NJ	7407	MARIcare, Inc.
Harsh Bhatt	To be determined	New Brunswick	NJ	08816	Prudent Care, Inc.
Andrew S. Bailen, Kelley A. Bailen	To be determined	Wall / Hazlet	NJ	07716	CT Home Healthcare, Inc.
Lori Calder-Miller	To be determined	NE Portland	OR	97217	LJC and Company Healthcare, LLC
Kerry Massie, Robert Massie	To be determined	Lynchburg	VA	23963	Lone Jack Holdings, Inc.
Kerry Massie, Robert Massie	To be determined	Roanoke	VA	24011	Lone Jack Holdings, Inc.
Daniel J. Price	To be determined	Harrisonburg	VA	22807	Sweet Virginia Care, LLC
Daniel J. Price	To be determined	Morgantown/Charleston	WV	25009	To be determined
Steve Cleeland	To be determined	North Seattle	WA	98103	SRC Homecare, Inc.

Closings/Terminations
January 1, 2022 through December 31, 2022

Owner	Legal Entity	Address	City	State	Zip	Phone	# Closed
Sevak and Soorin Sarkissian	Sevak and Soorin Sarkissian	1747 N. Pacific Avenue	Glendale	CA	91202	818-421-8098	1
Michelle Filic	ARTEMIS MEDICAL, LLC	1701 SE 91st Place	Ocala	FL	34480	918-513-1188	1
Howard Wayne and Jerod Bosh	HOWARD WAYNE AND JEORD W. BOSH	3563 N. 3000 E.	Twin Falls	ID	83301	208-212-3099; 208-212-5000	1
Adrienne and Joel Rigueur	JAGS Home Healthcare, Inc.	1752 Fireside Lane	Cherry Hill	NJ	8003	609-505-6627	1
Katie and Carlos Jones	KC Care, LLC	805 7th St. SE, Unit 513	Puyallup	WA	98372	843-324-7624; 253-307-1542	1

Sold; Cancelled Before Open
January 1, 2022 through December 31, 2022

Owner	Legal Entity	Address	City	State	Zip	Phone	# Cancelled
Yuri & Holly Van Dierendonck	ROSA JAMES, INC.	1608 NE 81st Street	Kansas City	MO	64118	816-550-4101; 816-529-7981	1
Edward S. Hickson III	Upstate Health, LLC	500 Oliver Approach	Johnson City	TN	37601	803-807-8793	2
Neetu & Narinder Sahai	N5 Health Services, Inc.	1812 126th Avenue	SE Bellevue	WA	98005	713-775-0718	1

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Transfers
January 1, 2022 through December 31, 2022

Transfers to Franchisee

Owner	Legal Entity	Address	City	State	Zip	Phone	# Transferred	State of Operation
Jaspreet Bajaj	ALBRIGHT OAKMONT, INC.	70 Edgegate Court	Danville	CA	94506	630-796-0213	1	IL
Cassandra Mogel & Tom Berry	Novae, LLC	2727 Nelson Road, Apt S-105; PO Box 501	Longmont; Estes Park	CO	80503; 80517	303-772-4701; 970-577-1585	1	CO
Tim Golden	EMJ Healthcare, Inc.	175 Langley Drive, Suite D3	Lawrenceville	GA	30046	678-377-6985	2	GA
James D. Flickinger	JDF Services, Inc.	416 East Roosevelt Road, Ste 105	Wheaton	IL	60187	630-260-5300	1	IL
Yuri & Holly Van Dierendonck	ROSA JAMES, INC.	1608 NE 81st Street	Kansas City	MO	64118	816-550-4101; 816-529-7981	1	MI
Reeta L. Aggarwal	GMA Care, Inc.	31 Stelton Road, Suite 1	Piscataway	NJ	8854	732-406-4116	1	NJ
Diane McIntyre	A STELLAR LIFE LLC	100 E. Highland Drive	Henderson	NV	89015	702-461-6044	1	NV
Edward S. Hickson III	Upstate Health, LLC	500 Oliver Approach	Johnson City	TN	37601	803-807-8793	2	CT
George Sanchez	Broadmoor Healthcare Holdings, LLC	3905 Walsh Ranch Blvd	Round Rock	TX	78681	512-341-0575	4	TX
Neetu & Narinder Sahai	N5 Health Services, Inc.	1812 126th Avenue	SE Bellevue	WA	98005	713-775-0718	1	MI

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Transfers
January 1, 2022 through December 31, 2022

Transfers to Franchisor

Owner	Legal Entity	Address	City	State	Zip	Phone	# Transferred	State of Operation
David Strassburg	Riviera Health Services, LLC	216 South Drive	Fairhope	AL	36532	251-802-2052	7	FL / AL
Jennifer Rayl	RJS Homecare, LLC	6095 E. Fleming Springs Rd	Cave Creek	AZ	85331	414-699-6161	2	AZ
Thomas & Cynthia Moore	MOORE GLOBAL SOLUTIONS, LLC	2049 E. Amber Lane	Gilbert	AZ	85296	480-926-2740	2	AZ
Steve & Candice Evans/Brainard	STARCATCHER HEALTHCARE, LLC	8486 East Cassia Way	Scottsdale	AZ	85266	602-793-2355	1	AZ
Frank Sanders	Sanders Healthcare, LLC	9139 Sugarbrook Ct.	Dayton	OH	45458	937-313-6835	2	SC
Timothy Deyton	West Greenville Home Health Care Corp.	110 W. Church Street, Ste A	Greer	SC	29650	601-812-8361	1	SC

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

FRANCHISEES WHO LEFT AFTER JANUARY 1, 2023

Owner	Legal Entity	Address	City	State	Zip	Phone
Michael W. Scott	SB & P Corporation	20823 Country Creek Road	Little Rock	AR	72223	508-258-3242
Richard S. Nocon & Joseph J. Cooney	Silver Servants, LLC	1050 Hooper Drive	West Covina	CA	91791	818-396-6266
Donny Sepin	DSep, LLC	300 Blake Street	Denver	CO	80205	720-987-4034
Mary T. Roth and Daniel C. Roth	Cumberland Home Health Services, LLC	2315 Espinosa Place, Apt 203	Highlands Ranch	CO	80126	563-829-3156
Christopher and Sarah Littlefield	Johnston & Hayes Littlefield, Inc.	3 Lewis Street	Redding	MA	01867	781-942-0698
Maxim Minevich	Lifecare Group, Inc.	7060 Oakland Mills Road, Suite P	Columbia	MD	21046	410-910-9425
Anda Plavnikes	Svetavots Corporation	10400 Connecticut Ave, Ste 512	Kensington	MD	20895	301-488-0859
Eric C. Sierka	Camahalode, Inc.	80 School Road	Norristown	PA	19403	215-696-0389
Vincent DeVito Jr. and Andrea DeVito	Arlington MB, LLC	22664 Amberjack Square	Ashburn	VA	20148	703-350-5736; 571-337-3598

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT J

TO BRIGHTSTAR FRANCHISING, LLC'S FRANCHISE DISCLOSURE DOCUMENT

RELEASE OF CLAIMS

RELEASE OF CLAIMS
THIS FORM IS SUBJECT TO CHANGE OVER TIME

For and in consideration of the agreements and covenants described below, BrightStar Franchising, LLC ("we", "us" or "our") and _____ ("you" or "your") enter into this Release of Claims ("Agreement").

RECITALS

A. We and you entered into a BrightStar Franchising, LLC Agency Franchise Agreement dated _____.

B. [NOTE: Describe the circumstances relating to the release.]

C. Subject to and as addressed with greater specificity in the terms and conditions identified below, we and you now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. **Release of Claims by Franchisor.** In consideration of, and only upon full payment of $_____ to us, and the other terms and conditions of this Agreement, the receipt and sufficiency of which are hereby acknowledged, we, for ourselves and for each of our affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of our past and present directors, officers, employees, attorneys, agents, assigns and representatives do hereby release and forever discharge you and each of your heirs, executors, successors, and assigns of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, disclosed or undisclosed, related to the Franchise Agreement. This release does not release you from any obligations you may have under this Agreement.

5. **Release of Claims by Franchisee.** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which are hereby acknowledged, you, for yourself and for each of your heirs, executors, administrators, insurers, attorneys, agents, representatives, successors, and assigns, do hereby release and forever discharge us and each of our respective affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of our past and present directors, officers, employees, attorneys, agents, assigns and representatives in their capacities as such, of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, charges, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, related to the Franchise Agreement.

[The following is additional language for California-based franchisees – remove for all other states]

Each party granting a release acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Each party granting a release and its authorized signatories hereto recognize that he, she, or it may have some claim, demand, or cause of action against the released parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this Addendum. Each party granting a release and its authorized signatories hereby waive and relinquish every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.

6. **Reservation of Claims Against Non-Settling Parties.** We and you expressly reserve our and your right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

7. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained in this Agreement, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

8. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

9. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the laws of the state of _____.

10. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: _____ BRIGHTSTAR FRANCHISING, LLC.

By_____

Its_____

Dated: _____ FRANCHISEE (YOU):_____

By_____

Its_____

EXHIBIT K

TO BRIGHTSTAR FRANCHISING, LLC'S FRANCHISE DISCLOSURE DOCUMENT

STANDARD RENEWAL ADDENDUM

STANDARD RENEWAL ADDENDUM TO
BRIGHTSTAR FRANCHISING, LLC AGENCY FRANCHISE AGREEMENT

This addendum (the "Addendum") to the BrightStar Franchising, LLC Agency Franchise Agreement is made and entered into as of _____ (the "Execution Date") by and between BrightStar Franchising, LLC, an Illinois limited liability company with its principal place of business at 1125 Tri-State Parkway, Suite 700, Gurnee, Illinois 60031 ("we," "us," or "our"), and _____, with an address at _____ (""you" or "your"").

BACKGROUND

A. On _____, the parties entered into a BrightStar Franchising, LLC Agency Franchise Agreement (the "Original Franchise Agreement") pursuant to which you were granted the right to open and operate a BrightStar Care agency in the Protected Territory defined in Exhibit A to the Original Franchise Agreement (the "_____ Agency").

B. The Initial Term of the Original Franchise Agreement is scheduled to expire on_____ You desire to renew your franchise rights and, in connection with such renewal, to sign our current form of Agency Franchise Agreement (the "2023 Franchise Agreement") to replace the Original Franchise Agreement and to govern your operation of the [_____] Agency during the first renewal term provided to you under the Original Franchise Agreement. Consistent with the parties' intent, the 2023 Franchise Agreement will be effective from _____ (the "Effective Date") *[insert the first day of the first renewal term]* through _____ *[insert the specific date based on the applicable number of years from the Effective Date, depending on what was provided in the Original Franchise Agreement]*.

C. As of the Effective Date referenced above, the parties are entering into the 2023 Franchise Agreement to govern your operation of the [_____] Agency from the Effective Date through _____ *[insert the specific date based on the applicable number of years from the Effective Date, depending on what was provided in the Original Franchise Agreement]*.

D. The parties wish to amend the terms of the 2023 Franchise Agreement pursuant to the terms and conditions of this Addendum.

E. All references in the 2023 Franchise Agreement to the "Effective Date" of such Agreement will mean the "Effective Date" as defined in this Addendum.

AGREEMENT

NOW THEREFORE, in consideration of the agreements, covenants and promises contained in this Addendum and the 2023 Franchise Agreement, and for other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Incorporation. The "Background" provisions above are incorporated into and made a part of this Addendum by this reference.

2. Acknowledgement. The parties acknowledge and agree that the Original Franchise Agreement governed your obligations, duties and rights with respect to the operation of the [_____] Agency from _____ *[insert date of Original Franchise Agreement]* until the Effective Date referenced above. Except as amended below, the parties further acknowledge and agree that as of the Effective Date, the terms and conditions set forth in the 2023 Franchise Agreement will govern your obligations, duties, and rights with respect to the operation of the [_____] Agency. Notwithstanding the foregoing, the parties acknowledge and agree that your indemnification obligations under Section ___ of the Original Franchise Agreement will remain in full force and effect, as will your obligation to pay us all monies due under the Original Franchise Agreement on account of your operation of the [_____] Agency before the Effective Date.

3. Section 1.5 Performance Standards. Section 1.5 of the 2023 Franchise Agreement is deleted in its entirety and the following is inserted in its place. Sections 1.5.1 and 1.5.2 remain unchanged.

> **Section 1.5 Performance Standards.** Beginning on the Effective Date, your monthly performance must meet or exceed the following "Monthly Performance Standards." Your Minimum Start Date ("MSD") will be _____. The Opening Date under this Franchise Agreement will be deemed to be, the Effective Date of _____ *[insert the first day of the renewal term]*.

All references in the 2023 Franchise Agreement to the "Opening Date" of such Franchise Agreement will mean the "Effective Date," as the 2023 Franchise Agreement governs Franchisee's operation of the [_____] Agency during the First Renewal Term authorized by the Original Franchise Agreement.

[Insert applicable numbers below based on what was provided in the Original Franchise Agreement]

MSD Anniversary Year	Monthly Performance Standard (*i.e.*, minimum Net Billings)
*Years __ to __	4 Week Month - $_____ 5 Week Month - $_____

* These Years represent what the Monthly Performance Standards will be during the First Renewal Term.

Note that Net Billings from National Accounts derived from National Accounts business both within and outside your Protected Territory will count towards the Net Billings needed to meet Monthly Performance Standards; however, Net Billings derived from all other business outside your Protected Territory (i.e., business other than National Accounts Net Billings) will not be counted towards the Net Billings needed to meet Monthly Performance Standards or the renewal criteria (see Section 2.2), regardless of whether we temporarily permit you to service business in an unowned territory.

4. Section 2.1 Initial Term. Section 2.1 of the 2023 Franchise Agreement is deleted in its entirety and replaced with the following:

> 2.1 **First Renewal Term.** This Agreement will take effect on the Effective Date and, unless previously terminated pursuant to Article 13 hereof, its term will extend until _____*[insert the specific date based on the applicable number of years from the Effective Date, depending on what was provided in the Original Franchise Agreement]* (the "First Renewal Term").

All references in the 2023 Franchise Agreement to the "Initial Term" of such Franchise Agreement will mean the "First Renewal Term," as the 2023 Franchise Agreement governs your operation of the [_____] Agency during the first renewal term authorized by the Original Franchise Agreement.

5. Second Renewal Term. Section 2.2 of the 2023 Franchise Agreement is deleted in its entirety and replaced with the following:

> *[Insert here the relevant renewal conditions for the 2nd Renewal Term that appeared in the Original Franchise Agreement and further clarify that no third renewal term is available.]*

6. Section 6.3 Training. The first sentence of Section 6.3.1 of the 2023 Franchise Agreement is deleted in its entirety. All remaining provisions of Sections 6.3 and 6.4 remain in full force and effect.

7. Exhibit A Declarations Page. Paragraph 3 of Exhibit A to the 2023 Franchise Agreement is deleted in its entirety and replaced with the following:

> 4. **Initial Franchise Fee**. The Initial Franchise Fee payable pursuant to Section 4.1.1 is $0.

8. **Release**. As consideration for our granting you the rights under the 2023 Franchise Agreement, and as an express condition of renewal provided in the Original Franchise Agreement, you and your affiliates, on behalf of themselves and our and their respective successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, directors, officers, principals, and employees (collectively, the "Releasing Parties"), hereby forever release and discharge us and our affiliates, and their respective current and former partners, owners, directors, officers, principals, employees, agents, representatives, successors, and assigns (collectively, the "Franchisor Released Parties"), from any and all claims, damages, demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind, whether known or unknown, suspected or unsuspected, vested or contingent (for purposes of this Section 8, collectively, "Claims"), that you and any of the other Releasing Parties now have, ever had, or, but for this Section 8, hereafter would or could have against any of the Franchisor Released Parties (a) arising from or related to, in any way, the Franchisor Released Parties' performance of or failure to perform obligations under the Original Franchise Agreement or (b) arising from or related to, in any way, the Releasing Parties' rights or the Franchisor Released Parties' obligations under the Original Franchise Agreement, or (c) otherwise arising from or related to, in any way, your and the other Releasing Parties' relationship, from the beginning of time until the Execution Date, with

any of the Franchisor Released Parties, excepting only any Claims arising exclusively from the grant of the franchise under the 2023 Franchise Agreement.

You, on behalf of yourself and the other Releasing Parties, further covenant not to sue any of the Franchisor Released Parties on any of the Claims released by this paragraph and represents that you have not assigned any such Claims to any individual or entity who is not bound by this paragraph.

[The following is additional language for California-based franchisees – remove for all other states]

Each party granting a release acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Each party granting a release and its authorized signatories hereto recognize that he, she, or it may have some claim, demand, or cause of action against the released parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this Addendum. Each party granting a release and its authorized signatories hereby waive and relinquish every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.

9. Entire Agreement. As of the Effective Date of the 2023 Franchise Agreement, the 2023 Franchise Agreement and this Addendum constitute the entire, full, and complete agreement between the parties concerning the [_____] Agency and supersede any and all prior agreements. The Original Franchise Agreement no longer is in effect as of the Effective Date of the 2023 Franchise Agreement, provided, however, that you and we acknowledge and agree that your indemnification obligations under Section ___ of the Original Franchise Agreement remain in full force and effect, as will your obligation to pay us all monies due under the Original Franchise Agreement on account of your operation of the [_____] Agency before the Effective Date of the 2023 Franchise Agreement. In the event of a conflict between the terms of the 2023 Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control. Except as amended hereby, all the other terms and conditions of the 2023 Franchise Agreement remain in full force and effect as originally written.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Addendum the date and year first written above.

BRIGHTSTAR FRANCHISING, LLC (WE)

By:_____
Printed Name:_____
Title: _____

FRANCHISEE (YOU):
_____

By:_____
Printed Name:_____
Title:_____

EXHIBIT L

ASSIGNMENT AND CONSENT AGREEMENT

ASSIGNMENT AND CONSENT AGREEMENT

(_____, ___)

THIS AGREEMENT is made and entered into by and among _____ ("Franchisee"), _____and _____ (each, a "Franchisee Principal") (Franchisee and Franchisee Principals collectively referred to as "Assignor"), _____ _____ ("Assignee"), and BrightStar Franchising, LLC, an Illinois limited liability company with its principal place of business at 1125 Tri-State Parkway, Suite 700, Gurnee, Illinois 60031 ("Franchisor"). All capitalized terms not defined in this Agreement have the respective meanings set forth in the Old Franchise Agreement (as defined below). The effective date is the date we sign below (the "Execution Date").

RECITALS

A. Franchisor and Assignor are parties to a BrightStar Franchising, LLC Agency Franchise Agreement and First Addendum to BrightStar Franchising, LLC Agency Franchise Agreement dated _____, and related and subsequent amendments thereto (collectively, the "Old Franchise Agreement"), pursuant to which Franchisee was granted the right and undertook the obligation to open and operate a BrightStar Care Agency within the territory defined in Exhibit A to the Old Franchise Agreement (the "Franchised Business").

B. Assignor desires to assign to Assignee all right, title and interest in the Franchised Business, including the franchise rights for the Franchised Business as part of an asset purchase transaction (the "Assignment"); Assignee wishes to accept the Assignment and, as of the Hard Closing Date, assume all of the duties, obligations, and liabilities of Assignor related thereto.

C. Franchisor is willing to consent to the Assignment as of the Hard Closing Date, subject to the provisions stated below.

AGREEMENTS

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment and Assumption. As of the Hard Closing Date (as defined in #3), Assignor assigns to Assignee all right, title and interest in and to the Franchised Business, including the franchise rights for the Franchised Business. Assignee unconditionally assumes and accepts the Assignment of the Franchised Business, including the franchise rights for the Franchised Business, and agrees to be bound by all duties, obligations, and liabilities of the Assignor related thereto.

2. Signing of Current Form of Franchise Agreement. As a condition of Franchisor's consent to the Assignment, Assignee agrees to sign Franchisor's then-current form of franchise agreement (the "New Franchise Agreement") and the First Addendum to BrightStar Franchising, LLC Agency Franchise Agreement (the "First Addendum"). Assignee acknowledges that the terms and conditions of the New Franchise Agreement may be different from the terms and conditions

of the Old Franchise Agreement. Immediately following the Execution Date, Assignee shall deliver to Franchisor two signed copies of the New Franchise Agreement and First Addendum, along with three executed copies of this Agreement.

3. Termination of Old Franchise Agreement. All parties agree that the Old Franchise Agreement is terminated as of the first Monday following the later of 1) Assignee's completion of the required training, or 2) Assignees' receipt of all licenses to enable Assignee to operate the Agency in the same manner as Assignor prior to the Hard Closing (the "Hard Closing Date") with no further force and effect, except for the post-termination obligations identified in Section 12 below.

4. Status of Assignor Following Assignment. Upon and after the Hard Closing Date and subject to Section 12 below, Assignor will have no interest in and will no longer be responsible or liable for (a) the Franchised Business, (b) the franchise rights for the Franchised Business, or (c) the Old Franchise Agreement. Assignor, however, will remain liable for any responsibilities, obligations, and liabilities related to the Old Franchise Agreement up to the Hard Closing Date, including all monetary obligations due to Franchisor, its affiliates, and other third parties under the Old Franchise Agreement that have accrued as of the Hard Closing Date and all post-termination obligations identified in Section 12 below.

5. Assignee Principals. If Assignee is an entity, Assignee represents and warrants to Franchisor and Assignor that the following individuals and/or entities are the sole owners of Assignee (the "Assignee Principals"):

Name of Principal Owner	**Percentage of Ownership in Assignee (total must equal 100%)**
Total	**100%**

6. Payment of Transfer Fee. On or before the Execution Date of this agreement, if not already received, Assignor must remit to Franchise a transfer fee in the amount of .

7. Training and Training Fee. Assignee must attend and satisfactorily complete all of Franchisor's required training in Gurnee, IL prior to the Hard Closing. (Include if applicable: On or before the Execution Date Assignor or Assignee must pay Franchisor a training fee of $_____ _____, which fee will cover all costs associated with training up to three persons for Assignee.)

8. Payment of Fees Owed to Franchisor. Within 14 days after the Hard Closing Date, all fees owed by Franchisee and Franchisee Principals to Franchisor under or related to the Old Franchise Agreement (the "Fees Owed") must be paid in full.

9. Personal Guarantee. Assignee, and as applicable, each Assignee Principal must execute a personal guarantee in the form attached to the New Franchise Agreement.

10. Representations.

A. Assignor and Assignee represent and warrant to one another that they have the authority to execute this Agreement.

B. Assignor represents and warrants to Franchisor and Assignee that it owns all right, title and interest in and to the Franchised Business and the Old Franchise Agreement, free and clear of any mortgage, lien or claims, and has not assigned any or all of its interest in the Franchised Business or the Old Franchise Agreement to any third party.

C. Assignor and Assignee represent and warrant to Franchisor that they have held the Soft Closing on the Transaction as of the Execution Date.

11. Indemnification.

A. Assignor, for itself, its heirs, successors and assigns, agrees to indemnify and hold harmless Franchisor, its affiliates, successors, assigns, officers, directors, employees, agents, and each of them, against any and all liabilities, damages, actions, claims, costs (including reasonable attorneys' fees), or expenses of any nature resulting, directly or indirectly, from any of the following: (i) any misrepresentations or breach of warranty by Assignor under this Agreement; (ii) the Assignment; or (iii) any claim, suit or proceeding initiated by or for a third party(s), now or in the future, that arises out of or relates to the Old Franchise Agreement or the Franchised Business operated by Assignor prior to the Execution Date.

B. Assignee, for itself, its heirs, successors and assigns, agrees to indemnify and hold harmless Franchisor, its affiliates, successors, assigns, officers, directors, employees, agents, and each of them, against any and all liabilities, damages, actions, claims, costs (including reasonable attorneys' fees) or expenses of any nature resulting, directly or indirectly, from any of the following: (i) any misrepresentations or breach of warranty by Assignee under this Agreement; or (ii) the Assignment.

12. Assignor's Post-Termination Obligations. A Assignor agrees that, upon transfer of its interest in the Franchised Business to Assignee, Assignor will 1) comply with all post-termination obligations set forth in Sections ___ and ___ of the Old Franchise Agreement, which obligations shall be incorporated herein by reference, 2) comply with any other provisions of the Old Franchise Agreement which, by their nature, survive termination or expiration of the Old Franchise Agreement, 3) not engage in any disparaging communications (whether verbal, written, online or through any social media platform) regarding BrightStar, its affiliates, its franchisees, employees, officers, agents, directors or suppliers, and 4) pay all outstanding invoices with Franchisor's preferred vendors and all outstanding creditors within 30 days after the Hard Closing Date.

13. Consent to Assignment. Franchisor consents to the Assignment in accordance with the terms and conditions of this Agreement. Franchisor's consent to the Assignment will not result in any waiver of any rights or as a release under the Old Franchise Agreement or New Franchise Agreement and is not a consent to any additional or subsequent transfers or assignments.

14. Release and Settlement of Claims.

A. Assignor and each of their respective heirs, successors, assigns, affiliates, shareholders, directors, employees, and agents, and on behalf of any other party claiming an interest through them (collectively and individually referred to as the "Assignor Parties" for purposes of Sections 14, 15 and 16 below), release and forever discharge us, our predecessors, successors, affiliates, directors, officers, shareholders, agents, employees and assigns (collectively and individually referred to as the "Franchisor Parties" for purposes of Sections 14, 15 and 16) and BrightStar Care Franchisees (Franchisor Parties and BrightStar Care Franchisees are collectively referred to as "BrightStar Parties" for purposes of Section 14, 15, and 16) of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which Assignor Parties may now or in the future own or hold, that in any way relate to the Old Franchise Agreement, any other agreement between Assignor and Franchisor or the BrightStar Parties, the Franchised Business, or the relationship between Assignor and Franchisor or the BrightStar Parties through the Hard Closing Date (collectively, "Claims"), for known or unknown damages or other losses including, but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Old Franchise Agreement or any other agreement between Assignor and Franchisor or the BrightStar Parties through and including the Execution Date.

B. Except as noted herein, the Franchisor Parties hereby release the Assignor Parties from any Claims subject to Assignor's compliance with the terms and conditions of this Agreement (the "Franchisor Claims" for purposes of this Section 14 and 15). The Franchisor Parties do not release the Assignor Parties from any outstanding obligations under Sections _____ and ____ of the Old Franchise Agreement or any other provisions which, by their nature, survive termination or expiration of the Old Franchise Agreement. Further, the Franchisor Parties do not release the Assignor Parties from any obligations arising by virtue of this Agreement and Claims arising from the Assignor Parties' failure to comply with those obligations, including, without limitation, the obligations under Sections 11, 12 and 16 of this Agreement.

15. Acknowledgement of Releasors. The release of Assignor Claims set forth in Section 14.A, Franchisor Claims in Section 14.B, are effective as of the Execution Date and are intended by the Assignor Parties and Franchisor Parties (collectively, the "Releasors") to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of one of the Releasors against any other Releasor. In making this voluntary express waiver, the Releasors acknowledge that claims or facts in addition to or different from those which are now known to

exist with respect to the matters mentioned herein may later be discovered and that it is the Releasors' intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. The Releasors acknowledge that they have had adequate opportunity to gather all information necessary to enter into this Agreement and Release, and need no further information or knowledge of any kind that would otherwise influence the decision to enter into this Agreement. This Release is and shall be and remain a full, complete, and unconditional general release. The Releasors acknowledge and agree that the foregoing waiver is an essential, integral and material term of this Agreement. The Releasors further acknowledge and agree that no violation of this Agreement shall void the release set forth in Section 14.

[The following is additional language for California-based franchisees – remove for all other states]

Each party granting a release acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Each party granting a release and its authorized signatories hereto recognize that he, she, or it may have some claim, demand, or cause of action against the released parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this Addendum. Each party granting a release and its authorized signatories hereby waive and relinquish every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.

16. Confidentiality. Assignor and Assignee acknowledge and agree that this Agreement and matters discussed in relation thereto are entirely confidential. It is therefore understood and agreed by Assignor and Assignee that they will not reveal, discuss, publish or in any way communicate any of the terms, amount or fact of this Agreement to any person, organization or other entity, except to their respective officers, employees or professional representatives, or as required by law.

17. Miscellaneous. This Agreement, and the documents referred to herein, constitute the entire agreement among the parties with respect to the subject matter hereof. No amendment will be binding unless in writing and signed by the party against whom enforcement is sought. All representations, warranties, agreements and all other provisions of this Agreement which by their terms or by reasonable implication are intended to survive the closing of this transaction will survive it.

18. Representation by Counsel. The parties have had adequate opportunity to consult with an attorney of their respective choice, including with respect to the release of claims set forth herein.

19. Governing Law/Venue. This Agreement will be construed and enforced in accordance with the laws of the State of Illinois, without regard to principles of conflicts of law. The parties further agree that any legal proceeding relating to this Agreement, or the enforcement

of any provision herein shall be brought or otherwise commenced only in the State or Federal courts of Illinois.

20. Counterparts. This Agreement may be executed in more than one counterpart, each of which shall constitute an original copy.

ASSIGNOR:

_____

By: _____
Printed Name:_____
Title: _____
Date: _____

Individually and on behalf of Assignor:

By: _____
Printed Name:_____
Date: _____

By:_____
Printed Name:_____
Date: _____

ASSIGNEE:

_____

By: _____
Printed Name:_____
Title: _____
Date: _____

FRANCHISOR:

BRIGHTSTAR FRANCHISING, LLC

By: _____
Printed Name:_____
Its:

Execution Date: _____

EXHIBIT M

CO-TERRITORY AGREEMENT

CO-TERRITORY AGREEMENT

THIS CO-TERRITORY AGREEMENT (the "Agreement") is made and entered into by and among _____ (the "_____ Franchisee"), _____ (the "_____Franchisee"), and BrightStar Franchising, LLC, an Illinois limited liability company with its principal place of business at 1125 Tri-State Parkway, Suite 700, Gurnee, Illinois 60031 ("Franchisor"). This Agreement is effective on the date Franchisor signs below (the "Effective Date").

RECITALS

A. Franchisor and _____ Franchisee are parties to BrightStar Franchising, LLC Agency Franchise Agreement dated _____, and related and subsequent amendments thereto (collectively, the "_____ Franchise Agreement"), pursuant to which _____ Franchisee was granted the right and undertook the obligation to open and operate a BrightStar Care Agency (the "_____Agency") within the territory defined in Exhibit A to the _____ Franchise Agreement (the "_____Territory").

B. Franchisor and _____Franchisee are parties to BrightStar Franchising, LLC Agency Franchise Agreement dated _____, and related amendments thereto (collectively, the "_____Franchise Agreement"), pursuant to which _____Franchisee was granted the right and undertook the obligation to open and operate a BrightStar Care Agency within the _____Territory.

C. On the expiration of the Transition Period (as defined below) _____ Franchisee desires to assign to _____Franchisee all of its rights and interest in and to the _____Agency and _____Territory and _____Franchisee wishes to accept all of _____ Franchisee's rights and interest in and to the _____Agency and the _____Territory.

C. During the Transition Period, _____ Franchisee and _____Franchisee desire that the _____ Franchise Agreement and _____Franchise Agreement will both cover the _____Territory (the "Co-Territory Rights"), subject to the provisions outlined below.

D. Franchisor is agreeable to granting the _____ Franchisee and _____Franchisee Co-Territory Rights for the _____Territory, subject to the provisions stated below.

AGREEMENT

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. _____Franchise Agreement Amendment. _____ Franchisee acknowledges and agrees that while the _____ Franchise Agreement will provide

_____ Franchisee with the right to develop and operate an Agency in the _____Territory, _____ Franchisee will not have the right to provide any services to clients in the _____ Territory until the expiration of the Transition Period. For purposes of this Agreement, the "Transition Period" commences on the Effective Date of this Agreement and expires on the first Monday following the later of 1) _____Franchisee's completion of the required BrightStar training, or 2) _____Franchisee's receipt of all licenses to enable Assignee to operate the Agency in the same manner as Assignor prior to the expiration of the Transition Period (the "Transition Period").

2. _____ Franchisee and _____ Franchisee Obligations during the Transition Period. During the Transition Period, _____ Franchisee agrees that it will continue operating the _____ Agency and providing all services to the clients located in the _____ Territory in accordance with the terms and conditions outlined in the _____ Franchise Agreement. Further, during the Transition Period the parties agree that during the Transition period _____ Franchisee and _____ Franchisee will use best efforts to complete _____ Franchisee's acquisition of all licenses to enable _____Franchisee to operate the Agency in the same manner as _____ Franchisee prior to the expiration of the Transition Period.

3. Expiration of Transition Period. Immediately upon expiration of the Transition Period, _____ Franchisee, _____ Franchisee and Franchisor agree that they will work together to transfer all rights to the _____Agency to the _____ Franchisee including, but not limited to, transferring all clients receiving services from _____ Franchisee to _____ Franchisee. Upon the completion of the client transfer outlined above: (i) _____ Franchisee will have the right to operate BrightStar Care Agency inside the _____ Territory and provide all services to clients located in the _____ Territory, (ii) _____ Franchisee's right to provide any services to clients in the _____ Territory will terminate, (iii) _____ Franchisee will comply with all post-termination obligations outlined in Sections 11, 14 and 19.1 of the _____ Franchise Agreement, and (iv) _____ Franchisee and Franchisor will enter into all Agreements required by Franchisor, including any additional release of claims.

4. Consent. Franchisor consents to the Co-Territory Rights outlined above, provided _____ Franchisee and _____ Franchisee comply with the terms and obligations of this Agreement.

5. Release by Assignor. Except as noted in this Section 5, _____ Franchisee and each of their respective heirs, successors, assigns, affiliates, shareholders, directors, employees, and agents, and on behalf of any other party claiming an interest through them (collectively and individually referred to as the "_____ Parties" for purposes of Sections 5 and 7), release and forever discharge Franchisor, its predecessors, successors, affiliates, directors, officers, shareholders, agents, employees and assigns (collectively and individually referred to as the "Franchisor Parties" for purposes of Sections 5, 6 and 7) of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which _____ Parties may now or in the future own or hold, that in any way relate to the _____ Franchise Agreement,

any other agreement between _____ Parties and Franchisor, the _____ Agency, or the relationship between _____ Parties and Franchisor through the Effective Date (collectively, "_____ Claims" for purposes of this Section 5 and 7), for known or unknown damages or other losses including, but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the _____ Franchise Agreement or any other agreement between _____ Parties and Franchisor through and including the Effective Date.

The _____ Parties and Franchisor Parties acknowledge and agree that the release of _____ Claims is effective as to _____ Claims arising through the Effective Date of this Agreement, and not to any claims arising after the Effective Date.

6. Release by Assignee. Except as noted in this Section 6, _____ Franchisee and each of their respective heirs, successors, assigns, affiliates, shareholders, directors, employees and agents, and on behalf of any other party claiming an interest through them (collectively and individually referred to as the "_____ Parties" for purposes of this Section 6 and 7 below), release and forever discharge the Franchisor Parties of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which _____ Parties may now or in the future own or hold, that in any way relates to the _____ Franchise Agreement, any other agreement between _____ Parties and Franchisor, or the relationship between _____ Parties and Franchisor through the Effective Date (collectively referred to as "_____ Claims" for purposes of this Section 6 and 7), for known or unknown damages or other losses including, but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the _____ Franchise Agreement or any other agreement between _____ Parties and Franchisor through and including the Effective Date.

The _____ Parties and Franchisor Parties acknowledge and agree that the release of _____Claims is effective as to _____ Claims arising through the Effective Date of this Agreement, and not to any claims arising after the Effective Date.

7. Acknowledgement of Releasors. The release of _____ Claims set forth in Section 5 and _____ Claims in Section 6 are intended by the _____ Parties and _____ Parties (collectively, the "Releasors") to be full and unconditional general releases, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of one of the Releasors against any other Releasor. In making this voluntary express waiver, the Releasors acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Releasors' intentions to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. The Releasors acknowledge that they have had adequate opportunity to gather all information necessary to enter into this Agreement and Release and need no further information or knowledge of any kind that would otherwise influence the decision to enter into this Agreement. This Release is and shall be and remain a full, complete, and unconditional general

release. The Releasors acknowledge and agree that the foregoing waiver is an essential, integral and material term of this Agreement. The Releasors further acknowledge and agree that no violation of this Agreement shall void the release set forth in Sections 5 and 6.

The following is additional language for California-based franchisees – removed for all other states]

Each party granting a release acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Each party granting a release and its authorized signatories hereto recognize that he, she, or it may have some claim, demand, or cause of action against the released parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this Addendum. Each party granting a release and its authorized signatories hereby waive and relinquish every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.

8. Confidentiality. _____ Franchisee and _____ Franchisee acknowledge and agree that this Agreement and matters discussed in relation thereto are entirely confidential. It is therefore understood and agreed by _____ Franchisee and _____ Franchisee that they will not reveal, discuss, publish or in any way communicate any of the terms, amount or fact of this Agreement to any person, organization or other entity, except to their respective officers, employees or professional representatives, or as required by law.

9. Miscellaneous. This Agreement, and the documents referred to herein, constitute the entire agreement among the parties with respect to the subject matter hereof. No amendment will be binding unless in writing and signed by the party against whom enforcement is sought. All representations, warranties, Agreement and all other provisions of this Agreement which by their terms or by reasonable implication are intended to survive the closing of this transaction will survive it.

10. Representation by Counsel. The parties have had adequate opportunity to consult with an attorney of their respective choice, including with respect to the release of claims set forth herein.

11. Governing Law/Venue. This Agreement will be construed and enforced in accordance with the laws of the State of Illinois, without regard to principles of conflicts of law. The parties further agree that any legal proceeding relating to this Agreement, or the enforcement of any provision herein shall be brought or otherwise commenced only in the State or Federal courts of Illinois.

12. Counterparts. This Agreement may be executed in more than one counterpart, each of which shall constitute an original copy.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Agreement the date and year set forth below.

ASSIGNOR: _____

By:_____
Name:_____
Its:_____
Date: _____

By:_____
_____, individually and on behalf of Assignor

By:_____
_____, individually and on behalf of Assignor

ASSIGNEE: _____

By:_____
Name:_____
Its:_____
Date: _____

By:_____
_____, individually and on behalf of Assignor

By:
_____, individually and on behalf of Assignor

BRIGHTSTAR FRANCHISING, LLC

By: _____
Name: _____
Its: _____

Effective Date: _____

EXHIBIT N

MICROSOFT TEAMS/ONE-DRIVE/WEB VERSION OFFICE PACKAGE OPT-IN ADDENDUM

MICROSOFT TEAMS/ONE-DRIVE/WEB VERSION OFFICE PACKAGE
OPT-IN ADDENDUM
TO
BRIGHTSTAR FRANCHISING, LLC AGENCY FRANCHISE AGREEMENT
_____, _____

This addendum (the "Addendum") to the BrightStar Franchising, LLC Agency Franchise Agreement is made and entered into as of _____ (the "Execution Date") by and between BrightStar Franchising, LLC, an Illinois limited liability company with its principal place of business at 1125 Tri-State Parkway, Suite 700, Gurnee, Illinois 60031 ("we," "us," or "our"), and _____, with an address at _____ _____ (""you" or "your"").

BACKGROUND

A. On _____, 20___, the parties entered into a BrightStar Franchising, LLC Agency Franchise Agreement and subsequent amendments thereto (collectively, the "Franchise Agreement") pursuant to which you were granted the right to open and operate a BrightStar Care agency in the Protected Territory defined in Exhibit A to the Original Franchise Agreement (the "Agency").

B. You have requested us to provide you with Microsoft Teams, One-Drive, and The Web version of Microsoft's Office package, which also includes a storage limit of 1TB per account for Teams/One Drive (collectively, the "Teams Package").

C. All capitalized terms not defined in this Addendum have the meanings ascribed to them in the Franchise Agreement. To the extent the terms of this Addendum are inconsistent with any terms of the Franchise Agreement, the terms of this Addendum will supersede and govern.

D. The parties wish to amend the terms of the Franchise Agreement pursuant to the terms and conditions of this Addendum.

AGREEMENT

NOW THEREFORE, in consideration of the agreements, covenants and promises contained in this Addendum and the Franchise Agreement, and for other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Incorporation. The "Background" provisions above are incorporated into and made a part of this Addendum by this reference.

2. By execution of this Addendum, you acknowledge and agree beginning the month you are provided the Teams Package you will be charged $7.80 per user per month based on active Teams Package users during the prior month. The $7.80 per user per month is not prorated. (e.g., whether you are issued a Teams Package user account for you or an employee on the 1st of the month or on the 30th of the month you will be charged $7.80.). The monthly fee is subject to

change. We will provide a 30 day notice prior to any fee changes. You may elect, upon 30 days' notice to us to terminate your and your Agency's staff of the Teams Package.

4. Entire Agreement. The Franchise Agreement and this Addendum constitute the entire, full, and complete agreement between the parties concerning the Agency. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control. Except as amended hereby, all the other terms and conditions of the Franchise Agreement are ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Addendum the date and year first written above.

BRIGHTSTAR FRANCHISING, LLC (WE)

By:_____
Printed Name:_____
Title: _____

FRANCHISEE (YOU):

_____

By:_____
Printed Name:_____
Title:_____

By:_____
Printed Name:_____
Title:_____

EXHIBIT O

MEDIUM DENSITY MARKET ADDENDUM TO FRANCHISE AGREEMENT

MEDIUM DENSITY MARKET ADDENDUM TO

BRIGHTSTAR FRANCHISING, LLC AGENCY FRANCHISE AGREEMENT

This addendum (the "Addendum") to the BrightStar Franchising, LLC Agency Franchise Agreement is made and entered into as of _____ (the "Execution Date") by and between BrightStar Franchising, LLC, an Illinois limited liability company with its principal place of business at 1125 Tri-State Parkway, Suite 700, Gurnee, Illinois 60031 ("we," "us," or "our"), and _____ with an address at _____ (""you" or "your""). All capitalized terms not defined in this Addendum have the meanings ascribed to them in the Franchise Agreement (as defined below). This Addendum is effective on the date BrightStar signs below (the "Effective Date").

BACKGROUND

A. On or about _____, the parties entered into a BrightStar Franchising, LLC Agency Franchise Agreement (the "Franchise Agreement"), pursuant to which you were granted the right and undertook the obligation to open and operate a BRIGHTSTAR® agency (the "Agency") in the Protected Territory defined in Exhibit A.

B. We offered and you accepted the Medium Density Market and executed the Franchise Agreement, and you agree to comply with the obligations set forth in the Franchise Agreement and this Addendum in connection with the Medium Density Market Territory.

C. The parties agree to amend the Franchise Agreement pursuant to the terms and condition below.

AGREEMENT

NOW THEREFORE, in consideration of the mutual agreements, covenants and promises contained in this Addendum and for mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Section 1.5 Performance Standards. Section 1.5 of the Franchise Agreement is deleted in its entirety and will not apply to your Agency or Medium Density Market Territory. The following is inserted in its place:

> 1.5 Your Minimum Start Date ("MSD") will be the Opening Date (defined as the earlier of the date of your first billing or 180 days after signing this Agreement). You are initially required to obtain whatever licensure may be required to perform Companion and Personal in-home care services in your state. In states where it may take longer than 180 days to obtain the license to perform those services, the Minimum Start Date will be the Monday following the receipt of licensure which enables you to perform Companion and Personal in-home care services. You must diligently and actively pursue all licenses to enable you to perform the fullest extent of the BrightStar business model. You will be billed within 28 days of the end of each week for royalties.

2. Section 2.2 Renewal Terms. Section 2.2 of the Franchise Agreement is deleted in its entirety and will not apply to your Agency or Medium Density Market Territory. The following is inserted in its place:

2.2 Renewal Terms

(a) You may, at your option, renew the franchise for the Franchised Business for an additional term of five (5) years upon the expiration of the Initial Term provided that:

(i) you are not in default under this Agreement or any other agreement with us or our affiliates at any time during the last six (6) months of the Initial Term;

(ii) you have been in substantial compliance with this Agreement and any other agreement with us, our affiliates, and designated suppliers throughout the Initial Term; and

(iii) you have fulfilled all your monetary obligations towards us, our affiliates and designated suppliers.

You have the right to exercise your option to renew only by giving us written notice of your election to renew not less than six (6) months, nor more than one (1) year, before expiration of the Initial Term.

As a condition of any renewal, you must:

(1) sign our then-current form of franchise agreement for renewal franchises, which may include terms and conditions materially different from those in this Agreement, such as different fee structures and/or increased fees;

(2) if available, execute a new lease for a minimum of one year with an option to renew for two additional one year terms for the Agency premises;

(3) execute a general release in a form satisfactory to us of any and all claims against us, our parent, subsidiaries, and affiliates, and our and their officers, directors, attorneys, owners and employees;

(4) complete any new training requirements not yet completed; and

(5) at your sole expense and if necessary in our sole opinion, bring the Agency up to our then-current standards for an Agency, including installation or upgrade of computer hardware and software and the ABS.

(b) If we choose to grant you a first five (5) year renewal franchise term as provided above, you will have the right to acquire a second and third (which will be the final) renewal franchise to continue operating the Franchised Business as a BrightStar Care Agency, the term of each of which will commence immediately upon the expiration of the

immediately-preceding renewal franchise term and expire five (5) years from that date, but only if you have complied as of the end of the immediately-preceding renewal franchise term with the same conditions for a renewal franchise grant as those described in this Section 2.2 with respect to the first renewal franchise grant. Otherwise, you will have no right to acquire a second or third (which will be the final), as applicable, renewal franchise term.

You have no right to acquire a second or third renewal franchise if these conditions are not satisfied. The then-current form of franchise agreement that you will sign for the second or third renewal franchise may include terms and conditions materially different from those in the franchise agreement you sign for the immediately-preceding renewal franchise, such as different fee structures and/or increased fees. The franchise agreement for the third (and final) renewal franchise will be modified to reflect that no further renewal franchises will be granted.

3. Voluntary Nature of Addendum. You acknowledge and agree that it has entered into this Addendum freely and without any coercion.

4. Entire Agreement. The Franchise Agreement and this Addendum constitute the entire, full, and complete agreement between the parties concerning the Agency and Medium Density Market Territory. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control. Except as amended hereby, all the other terms and conditions of the Franchise Agreement are ratified and confirmed.

5. Counterparts. This Addendum may be executed in more than one counterpart, each of which shall constitute an original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Addendum the date and year first written above.

BRIGHTSTAR FRANCHISING, LLC (WE)

By:_____
Printed Name:_____
Title: _____
Effective Date:_____

FRANCHISEE (YOU):

_____

By:_____
Printed Name:_____
Title:_____
Date:_____

EXHIBIT P

STANDARD RESALE ADDENDUM TO FRANCHISE AGREEMENT

STANDARD RESALE ADDENDUM TO
BRIGHTSTAR FRANCHISING, LLC AGENCY FRANCHISE AGREEMENT

This addendum (the "Addendum") to the BrightStar Franchising, LLC Agency Franchise Agreement is made and entered into as of _____ (the "Execution Date") by and between BrightStar Franchising, LLC, an Illinois limited liability company with its principal place of business at 1125 Tri-State Parkway, Suite 700, Gurnee, Illinois 60031 ("we," "us," or "our"), and _____, with an address at _____ (""you" or "your"").

BACKGROUND

A. On _____, we entered into a BrightStar Franchising, LLC Agency Franchise Agreement (the "Original Franchise Agreement") with _____ d/b/a BrightStar Care of _____ ("Seller") pursuant to which Seller was granted the right to open and operate a BrightStar Care agency in the Protected Territory defined in Exhibit A to the Original Franchise Agreement (the "_____ Agency").

B. Seller wishes to sell you its right to open and operate the [_____] Agency. As part of that sale, you have agreed to sign our current form of Agency Franchise Agreement (the "2023 Franchise Agreement") to govern your operation of the [_____] Agency during your Initial term. Consistent with the parties' intent, the 2023 Franchise Agreement will be effective from _____ (the "Effective Date") *[insert the day of the transfer of the Agency]* through _____ *[insert the specific date based on the applicable number of years from the Effective Date]*.

C. As of the Effective Date referenced above, the parties are entering into the 2023 Franchise Agreement to govern your operation of the [_____] Agency from the Effective Date through _____ *[insert the specific date based on the applicable number of years from the Effective Date, depending on what was provided in the Original Franchise Agreement]*.

D. The parties wish to amend the terms of the 2023 Franchise Agreement pursuant to the terms and conditions of this Addendum.

E. All references in the 2023 Franchise Agreement to the "Effective Date" of such Agreement will mean the "Effective Date" as defined in this Addendum.

AGREEMENT

NOW THEREFORE, in consideration of the agreements, covenants and promises contained in this Addendum and the 2023 Franchise Agreement, and for other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Incorporation. The "Background" provisions above are incorporated into and made a part of this Addendum by this reference.

2. Section 1.5 Performance Standards. Section 1.5 of the 2023 Franchise Agreement is deleted in its entirety and the following is inserted in its place. Sections 1.5.1 and 1.5.2 remain unchanged.

If current weekly revenue is less than $15,000 use the following:

Section 1.5 Performance Standards. Beginning on the Effective Date, your monthly performance must meet or exceed the following "Monthly Performance Standards." Your Opening Date under this Franchise Agreement will be deemed to be the Effective Date of _____ *[insert the first day of the term]*.

All references in the 2023 Franchise Agreement to the "Opening Date" of such Franchise Agreement will mean the "Effective Date," as the 2023 Franchise Agreement governs Franchisee's operation of the [_____] Agency during the Initial Term authorized by the Franchise Agreement.

OPENING DATE ANNIVERSARY YEAR	MONTHLY PERFORMANCE STANDARDS (*based on a 4-week month) (*i.e.*, minimum Net Billings)
Years 1 & 2	No Minimum
Each of Years 3 & 4	$60,000*
Each of Years 5 - 7	$80,000*
Each of Years 8 -10	$100,000*
◆Each of Years 11-15	$120,000*
◆Each of Years 16-20	$150,000*
◆Each of Years 21-25	$175,000*

* These Years represent what the Monthly Performance Standards will be during the Initial Term.

Note that Net Billings from National Accounts derived from National Accounts business both within and outside your Protected Territory will count towards the Net Billings needed to meet Monthly Performance Standards; however, Net Billings derived from all other business outside your Protected Territory (i.e., business other than National Accounts Net Billings) will not be counted towards the Net Billings needed to meet Monthly Performance Standards or the renewal criteria (see Section 2.2), regardless of whether we temporarily permit you to service business in an unowned territory.

If current weekly revenue is between $15,000 and $25,000 use the following:

Section 1.5 Performance Standards. Beginning on the Effective Date, your monthly performance must meet or exceed the following "Monthly

Performance Standards." Your Opening Date under this Franchise Agreement will be deemed to be the Effective Date of _____ *[insert the first day of the term]*.

All references in the 2023 Franchise Agreement to the "Opening Date" of such Franchise Agreement will mean the "Effective Date," as the 2023 Franchise Agreement governs Franchisee's operation of the [_____] Agency during the Initial Term authorized by the Franchise Agreement.

OPENING DATE ANNIVERSARY YEAR	MONTHLY PERFORMANCE STANDARDS (*based on a 4 week month) (*i.e.*, minimum Net Billings)
Years 1 & 2	$60,000*
Years 3 & 4	$80,000*
Years 5 & 6	$100,000*
Years 7 & 8	$120,000*
Years 9 & 10	$140,000*
◆Each of Years 11-15	$150,000*
◆Each of Years 16-20	$175,000*
◆Each of Years 21-25	$200,000*

* These Years represent what the Monthly Performance Standards will be during the Initial Term.

Note that Net Billings from National Accounts derived from National Accounts business both within and outside your Protected Territory will count towards the Net Billings needed to meet Monthly Performance Standards; however, Net Billings derived from all other business outside your Protected Territory (i.e., business other than National Accounts Net Billings) will not be counted towards the Net Billings needed to meet Monthly Performance Standards or the renewal criteria (see Section 2.2), regardless of whether we temporarily permit you to service business in an unowned territory.

If current weekly revenue is between $25,000 and $35,000 use the following:

Section 1.5 Performance Standards. Beginning on the Effective Date, your monthly performance must meet or exceed the following "Monthly Performance Standards." Your Opening Date under this Franchise Agreement will be deemed to be the Effective Date of _____ *[insert the first day of the term]*.

All references in the 2023 Franchise Agreement to the "Opening Date" of such Franchise Agreement will mean the "Effective Date," as the 2023 Franchise Agreement governs Franchisee's operation of the [_____] Agency during the Initial Term authorized by the Franchise Agreement.

OPENING DATE ANNIVERSARY YEAR	MONTHLY PERFORMANCE STANDARDS (*based on a 4 week month) (*i.e.*, minimum Net Billings)
Years 1 & 2	$80,000*
Years 3 & 4	$100,000*
Years 5 & 6	$120,000*
Years 7 & 8	$140,000*
Years 9 & 10	$150,000*
◆Each of Years 11-15	$160,000*
◆Each of Years 16-20	$175,000*
◆Each of Years 21-25	$200,000*

* These Years represent what the Monthly Performance Standards will be during the Initial Term.

Note that Net Billings from National Accounts derived from National Accounts business both within and outside your Protected Territory will count towards the Net Billings needed to meet Monthly Performance Standards; however, Net Billings derived from all other business outside your Protected Territory (i.e., business other than National Accounts Net Billings) will not be counted towards the Net Billings needed to meet Monthly Performance Standards or the renewal criteria (see Section 2.2), regardless of whether we temporarily permit you to service business in an unowned territory.

If current weekly revenue exceeds $35,000 and $50,000 use the following:

Section 1.5 Performance Standards. Beginning on the Effective Date, your monthly performance must meet or exceed the following "Monthly Performance Standards." Your Opening Date under this Franchise Agreement will be deemed to be the Effective Date of _____ *[insert the first day of the term]*.

All references in the 2023 Franchise Agreement to the "Opening Date" of such Franchise Agreement will mean the "Effective Date," as the 2023 Franchise Agreement governs Franchisee's operation of the [_____] Agency during the Initial Term authorized by the Franchise Agreement.

OPENING DATE ANNIVERSARY YEAR	MONTHLY PERFORMANCE STANDARDS (*based on a 4 week month) (*i.e.*, minimum Net Billings)
Years 1 & 2	$100,000*
Years 3 & 4	$120,000*
Years 5 & 6	$140,000*
Years 7 & 8	$160,000*
Years 9 & 10	$180,000*
◆Each of Years 11-15	$200,000*
◆Each of Years 16-20	$220,000*
◆Each of Years 21-25	$240,000*

* These Years represent what the Monthly Performance Standards will be during the Initial Term.

Note that Net Billings from National Accounts derived from National Accounts business both within and outside your Protected Territory will count towards the Net Billings needed to meet Monthly Performance Standards; however, Net Billings derived from all other business outside your Protected Territory (i.e., business other than National Accounts Net Billings) will not be counted towards the Net Billings needed to meet Monthly Performance Standards or the renewal criteria (see Section 2.2), regardless of whether we temporarily permit you to service business in an unowned territory.

If current weekly revenue exceeds $50,000 use the following:

Section 1.5 Performance Standards. Beginning on the Effective Date, your monthly performance must meet or exceed the following "Monthly Performance Standards." Your Opening Date under this Franchise Agreement will be deemed to be the Effective Date of _____ *[insert the first day of the term]*.

All references in the 2023 Franchise Agreement to the "Opening Date" of such Franchise Agreement will mean the "Effective Date," as the 2023 Franchise Agreement governs Franchisee's operation of the [_____] Agency during the Initial Term authorized by the Franchise Agreement.

OPENING DATE ANNIVERSARY YEAR	MONTHLY PERFORMANCE STANDARDS (*based on a 4 week month) (*i.e.*, minimum Net Billings)
Years 1 & 2	$120,000*
Years 3 & 4	$140,000*
Years 5 & 6	$160,000*
Years 7 & 8	$180,000*
Years 9 & 10	$200,000*
◆Each of Years 11-15	$225,000*
◆Each of Years 16-20	$250,000*
◆Each of Years 21-25	$300,000*

* These Years represent what the Monthly Performance Standards will be during the Initial Term.

Note that Net Billings from National Accounts derived from National Accounts business both within and outside your Protected Territory will count towards the Net Billings needed to meet Monthly Performance Standards; however, Net Billings derived from all other business outside your Protected Territory (i.e., business other than National Accounts Net Billings) will not be counted towards the Net Billings needed to meet Monthly Performance Standards or the renewal criteria (see Section 2.2), regardless of whether we temporarily permit you to service business in an unowned territory.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Addendum the date and year first written above.

BRIGHTSTAR FRANCHISING, LLC (WE)

By:_____
Printed Name:_____
Title: _____

FRANCHISEE (YOU):
_____

By:_____
Printed Name:_____
Title:_____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	April 18, 2023 (Exempt)
Illinois	April 18, 2023 (Exempt)
Indiana	April 18, 2023 (Exempt)
Maryland	Pending (Exempt)
Michigan	April 18, 2023
Minnesota	Pending
New York	April 18, 2023 (Exempt)
North Dakota	Pending (Exempt)
Rhode Island	Pending (Exempt)
South Dakota	April 18, 2023
Virginia	Pending (Exempt)
Washington	Pending (Exempt)
Wisconsin	April 18, 2023

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT Q
TO BRIGHTSTAR FRANCHISING, LLC'S
FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If BrightStar Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that BrightStar Franchising, LLC gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If BrightStar Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The franchisor is BrightStar Franchising, LLC, located at 1125 Tri-State Parkway, Suite 700, Gurnee, Illinois 60031. Its telephone number is (877) 689-6898.

Issuance Date: April 18, 2023

The name, principal business address, and telephone number of each franchise seller offering the franchise: _____
_____

The BrightStar Franchising, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I have received an April 18, 2023, Franchise Disclosure Document. This Disclosure Document included the following Exhibits: A – List of Administrators and Agents for Service of Process; B – Franchise Agreement (Including Appendices and Addenda); C – Table of Contents for Operations Manual; D – Confidentiality, Non-Disclosure and Non-Competition Agreement; E – State Addenda; F – Supplemental Discussion on Special Industry Laws; G – Financial Statements; H – Microsoft Dynamics GP Software Agreement to be Bound; I – List of Franchisees; J -- Release of Claims; K – Standard Renewal Addendum to Franchise Agreement; L– Assignment and Consent Agreement; M – Co-Territory Agreement; N -- Microsoft Teams/One-drive/Web Version Office Package Opt-in Addendum; O – Medium Density Market Addendum; P – Standard Resale Addendum to Franchise Agreement; Q – Receipts.

Date:_____ Signed: _____
Print Name: _____
Address: _____
City: _____ State _____
Phone ( ) _____ Zip_____

Date:_____ Signed: _____
Print Name: _____
Address: _____
City: _____ State _____
Phone ( ) _____ Zip_____

RECEIPT

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Issuance Date: April 18, 2023

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_____

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Date:_____ Signed: _____
Print Name: _____
Address: _____
City: _____ State _____
Phone ( ) _____ Zip_____

Date:_____ Signed: _____
Print Name: _____
Address: _____
City: _____ State _____
Phone ( ) _____ Zip _____

Franchisee Copy