FRANCHISE DISCLOSURE DOCUMENT

BUTTERFLY HOME CARE

BUTTERFLY HOME CARE, LLC
A Virginia limited liability company
22375 Broderick Dr., Suite 250
Sterling, Virginia 20166
(703) 278-2898
franchise@butterflyhomecare.com
www.butterflyhomecare.com

We offer and award qualified third parties the right to own and operate a business (each, an "Agency") that offers and provides certain in-home personal care services and, to the extent permitted by applicable law, in-home care services that we designated or authorize (collectively, the "Approved Services") to third-party clientele in and their respective homes or other residence (each, a "Client") by personnel that has any required licensing to provide such services. Each franchised Agency (or "Franchised Business") is licensed to launch and operate from a home office or other premises that we approve (the "Premises") utilizing our then-current proprietary marks (the "Marks"), and (b) system of operations that we and our principals have developed for the establishment and ongoing operation of Business (the "System"), pursuant to our current form of franchise agreement attached to this Disclosure Document.

The estimated initial investment to open and commence operations of a single Franchised Business is between $108,150 and $204,100, including $58,300 and $58,600 that must be paid to us or our affiliates.

We may also offer and award qualified parties the right to develop multiple franchised Businesses (each, a "Franchised Business") within a mutually-agreed upon and defined geographical area (a "Development Area") and in accordance with a mandatory development schedule that will be set forth in the form of area development agreement (or "Development Agreement") you enter into with us. The initial investment associated with acquiring such development rights will depend on: (i) the number of franchises you are awarded the right to develop; and (ii) the resulting development fee (the "Development Fee") payable to us, which is calculated as the sum of the following (a) $58,000 for the first Franchised Business you acquire the right to develop, (b) $45,000 for the second Franchised Business you acquire the right to develop, plus (c) $35,000 for the third and each additional Franchised Business you acquire the right to develop.

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 formats, contact our President, Ms. Becky Wang, at 22375 Broderick Drive, Suite 250, Sterling, Virginia 20166 and (703) 278-2898.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as ''A Consumer's Guide to Buying a

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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-FTCHELP 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.

Issue Date: February 3, 2025

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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 F.
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 D 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 Franchised 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 System franchisee?	Item 20 or Exhibit F 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.

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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.

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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 and development agreement require you to resolve disputes with the franchisor by mediation and/or litigation only in the Commonwealth of Virginia. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Virginia than in your own state.

2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

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

NOTICE REQUIRED BY
STATE OF MICHIGAN

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 the franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its terms except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six 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 or under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

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

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

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

The fact 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) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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

To simplify the language of this Franchise Disclosure Document, the terms "we," "us" and "our" refer to Butterfly Home Care, LLC, the franchisor. The terms "you," "your" and "franchisee" means the party that is interested in acquiring, or that has acquired, a franchise from us, as well as that parties' principals and/or guarantors.

Franchisor

We are a Virginia limited liability company formed in August 2024. Our principal business address is 22375 Broderick Dr, Suite 250, Sterling, Virginia 20166, and our primary telephone number for franchise-related inquiries is (703) 278-2898. We conduct business and operate under our corporate name and our Marks only.

We commenced offering franchises for the right to operate a System Business as of the Issue Date of this Disclosure Document. We have not (a) offered or awarded franchises or licenses in any other line of business, or (b) conducted any material business activities other than actions related to the establishment and administration of our franchise system.

We have not directly operated a franchised Business of the type described in this Franchise Disclosure Document.

Our agents for service of process for other states are identified by state in Exhibit A.

Description of Franchised Business

You will operate a System Agency under our Proprietary Mark(s) that is authorized and must actively promote, offer and provide an array of in-home care services and other Approved Services to clientele located within the geographical area comprising your "Designated Territory" described and disclosed more fully below in this Item and in Item 12 of this Disclosure Document.

Authorized Caregivers and Franchised Business Personnel

Our standard franchise model expects and assumes that a new System franchisee will: (i) provide the Approved Services at and from the home or other residence of private care patients ("PCP") and, where appropriate, utilizing the operational equipment, tools and/or other supplies we designate in our Manual(s) or otherwise in writing as a Required Item; and (ii) be responsible for arranging for timely invoicing and collection of payment as consideration for such services from either (a) PCP, or (b) PCP's private insurance carrier, or (c) where applicable, PCP's Medicaid coverage provider.

The Approved Services must be provided by caretaker personnel employed or otherwise engaged by your Franchised Business that: (i) participate in and complete appropriate components of our Initial Training Program related to the services that individual will be authorized to provide on behalf of the Franchised Business; and (ii) any and all required licenses (nursing or otherwise), credentials and/or other approvals required by the laws and regulations of the state(s) where the Designated Territory is located, as applicable, to provide certain of the Approved Services (medical or otherwise). Such personnel are referred to in this Disclosure Document as an "Authorized Caregiver."

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Certain states may require that your Franchised Business employ or engage with at least one (1) individual that: (i) has appropriate nursing licensure and/or other requirements required to serve as an active "RN" within the Designated Territory; and (ii) will be responsible for (a) overseeing all Authorized Caregiver(s) and/or their respective scheduling, and (b) filing appropriate paperwork with the state(s) where the Franchised Business can operate in order to provide the in-home companion and/or other Approved Services within the Designated Territory, if and as required by the state in order to provide services and collect payments involving Medicaid (collectively, this individual is referred to as your "Nurse Director").

Your clientele will likely vary in terms of the kind and level of in-home care they wish or require the Franchised Business to perform. With that said, our standard franchise offering specifically precludes – and does not account for – the provision of any Approved Services that trigger or involve any kind of Medicare payment or coverage. You may not provide such services within your Designated Territory, unless we agree otherwise in a separately-signed agreement that is executed after the Franchised Business has launched operations.

You will be required to have qualified healthcare professionals, including one (1) or more Authorized Caregivers, that can be made available to clients on a regular basis and/or substitute and fill in for any absentee personnel, to ensure that sufficient staffing levels to perform appropriate Approved Services to clientele during regular business hours and to address other emergency/exigent client visits.

Premises and Designated Territory

Our standard franchise offering expects and assume that a new System franchisee may operate from either (i) a home office that meets the size and other System standards and criteria for a franchised agency, or (ii) a third-party space that meets our then-current site selection criteria, which must be located within the designated territory set forth in the governing form of Franchise Agreement (a "Designated Territory"). You will be afforded certain rights within the Designated Territory granted under each Franchise Agreement you enter into with us, as disclosed more fully in Item 12 of this Disclosure Document.

Once you have had 10 clients for more than a period of three (3) months, we highly recommend – and may require upon notice – that you secure a third-party premises. Regardless, the site from which you conduct primary Franchised Business must be approved by us in writing and set forth in the Franchise Agreement (the "Premises").

We expect that our new System franchisees will utilize the Premises for general day-to-day business operations, as well as: (i) hosting and conducting training for personnel; (ii) desk space for the Nurse Director and/or Franchisee's operating principal; and (iii) otherwise meeting with agency personnel and performing back-office services in connection with the Franchised Business.

Overview of Approved Services

As a new Franchised Business launching from a home office or other approved third-party Premises, our System training, model and concept expects that a new System franchisee will promote, offer and provide companion, personal and related in-home care services to "private-duty clientele" that are (i) provided by personnel with, if and as applicable, appropriate licensing or credentials, and (ii) not covered by or involving Medicare.

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For purposes of this Disclosure Document, the term "private-duty client" is a client that receives care in the client's home or other place of residence regardless of the nature of the payor for such care other than Medicare (e.g., a private individual, long-term care insurance, commercial insurance, Medicaid, etc.).

Our standard franchise offering does not expect or assume that new System franchisee will be authorized to provide any kind of supplemental staffing or related services in connection with third-party facilities located within a Designated Territory, but we are willing to evaluate any proposal to offer and provide such services once you have: (i) operated for a period of at least one (1) year in accordance with the terms of your Franchise Agreement; (ii) demonstrated that you have evaluated the initial and ongoing costs associated with the marketing, personnel, insurance, compliance and/or otherwise in connection with providing such services in writing; and (iii) entered into a form of addendum with us that memorializes these additional rights and any corresponding obligations.

You will be required to acquire and maintain the appropriate permits, licenses and/or licensed personnel in connection with your Franchised Business in order to provide all Approved Services we designated in our Manual(s) within your Designated Territory or that we otherwise approve in a separately-signed Addendum (collectively, the "Applicable Compliance Regulations"). As set forth more fully in Item 8 of this Disclosure Document, we currently have one (1) or more third parties that we recommend (but do not require) for the provision of consulting services designed to assist our System franchisees with respect to ensuring compliance with Applicable Compliance Regulations.

Proprietary Marks

We identify our System and franchise network by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including our current primary mark BUTTERFLY HOME CARE™, as well as any trade dress and other trade names, marks, taglines and/or logos we now or may in the future designate to associate with and identify our System and overall brand licensed in connection with this franchise concept and model (collectively, the "Proprietary Marks" or "Marks").

You do not necessarily need prior experience in the healthcare industry before acquiring your Agency franchise, but you must ensure you initially obtain whatever licensure is required to perform the Approved Services and otherwise operate your Franchised Business within the Designated Territory granted under your Franchise Agreement.

Franchise Agreement

Each Franchised Business you are awarded the right to own and operate within a given Designated Territory must be governed by its own, distinct form of our then-current Franchise Agreement. A copy of the Franchise Agreement is attached as Exhibit B to this Disclosure Document.

Multi-Unit Development Offering

We also offer to select qualified persons the opportunity to sign our area development agreement ("Development Agreement") and acquire the right to develop multiple Franchised Businesses in a designated development area ("Development Area") in accordance with a specified development schedule ("Development Schedule").

The Development Area will be established based on the consumer demographics of the Development Area, geographical area, city, county and other boundaries. If you enter into a Development Agreement, you

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must sign a Franchise Agreement for your first Franchised Business at the same time that you sign the Development Agreement. You will be required to sign our then-current form of Franchise Agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document for each Franchised Business that you develop under the Development Agreement.

A copy of our current form of Development Agreement is attached to this Disclosure Document as of Exhibit C.

Predecessors and Affiliates

We do not have any parents or predecessors.

As of the Issue Date, we do not have any affiliates that (a) have offered franchises or licenses in any line of business, or (b) serve as our designated or approved supplier for any products or services you are required to acquire and/or license in connection with the operation of your Franchised Business.

We do have one (1) affiliate, Becky Healthcare LLC, that owns and operates a System Business similar to the Franchised Business being offered in this Disclosure Document (the "Affiliate Business"), which commenced operating in or around April 2019 under the mark BECKY'S HEALTHCARE (with butterfly logo), and (b) transitioned to operating under the Proprietary Mark BUTTERFLY HOME HEALTHCARE™ in late July 2024.

Market and 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 platforms (*e.g.*, www.Care.com) 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.

Industry-Specific 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 Agency 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 undertake the due diligence to investigate what laws (including data privacy, HIPAA, OSHA, CCPA and similar laws) apply to your business and ensure compliance with them.

Currently, our System franchisees (a) will not be authorized to provide any Approved Services in connection with Medicare or other government payment program other than Medicaid, and (b) may participate in state-sponsored Medicaid and Medicaid Waiver programs and – with our approval – certain "Medicare Advantage supplemental benefits personal care service" programs, as we authorize in a separate writing.

As of the Issue Date, you may only participate in supplemental programs that do not require a Medicare number or require billing through Medicare. The conditions that are required for participating in state-

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sponsored programs of the types above 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.

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.

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 may make certain 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.

ITEM 2
BUSINESS EXPERIENCE

President: Ms. Becky Wang
Ms. Wang is our founder and has served as our President, from our headquarters located in Sterling, Virginia, since our inception. Becky also serves as the founder, principal and manager of our Affiliate Business, also located and operating out of Sterling, Virginia, since its inception in April 2019.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Agreement

Initial Franchise Fee

You must pay us an initial franchise fee amounting to $58,000 (the "Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is deemed fully earned by us upon payment and is not refundable under any circumstances. We expect and intend to impose this Initial Franchise Fee uniformly on new System franchisees moving forward.

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Veteran Discount

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

Technology Fee (prior to launch)

We reserve the right to commence charging our then-current fee for the technology and other IT-related services we determine to associate with our System (the "Technology Fee") once you complete the pre-opening training program described more fully in Item 11 (the "Initial Training Program"). We expect that we may collect one (1) to two (2) months of the Technology Fee, currently $300/month, for a total amount paid prior to launch between $300 to $600.

Development Agreement

Development Fee

If we grant you the right to develop multiple Franchised Businesses under a Development Agreement, you must pay us a one-time Development Fee upon execution of said agreement that is calculated as the sum of the following: (i) $58,000 for the first Franchised Business you acquire the right to develop; (ii) $45,000 for the second Franchised Business you acquire the right to develop; plus (iii) $35,000 for the third and each additional Franchised Business you acquire the right to develop.

You must enter into our then-current form of franchise agreement for each Franchised Business you exercise your right to develop under your Development Agreement, but you will not pay any additional Initial Franchise Fee at the time you execute each of these franchise agreements. You must typically execute our current form of Franchise Agreement that will govern the initial franchised Agency you are awarded the right to develop at the same time you execute your Development Agreement.

Your Development Fee will be deemed fully earned upon payment and is not refundable under any circumstances. The Development Fee described above is calculated and applied uniformly with respect to new System franchisees.

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ITEM 6 OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty Fee[2][3][4]	6% of the Net Billings generated by your Franchised Business over the preceding calendar month of operations	Collected via EFT or other electronic method from the bank account you designate for use in connection with your Franchised Business (the "EFT Account") on or before the 5th of each month based on Net Billings generated during preceding calendar month	Your Royalty Fee will commence once your Franchised Business launches operations. Please see Explanatory Note Nos. 2, 3 and 4 for additional information.
Local Marketing Requirement (or "LMR")	You must expend a minimum amount each month on the local marketing, advertising and promotion of your Franchised Business within your Designated Territory (your "LMR"), which will be the greater of (a) 1% of the prior month's Net Billings, and (b) $1,000 per month	As invoiced or otherwise incurred	We must approve all advertising materials prior to use/publication and we may require you to provide us with monthly reports detailing your local advertising expenditures. We may require that you expend any portion of your LMR on marketing, advertising and/or promotional services and/or collateral that is provided by one (1) or more of our designated/approved suppliers (each, an "Approved Supplier"). Your LMR will commence in the calendar month you launch your Agency operations. We have the right to increase your LMR to two (2%) of Net Billings generated by the Franchised Business.
Fund Contribution(s)	You must contribute to our brand development fund (or "Fund") in an amount equal to 1% of the prior Net Billings generated by your Franchised Business over the preceding calendar month (subject to modification)	Same time and manner as your Royalty Fee	We reserve the right to increase the Fund Contribution to an amount equal to up to 3% of the Net Billings generated by your Franchised Business and, in the event of any such increase, we will provide you with at least 90 days' prior written notice (via our Manual(s) or otherwise). See Item 11 for more information.
Technology Fee	Our then-current fee for technology-related services we determine to associate with and provide as part of our then-current System (the "Technology Fee") Currently, our Technology Fee is $300/month (subject to modification)	Monthly or other interval invoiced	We charge this fee in connection with the technology we currently provide in connection with the System and the System technology platform (the "Technology Fee"). Among other things, our current Technology Fee covers: (i) up to three (3) user accounts that will have access to our cloud-based System portal containing (a) our Manuals and updated thereto, (b) designated marketing collateral, and (c) any other System-associated materials we determine appropriate in

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Type of Fee[(1)]	Amount	Due Date	Remarks
			the future; (ii) up to three (3) designated phone lines that you will be able to use in connection with your Franchised Business; and (iii) the establishment, maintenance and hosting of the interior page to our brand website that provides details regarding your Franchised Business. We may modify the Technology Fee upon 60 days' prior written notice via the Manuals, a System Site or otherwise. We also reserve the right to license, sublicense, and create software and technology that System franchisees must pay for and use.
Required Software Fee(s)	You must license and use the software (or SAAS) programs that we designate in our then-current Manuals (each, a "Required Software") and pay the appropriate provider the applicable licensing/subscription fees for the same. Currently, the fees for our Required Software are as follows: - $500/month for software providing CRM and client billing/reporting functions; - $300 to $600 per month for software that handles personnel management and payroll-related functions; - $8/user per month on software providing EEV filing and processing functions to facilitate compliance with applicable laws (expecting 10 to 20 caretakers per Franchised Business); and - $35/month per month for online accounting and bookkeeping functions (subject to modification)	As and when invoiced or incurred	As of the Issue Date, these amounts paid by our System franchisees to the third-party Approved Supplier(s) for each software detailed in this row of this Chart. Our list of Required Software, as well as the pricing associated with the same, may be updated or otherwise modified upon 60 days prior written notice via the Manuals or otherwise. With regards to the software providing customer relationship management (or "CRM") functions, please note that there is an initial setup of $500 associated with integrating your Franchised Business into that software platform. We expect that: (i) you will begin incurring most of these recurring software fees in the month in which you launch your Franchised Business or the immediately preceding calendar month; and (ii) one (1) or more of these software providers will provide us with a master license and/or other rights that allow us to review the data compiled by such software (subject to and as permitted by applicable laws where the Franchised Business is located).
Audit Fees[(5)]	The actual cost(s) we incur in connection with an audit that reveals a certain level of under- or non-reporting on your part.	Upon invoice	Payable if audit reveals that you have underreported the Net Billings generated by your Franchised Business by 2% or more for any designated reporting period.

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Type of Fee[(1)]	Amount	Due Date	Remarks
Renewal Fee	$5,000	90 days prior to renewal	There are other conditions that you must meet in order for us to approve your renewal request.
Transfer Fee(s) (both Franchise Agreement and Development Agreement)	FA: $15,000 DA: $15,000 per undeveloped franchise being assigned	Prior to us approving any proposed transfer in connection with the agreement(s) at issue.	There are other conditions that you and the proposed transferee must meet in order for us to approve any proposed transfer/assignment. Please see Item 17 for additional information.
Additional Training or Assistance Fees	Our then-current training fee (the "Training Fee") we set forth in our Manual(s) or otherwise in writing. Currently, our Training Fee(s) are as follows: $1,500/attendee for our Initial Training Program; and $500/day per trainer for all other training. (subject to modification)	Within ten days after invoicing	We provide initial training at no charge for up to three people. We may charge you for training additional persons, newly hired personnel, refresher training courses, remedial training, advanced training courses, and additional or special assistance or training you need or request. You are responsible for any expenses incurred by you or your employees in connection with attending training, including transportation, lodging, meals, wages and other incidentals. If the training program is conducted at your Agency, then you must reimburse us for the expenses we or our representatives incur in providing the training.
Regional Cooperatives	No more than your LMR under your Franchise Agreement.	On demand	Payable to us if we assign your Franchised Business to a local or regional advertising cooperative. Any payment for a cooperative will be credited against your monthly local advertising requirement. If there is an affiliate-owned Franchised Business in your cooperative, then our affiliate will be able to vote on all matters that you and the other cooperative members have the right to vote on.
Annual Conference Contribution	Our then-current contribution for System franchisees Currently, we expect this contribution to our initial annual conference/convention to be around $500/attendee	Prior to attending the conference	These contribution(s) may be collected by us to help defray certain of the out-of-pocket and other costs/expenses associated with our costs associated with holding our annual conference for System franchisees. You will also be responsible for all costs that you and your other attendees incur in connection with attending our annual conference, including travel, lodging, meals and any personnel wages.
Collection Charges	Varies	On demand	You must pay all collection charges associated with our efforts in collecting any amounts owed to you or us under the Franchise Agreement.
Fees on Default and Indemnity	Attorneys' fees, costs, interest, audit costs, default fees	On demand	Payable in addition to other payments to us.

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Type of Fee[(1)]	Amount	Due Date	Remarks
Late Reporting Fees	$500 for each late report	On demand	Payable in addition to other payments to us.
Costs and Attorneys' Fees	Will vary according to circumstance	On demand	You must reimburse us for our attorneys' fees and any court costs that we are forced to incur in connection with enforcing or protecting our rights under your Franchise Agreement and/or Development Agreement.
Indemnification	Will vary according to circumstance	On demand	You must reimburse us for our attorneys' fees and other costs that we incur in connection with any third-party claims brought against us that arise out of, or are related to, the operation of your Franchised Business.
Insurance	Will vary according to circumstance	On demand	If you fail to obtain required insurance, we may obtain such insurance at your expense (but are not required to do so) and charge you a service fee to do so. Otherwise, these payments are made directly to your third-party insurance provider.
Interest[(6)]	1.5% per month	On demand	Payable on all delinquent payments due to us for more than 30 days.
Non-Sufficient Funds Fee	$100	On demand	Payable if any check or electronic payment is not successful due to insufficient funds, stop payment or any similar event
Relocation Fee	$2,000	When you submit a letter requesting consideration of a new location	Payable to us to help defray our costs associated with evaluating and approving/rejecting your relocation proposal.

Explanatory Notes to Item 6 Chart Above

1. **Generally.** All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. If you enter into a Development Agreement to operate multiple Franchised Businesses, the fees indicated in the chart above are the fees charged and/or incurred for each franchised Agency. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement as noted in the Chart above.

2. **Payment Method.** Your Royalty Fee, as well as your Fund Contribution, Technology Fee and/or any other fees payable to us or our affiliates on a recurring basis during the term of your Franchise Agreement, may be collected by us via EFT from the bank account you are required to designate solely for use in connection with your Franchised Business (your "EFT Account"). You must provide us with the details of your EFT Account prior to opening and execute all documents necessary to authorize us to make withdrawals from this account throughout the term of your Franchise Agreement, including our then-current EFT Withdrawal Authorization form that is attached as an Exhibit to your Franchise Agreement. You must provide us with advance written notice of any change to the information related to your EFT Account. We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement.

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3. **Collection Interval.** We reserve the right to change the interval at which we collect your Royalty Fee, Fund Contribution and other recurring fees payable to us or our affiliates under the Franchise Agreement upon written notice to you. For example, we may collect these recurring fees on a weekly rather than a monthly basis. You are required to provide us with a written monthly report detailing your Net Billings from the preceding reporting period (which is currently each calendar month), along with your calculated Royalty Fee, Fund Contribution (if appropriate) and other information that we reasonably require (the "Net Billings Report") on or before the date that we designated (currently, the 5th of each calendar month).

4. **Net Billings.** Your Royalty Fees, as well as LMR and Fund Contribution, will be based on a percentage of your Net Billings – subject to any minimum amounts noted in the Chart above. The term "Net Billings" is defined as the aggregate of all revenues and other income from whatever source derived, including any insurance providers with respect to work covered by Medicaid – 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 – that 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.

5. **Right to Inspect/Audit.** We have the right to inspect your books and other financial information associated with your Franchised Business during the term of the Franchise Agreement. If we conduct an audit and it reveals that you have underreported your Net Billings by two percent (2%) or more, then we may require you to pay the costs we incur in connection with conducting the audit of your Franchised Business (including any fees paid to auditors and/or attorneys).

6. **Interest on Late Payments.** Interest begins to accrue on the due date of any payment that has not been timely received or is not paid in full. In the State of California, the maximum interest permitted under applicable law is 10% per annum.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee[(1)]	$58,000	$58,000	Lump sum	Upon execution of the Franchise Agreement	Us
Travel and Living Expenses During Training[(2)]	$0	$5,000	As Agreed	As incurred	Airlines, hotels, and restaurants

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Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Security Deposit – Lease[3]	$0	$2,500	As Agreed (if applicable)	If and when you sign a lease for a third-party Premises	Third-Party Landlord or Lessor
Leasehold Improvement[4]	$0	$1,600	As Agreed (if applicable)	As and if incurred	Approved Supplier
Furniture, Fixtures and Equipment[5]	$600	$1,500	As Agreed	As incurred	Approved Supplier or other Third-Party Supplier
Signage[6]	$100	$1,500	As Agreed	As incurred	Approved Supplier(s)
Tools, Inventory and Supplies associated with Approved Services, including Uniforms[7]	$4,000	$10,000	As Agreed	As incurred prior to launch	Approved Supplier(s)
Computer System[8]	$3,000	$4,000	As Agreed	As incurred	Approved Supplier(s) and/or Third-Party Suppliers
Tech Fee(s) and Required Software Fees: Pre-Launch Costs	$1,500	$2,000	As Agreed	As incurred	Us (Tech Fee only); Third-Party Approved Suppliers
Office Supplies[9]	$250	$500	As Agreed	As incurred	Approved Supplier(s)
Licensing, Permits and/or Accreditation(s)[10]	$1,000	$7,500	As Agreed	As invoiced	Appropriate Government Agencies and/or Authorities
Compliance Consulting Services[11]	$3,000	$8,500	As Agreed	As invoiced	Approved Supplier
Nurse Director – recruitment and/or wages[12]	$0	$6,500	As Agreed	As incurred	Third-Party Provider; Business Personnel
State EVV-Related Fees[13]	$500	$1,500	As Agreed	As incurred	Approved Supplier(s)
Legal/Accounting Fees[14]	$500	$5,000	As Agreed	As incurred	Third-Party Professionals
Utility Deposits[15]	$0	$500	As Agreed	As incurred	Third-Party Utility Provider(s)
Insurance Premium(s) – Prior to Launch[16]	$2,000	$5,000	As incurred	Prior to opening	Third-Party Insurance Carrier
Initial Marketing Spend[17]	$5,000	$5,000	As Agreed	As incurred	Approved Supplier(s)
Additional Funds - Three (3) Months[18]	$30,000	$80,000	As Agreed	As incurred	Landlord, Agency personnel, Approved Suppliers, Utility Providers, Government/Licensing Agencies, etc.

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Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
TOTAL ESTIMATED INITIAL INVESTMENT[(19)]	**$108,150**	**$204,100**			

Explanatory Notes to Item Chart 7(A) Above

General. These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Franchised Business. We do not offer direct or indirect financing for these items. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments. This Chart, as well as our standard franchise offering, expects and assumes that you will timely secure your approved Premises and subsequently launch your Franchised Business operations within the time periods set forth in your Franchise Agreement and, if applicable, the Rent Commencement Date under the lease for any third-party Premises.

1. **Initial Franchise Fee.** See Item 5 for additional information about your Initial Franchise Fee.

2. **Expenses Associated with Attending Initial Training.** This is our estimated range of costs to cover the travel and living expenses including airfare, lodging and meals, which you will incur when you and your employees attend the initial training program. The cost you incur will vary depending upon factors such as distance traveled, mode of transportation, travel preferences (such as air travel or ground transportation), nature of accommodations, per diem expenses actually incurred, and the number of persons who attend training. This estimate does not include any wages or salary for you or your trainees during training.

3. **Security Deposit (if applicable).** You must have a Premises that is secure and has appropriate locks on all door(s). Our standard franchise offering expects and assumes that new System franchisees will often work from a home office that meets all applicable System standards and any applicable laws and regulations where the Premises and your Designated Territory are located. The low end of this estimate assumes that you will be working from a home office or other secure space that you already own and/or have the right to occupy, while the high-end estimate accounts for the leasing of a small office suite or space (between 100 and 250 square feet) from which you will initially operate.

4. **Leasehold Improvements.** This estimated range is designed to cover any pre-launch investment associated with building out your dedicated home office or third-party Premises, including taking the necessary steps to install an electronic or other System-approved lock and otherwise ensure that the office space is secure. Our standard offering expects and assumes that there will not be any construction or other major leasehold improvements necessary to setup your Premises so you can launch Franchised Business operations.

5. **FFE.** You must purchase furniture, fixtures and equipment for the Franchised Business that meet our specifications and are from approved or designated vendors (if we choose to designate vendors for these items). You may decide to lease the furniture and/or equipment needed rather than purchasing it with a lump sum payment. A variety of factors (such as the condition of the national and regional economy, availability of credit, number of suppliers leasing or selling Required Items in your area, the interest rates offered by suppliers, duration of leases offered, security

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requirements, and your credit history) may affect the availability of leased products, the monthly and overall costs of the leases, and other terms relevant to your decision whether to purchase or lease the furniture and/or equipment. The amounts listed are an estimate and may vary per your location and market. Among the primary items every System franchisee will need to acquire are (i) a worktable and/or desk(s), (ii) office chair(s), and (iii) filing cabinet(s) that have appropriate locking mechanisms to ensure security.

6. **Signage.** The cost of signage and graphics will vary from location to location depending on lease requirements, local ordinances and restrictions, store frontage, and related factors. We can provide assistance to you if needed. The final design must be submitted to us for review and approval, which will not be unreasonably withheld so long as you comply with our standards and specifications for these items.

7. **Tools/Inventory/Supplies to Provide Approved Services; Uniforms and Certain Branded Items.** This range covers the costs associated with acquiring the appropriate equipment, tools and supplies that an Authorized Caregiver will utilize when performing the Approved Services at a client's home or residence. The estimate also accounts for initial stock of uniforms, business cards (based on template) and certain other initial marketing or promotional collateral designed to help market the Franchised Business. These materials are separate and apart from the Initial Marketing Spend disclosed throughout this Disclosure Document.

8. **Computer System.** This estimated range is designed to cover the pre-launch costs associated with acquiring the components of the computer system that meet our current System standards and specifications (the "Computer System"), which we expect will typically include (i) at least one (1) laptop or desktop computer for back-office functions, (ii) one (1) or more tablets for use by personnel offering or providing Approved Services within the Designated Territory, (iii) a printer/scanner and (optional) badge printer, and (iv) other peripherals such as keyboard(s), mice, networking hub and/or router.

9. **Office Supplies.** This estimated range covers the costs for office paper, badges, stationary, letterhead, pens and other typical office products that will be used in the day-to-day operations of the Franchised Business.

10. **Licenses, Permits and/or Accreditation.** You must obtain all business licenses, permits, certificates or approvals before you open for business. Local, municipal, county, and state regulations vary on what licenses and permits are required by you to operate.

11. **Compliance Consulting Services.** This estimate is designed to cover the costs we recommend and expect a new System franchisee should incur in connection with third-party compliance consulting services (which may be our Approved Supplier or another consultant you select) in connection with your Franchised Business, including initially securing and, on an ongoing basis, maintaining appropriate licensing for the Franchised Business, including your Nurse Director and Authorized Caregivers. This range above also contemplates consulting/advice on the organizational and business structure of your Franchised Business.

12. **Nurse Director – Recruitment and/or Compensation (Pre-Launch).** Our standard franchise offering expects and assumes that your Franchised Business will employ or otherwise engage an individual that has sufficient nursing licensures, credentials and other background to meet the criteria to serve as your initial Nurse Director. It does not account for wages or salaries that may be

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incurred once the Franchised Business has launched operations, which is accounted for under "Additional Funds" in the Chart above.

13. **State EVV-Related Fees.** This is the range we account for an expect a new System franchisee will incur in connection with payment of applicable state "EVV" or comparable fees in connection with the Franchised Business and/or its personnel prior to and/or in the initial ramp-up period following its launch of operations.

14. **Professional Fees.** This range is designed to cover the fees and other amounts associated with engaging an accountant and lawyer to perform appropriate work to initially form and set up the business structure associated with the Franchised Business, as well setting up your initial accounting/bookkeeping system.

15. **Utility Deposits/Payments.** This estimate range is designed to cover the initial deposits and/or other amounts you can expect to expend on utilities for the Premises of your Franchised Business should you determine to operate from a third-party Premises. The low end assumes that you will be operating from an appropriate and properly-secured home office space and, as such, will not involve any additional utility costs/expenses prior to your initial launch.

16. **Insurance Premiums.** This is an estimate of insurance premiums for the initial three months of business operation. Your costs will vary depending on your market, the amount of coverage you select, your insurance carrier, and other factors.

17. **Initial Marketing Spend.** You are required to expend at least $5,000 on marketing, advertising and other promotional efforts within your Designated Territory and where we otherwise direct regarding the initial launch and grand opening of your Franchised Business (the "Initial Marketing Spend"), which must be expended in connection with a written plan that you are responsible for developing subject to our directives, requirements and approval. You may be required to expend all or some portion of your Initial Marketing Spend on materials and services that are provided by our approved supplier(s).

18. **Additional Funds – 3 Months.** You will need additional capital to support on-going expenses during the initial three months after you open your Franchised Business. The estimate includes items such as payroll, royalty, additional advertising, repairs and maintenance, bank charges, miscellaneous supplies and equipment, state tax, and other miscellaneous items, that may not be covered by sales revenues. The actual expenses you incur during the start-up period will depend on factors such as how much you follow our methods and procedures, your management skills, your experience and business acumen, location of your franchise, local economic conditions and market for your product, prevailing wage rate, competition, and sales level reached during this initial period.

19. **Total Estimated Initial Investment.** The figures in this table are only estimates. In calculating these estimates, we relied on: (1) the experience of our affiliate that currently operates various Franchised Businesses in a similar manner to the Franchised Business being offered in this Franchise Disclosure Document; (2) estimates we have received from certain third-party vendors, including certain of our Approved Suppliers, with regards to Required Items or other initial/ongoing investment estimates based on their experience; and (3) industry-specific information that is in the public domain from third parties within the industry. We do not guarantee that you will not have greater start-up expenses other than these estimates or that you will not need

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more operating funds other than these estimates. We do not imply or guarantee that you will "break even" by any particular time. We do not offer direct or indirect financing to you for any items. The availability of financing through third-party lenders, if any, will depend on factors such as the lending policies of such financial institutions, the collateral you may have, your creditworthiness, and the general availability of financing. Unless otherwise noted above, these expenditures are non-refundable.

B. Development Agreement (Using 3-Pack as an Example)

Type of Expenditure[(1)]	Amount	Method of Payment	When Due	To Whom Payment is to be Paid
Development Fee[(2)]	$138,000	Lump sum	Upon execution of the Development Agreement	Us
Estimated Investment in Connection with Initial Franchised Business[(3)]	$50,150 to $146,100	Please see Chart 7(A) above.		
TOTAL ESTIMATED INITIAL INVESTMENT IN CONNECTION WITH DEVELOPMENT AWARD[(3)]	**$188,150 to $284,100**	This is the total estimated initial investment to enter into a Development Agreement for the right to develop a total of three (3) Franchised Businesses, as well as the costs to open and commence operating your initial Franchised Business (as described more fully in Chart 7(A) above).		

Explanatory Notes to Chart 7(B) Above

1. **General Note.** This chart details the estimated initial investment associated with executing a Development Agreement to acquire the right to develop a total of three (3) Franchised Businesses over an agreed-upon Development Schedule, as well as the initial investment to open your initial System Agency you acquire the right to develop within your Development Area.

2. **Development Fee.** The Development Fee is described in greater detail in Item 5 of this Franchise Disclosure Document, with the fees in the chart above detailing the Development Fee payable to us for the right to develop up to three (3) Franchised Businesses within a given Development Area. Your Development Fee will depend on the number of Franchised Businesses we grant you the right to develop within the Development Area.

3. **Estimated Initial Investment to Launch First Franchised Business within Development Area.** This figure represents the total estimated initial investment required to open the initial Franchised Business you agree to open and operate under the Development Agreement. You must enter into our then-current form of franchise agreement for this Franchised Business at the same time that you execute your Development Agreement. The range includes all the items outlined in the franchise agreement chart of this Item, except for the $58,000 Initial Franchise Fee (because you are not required to pay any Initial Franchise Fee for those Franchised Businesses you open under the Development Agreement). It does not include any of the costs you will incur in opening any

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additional Franchised Businesses that you acquire the right to develop under your Development Agreement.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Franchised Business in strict conformance with the methods, standards and specifications of our System. We will communicate our methods, standards, and specifications in writing through our confidential manuals and other proprietary guidelines and writings that we prepare for your use in connection with your Franchised Business(es) and the System generally. We may periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole discretion, and you will be solely responsible for costs associated with complying with any modifications to the System.

Our confidential and proprietary operations manual and other proprietary manuals ("Manuals") state our standards, specifications and guidelines for all products and services we require you to obtain in establishing and operating your franchised Agency and approved vendors for these products and services. We will notify you of new or modified standards, specifications and guidelines through periodic amendments or supplements to the Manuals or through other written communication (including electronic communication such as email or through a System-wide intranet).

Approved Services and Qualified Personnel

You must ensure that you and your Franchised Business personnel only market, offer and provide the Approved Services, as well as any corresponding Approved Products, to the types of Clients that we designate or authorize in the Manuals or otherwise in writing.

Such services and products must be provided in a manner that meets our then-current System standards and specifications, as well as all applicable laws and regulations related to the provision of these services.

Importantly, each System franchisee must ensure that all Approved Services are performed by personnel that have all appropriate licenses, certifications and permits necessary to provide such services within your Designated Territory (each, an "Authorized Caregiver"). While you will be solely responsible for handling and performing all personnel-related decisions, including any hiring, firing, raises and compensation, our System standards and specifications require that you have at least the following:

- One (1) "Nurse Director": This individual must have appropriate Registered Nurse licensing and is responsible for (a) assessing and overseeing (a) all Authorized Caregivers (including allocation and scheduling), and (b) the provision of the Approved Services by such personnel to Clients of the Franchised Business; and

- Sufficient number of (i) Direct Support Professionals, which are a particular kind of Authorized Caregiver (or PCA) that specialize in provision of care to private-duty clients that have special needs, and (ii) Personal Care Aids ("PCA"), which is a basic term for any Authorized Caregiver engaged or employed by your Franchised Business to provide the Approved Services to Client(s), as needed to meet Client demand within your Designated Territory in a diligent and reasonable manner.

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We will identify and list our then-current Approved Services, as well as any corresponding Approved Products, in the Manual(s), along with our then-current System standards and specifications for the provision of such services/products. We may update or modify this list in writing at any time.

If you or any of your Agency personnel wish to offer any product or service in your Franchised Business that does not meet our System standards and specifications, or use any item in connection with your Franchised Business that does not meet our System standards and specifications, then you must obtain our prior written approval as described more fully in this Item.

Approved Suppliers

We may require you to purchase any products or services that you must acquire and/or license and use in connection with your Franchised Business (each, a "Required Item") from a supplier that we approve or designate (each, an "Approved Supplier"), which may include us or our affiliate(s). We will provide you with a list of our Approved Suppliers in writing as part of the Manuals or otherwise in writing, and we may update or modify this list as we deem appropriate.

We reserve the right to designate us or any of our affiliates as an Approved Supplier with respect to any item you must purchase in connection with your Franchised Business in the future. We may develop proprietary products for use in your Franchised Business, including private-label products that bear our Marks, and require you to purchase these items from us or our affiliate(s) or other designee.

Currently, we serve as the Approved Supplier for the following items that must be acquired and/or licensed for use in connection with the Franchised Business (each, a "Required Item"): (i) the technology, including certain Required Software, that is licensed as part of our System as consideration for the current Technology Fee that you pay to us; and (ii) any training we provide prior to or after the launch of your Franchised Business.

As of the Issue Date, we also have third-party Approved Suppliers for the following Required Items: (i) the Required Software and certain hardware components of your required Computer System; (ii) background check services in connection with any potential Business personnel; (iii) the consulting services you must acquire to provide analysis, opinions and recommendations designed to facilitate compliance with applicable laws where the Designated Territory is located, including appropriate licensing, organizational structure, personnel, permitting and/or accreditation(s) to provide certain of the Approved Services (the "Compliance Consulting Services"), including initial and ongoing regulatory compliance auditing services; (iv) payroll and related services for use in connection with all personnel of the Franchised Business; (v) merchant processing services; (vi) signage (exterior or for certain vehicles); (vii) certain or all components comprising the initial marketing package and/or ongoing marketing collateral/services, including uniforms and any other branded items we require you to purchase prior to launching your Franchised Business; and (viii) if and once established, any call center services.

We may also recommend an Approved Supplier for certain other Required Items – including site selection assistance and/or personnel recruitment services – but we do not currently require that you utilize such Approved Suppliers for these items as of the Issue Date.

Except as specifically disclosed above in this Item: (i) neither we nor any of our affiliates are an Approved Supplier for any items you are required to purchase in connection with your Franchised Business; and (ii) none of our officers owns an interest in any of our Approved Suppliers.

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Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved Supplier or purchase or lease in accordance with our standards and specifications are referred to collectively as your "Required Purchases." We estimate that your Required Purchases will account for approximately 60% to 75% of your total costs incurred in establishing your Franchised Business, and approximately 30% to 45% of your ongoing costs to operate the Franchised Business after the initial start-up phase. Please be advised that these percentages do not include your lease payments you make in connection with your Agency.

We and our affiliates reserve the right, at any time in the future, to derive revenue from any of the purchases our System franchisees are required to make in connection with the Franchised Business. As we are a new franchise offering, neither us nor our affiliates derived any revenue from our System franchisees' required purchases over the prior fiscal year ending December 31, 2024.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to (a) offer any products or services in connection with your Franchised Business that are not specifically authorized as a part of our then-current Approved Services, (b) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier, or (c) use any non-approved substitute item for any Required Item.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (i) using or offering the non-approved product or service in connection with your Franchised Business; or (ii) purchasing from a non-approved supplier. You must pay our then-current supplier or non-approved product evaluation fee when submitting your request. We do not currently charge any evaluation fee but reserve the right to do so in the future (in an amount not to exceed $500 per request). We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products and request that you reimburse our actual costs associated with the testing/inspection.

We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (but are not required to) make it available to you upon request. Each supplier that we approve of must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and, if we determine appropriate, revoke any prior approval of such a request, for any reason in writing. The revocation of a previously-approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

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Purchasing Cooperatives and Right to Receive Compensation

We may negotiate purchase arrangements, including price terms, with designated and Approved Suppliers on behalf of the System. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Franchised Businesses in our System. If we do establish those types of alliances or programs, we may: (i) limit the number of approved suppliers with whom you may deal; (ii) designate sources that you must use for some or all products, equipment and services; and (iii) refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.

We and/or our affiliates may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, you, or other System franchisees, such as rebates, commissions or other forms of compensation. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees.

We do not currently have any purchasing cooperative for any Required Item(s) or other items you must purchase in connection with your Franchised Business, but we reserve the right to create more purchasing cooperatives in the future.

Franchisee Compliance

We consider many factors when determining whether to grant new or additional franchises, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

Advertising and Marketing

All advertising and promotional materials and other items we designate must bear the Proprietary Marks in the form, color, location and manner we prescribe. In addition, all your advertising and promotion in any medium must be conducted in a dignified manner and must conform to the standards and requirements we prescribe in the Manuals or otherwise. You must obtain our approval before you use any advertising and promotional materials or plans in connection with your Franchised Business if we have not prepared or approved them during the 12 months prior to the date of your proposed use.

Approved Premises and Lease

You must obtain our prior approval with respect to the Premises of your Franchised Business before you acquire any such site for that purpose. You must also ensure that you comply with all of our System standards and specifications related to the buildout and signage associated with the Premises of your Franchised Business. Please note that we may require you to reimburse us for the actual costs and expenses we incur in connection with sending any representatives to your Designated Territory to conduct an evaluation of any site you propose.

If we grant you the right to open and operate multiple Franchised Businesses under a Development Agreement, you may not enter into your Franchise Agreement for each Franchised Business opened under your Development Schedule until you have found and/or secured an approved Premises for your second and any additional Franchised Business you acquire the right to develop.

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Insurance

You must purchase and maintain the types and amounts of insurance that we designate in our Manuals or otherwise in writing, including a general liability policy with $2,000,000 in total coverage and $1,000,000 per incident, all of which we may modify from time to time as we deem appropriate in our reasonable discretion. You must also purchase and maintain: (i) employer's liability and workers' compensation as prescribed by law; (ii) comprehensive fire legal liability; (iii) comprehensive and liability coverage for any owned and non-owned motor vehicles used in connection with the Franchised Business; (iv) any professional liability associated with the Agency management and other Approved Products and Approved Services that you directly provide at the Agency; and (v) any other coverage set forth in our Manuals or required under the lease governing any third-party Premises.

We do not have an Approved Supplier for insurance, but you must furnish us with certificates of insurance (or, at our request, copies of all insurance policies), evidencing the existence and continuation of the insurance coverage required by the Franchise Agreement. All policies must contain a waiver of subrogation in our favor and must name us and any additional parties we designate as additional insureds (except with regards to workers' compensation insurance).

You may also be required to obtain professional liability insurance in the amounts required by the applicable laws where your Franchised Business is located due to the Franchised Business management – and/or any of the Approved Services or Approved Products you provide at and via your franchised operations.

Computer Hardware and Software

You must purchase any and all computer hardware, software and peripherals in accordance with our System standards and specifications, including the customized property management software we designated for use in connection with the System. We may require you to purchase any of these items from an Approved Supplier we designate. You must acquire and maintain a high-speed Internet connection that affords Wi-Fi access throughout the Premises on a secure network using equipment that we designate or approve as part of your Computer System. You must also ensure that any personnel of your Franchised Business that travels and provides the Approved Services at a Client's residence has a tablet that is able to access all Required Software we designate, including that which provides CRM and/or Client billing/collection functions.

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 Franchise Agreement and Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 2, 5, and 6; Sections 1, 3 and 5 of Development Agreement	Item 11
b. Pre-opening purchases/leases	Sections 5 and 6	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 2, 5 and 6; Sections 1, 3 and 5 of Development Agreement	Items 6, 7 and 11
d. Initial and ongoing training	Sections 5 and 6	Item 11

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Obligation	Section in Franchise Agreement and Development Agreement	Disclosure Document Item
e. Opening	Sections 5 and 6; Sections 1, 3, 5 and Exhibit A of Development Agreement	Item 11
f. Fees	Sections 3, 4, 9 and 13(E); Section 2 of Development Agreement	Items 5, 6, 7 and 11
g. Compliance with standards and policies/Confidential Operations Manual	Sections 5 and 6	Items 6 and 11
h. Trademarks and proprietary information	Section 7	Items 13 and 14
i. Restrictions on products/services offered	Sections 5 and 6	Items 8, 11 and 16
j. Warranty and customer service requirements	Section 6	Not Applicable
k. Territorial development and sales quotas	Sections 1, 5 and Exhibit A of Development Agreement	Item 12
l. Ongoing product/service purchases	Sections 5 and 6	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Section 6	Items 8 and 11
n. Insurance	Section 6 and 11	Items 6, 11
o. Advertising	Sections 4, 5, 6 and 9	Items 6, 11
p. Indemnification	Section 11	Item 9
q. Owner's participation/management and staffing	Section 6	Item 15
r. Records and reports	Sections 4, 6 and 10	Items 6, 9 and 21
s. Inspections and audits	Sections 5 and 10	Items 6, 11 and 21
t. Transfer	Section 13; Section 8 of Development Agreement	Item 17
u. Renewal	Section 3	Item 17
v. Post-termination obligations	Sections 14(B) and 16; Section 6 of the Development Agreement	Item 17
w. Non-competition covenants	Section 14; Section 6 of the Development Agreement	Item 17
x. Dispute resolution	Sections 19 and 21; Sections 12 through 15 of Development Agreement	Item 17

ITEM 10
FINANCING

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

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

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

A. PRE-OPENING OBLIGATIONS

Before you launch your Franchised Business, we (or our designee) will provide the following assistance and services to you:

1. If you have entered into a Development Agreement, we will designate your Development Area where you will have the right to secure your approved Premises (each of which we must approve) for each of your Franchised Businesses. (Development Agreement, Section 1).

2. We will provide site selection guidelines and assistance (as described more fully below in this Item 11), as we deem appropriate in our discretion in connection with selecting the Premise for each of your Franchised Business(es). (Franchise Agreement, Sections 2(B) and 5(E)).

3. We will define your Designated Territory once you secure your approved Premises and include its boundaries in a data sheet attached as an attachment to your Franchise Agreement. (Franchise Agreement, Section 2(D)).

4. We will loan or provide you with online access to a digital copy of our confidential Manuals. You must operate your Franchised Business in accordance with the Manuals and all applicable laws and regulations. We may amend or modify the Manuals to reflect changes in the System. You must keep the Manuals confidential and current, and you may not copy any part of the Manuals. You must keep a copy of the Manuals at your Agency, and if there is a dispute relating to the contents of the Manuals, then the master copy (which we maintain at our corporate headquarters) will control. We reserve the right to disclose updates to the Manuals in writing in any manner, including electronic means such as email, our website and any intranet or extranet that we establish in connection with the System. The table of contents for our Operations Manual as of the Issuance Date of this Franchise Disclosure Document is attached to this Disclosure Document as Exhibit G and currently totals approximately 120 pages (Franchise Agreement, Section 5(D)).

5. We will provide you with a list of our required items and Approved Suppliers (to the extent we have designated them), either as part of the Manuals or otherwise in writing. (Franchise Agreement, Section 5(D)).

6. We will provide you with our proprietary and confidential templates, standards and specifications associated with the design, layout, build-out and equipping of your Premises so that it can open and operate consistently with the System. We will also review and approve all modifications to the template design and layout documents you and your architect (our Approved Supplier) submit in order to fit in and otherwise utilize the specific Premises of your Franchised Business. (Franchise Agreement, Section 6(D)).

7. Similarly, we will approve any proposed signage you submit and provide you with a list of the designated furniture, fixtures and equipment and other items that you will need to purchase and maintain at your Agency based on the final layout and design plans for your Agency that we approve. (Franchise Agreement, Section 6(D)).

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8. We will provide you and up to two additional individuals you designate with our proprietary Initial Training Program regarding our System methods and techniques related to the establishment and operation of a System franchise. We will provide this training to you and two other people tuition-free, but you are solely responsible for all costs and expenses you (and all other attendees) incur in connection with attending the Initial Training Program at our training location in Virginia over a period of time that typically lasts three days (including travel, lodging, meals and personnel compensation). You must complete our Initial Training Program to our satisfaction within 60 days of executing the lease for your Franchised Business. If you are unable to complete the Initial Training Program due to unavailability of our training personnel, we will offer you a reasonable extension to complete the Initial Training Program. If you are an entity, at least one (1) of the trainees must be your general partner, principal shareholder, or managing member as appropriate. If you have appointed a manager to run the day-to-day operations of your Franchised Business (a "Designated Manager"), the Designated Manager must attend and complete the Initial Training Program (Franchise Agreement, Sections 5(A) and 6(O)). If you fail to engage a Designated Manager, then you will be deemed the Designated Manager for the Franchised Business.

B. SITE SELECTION

You must assume all costs, liabilities, expenses and responsibility for: (i) locating, obtaining and developing a System Agency for your Franchised Business, which we expect will initially be a home office or other premises you already own or have the right to occupy and use as your Premises; and (ii) equipping, and/or building out the Agency for use as a Franchised Business, all in accordance with our System standards and specifications. We will provide you with our then-current site selection guidelines, to the extent such guidelines are in place, and any other site selection counseling and assistance we believe is advisable. We do not expect to typically own the Premises that is then leased to you.

You must secure a Premises that we approve within (a) 30 days if you wish to operate from a home office that is secured and meets our System standards/specifications, or (b) three (3) months of executing your Franchise Agreement if you wish to operate from a third-party Premises, or we will have the right to terminate the Franchise Agreement. (Franchise Agreement, Section 6(A)).

In deciding whether to approve a proposed site for the Premises of your Franchised Business, we may consider, among other things: (i) demographic characteristics, traffic patterns, allowed design and building, parking, visibility, allowed signage, and the predominant character of the neighborhood surrounding the proposed site; (ii) whether the site at issue complies with HIPPA and/or other privacy laws designed to protect customer information and privacy; (iii) competition from other businesses selling similar products and services within the area and the proximity of the site to these businesses, as well as any and all other businesses in proximity to the site; (iv) zoning restrictions, soil and environmental issues, and other commercial characteristics; and (v) the size, appearance and other physical characteristics of the proposed site.

We may then condition our acceptance of any third-party site on a number of conditions, including: (i) an agreement by you and the landlord of the Agency to enter into our prescribed form of Lease Addendum (or incorporate substantially-similar terms and conditions into the Lease in another manner); and (ii) receiving a written representation from the landlord of the Premises that you will have the right to operate the Franchised Business, including the provision of all Approved Services. (Franchise Agreement, Sections 5(E) and 6(A)). Under the terms of the Lease Addendum, we will have the option, but not the obligation, to assume or renew the lease for the Agency (the "Lease") for all or part of the remaining term of the Lease

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only if: (i) your Franchise Agreement or Lease is terminated, or subject to termination, for cause; or (ii) either your Franchise Agreement or Lease expires (and you do not renew in accordance with the respective terms of those agreements).

We will use reasonable efforts to accept or reject any proposed location and corresponding lease/purchase agreement within (a) 10 days if you are proposing a home office, or (b) 30 days if you are proposing a third-party office space, of the date you provide us with all requested materials. If we determine that an on-site evaluation is necessary, then you must: (i) submit to us in the form we specify a description of the site prior to our representative conducting its on-site evaluation, including evidence that the site satisfies our site selection guidelines and any other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site; and (ii) reimburse us for the expenses incurred in connection with such an evaluation (including any costs/expenses that we incur in connection with sending our representative(s) to conduct an on-site evaluation of any proposed Agency). If we do not accept a proposed location within this prescribed period above, the proposed site will be deemed rejected. Our acceptance only means that the site meets our minimum requirements for a Franchised Business. (Franchise Agreement, Section 5(E)).

C. TIMELINE FOR OPENING

Single Franchised Business under Franchise Agreement

Except as provided in this Item, you must open and commence operations of your Franchised Business within six (6) months of the date you execute the governing form of Franchise Agreement.

We estimate that it will take between three (3) and six (6) months to launch operations of your Franchised Business from the time you execute your Franchise Agreement. Your total timeframe may be shorter or longer depending on the time necessary to obtain an acceptable Agency, financing and the permits and licenses for the construction and operation of the Franchised Business, as well as to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Franchised Business, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Franchised Business, including purchasing any inventory (including Approved Products) or supplies needed prior to opening.

If you do not begin operating your Franchised Business within this six (6) month period – or, if applicable, extended period of time that we grant you upon your written request – then we may terminate your Franchise Agreement (Franchise Agreement, Section 6(D)).

Multiple Franchised Locations under a Development Agreement

If you have entered into a Development Agreement to develop multiple Franchised Businesses, your Development Agreement will include a Development Schedule with the deadline by which you must have each of your Franchised Businesses open and operating. Your Development Schedule will depend on the number of Franchised Businesses we grant you the right to open and operate. (Development Agreement, Section 5 and Exhibit A). We may agree to extend your deadline(s) to open certain of your Franchised Businesses under the Development Agreement, provided you timely request such an extension in writing and we approve your request.

We may terminate your Development Agreement if you fail to open any Franchised Business within the appropriate time period outlined in the Development Agreement. Upon termination or expiration of your

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Development Agreement for any reason, you will not have any further development rights within your Development Area, except to continue operating the Franchised Business(es) that were already open and operating as of the termination date.

D. CONTINUING OBLIGATIONS

During the operation of your Franchised Business, we (or our designee) will provide the following assistance and services to you:

1. We may offer and/or require you and your Designated Manager to attend additional training programs and/or refresher courses as we deem necessary in our sole discretion ("Additional Training"). While you have the option to attend any Additional Training we offer, subject to the availability of our classes, we may require that you and your Designated Manager attend up to five (5) days of Additional Training content each year at our headquarters or other location we designate. We may also require that you and your Designated Manager attend up to five days of remedial training that is designed to cure a given default or violation of your Franchise Agreement or failure to comply with the operational and other System standards and specifications stated in our Manuals as part of the actions you must undertake to cure that default/violation or failure. You will be required to pay our then-current training tuition fee for any Additional Training you and your employees attend. You will also be solely responsible for all expenses incurred in attending Additional Training. (Franchise Agreement, Sections 5(C) and 6(O)).

2. We may provide you with continuing consultation and advice, as we deem necessary in our discretion, regarding the management and operation of the Franchised Business. We may provide this assistance by telephone, facsimile, or intranet communication, as we deem advisable and subject to the availability of our personnel. We may also provide you with on-site assistance, subject to the availability of our field representatives, provided you pay our then-current on-site assistance or consultation fee. (Franchise Agreement, Section 5(G)).

3. We will approve or deny any advertising/marketing materials you wish to use in connection with your Franchised Business as described more fully below in this Item 11 under the heading "Advertising and Marketing." (Franchise Agreement, Section 5(F)).

4. We will approve or disapprove your requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases from suppliers other than our then-current Approved Suppliers. (Franchise Agreement, Section 6(K)).

5. We may schedule and hold an annual conference to discuss the current state of the System, improvements to the System, hold discussion forums for System franchisees and recognize certain franchisees. If we schedule a conference, we may require you to attend for up to three (3) days each year. You will be responsible for the costs and expenses you incur in connection with any annual conference/convention (lodging, travel, meals, etc.), and we reserve the right to require that you contribute to our Convention and attend the same (as disclosed more fully in Item 6 of this Disclosure Document). Currently, we expect that our contribution (Franchise Agreement, Section 5(N)).

6. We will display the contact information of your Franchised Business on the website that we or our designer maintains to advertise and promote the brand, our Marks and other Franchised Business locations, provided you are in compliance with the terms of your Franchise Agreement. Please see below in this Item 11 under the heading "Advertising and Marketing" for further information. (Franchise Agreement, Section 5(H)).

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7. We may administer and maintain the brand development Fund for the benefit of the System, as and how we deem appropriate in our discretion. (Franchise Agreement, Section 5(K)).

8. We may conduct, as we deem advisable in our sole discretion, inspections of the premises and audits of the Franchised Business and your operations generally to ensure compliance with our System standards and specifications. We may also prepare written reports outlining any recommended or required changes or improvements in the operations of your Franchised Business, as we deem appropriate in our sole discretion, and detail any deficiencies that become evident as a result of any inspection or audit. (Franchise Agreement, Section 5(J)).

9. We may supplement, revise or otherwise modify the Manuals which may, among other things, provide new operating concepts and ideas, and reserve the right to recommend certain pricing structures, though we are under no obligation to do so. We may provide you with these updates through various mediums, including mail, email and our System-wide intranet. (Franchise Agreement, Section 2(G)).

10. We may: (i) research new methodologies and/or potential Approved Service and/or Approve Product offerings in connection with the Franchised Business operations – and provide you with information we have developed as a result of this research, as we deem appropriate in our sole discretion; and (ii) research and designate additional Approved Products and Approved Services to be offered and provided at System Agencies (which may include branded collateral and/or other merchandise). (Franchise Agreement, Section 6(G)).

E. ADVERTISING AND MARKETING

We must approve all advertising and promotion that you use in connection with your Franchised Business and it must conform to the standards and requirements that we specify. We may periodically make available to you at your expense certain promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. (Franchise Agreement, Sections 9(A) and 9(B)).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the materials you wish to use to us for our prior written approval at least 20 days prior to publication. We will use reasonable efforts to notify you of our approval or disapproval of your proposed materials within 15 days of the date we receive the materials from you. If you do not receive our written approval during that time period, the proposed materials are deemed disapproved and you may not use the materials. You may use the proposed materials for a period of 90 days once we approve them, unless we: (i) prescribe a different time period for use; or (ii) require you to discontinue using the previously approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time. (Franchise Agreement, Section 9(B)). Except as otherwise provided in this Item, we are not required to spend any amount on advertising in your Designated Territory.

Local Marketing Requirement (Franchise Agreement, Section 9(D))

Recognizing the importance of promoting your Franchised Business within your Designated Territory and surrounding area, you are currently required to expend a minimum amount on the local marketing,

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advertising and promotion of your Franchised Business within your Designated Territory, which amounts to the greater of: (i) 1% of the Net Billings generated by your Franchised Business in the immediately preceding calendar month; or (ii) $1,000 each month (the "Local Marketing Requirement" or "LMR").

You must use only those materials that we have previously approved or designated, and we may require that you provide us with reports and other evidence of your local advertising expenditure each month. Your Local Advertising Requirement (if triggered) will commence upon expiration of the period where we designate you must spend your Initial Marketing Spend. We have the right to increase the LMR to an amount equal to two percent (2%) of the Net Billings generated by your Franchised Business.

Initial Marketing Spend (Franchise Agreement, Section 9(C))

You are required to expend an Initial Marketing Spend of $5,000 within your Designated Territory to promote and advertise the grand opening of your Franchised Business, which must be expended over the time period and in the manner we designate or approve as part of your initial launch marketing plan. We may designate or require that you expend all or some portion of the Initial Marketing Spend on (a) pre-opening sales activities designed to generate potential Client(s), as well as otherwise promote the Approved Services and Franchised Business prior to your launch, or (b) other materials and/or services that are provided by our Approved Supplier(s).

Currently, we expect that you will start expending the Initial Marketing Spend around 30 days prior to the formal launch of your Franchised Business and in the 2-6 weeks following your opening.

Brand Development Fund (Franchise Agreement, Section 9(E))

We have established and administered the Fund for the benefit and further development of our brand and franchisee network generally, including without limitation, the Marks, System, System Businesses and/or the Approved Services and Approved Products. We may use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials (via both digital and traditional channels and creative), and any other activities or purpose which we believe will enhance the image of the System.

As of the Issue Date, such activities may include, but are not limited to, the following: (i) product, marketing and/or technology development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the internet; (ii) social media; (iii) administration expenses allocatable to the administration and management of the Fund; (iv) brand/image campaigns; (v) media creation and placement services and/or collateral; (vi) our System website and/or System Business interior pages; (vii) national, regional and other marketing programs we determine appropriate; (viii) activities to promote current and/or future System Businesses; (ix) research; (x) online training tools and/or other marketing-technology tools and/or innovations for use by System Business owners. We have sole discretion over all matters relating to the Fund.

We are not required to spend any of your Fund Contributions in your Designated Territory. We will provide you with an accounting of the Fund within 120 days after our fiscal year ends upon your written request. We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for the audit. We do not presently intend to use the Fund to solicit new franchise sales, but we reserve the right to do so. If we do not spend all Fund Contributions in a given year, any excess funds will roll over into the Fund for use during the following year. We will have the right to modify or discontinue the Fund in our sole discretion.

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Currently, your Fund Contribution – which will become payable once you open and commence operating your Franchised Business – will amount to one percent (1%) of the Net Billings generated by your Franchised Business over the immediately-preceding calendar month of operations. Our affiliate-owned Franchised Businesses may, but are not obligated by contract to, currently contribute to the Fund in the same amount/interval as our System franchisees.

We have the right to increase the Fund Contribution in the future to an amount equal to three percent (3%) of the Net Billings generated by your Franchised Business upon 60 days' prior written notice (via the Manuals or otherwise).

Please note that, as we are a new franchise offering, we did not collect or expend any Fund Contributions in the past fiscal year ending December 31, 2024.

Franchisee Advisory Council (Franchise Agreement, Section 9)

We may establish a marketing council (a "Franchisee Advisory Council" or "FAC") to serve in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Fund. At our discretion, the FAC may be comprised of our management representatives, employees, you and/or other System Business owners (franchisee or affiliate-owned). We will have the right to establish, modify or dissolve an FAC at any time. (Franchise Agreement, Section 9(F)). As of the Issue Date, we have yet to establish an FAC – but expect to do so in the future once we have a certain level of franchisees actively open and operating.

Regional Cooperatives (Franchise Agreement, Section 9)

We reserve the right to establish regional and local advertising and/or marketing cooperatives that are comprised of a geographical market area that contain two (2) or more System Businesses (whether a Franchised Business or affiliate-owned) (each a "Cooperative"). If we assign your Franchised Business to an established Cooperative, you must work with the other Franchised Business owners in your Cooperative and us to develop and implement regional advertising campaigns designed to benefit all the Franchised Businesses within the geographical boundaries of the Cooperative. (Franchise Agreement, Section 9(G)).

We have not established any Cooperatives as of the Issuance Date of this Franchise Disclosure Document.

We will not require your Franchised Business to contribute an amount that exceeds your monthly LMR. We may establish, modify, merge and dissolve any Cooperative as and when we determine appropriate in our discretion (and upon providing prior written notice). Any amounts you expend on Cooperatives will be credited towards your LMR.

Website and System Sites; Other Online Marketing/Advertising

We have established a website for use by System Business owners (franchisees or otherwise) in connection with their respective operations (each a "System Website" or "System Site"). We intend that any franchisee website will be accessed only through one or more such System Site(s). If you wish to advertise online, you must follow our online policy which is contained in our Brand Standards Manual. Our online policy may change as technology and the Internet changes. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag or search technique with words or symbols similar to the Marks. We intend that any franchisee website will be accessed only through our home page. As noted earlier in this Item, we have the right to use Fund

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assets to develop, maintain and update our System Site(s). We may update and modify the System Website from time to time. You must promptly notify us whenever any information on your listing changes or is not accurate. We have final approval rights of all information on the System Website. We may modify, update or add to the System Website at any time. We are only required to reference your Franchised Business on the System Website while you are in full compliance with your Franchise Agreement and all System standards. (Franchise Agreement, Sections 5(H) and 9(G)).

E. COMPUTER SYSTEM

We may require that you use certain brands, types, makes, and/or models of computer hardware and software in connection with the Franchised Business.

We require that all new System franchisees acquire certain computer hardware and equipment for use on or off the Premises in connection with the operation of the Franchised Business and provision of the Approved Services to all Clients (collectively, the "Computer System"), which is comprised of the following items as of the Issue Date: (i) at least one (1) laptop and/or back office computer for use at the Premises by your owner/operator and/or other management personnel on the Premises; (ii) multi-function printer that also provides copying and scanning functions for use at the Premises; (iii) at least one (1) printer capable of creating personnel-specific identification badges for use by all System Agency personnel; (iv) peripheral devices such as keyboards, mice and similar components; (v) one (1) external hard drive or "NAS"; (vi) one (1) Wi-Fi router that will handle the Agency-dedicated Internet access for everyone at the Premises; and (vii) one (1) or more tablets (*e.g.*, iPad® or comparable device) for use by Business personnel in connection with Business work on-site at Client locations within the Designated Territory, including any electronic verification functions.

As noted in Item 6 of the Disclosure Document, you must also license and utilize the Required Software we designate, some of which you may be required to license directly from our third-party Approved Supplier. (Franchise Agreement, Sections 4(C) and 6(K)). Your Computer System must also meet the following minimum criteria: (i) the ability to access high-speed internet (wirelessly); (ii) Windows 10, along with a Microsoft Office® software suite; and (iii) the ability to run all Required Software. We do not currently have any minimum requirements regarding the RAM storage that your computer/laptop must have, but the hardware you are using must be able to perform the tasks outlined in this Item and the Manuals.

We may modify our System standards and specifications for our Computer System and may otherwise require you to use any Required Software we designate upon 30 days' prior written notice via the Manuals or otherwise. (Franchise Agreement, Sections 4(C), 5(D) and 6(K)). If you already have computer hardware and/or software that meets our then-current standards for a Computer System and/or Required Software, then you may use these items in connection with your Franchised Business provided you obtain our approval. Otherwise, we estimate the costs to purchase our current Computer System will be between $3,000 and $4,000.

You must keep your Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as we direct from time to time in writing. The cost of maintaining, updating or upgrading the Computer System or its components will depend on your repair history, local costs of computer maintenance services in your area, and technological advances. We estimate the annual costs to be approximately $500 to $1,000 for maintenance and support contracts for your Computer System, but this could vary.

You must have the components necessary to ensure that the entire Premises of your Franchised Business has access to the internet via Wi-Fi connection. We may require you to comply with our standards and

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specifications for internet access and speed and that the Computer System be programmed to automatically transmit data and reports about the operation of the Franchised Business to us. We will also have the right to electronically and independently connect with your Computer System to monitor or retrieve data stored on the Computer System (or for any other purpose we deem necessary) at any time without notice. There are no contractual limitations on our right to access the information and data on any component of your Computer System.

You must participate in any System-wide cloud-based network or other online intranet or website portal that we establish or otherwise require, which may be used to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Manuals; (iii) download approved local advertising materials; (iv) communicate with us and other System franchisees; and (v) complete certain components of any ongoing training we designate. (Franchise Agreement, Section 5(J)).

F. INITIAL TRAINING PROGRAM AND OTHER TRAINING-RELATED DISCLOSURES

Initial Training Program (Franchise Agreement, Sections 5(A) and 6(O))

Prior to attending any portion of the Initial Training Program that takes place at our Corporate Headquarters in Virginia or other designated training location we designate, you must: (i) demonstrate that you have obtained all required insurance coverages set forth in the Franchise Agreement and Manuals; (ii) undertake all steps to establish the EFT Account, including providing us with all authorizations and approvals necessary to access that account; (iii) submit and obtain our approval of the initial marketing plan and proposed budget for the Initial Marketing Spend; (iv) demonstrate that you have pre-paid all amounts in connection with the Initial Marketing Spend; and (v) provide us with completed copies of all agreements and contracts that are attached as Exhibits to the Franchise Agreement (collectively, the "Training Pre-Conditions").

As of the Issue Date, we plan and expect to provide: (i) certain training on introductory and other basic components of our franchise system and Approved Services remotely (the "Remote Training"); (ii) training that takes place at our corporate headquarters or other designated training location (currently, in Virginia) that typically lasts between four (4) to five (5) business days; and (iii) on-site training within at your Premises and/or within your Designated Territory, which is provided over a period of one (1) day at some point during your first three (3) months of operations (the "On-Site Training").

A new System franchisee will be required to attend and complete the Corporate Training, as well as any previously-issued Remote Training, at least 30 days prior to the opening of your Franchised Business. Typically, we expect that the Corporate Training will not be provided more than 60 days prior to the anticipated or required opening of your Franchised Business, whichever is earlier.

Our Initial Training Program components provided prior to the launch of your Franchised Business (Corporate Training and Remote Training) is comprised of the following instruction:

TRAINING PROGRAM

Training Content	Classroom Hours	On-the-Job Hours	Location
I. Orientation and Company Policies			Our corporate headquarters in Virginia or other training Agency we designate (which may include remote/virtual learning as well as your Franchised Business)
Introduction to Butterfly Home Care	1	0	
Company Policies and Standards	2	0	

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Training Content	Classroom Hours	On-the-Job Hours	Location
Overview of Franchise Operations	2	1	
II. Business Operations and Management Training			Our corporate headquarters in Virginia or other training Agency we designate (which may include remote/virtual learning as well as your Franchised Business)
Business Setup and Compliance	2	1	
Financial Management	2	0	
Client Acquisition and Marketing	2	2	
Client Relations and Retention	2	1	
Client and Staff Coordination	1.5	1	
Staff Hiring and Management	1.5	1	
Technology and Business Tools	2	1	
III. Caregiving Services Training			Our corporate headquarters in Virginia or other training Agency we designate (which may include remote/virtual learning as well as your Franchised Business)
Client Care Overview	1	1	
Senior Care Specialization	2	1	
Disability Care Specialization	2	1	
Autism Care Specialization	2	1	
Health, Safety and CPR	4	4	
IV. Business Growth and Franchise Development			Our corporate headquarters in Virginia or other training Agency we designate (which may include remote/virtual learning as well as your Franchised Business)
Growth Strategies	2	0	
Managing Multiple Clients and Caregivers	1.5	1	
Performance Monitoring	1.5	1	
V. Compliance and Legal Responsibilities			Our corporate headquarters in Virginia or other training Agency we designate (which may include remote/virtual learning as well as your Franchised Business)
Licensing Compliance	2	0	
Regulatory Audits	2	0	
Insurance and Liability	2	0	
VI. Ongoing Support and Franchise Success			Our corporate headquarters in Virginia or other training Agency we designate (which may include remote/virtual learning as well as your Franchised Business)
Continuous Training and Development	2	0	
TOTALS	**42**	**18**	

Explanatory Notes to Item 11 Training Chart Above

1. We do not currently have a set training schedule, but our initial training described above will be made available on an as-needed basis subject to the availability of our personnel (subject to the availability and schedules of our training personnel). Instructional materials, including components of the Manuals, will be provided to you and used as necessary as you proceed through the Initial Training Program. The Initial Training Program is subject to change without notice to reflect updates in the materials, methods and Manuals, and changes in personnel. The subjects and the time periods allocated for each subject may vary based on the experience of the people being trained. We may provide certain portions of your Initial Training Program via the internet or webinar. Failure to complete the Initial Training Program to our satisfaction within the applicable

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time period may result in termination of the Franchise Agreement. (Franchise Agreement, Section 5(A)).

2. Our President, Becky Wang, will oversee and supervise the administration of our Initial Training Program detailed in the Chart above. Becky has over 10 years of experience in the industry, including over five (5) years of experience with our System as the founder of both our Affiliate Business and our brand generally. We reserve the right to appoint and substitute other individuals to assist in providing training, but all of our training personnel will have at least one (1) year of experience in the subject matters on which they provide instruction.

3. We will provide you access to our then-current and proprietary instructional materials prior to or upon your attendance at certain components of our Initial Training Program, which is provided at our designated training Agency, which may include our Manuals and certain other instructional materials that we develop. You, or another person that successfully completes our Initial Training Program will be required to train all other personnel that work at your Franchised Business. (Franchise Agreement, Section 6(O) and 6(P)).

4. If you or any other trainee you designate fails to complete the Initial Training Program to our satisfaction, that person may repeat or you may send a replacement to our next available Initial Training Program session, provided there is availability. We may charge our then-current training tuition rate for these individuals to repeat the Initial Training Program. You are solely responsible for all expenses incurred related to your and your employee's attendance at our Initial Training Program, including transportation to and from the training site, lodging, meals and employee wages.

ITEM 12
TERRITORY

Approved Premises and Relocation

You may only operate your Franchised Business from the Premises we approve. Once we agree on your Premises, we will designate it on the Data Sheet attached to your Franchise Agreement. You may not relocate your Franchised Business without our written consent, which we will not unreasonably withhold provided: (i) the new location is located within your Designated Territory (described below) and meets our then-current criteria for a System-associated Premises; and (ii) you pay our then-current relocation fee (if any). When considering a request for relocation, we may take into account the desirability of the proposed new location, its distance from other and future-planned franchised locations, the traffic patterns, security, cost, and the demographics of the area, as well as any other related factors we deem appropriate.

Franchise Agreement: Designated Territory

Typically, we will not designate your Designated Territory until you have secured a Premises that we approve but we reserve the right to grant your Designated Territory at the time you execute your Franchise Agreement, in which case you will need to secure your approved Agency within the defined Designated Territory. Your Designated Territory will be stated in the data sheet attached to your Franchise Agreement.

The boundaries of your Designated Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Data Sheet. If applicable, the sources we use to determine the population within your Designated Territory will be

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publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

We expect that a Designated Territory we award to a new System franchisee will typically be a geographical area surrounding your Premises that contains a population of 200,000 to 300,000 people. With that said, we are not required to award or grant any minimum geography or population as part of the Designated Territory we grant in connection with a given Franchised Business (or other System Business).

During the term of your Franchise Agreement, we will not open or operate, or license any third party the right to own or operate, another Agency utilizing the Proprietary Marks and System within your Designated Territory – subject to the reserved rights set forth below.

Because we reserve the right to solicit and otherwise contract with "Reserved Accounts" (as disclosed more fully in this Item below), we are required to make the following disclosure: *You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.*

Unless your Franchise Agreement is terminated or subject to termination, your Designated Territory may not be modified or terminated during the term of your agreement.

You may not promote, offer or provide the Approved Services to any prospective clientele that resides outside of your Designated Territory, unless we provide our prior written consent after you have requested the same in writing. Similarly, you may not market or solicit the Franchised Business or the Approved Services outside of your Designated Territory without our prior written consent. You may not use alternative channels of distribution to make any sales within or outside of your Designated Territory, except for any online, call center or other channels that we designate and authorize in the Manuals. We are not required to pay you any compensation for soliciting or accepting Reserved Account clients that are located within your Designated Territory.

Development Agreement: Development Area

If we grant you the right to open multiple Franchised Businesses under a Development Agreement, then we will provide you with a Development Area upon execution of this agreement. The size of your Development Area may vary substantially from other System developers based on: (i) the number of Franchised Businesses we grant you the right to open and operate; and (ii) the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Data Sheet.

Each Franchised Business you open and operate under our then-current form of franchise agreement will be operated: (i) from a distinct Agency located within the Development Area; and (ii) within its own Designated Territory that we will define once we have approved the Premises for the franchised Agency at issue.

We will not own or operate, or license a third party the right to own or locate, a Franchised Business utilizing the Marks and System within the Development Area, unless you default under the Development Schedule, which will result in the automatic termination of your territorial rights within the Development Area and, at our option, termination of your entire Development Agreement. Upon default, your territorial rights within the Development Area will be terminated, but each Franchised Business you opened and that are

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continuously operating as of the date of such occurrence will continue to enjoy the territorial rights within their respective Designated Territories that were granted under their governing forms of Franchise Agreement.

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your exclusive rights within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

Reserved Rights

We reserve all rights not expressly granted to you. These include the right to: (i) establish and operate, and license any third party the right to establish and operate, other Franchised Businesses using the Marks and System at any location outside of your Designated Territory(ies) and/or, if applicable, Development Area; (ii) market, offer and sell products and services that are similar to the Approved Products and Approved Services offered by the Franchised Business under mark(s) other than the Proprietary Marks at any location; (iii) use the Marks and System, other such marks we designate, to distribute certain branded Approved Products and/or Approved Services that can be provided remotely via electronic means and/or other alternative channels of distribution that do not involve entering the Client's residence; (iv) to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system with any business, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Designated Territory(ies) and, if appropriate, Development Area, provided that in such situations the newly acquired businesses may not operate under the Marks in the Designated Territory(ies) and, if appropriate, Development Area; and (v) to use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in your Franchise Agreement and, if appropriate, your Development Agreement.

We also have the right to control, contract with and facilitate the provision of Approved Services to certain "Reserved Accounts" that are defined as any Client that resides or requires care in more than one (1) Designated Territory or region.

Neither the Franchise Agreement nor Development Agreement grant you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our affiliates or any third party from these activities, unless we otherwise agree in writing. We have no obligation to provide you any compensation for soliciting or accepting orders inside your territory.

Additional Disclosures

Neither the Franchise Agreement nor the Development Agreement provides you with any option or other right to open and operate additional Franchised Businesses (other than as specifically provided for in your Development Agreement if you are granted multi-unit development rights). Each Franchised Business you are granted the right to open and operate must be governed by its own specific form of Franchise Agreement.

We have not established other franchised or company-owned outlets or another distribution channel for offering or selling products/services that are similar to the Approved Services and/or Approved Products under a different trademark. Neither we nor any of our affiliate(s) have established, or presently intend to

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establish, other franchised or company-owned businesses that sell our Approved Products and Approved Services under a different trade name or trademark, but we reserve the right to do so in the future without your consent.

ITEM 13
TRADEMARKS

We grant you a limited, non-exclusive license to use our then-current Marks we designate to identify your Franchised Business, such as our current primary mark BUTTERFLY HOME HEALTHCARE (with Butterfly design)™ and certain other Marks we authorize at this time, provided you use these Marks as outlined in your Franchise Agreement(s) and our Manuals. You do not obtain any additional rights to use any of our Marks under any Development Agreement you enter into.

We own the following design mark that serves as part of our primary Proprietary Mark, which is registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Trademark	Registration Number	Registration Date
	7,667,699	January 28, 2025

We also own the following Proprietary Mark that is currently pending registration on the Principal Register of the USPTO:

Mark	Application Number	Filing Date
BUTTERFLY HOME CARE	98/732035	September 4, 2024

Once applicable, we expect and intend to file all affidavits and other documents with the USPTO to maintain the federal registration described above.

You must strictly comply with our standards, specifications, rules, requirements, and instructions regarding the use of the Marks. The goodwill associated with our Marks will remain our exclusive property, and you will receive no tangible benefit from our goodwill, except from the operation or possible sale of the Franchised Business during the term of the Franchise Agreement. Any increase in the goodwill associated with our Marks during the term of the Franchise Agreement will benefit us. All rights to use our Marks will automatically revert to us without cost and without the execution or delivery of any documents, upon the expiration or termination of your Franchise Agreement.

As of the Issue Date of this Franchise Disclosure Document, there is no litigation pending arising out of our Marks, and we are not aware of any superior rights in, or infringing uses of, our Marks that could materially affect your right to use these marks. Presently, there are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board ("TTAB"), the trademark

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administrator of any state or any court, and no pending infringement, opposition or cancellation proceedings or any material litigation involving the Marks. There are no agreements in effect that significantly limit our right to use, or license the use of, the Marks that are material to the franchise.

You may not use all or any portion of our Marks as part of your company name and, without our prior written consent, as part of your trade name or "d/b/a". You may not modify the Marks with words, designs or symbols, except those that we license to you. You may not use our Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. During the term of the Franchise Agreement and continuing after the expiration or termination of the Franchise Agreement, neither you nor any of your managers will, directly or indirectly, contest, challenge or assist in the contesting or challenging of, our right, title, ownership, or interest in our Marks, trade secrets, methods, procedures, and advertising techniques that are part of our franchise System, or contest our sole right to register, use, or license others to use, our Marks, trade secrets, methods, procedures, advertising techniques, and any other mark or name that incorporates the term "Butterfly" or any similar word or symbol.

You must immediately notify us in writing if you become aware of any unauthorized use of our Marks or other proprietary information and you must permit us to participate in any litigation involving you and our Marks. We will take the action we think appropriate. We will indemnify, defend and hold you harmless in connection with any third-party claims that are brought against you that arise solely out of your authorized use of any Marks in the manner we prescribe, provided you notify us of the proceeding within three days and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding.

We will not reimburse you for your expenses and legal fees for separate, independent legal counsel, unless we approve of your use of such counsel in writing prior to your engaging counsel. We will not reimburse you for disputes where we challenge your use of our Marks.

You must modify or discontinue using any of the Marks, and add new names, designs, logos or commercial symbols to the Marks as we instruct. We may, at our sole discretion, impose changes whenever we believe the change is advisable. We do not have to compensate you for any costs you incur to make the changes we require. You will receive written notice of any change, and will be given a reasonable time to conform to our directions (including changing signage, marketing displays, trade dress and other advertising), at your sole 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 claim a common law copyright in the information contained in the Franchise Agreement, Manual(s) and other licensed copyrighted materials that we license to you as part of our then-current System, including without limitation 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 Franchised Business 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 our initial and ongoing training, methods of site selection, marketing methods, recruiting, service analysis and selection, service methods and skills,

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prospective and current client lists and client information (including any Reserved 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 System and/or Franchised Business operations generally only to your employees who must know the information to operate the Franchised Business. However, we require your employees to sign a confidentiality agreement similar to the form of agreement attached as an Exhibit to your Franchise Agreement, 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 and/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 Reserved Accounts clients, for the Franchised Business, 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 Franchised Business no longer will operate at the approved Premises or, if we intend to exercise our Step-in Rights, that the Franchised Business will operate under new management. We also have the right to inform them of other nearby System 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 Franchised Business, including any enhancements, adaptations, derivative works, modifications, or new processes ("Improvements") in operating the Franchised Business, 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 our System 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

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mean you may modify your Franchised Business, which is prohibited without our prior written consent. In the event that these provisions in the Franchise Agreement and/or Development Agreement are found to be invalid or otherwise unenforceable, you and your principals will 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 the Franchise Agreement, directly or indirectly infringe on your rights to the new concepts.

We may modify, revise and/or supplement any of our Manual(s) and/or other copyrighted materials at our discretion and require that you cease using any outdated item or portion of the Manuals.

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

The Agency must at all times be under your or your Designated Manager's direct supervision. You (or, if you are an entity, your owner) must be the Designated Manager during the first two (2) years the Agency is open and operating under your ownership. You must seek our approval if you want your Designated Manager to be someone else during the franchise term.

Your Designated Manager must meet our standards and requirements, including (i) living within one (1) hour drive-time of the territory, (ii) being in the office, or at minimum in the Designated Territory, on a daily full-time basis, and (iii) successfully completing our Initial Training Program.

If you are operating multiple Franchised Businesses, the Designated Manager for any Premises where you (or your Operating Principal) will not be on-site to primarily manage operations must meet our standards and requirements, including: (i) taking ownership of day-to-day operations and local management teams in the protected territories for which the individual is a Designated Manager, (ii) being in one of the protected territories' offices (or at minimum in one of the protected territories) on a daily full-time basis, and (iii) successfully completing our Initial Training Program.

Your "Designated Manager" is the individual who has the authority to actively direct the Agency's business affairs, is responsible for overseeing your franchised Agency's general management, and has authority to sign all contracts. You must designate your Designated Manager in the Data Sheet attached to the Franchise Agreement as Exhibit K. You must submit a written request for permission to hire an operating manager to be your Designated Manager to allow you (or your owner) to step out of the day-to-day operations. You must give us advance written notice and obtain our approval before you change your Designated Manager. We must confirm that your proposed replacement Designated Manager meets our then-current Designated Manager standards and requirements. If your Agency performance fails to meet or exceed our standards, we may state that your Designated Manager no longer meets our standards and requirements.

You may hire a branch manager/operations manager to assist your Designated Manager 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 personnel you hire to provide the Approved Services. 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. 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

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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 Guaranty attached to the Franchise Agreement.

If you operate more than one (1) Franchised Business, we reserve the right to require a full-time Nurse Director, along with additional PCAs that have nursing licensing, as needed to fulfill the oversight requirements and demand of Client for those Approved Services that may only be provided by such licensed personnel.

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 and other personnel, as you determine appropriate to hire/engage, will be exclusively under your control at the Agency. We do not reserve the right and expressly disavow any right or ability to control those employment and personnel matters or your employees (including the Designated Manager, branch manager, DON, salesperson and/or other key positions). 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 System 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 promote, offer and provide the services, as well as any corresponding products, 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, except in connection with any Reserved Accounts as disclosed more fully in Item 12 of this Disclosure Document.

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 (i.e., 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

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your sole evaluation and responsibility for any operational and technology compliance requirements that are unique to the state and/or in complying with requisite operating procedures therein, and you will solely bear the cost of this compliance.

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. You may not use any third-party Premises for any purpose other than operating your Franchised Business.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

A. Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3	10 years.
b. Renewal or extension	Section 3	Two (2) additional (and successive) 10-year terms.
c. Requirements for franchisee to renew or extend	Section 3	In order to renew (which means renewing your franchise relationship with us), you must: not have any uncured material defaults under your Franchise Agreement (including any monetary defaults) or any other agreement between you and us or the landlord of the Agency; not have received more than three separate, written notices of material default from us with respect to the Franchise Agreement in the 12-month period preceding the renewal request date or renewal date; be in good financial standing; have continued right of possession to the Agency; complete required renovation and modernization of your Franchised Business; pay us our then-current renewal fee; execute our then-current form of franchise agreement (which may contain materially different terms and conditions than your original franchise agreement); complete our then- current refresher training course (typically three days) and pay the appropriate tuition fee; and execute a general release in our favor (as well as related parties).
d. Termination by franchisee	Not Applicable	Not Applicable (subject to state law).
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with cause	Section 15	We may terminate your Franchise Agreement with cause as described in (g)-(h) of this Item 17 chart.
g. "Cause" defined - curable defaults	Sections 15(B) and 15(C)	You must cure all monetary defaults under your Franchise Agreement within ten days of being provided with notice by us, as well as the following defaults: failure to purchase any Required Item; failure

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Provision	Section in Franchise Agreement	Summary
		to purchase from our Approved Suppliers; any purchase of a non-approved item or offering of a product/service at the Franchised Business that we have not authorized; and failure of you to obtain any necessary permit/certificate/approval to operate the Franchised Business. Except as provided above and those defaults listed in (h) of this Item 17 chart, you must cure all other defaults and violations of any provision of your Franchise Agreement or any other agreement with us or our affiliates within 30 days of being provided with notice of your default(s).
h. "Cause" defined - non-curable defaults	Sections 15(A) and 15(B)	Your Franchise Agreement may be terminated automatically and without notice from us if: you become insolvent or make a general assignment for the benefit of creditors; a bankruptcy petition if filed by or against you and not dismissed within 30 days; a bill in equity or appointment of receivership is filed in connection with you or the Franchised Business; a receiver or custodian of your assets of property is appointed; a final judgment in the amount of $10,000 or more is entered against you and not satisfied within 60 days (or longer period if we consent); you attempt to make an invalid transfer in violation of Section 13 of your Franchise Agreement. Your Franchise Agreement may be terminated by us upon written notice and no opportunity to cure if: you commit any fraud or misrepresentation in connection with your Franchised Business; you or other required attendees fail to timely complete our Initial Training Program; you receive three or more notices to cure the same or similar defaults under Section 15(C) of your Franchise Agreement in any 12-month period (whether or not subsequently cured); you violate any in-term restrictive covenants; you misuse the Marks, Proprietary Information or other confidential information provided to you; misuse any proprietary software that might be developed; you fail to cure any default under any other agreement you have with our affiliates or any Approved Supplier within the appropriate cure period; you default under your lease for the Agency and fail to timely cure; you fail to open and commence operations within the required time period; you abandon your Franchised Business; you are convicted of a felony or any other crime of moral turpitude or offense that will adversely affect the System; you take any property of the Franchised Business for personal use; there are insufficient funds in your EFT Account on three or more occasions in any

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Provision	Section in Franchise Agreement	Summary
		12-month period; or if you commit repeated violations of any applicable law.
i. Franchisee's obligations on termination/non-renewal	Section 16	Upon termination or early expiration of the Franchise Agreement, your obligations include: immediately discontinuing the use of the Marks and trade dress; cease doing business in a form or manner that may give the general public the impression that you are operating an Franchised Business; return of the Manuals of any other Proprietary Information to us; provide us with all customer information, lists and applicable contracts; cancel or, at our option, assign us all telephone/facsimile numbers and domain names (if permitted) used in connection with the Franchised Business (as well as all related listings) to us or our designee; comply with all post-term restrictive covenants; at our written option, assign the lease for the Agency to us; provide us with written confirmation of compliance with these obligations within 30 days.
j. Assignment of contract by franchisor	Section 13	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Sections 13(A) and 13(C)	Includes any transfer of Franchise Agreement, assets of the Franchised Business, or ownership change in you.
l. Franchisor approval of transfer by franchisee	Section 13(A)	We must approve all transfers, but we will not unreasonably withhold our approval if you meet our conditions.
m. Conditions for franchisor approval of transfer	Section 13(E)	We have the right to impose the following conditions on any transfer by you: all of your obligations under the Franchise Agreement have been satisfied; the new franchisee must meet our then-current qualifications and criteria for a new franchisee; transferee must assume all of your obligations under the Franchise Agreement; transferee must successfully complete our Initial Training Program; transferee must execute our then-current form of franchise agreement; you must pay our transfer fee (and pay the applicable training fee); and you must execute a general release in our favor (as well as related parties. You will not be required to pay any transfer fee in the event: (i) you wish to transfer your rights under the Franchise Agreement to a newly- established legal business entity that is wholly owned by you and established solely for purposes of operating the Franchised Business under that Franchise Agreement; or (ii) you are required to encumber certain assets of the Franchised Business (or subordinate our security interest with respect to the Franchised Business) in order to receive SBA or other traditional bank financing, provided we otherwise approve of the transfer.

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Provision	Section in Franchise Agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13(D)	Except in certain circumstances (death/disability or transfer from individual franchisee to business entity), you must provide us with a period of 30 days to match any third-party bona fide offer to purchase any interest in the Franchise Agreement or Franchised Business. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o. Franchisor's option to purchase franchisee's business	Section 16(H)	We have the right, but not the obligations, to purchase all or any portion of the assets of your Franchised Business upon expiration/termination of your Franchise Agreement at book value.
p. Death or disability of franchisee	Section 13(B)	You will have a period of 90 days to find a suitable legal representative that we approve to continue the operation of your Franchised Business, provided that person completes our Initial Training Program and pays the appropriate tuition fee. During this 90-day period, we may step in and operate the Franchised Business on your behalf and pay ourselves a reasonable amount to reimburse our costs associated with this operation on your behalf. We are not under any obligation to step in and operate your business during this period.
q. Non-competition covenants during the term of the franchise	Section 14(A)	Neither you, your principals, guarantors, owners or Designated Manager, nor any immediate family member of you, your principals, guarantors, owners or Designated Manager, may: (i) own, operate, or otherwise be involved with a Competing Business (as defined in the Franchise Agreement); (ii) employ, or seek to employ, any person employed by us, our affiliates or other System franchisees; or (iii) divert, or attempt to divert, any prospective customer to a Competing Business. (subject to state law)

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Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 14(B)	For a period of two years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Manager, nor any immediate family member of you, your principals, guarantors, owners, Designated Manager, may own, operate or otherwise be involved with a Competing Business: (i) at the Agency or within your Designated Territory; (ii) within a 40-mile radius of your Designated Territory or any other designated territory granted by us in connection with any Franchised Business as of the date of expiration/termination of the Franchise Agreement. During this two-year period, these parties are also prohibited from: (i) soliciting business from customers of your former Franchised Business; or (ii) employing, or seeking to employ, any person employed by us, our affiliates or other System franchisees. (subject to state law).
s. Modification of agreement	Section 18(D)	Your Franchise Agreement may not be modified, except by a writing signed by both parties. We may modify the System and Manuals as we deem appropriate in our discretion from time to time.
t. Integration/merger clause	Sections 18, 22 and 23	Only the terms of the Franchise Agreement and this Franchise Disclosure Document are binding (subject to state law). Any representations or promises outside of the Franchise Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Franchise Disclosure Document. (subject to state law)
u. Dispute resolution by arbitration or mediation	Sections 21(B) and 21(C)	You must first submit all dispute and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place at our corporate headquarters in Virginia or other nearby location the Franchisor agrees to. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.

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Provision	Section in Franchise Agreement	Summary
v. Choice of forum	Sections 21(D) and 21(E)	Except for our right to seek injunctive relief in any court of competent jurisdiction, all claims and causes of action arising out of the Franchise Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is closest to or encompassing Sterling, Virginia or, if appropriate, the USDC for the Western District of Virginia. (subject to state law).
w. Choice of law	Section 21(A)	The Franchise Agreement is governed by the laws of the Commonwealth of Virginia, without reference to this state's conflict of laws principles. (subject to state law).

B. Development Agreement

Provision	Section in Development Agreement	Summary
a. Length of the term	Sections 1, 5 and 6, Exhibit A	The Development Schedule will dictate the amount of time you have to develop a specific number of Franchised Businesses, which will differ for each developer and will be specified in Exhibit A of the Development Agreement.
b. Renewal or extension of the term	Not Applicable	Not Applicable.
c. Requirements for Area Developer to renew or extend	Not Applicable	Not Applicable.
d. Termination by Area Developer	Not Applicable	Not Applicable (subject to state law).
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with "cause"	Section 6	We may terminate your Development Agreement with cause as described in (g)-(h) of this Item 17 chart.
g. "Cause" defined - curable defaults	Section 6	We may terminate your Development Agreement after providing notice and a 30-day cure period (unless a different cure period is specified below) if you fail to meet your development obligations under the Development Schedule for any single Development Period
h. "Cause" defined – defaults which cannot be cured	Section 6	We may terminate your Development Agreement automatically upon written notice if: you cease to actively engage in development activities in the Development Area or otherwise abandon your development business; you become insolvent or are adjudicated bankrupt, or make an assignment for the benefit of creditors; or any Franchise Agreement that is entered into in order to fulfill your development obligations is terminated.

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Provision	Section in Development Agreement	Summary
i. Area Developer's obligations on termination/non-renewal	Section 6	If the Development Agreement is terminated prior to its natural expiration for any reason, the geographic scope of the post-term non-compete described in Section 14(B)(2)(a)(iii) of the Franchise Agreement shall also include the following areas: (a) the Development Area, and (b) a 10-mile radius around the perimeter of the Development Area.
j. Assignment of contract by franchisor	Section 8	We have the absolute right to transfer or assign the Development Agreement and all or any part of its rights, duties or obligations to any person or legal entity without your consent.
k. "Transfer" by Area Developer – defined	Section 8	A transfer includes voluntarily, involuntarily, directly or indirectly, assigning, selling, conveying, pledging, sub-franchising or otherwise transferring any of the rights created by the Development Agreement or any ownership interest in you.
l. Franchisor approval of transfer by Area Developer	Section 8	We must approve all transfers in our sole discretion.
m. Conditions for franchisor approval of transfer	Not Applicable	Not Applicable.
n. Franchisor's right of first refusal to acquire Area Developer's business	Not Applicable	Not Applicable.
o. Franchisor's option to purchase Area Developer's business	Not Applicable	Not Applicable.
p. Death or disability of Area Developer	Not Applicable	Not Applicable.
q. Non-competition covenants during the term of the Development Agreement	Not Applicable	Not Applicable.
r. Non-competition covenants after the Development Agreement is terminated or expires	Section 6	If the Development Agreement is terminated prior to its natural expiration for any reason, the geographic scope of the post-term non-compete described in Section 14(B)(2)(a)(iii) of the Franchise Agreement shall also include the following areas: (a) the Development Area, and (b) a 10-mile radius around the perimeter of the Development Area.
s. Modification of the Development Agreement	Section 27	Your Development Agreement may not be modified except by a writing signed by both parties.
t. Integration/merger clause	Section 27	Only the terms of the Development Agreement (and ancillary agreements) and this Franchise Disclosure Document are binding (subject to state law). Any representations or promises outside of the Franchise Disclosure Document and the Development Agreement may not be enforceable. Nothing in the Development Agreement or any related agreement is intended to disclaim the representations made in this Franchise Disclosure Document.

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Provision	Section in Development Agreement	Summary
u. Dispute resolution by arbitration	Sections 12 and 13	You must first submit all disputes and controversies arising under the Development Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Development Agreement must be submitted to non-binding mediation, which will take place at Franchisor's headquarters in Virginia or other nearby location that Franchisor agrees to in a separate writing. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation. (subject to state law)
v. Choice of forum	Section 15	Except for our right to seek injunctive relief in any court of competent jurisdiction, all claims and causes of action arising out of the Development Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is closest to Sterling, Virginia or, if appropriate, the USDC for the Western District of Virginia. (subject to state law)
w. Choice of law	Section 11	The Development Agreement is governed by the laws of the Commonwealth of Virginia, without reference to the state's conflict of laws principles. (subject to state law)

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise, but we reserve the right to use one in the future.

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.

BACKGROUND

In this Item, we disclose the historical financial performance achieved by our one (1) Affiliate Business that: (i) primarily operates in a geographical area (the "Primary Service Area") containing a population that would equate to between three (3) and four (4) typical Designated Territories, as detailed more fully in Item

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12 of this Disclosure Document, within the Commonwealth of Virginia; and (ii) services a handful of Clients outside that Primary Service Area.

Specifically, the Chart below discloses and details the Net Billings generated, as well as the costs incurred in connection with (a) labor/personnel, (b) insurance, and (c) certain estimated fees and recurring amounts that a System franchisee will be required to pay under our current Franchise Agreement, by the Affiliate Business over the following measurement periods: (i) the 2023 calendar year; (ii) the six (6) month period commencing January 1, 2024 and ending June 30, 2024; and (iii) the subsequent six (6) month period commencing in July 2024 and ending December 31, 2024 (each, a "Measurement Period").

Important Note: We have provided a breakdown of the Net Billings and other historical performance over the first and second six (6) month periods comprising the 2024 calendar year in order to provide prospective franchisees with a clear picture of the Affiliate Business's performance both prior to and after the Affiliate Business commenced its transition from the mark BECKY'S HEALTHCARE (with butterfly design) and the Proprietary Mark BUTTERFLY HOME CARE (with same butterfly design) in July 2024.

The information in the Chart on the following page is actual, historical and was reported to us by the affiliate owner. We have not independently audited this information. Written substantiation of this data will be provided at your written request.

Only our Affiliate Business has billed and generated the performance figures set forth in this Chart. There is no assurance your Franchised Business or any other System Business will perform at the same level.

	2023 Calendar Year	**6-Month Period Ending 6/30/2024**	**Subsequent 6-Month Period Ending 12/31/2024**	**2024 Calendar Year**
Net Billings[1]	**$5,507,116.21**	**$2,498,760.76**	**$2,946,972.08**	**$5,445,732.84**
Certain Operating Costs and Expenses				
Labor/Personnel Compensation and Related Costs[2]	$3,739,863.87	$1,915,350.07	$1,899,615.50	$3,814,965.57
Insurance-Related Costs[3]	$55,072.86	$4,848.79	$10,679.34	$15,528.13
Rent[4]	N/A	N/A	N/A	N/A
Estimated Fees and Amounts Payable (Under Current Form of Franchise Agreement)[5]				
Estimated Royalty Fees[4(a)]	$330,426.97	$149,925.61	$176,818.32	$326,743.93
Estimated Fund Contribution(s)[4(b)]	$55,071.16	$24,987.61	$29,469.72	$54,457.33
Estimated Technology Fees[4(c)]	$3,600	$1,800	$1,800	$3,600.00
Estimated LMR[(d)]	$55,071.16	$24,987.61	$29,469.72	$54,457.33
Net Billings Less Labor/Personnel Costs, Insurance-Related Costs and Estimated Fees Above[5,6]	**$1,268,010**	**$799,119**	**$1,175,981**	**$1,975,100**

Explanatory Notes to Item 19 Chart Above

1. **Net Billings.** The term "Net Billings" includes all revenue generated and collected by the provision of Approved Services and any Approved Products via the Affiliate Business operations over the applicable Measurement Period at issue, including all payments received (a) directly from clients

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(private payments), and (b) payments received from third-party insurance companies on behalf of such clientele. This figure does not include or account for any Sales Tax that was received by the Affiliate Business and remitted to the appropriate taxing authority.

Please note that Net Billings are typically collected and/or remitted to a System Business, including the Affiliate Business, in the one (1) to two (2) months after the Approved Services are billed to the Client (or insurance/Medicaid provider).

2. **Labor/Personnel Compensation.** The term "Labor/Personnel Compensation" includes all wages, compensation and other costs that the owner of the Affiliate Business incurred over the applicable Measurement Period in connection with its employees and other day-to-day personnel, along with costs incurred in connection with (a) employee retirement plans and certain other benefits, (b) payroll taxes, and (c) payroll processing fees and costs.

3. **Insurance-Related Costs.** The term "Insurance-Related Costs" includes and accounts for all costs and amounts that the owner of the Affiliate Business incurred over the applicable Measurement Period in connection with insurance coverage.

   Please note that the 2023 figure reported for insurance covers worker's compensation insurance, while the 2024 figures cover and account for such insurance as part of the Labor-related costs and expenditures in the Chart above.

4. **Rent.** The owner of the Affiliate Business is affiliated with the owner of the commercial real estate property and Premises of this System Business. As such, we did not believe there was a reasonable or sufficient basis to request or disclose any kind of formal lease-related payments in this Item 19 as they are not comparable or consistent with the kinds of costs that a new System franchisee will incur in connection with leasing a third-party Premises that meets our current System standards and specifications. With that said, we strongly encourage all prospective franchisees to consider the real estate leases and rental prices within the market wherein you contemplate acquiring franchise rights from us, which can vary substantially from region to region. You rent will be one of the primary and "hard" operating costs that you will incur each month, regardless of the performance of your Franchised Business. As such, it should be one (1) of the primary market-specific inquiries you make as part of your due diligence into this franchise offering – and before you enter into any kind of franchise agreement with us.

5. **Estimated Fees.** The fees detailed in the Chart under this heading were not actually incurred in connection with the Affiliate Business's operations over either Measurement Period above. Instead, these are the amounts that we are required to (i) estimate and account for in the Chart above under the Federal Trade Commission Franchise Rule, and (ii) calculate based on the amounts that the Affiliate Business would have been required to remit to Franchisor – or, in the case of the LMR, the Approved Supplier(s) we designate in the Manuals – over each Measurement Period as detailed more fully below.

   (a) *Estimated Royalty Fees.* The Royalty Fee figures in the Chart above amount to six percent (6%) of the Net Billings figure reported by our Affiliate Business for each Measurement Period, consistent with Section 5(A)(2) of our current Franchise Agreement;

   (b) *Estimated Fund Contributions.* The Fund Contribution figures in the Chart above were calculated as and amount to the Fund Contribution we expect and intend to start collecting from new System franchisees at some point in the 2025 calendar year (currently, 1% of Net Billings), consistent

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with Item 6 of this Disclosure Document and Section 5(A)(3) of our current Franchise Agreement;

(c) *Estimated Technology Fees.* The Technology Fee figures are calculated by multiplying (i) our current Technology Fee of $300/month, times (ii) the number of months comprising the Measurement Period at issue in the Chart above – these are the amounts we will expect our System franchisees to initially pay under the Franchise Agreement, subject to our right to modify the fee in the future as detailed more fully in Item 6 of this Disclosure Document. Please note that this figure does not include the licensing or other recurring fees associated with your Required Software or merchant processing, which are disclosed more fully in Item 6 of this Disclosure Document, that are currently paid to third-party providers;

(d) *Estimated LMR.* The LMR figures disclosed in the Chart above are calculated as, and amount to, one percent (1%) of the Net Billings reported as collected by the Affiliate Business during the Measurement Period at issue, which is (a) consistent with Item 6 and Section 9 of our current Franchise Agreement, and (b) substantially higher than the minimum LMR amounting to $1,000/month.

6. **Net Billings Less Labor/Personnel Compensation, Insurance-Related Costs and Estimated Fees.** This term means the Net Billings generated by the Affiliate Business, less the reported amounts that the Affiliate Business incurred (or would have incurred) in connection with the labor, insurance and Estimated Fees specifically identified above, over each Measurement Period.

Except as specifically disclosed above and explained in these Explanatory Notes, the Chart above and this Item do not disclose or account for any other operating costs or expenses that the Affiliate Business incurred over each Measurement Period.

General Notes Regarding this Item 19

1. Affiliate Business Operational Characteristics.

- As previously disclosed in the Background portion of this Item, the Affiliate Business is a mature business that has expanded to viably service the Primary Service Area, which is the size of approximately 3.5 to 4 Designated Territories that we expect to grant in connection with the operation of a new, single Franchised Business operations.

- In order to service this larger geographical area and generate the level of Net Billings described in the Chart above, the Affiliate Location must employ or otherwise engage more personnel, for both back-office and Authorized Caregivers to perform the Approved Services, than that which we expect a new System franchisee will be required to employ during their initial ramp-up period and beyond in connection with the operation of a single Franchised Business (in a single Designated Territory).

- Aside from the (a) maturity of operations and goodwill/reputation that Affiliate Location in certain of the Proprietary Marks within the Primary Service Area (and surrounding region) over the years, and (b) points made above in this Item, there are no characteristics of the Affiliate Business operations that materially differs from the System standards and specifications we expect to impose and/or afford access to as part our current System.

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2. **No Other Operating Costs or Expenses Disclosed.** Again, it is important to note that aside from the operating costs and expenses associated specifically disclosed in the Chart above in connection with the operations of the Affiliate Business over each Measurement Period, this Item does not account for any of the actual operating costs and expenses associated with such operations.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our President, Becky Wang, c/o Butterfly Home Care, LLC, 22375 Broderick Dr, Sterling, Virginia 20166 or (703) 278-2898, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2022 - 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned*	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	**2022**	**1**	**1**	**0**
	2023	**1**	**1**	**0**
	2024	**1**	**1**	**0**

**Operated by our affiliate that transitioned to operations under the Proprietary Mark BUTTERFLY HOME CARE in July 2024.*

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 - 2024

State	Year	Number of Transfers
Totals	**2022**	**0**
	2023	**0**
	2024	**0**

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Table No. 3
Status of Franchise Outlets
For Years 2022 - 2024

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Total	**2022**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table No. 4
Status of Company-Owned Outlets
For Years 2022 – 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Virginia	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Total Outlets*	**2022**	**1**	**0**	**0**	**0**	**0**	**1**
	2023	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**1**

**See prior note to Table No. 1 above. This is the Affiliate Business disclosed and discussed more fully in Items 1 and 19 of this Disclosure Document. As disclosed in Item 19, the Affiliate Business operates within a geographical area that comprises between three (3) and four (4) Designated Territories that are granted in connection with a new, single Franchised Business operation.*

Table No. 5
Projected Openings as of the Issue Date

State	**Franchise Agreement for Unit Not Yet Open as of 12/31/2024**	**Projected New Franchised Outlets in the Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
Total	**0**	**0**	**0**

A list of the names of all of our current System franchisees, along with the contact information of their respective Franchised Business(es) that were open and operating as of our most recent fiscal year end, will be set forth in Exhibit F to this Franchise Disclosure Document.

The name, city, state and current contact information (to the extent known) of any System franchisee who had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable franchise agreement during the most recently completed fiscal year, or who

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has not communicated with us within 10 weeks of the original issuance date of this Franchise Disclosure Document, will be listed on Exhibit F to this Franchise Disclosure Document when applicable.

As we just commenced offering franchises as of the Issue Date, we do not have any franchisees to list in Exhibit F at this time.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) fiscal years, no franchisees have signed confidentiality provisions that would restrict their ability to speak openly about their experience with the System.

As of the Issue Date, there are no trademark-specific organizations formed by our franchisees that are associated with the System.

ITEM 21
FINANCIAL STATEMENTS

Our audited opening day balance sheet as of January 14, 2025, is attached as Exhibit D. Our fiscal year end is December 31st. We have not been franchising for three (3) years and, as such, we are not in position to disclose prior financial statements that would otherwise be required under applicable franchise laws.

ITEM 22
CONTRACTS

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

Exhibit B	Franchise Agreement (and Exhibits)
Exhibit C	Development Agreement (and Exhibits)
Exhibit E	State-Specific Addenda and Agreement Riders (if applicable)
Exhibit H	Sample Form of Release Agreement

ITEM 23
RECEIPTS

The last pages of this Franchise Disclosure Document, Exhibit J, are a detachable document, in duplicate. Please detach, sign, date and return one (1) copy of the Receipt to us (at the address set forth and disclosed on each Receipt page), acknowledging you received this Franchise Disclosure Document. Please keep the second copy for your records.

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2025 Franchise Disclosure Document

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

State Administrator and Agent for Service of Process:

Commissioner
Department of Financial Protection and Innovation
320 W. 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
(866) 275-2677

HAWAII

Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Agent for Service of Process:

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

ILLINOIS

Illinois Attorney General
Chief, Franchise Division
500 S. Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA

Secretary of State
Securities Division
Room E-018
302 W. Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND

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

Agent for Service of Process:

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

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48913
(517) 373-7117

MINNESOTA

Department of Commerce
Commissioner of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101-3165
(651) 539-1600

NEW YORK

Administrator:

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

Agent for Service of Process:

Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA

North Dakota Securities Department
State Capitol, Fifth Floor, Dept. 414
600 E. Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-4712

RHODE ISLAND

Department of Business Regulation
1511 Pontiac Avenue, Bldg. 68-2
Cranston, RI 02920
(401) 462-9527

SOUTH DAKOTA

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

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Agent for Service of Process:

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

WASHINGTON

State Administrator:

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507
(360) 902-8760

Agent for Service for Process:

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

WISCONSIN

Department of Financial Institutions
Division of Securities
201 W. Washington Avenue
Madison, WI 53703
(608) 266-3364

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EXHIBIT B

FRANCHISE AGREEMENT

BUTTERFLY HOME CARE, LLC

FRANCHISE AGREEMENT

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Exhibit A: Data Sheet
Exhibit B: Form of Personal Guaranty
Exhibit C: Form of Collateral Assignment of Lease
Exhibit D: EFT Withdrawal Authorization Form
Exhibit E: Form of Confidentiality and Non-Competition Agreement (for use by Franchisee for Management Personnel of the Franchised Business and Officers/Directors of the Franchisee)
Exhibit F: Conditional Assignment of Telephone/Facsimile Numbers and Domain Names

BUTTERFLY HOME CARE, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into as of _____, by and between: (i) Butterfly Home Care, LLC, a Virginia limited liability company with its principal place of business at 22375 Broderick Dr., Suite 250, Sterling, Virginia 20166 (the "Franchisor"); and (ii) [INSERT DEVELOPER NAME(S), [a/an] [individual(s)/limited liability company/corporation] with a business address at [INSERT ADDRESS] (the "Franchisee").

RECITATIONS

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and consideration, have developed a system of operations (collectively, the "System") for the establishment and operation of a business (each, an "Agency") that offers and provides (i) in-home personal care and companion services and, to the extent permitted by applicable law, other in-home care services that Franchisor designates or authorizes (collectively, the "Approved Services"), and (ii) certain branded products that Franchisor may now or in the future develop for retail sale (the "Approved Products"), to third-party clientele in and their respective homes or other residences (each, a "Client") and by personnel that has the appropriate and required licensing, credential and/or criteria to perform the services at issue.

B. Each Agency is licensed to operate utilizing: (i) the proprietary marks Franchisor designates from time to time, including its current primary mark BUTTERFLY HOME CARE® (the "Proprietary Marks"); and (ii) the system of operations Franchisor and its principals have developed for the establishment and ongoing operation of such a retail business (the "System").

C. Franchisor's System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: training and ongoing instruction regarding the methods, processes, procedures, standards and specifications associated with the offer, sale and/or provision of the Approved Services that Franchisor authorizes or approves for offer/sale/provision at the Agency; proprietary methodology and procedures for the establishment and operation of an Agency; site selection guidance and criteria; established relationships with approved or designated suppliers for certain products and services that must or may be purchased in connection with the Agency (each, an "Approved Supplier"); and standards and specifications for sales techniques, merchandising, marketing, advertising, inventory management systems, bookkeeping, sales and other aspects of operating an Agency. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Franchisee hereby acknowledges and agrees that: (i) while the System and Franchisor's related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information which makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals that are proprietary and confidential.

D. The System and Agencies are identified by the Proprietary Marks that Franchisor designates, including without limitation, any trade dress, trade names, trademarks, service marks and trade dress, and all of which Franchisor may modify, update, supplement or substitute in the future.

E. Franchisor is in the business of granting qualified individuals and entities a franchise for the right to independently own and operate a single Agency utilizing the Proprietary Marks and System at a location that Franchisor approves in writing.

F. Franchisee recognizes the benefits derived from being identified with Franchisor, appreciates and acknowledges the distinctive and valuable significance to the public of the System and the Proprietary Marks, and understands and acknowledges the importance of Franchisor's high and uniform standards of quality, appearance, and service to the value of the System.

G. Franchisee desires to acquire a franchise for the right to operate a single franchised Agency (the "Franchised Business") from a premises that Franchisor approves at or after the date this Agreement is executed (the "Premises").

H. Franchisee has submitted certain financial and other information as part of an application package to acquire such a franchise from Franchisor, including various representations and warranties with regards to the net worth, other financials, business experience and available bandwidth to devote to the Franchised Business operations.

I. Franchisor is willing to grant Franchisee the right to operate a Franchised Business based on the representations contained in the franchise application and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. FRANCHISEE ACKNOWLEDGEMENTS AND REPRESENTATIONS. Franchisee, on behalf of itself and its principals, acknowledges, understands and, if applicable represents, the following prior to entering into this Agreement:

A. The business venture contemplated by this Agreement involves business risks, and Franchisee's success will be materially dependent upon Franchisee's ability as an independent businessperson. Franchisee understands and agrees that the industry associated with the Approved Services is fragmented and Franchisee will face competition from a variety of providers.

B. Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

C. Franchisee has consulted with Franchisee's own advisors with respect to the legal, financial, and other aspects of this Agreement, the business franchised hereby, and the prospects for such business. Franchisee either has consulted with such advisors or has deliberately declined to do so.

D. Franchisee has had the opportunity and adequate time to independently investigate, analyze, and construe both the franchise being offered hereunder and the terms and provisions of this Agreement utilizing the services of legal counsel, accountants, and other advisors, as Franchisee and its principals determined appropriate.

E. Any and all applications, financial statements, and representations submitted to Franchisor by Franchisee, whether oral or in writing, were complete and accurate when submitted and are complete and accurate as of the date of execution of this Agreement, subject to any amended/updated submissions prior to executing this Agreement.

F. Franchisee states that he/she is not presently involved in any business activity that could be considered competitive in nature or that would otherwise result in Franchisee or its ownership breaching any third-party agreement, except as memorialized in a written writing and, if applicable form of addendum to this Agreement prior to execution.

G. Franchisee agrees not to contest, directly or indirectly, Franchisor's ownership, title, right, or interest in its names or Proprietary Marks, trade secrets, methods, procedures, know-how, or advertising techniques which are part of Franchisor's business, or contest Franchisor's sole right to register, use, or license others to use such names or Proprietary Marks, along with such trade secrets, methods, procedures, or techniques associated with the System licensed hereunder, as conveyed via the Manual(s), training materials or otherwise.

H. Franchisee represents and warrants that Franchisee is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by Franchisee of the obligations under this Agreement and that Franchisee is not a party, and has not within the last ten (10) years been a party, to any litigation, bankruptcy, or legal proceedings other than those heretofore disclosed to Franchisor in writing.

J. Franchisee agrees and acknowledges that it is solely responsible for ensuring that: (i) it acquires and maintains all business licenses, permits and approvals, including those that are specifically required to offer, sell and provide the Approved Services at and from the Premises (defined below) and within the Designated Territory (defined below); and (ii) the Franchised Business is otherwise operated in full compliance with all federal, state and local laws and regulations where the Franchisee is located and that only Agency personnel that has attended appropriate training prior to undertaking operations at the Franchised Business.

K. Franchisee agrees and acknowledges that: (i) Franchisor may enter into franchise agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, including without limitation, franchise agreements for the operation of a franchised Agency; and (ii) the existence of different forms of agreement and the fact that Franchisor and other franchisees may have different rights and obligations does not affect the parties' duty to comply with the terms of this Agreement.

2. GRANT OF FRANCHISE

A. **Franchise Award**. Franchisor hereby grants Franchisee the right and license to use the Proprietary Marks and receive the other benefits of the System in connection with the establishment and operation of a single Franchised Business, subject to and in accordance with the terms and conditions set forth in this Agreement.

B. **Approved Premises; Site Selection Area**. The Franchised Business must be operated from a single location that Franchisor reviews and approves (the "Premises"). If the parties have not agreed on a Premises as of the date this Agreement is executed, Franchisor will designate a site selection area (the "Site Selection Area") in Section 1 of the "Data Sheet" attached to this Agreement as Exhibit A (the "Data Sheet") wherein Franchisee must locate and secure the Premises as detailed more fully in Section 6(A) of this Agreement.

1. Subject to Section 2(B)(2) below, Franchisee acknowledges and agrees that: (i) it does not have any territorial rights within the Site Selection Area; (ii) Franchisor may permit other new franchisees to search for the location of their franchised Agency within the same Site Selection Area that is assigned to Franchisee under this Agreement if Franchisor determines in its discretion that the Site Selection Area is large enough to contain additional franchises; and (iii) potential locations for each franchised Agency, and resulting Designated Territories (as defined below), within the Site Selection Area will be reviewed and rejected/granted on a first-to-propose basis.

2. In the event this Agreement is being executed to fulfill development obligations under an area development agreement with Franchisor (each, an "ADA"), then the parties agree and acknowledge that: (i) Franchisee's Site Selection Area will be the Development Area awarded under that ADA; and (ii) Franchisee will have the territorial rights within that Development Area as set forth in, and subject to, the terms of that ADA.

C. **Relocation with Franchisor Approval**. Once the Franchisor approves the Premises of the Franchised Business, the location will be set forth in the Data Sheet. Franchisee may not conduct any business activities from the Premises other than the Franchised Business. Franchisee may not relocate the Franchised Business to any location other than the Premises without Franchisor's prior written consent and, at Franchisor's request, payment of Franchisor's then-current relocation fee as set forth in the Manual(s) or otherwise in writing as of the date Franchisee wishes to submit such a request to Franchisor.

D. **Designated Territory**. Upon securing a Premises and subject to Section 2(F) of this Agreement, Franchisor will designate a geographical area surrounding the Premises wherein Franchisor agrees that it will not open or locate, or license any other third party the right to open or locate, another Agency utilizing the System and Proprietary Marks (the "Designated Territory"). The boundaries of the Designated Territory, once determined by Franchisor, will be described in the Data Sheet. Franchisee acknowledges that it does not have any other territorial rights within the Designated Territory. Franchisee may not solicit or conduct any targeted advertising to prospective customers outside of the Designated Territory, unless (a) these prospective customers do not reside within the territory granted to another franchisee or other Agency location, and (b) Franchisee obtains Franchisor's prior written consent.

E. **Rights Not Granted**. Franchisee acknowledges and agrees that this Agreement does not afford Franchisee any rights or options to open any additional franchises and that Franchisee does not have any right to sub-license or sub-franchise any of the rights granted hereunder. Franchisee may not use the Proprietary Marks or System for any purpose other than promoting and operating the Franchised Business at the Premises and within the Designated Territory. Franchisor will have sole discretion as to whether it decides to grant Franchisee the right to open any additional Agencies, each of which will be governed by a separate form of Franchisor's then-current franchise agreement.

F. **Reservation of Rights**. Notwithstanding anything contained in this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) establish and operate, and license any third party the right to establish and operate, other Agencies using the Marks and System at any location outside of the Designated Territory(ies) and/or, if applicable,

Development Area; (ii) market, offer and sell products and services that are similar to the Approved Products and Approved Services offered by the Franchised Business under mark(s) other than the Proprietary Marks at any location; (iii) use the Marks and System, other such marks Franchisor designates, to distribute certain branded Approved Products and/or Approved Services that can be provided remotely via electronic means and/or other alternative channels of distribution that do not involve entering the Client's residence; (iv) to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system with any business, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Designated Territory(ies) and, if appropriate, Development Area, provided that in such situations the newly acquired businesses may not operate under the Marks in the Designated Territory(ies) and, if appropriate, Development Area; and (v) to use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in the Franchise Agreement. Franchisor also reserves the exclusive right to control, contract with and facilitate the provision of Approved Services to certain "Reserved Accounts," defined as any Client that resides or requires care in more than one (1) Designated Territory or region.

G. **Modification of System**. Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply with any change that Franchisor makes to the System. Any change or modification that Franchisor makes to the System will not materially alter Franchisee's fundamental rights under this Agreement. Moreover, Franchisor will provide Franchisee with a reasonable amount of time to comply with any change or modification to the System once Franchisee has been notified of such change/modification in writing (via the Operations Manual or otherwise).

3. TERM AND RENEWAL

A. **Term**. Unless previously terminated pursuant to this Agreement, the term of this Agreement shall be for a period of 10 years ("Initial Term") commencing as of the Effective Date.

B. **Renewal**. Franchisee may submit a request to renew this Agreement for up to two (2) additional, consecutive terms of ten (10) years, and must provide each request to renew no less than six (6) months and no more than 12 months prior to the end of the then-current term. Failure to provide such notice to Franchisor will be deemed an indication that Franchisee does not wish to renew the franchise relationship. Franchisor shall not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:

1. Franchisee must not have: (i) any uncured material defaults under this Agreement (including any monetary defaults) or any other agreement between Franchisee and Franchisor or the landlord of the Premises, either at time of Franchisee's renewal request or at the time of renewal; and (ii) received more than three (3) separate, written notices of material default from Franchisor with respect to this Agreement in the 12-month period preceding the renewal request date or renewal date.

2. Franchisee must execute Franchisor's then-current form of franchise agreement, which may contain materially different terms and conditions from those contained in this Agreement, within 30 days of the date Franchisee is provided with Franchisor's then-current form of franchise agreement.

3. Franchisee pays Franchisor a renewal fee amounting to $5,000 at least 90 days prior to the expiration of the then-current term. Franchisee will not be required to pay an additional Initial Franchisee Fee (as defined in Section 4) upon renewal.

4. Franchisee and/or the Designated Manager (as defined in this Agreement and as applicable) attends a prescribed training refresher course at least 30 days before the expiration of the then-current term of this Agreement. Franchisee will also be responsible for all expenses incurred in connection with attending this refresher training.

5. Franchisee executes a general release under seal, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor and its officers, directors, shareholders, and employees in their corporate and individual capacities, including without limitation, all claims arising under any federal, state, or local law, rule, or ordinance.

6. Franchisee must have participated in and supported and required and properly noticed training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by Franchisor to the satisfaction of Franchisor.

7. Franchisee or transferee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Premises and Agency within the time frame required by Franchisor, including the design, equipment, signs, interior and exterior décor items, displays, inventory assortment and depth, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly-opened franchised Agency.

4. FEES AND PAYMENTS

A. **Initial Franchise Fee and Primary Recurring Fees**. In consideration of the rights and license granted herein, Franchisee shall pay the following amounts:

1. *Initial Franchise Fee*. Upon execution of this Agreement, Franchisee must pay Franchisor an initial franchise fee of $58,000 (the "Initial Franchise Fee"), which shall be deemed fully earned and non-refundable under any circumstances upon payment.

2. *Royalty Fee.* On or before the fifth (5^{th}) day of each calendar month (or other day Franchisor designates) of each week the Franchised Business is open and operating (and/or required to be open and operating under this Agreement), Franchisee must pay Franchisor an ongoing royalty fee amounting to six percent (6%) the Net Billings (as defined in Section 4(D)) generated by the Franchised Business over the preceding calendar month of operations.

3. *Fund Contribution.* At the same time and in the same manner the Franchisee is required to pay the Royalty Fee, Franchisee will be required to contribute to a brand development fund (the "Fund") that Franchisor determines to establish consistent with the terms of Section 9(E) of this Agreement in an amount equal to up to three percent (3%) of the Net Billings generated by the Franchised Business during the preceding calendar month (the "Fund Contribution). Franchisor may establish, impose and/or modify the Fund Contribution at any time upon at least 60 days' prior written notice via the Manuals or otherwise.

4. *Technology Fee.* Franchisee reserves the right to charge Franchisee its then-current technology fee (the "Technology Fee") as consideration for the technology services and components that Franchisor determines to associate with its then-current System and/or otherwise provide as part of the System. Franchisor may establish, impose and/or and subsequently modify the Technology Fee upon 60 days' written notice to Franchisee.

5. *Approved Supplier Payments.* As set forth more fully herein, Franchisee agrees and acknowledges that: (i) Franchisee may and must only purchase certain products or services that Franchisor designates for use in connection with the Franchised Business (collectively, the "Required Items") from suppliers, providers and sources that Franchisor designates in the Manuals or otherwise in writing (each, an "Approved Supplier"); (ii) Franchisee must timely pay all Approved Suppliers, which may include Franchisor or its affiliates, for such Required Items and all other purchases (inventory, marketing, furniture, fixtures, equipment, suppliers, etc.) that Franchisor designates in writing; and (iii) amongst these Approved Suppliers will be the designated source for (a) the initial computer hardware and software components that must be purchased and installed at the Premises prior to opening and otherwise during the term hereof (the "Computer System") and (b) the client billing, customer record management and other initial and ongoing software that Franchisor requires for use in connection with the Agency operations (collectively, the "Required Software").

6. *Training Fees; Convention Contribution; Marketing/Advertising Requirements; Other Amounts Due in Connection with Franchised Business.* Franchisee agrees that it has various other initial and ongoing investment and/or payment obligations hereunder or otherwise related to the active operation of the Franchised Business and to pay such amounts as and when they are invoiced or otherwise become due.

B. **Method of Payment**. Franchisee shall pay all fees and other amounts due to Franchisor and/or its affiliates under this Agreement through an electronic funds transfer program (the "EFT Program"), under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with EFT Program (the "EFT Account"). Franchisee shall immediately deposit all revenues from the operation of the Franchised Business into this bank account immediately upon receipt, including cash, checks, and credit card receipts. At least ten (10) days prior to opening the Franchised Business, Franchisee shall provide Franchisor with: (i) Franchisee's bank name, address and account number; and (ii) a voided check from such bank account. Contemporaneous with the execution of this Agreement, Franchisee shall sign and provide to Franchisor and Franchisee's bank, all documents,

including Franchisor's form of EFT Authorization Form attached as Exhibit D to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer. Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account.

C. **Access to Computer System**. Franchisor may, without notice to Franchisee, have the right to independently and remotely access and view Franchisee's computer system used in connection with the Franchised Business (the "Computer System") via the Internet, other electronic means or by visiting the Agency, in order to obtain Net Billings, tenant occupancy rates and other available information that Franchisor reasonably requests about the Franchised Business. Franchisee hereby consents to Franchisor using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by Franchisor or disclosed to Franchisor in accordance with this Agreement. Franchisee must obtain and use the Computer System hardware, software and other components that Franchisor prescribed for use in connection with the Franchised Business, and utilize and participate in any intranet/extranet that Franchisor establishes in connection with the System. Franchisor may require Franchisee to use a Computer System and/or related software that is administered through Franchisor and that provides Franchisor with automatic access to all data and reports that might be created by such Computer System and/or software.

D. **Net Billings**. For purposes of this Agreement, the term "Net Billings" means the aggregate of all revenues and other income from whatever source derived, including any insurance providers with respect to work covered by Medicaid – 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 – that arise or are derived by Franchisee or any other person from business conducted by or originating from the Agency. Net Billings also include all proceeds from any business interruption insurance.

E. **Net Billings Reports; Right to Modify Payment Interval**. On or before the fifth (5^{th}) day of each calendar month, Franchisee must send Franchisor a signed Net Billings report (a "Net Billings Report") detailing the following information: (i) Net Billings of the Franchised Business from the preceding calendar month; (ii) Franchisee's calculated Royalty Fee and Fund Contribution (if appropriate) based on the Net Billings from the preceding calendar month; and (iii) any other information Franchisor may require for that reporting period. Franchisor may, as it deems necessary in its sole discretion, change the form and content of the Net Billings Reports from time to time.

1. The parties agree and acknowledge that Franchisor may require Franchisee to use a Computer System and/or software in connection with the Franchised Business that provides Franchisor with automatic access to Net Billings Reports and any other data/reports generated by such Computer System and/or software, but in no event shall such access by Franchisor affect Franchisee's obligation to provide all reports required under this Franchise Agreement unless Franchisor agrees otherwise in writing.

2. The parties agree and acknowledge that Franchisor may modify the interval at which it collects Franchisee's Royalty Fee, Fund Contribution and other recurring

fees under this Agreement upon written notice (i.e., Franchisor may provide Franchisee with notice that it will be collecting these fees on a weekly rather than monthly basis). In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.

F. **Payment Defaults; Resulting Interest and Potential Fee(s)**.

1. If any payment due under this Agreement is not received by Franchisor by the scheduled date due, Franchisee shall be in default under this Agreement and such default shall be grounds for termination of this Agreement if not timely cured within the time period set forth in Section 15 of this Agreement.

2. If any payment is overdue, Franchisee shall pay interest to the Franchisor, in addition to the overdue amount, at a rate of one and one-half percent (1.5%) per month, beginning from the date of non-payment or underpayment, until paid. Franchisor also reserves the right to charge and collect a $100 late fee for each check given or electronic transfer that Franchisor attempts to effectuate to pay an amount due and owing hereunder if that check of EFT request is dishonored, fails to process, or is returned.

3. The remedies identified in this Section are in addition to any other rights and remedies that Franchisor has hereunder and under applicable law.

G. **Taxes Owed by Franchisee**. No payments to be made to Franchisor by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or by any claim Franchisee may have against Franchisor. All taxes, charges, or assessments shall be paid by Franchisee to the taxing authorities when due, in addition to the amounts due to Franchisor.

H. **Security Interest**. Franchisee hereby grants to Franchisor a security interest in all of Franchisee's interests in the real estate where the franchise is located (if Franchisee purchases its Premises), as well as all improvements to that real estate. Franchisee further grants to Franchisor a security interest in all furniture, furnishings, equipment, fixtures, inventory, and supplies located at or used in connection with the Franchised Business, whether now or hereafter leased or acquired, together with all attachments, accessions, accessories, additions, substitutions, and replacements therefore, as well as all cash and non-cash proceeds derived from insurance, the disposition of any such collateral to secure payment and performance of all debts, liabilities, and obligations of any kind of Franchisee to Franchisor under this Agreement, whenever and however incurred, any promissory note given by Franchisee to Franchisor, or any other agreement between them. Franchisee hereby authorizes Franchisor to file and record all financing statements, financing statement amendments, continuation financing statements, fixture filings, and other documents necessary or desirable to evidence, perfect, and continue the priority of the security interests granted herein. Franchisee agrees and understands that it must promptly execute and deliver any such documents to Franchisor upon request.

1. *No Interest in Leased Premises.* Notwithstanding anything contained in Section 4(H) of the Franchise Agreement to the contrary, Franchisee does not grant Franchisor any security interest in any real property associated with the Franchised Business if such real property is being leased by the Franchisee.

2. *Conditional Agreement to Subordinate Interest to Third-Party Lender*. The parties agree that Franchisor will not execute on any security interest granted to Franchisor under this Section 4(H) of the Franchise Agreement unless Franchisee fails to cure a material default under the Franchise Agreement within the applicable time period for cure after Franchisor has provided Franchisee with proper notice of such default(s).

I. **Inability to Operate Franchised Business**. If Franchisee is unable to operate the Franchised Business due to damage or loss to the Premises caused or created by a casualty, act of God, condemnation, or other condition over which Franchisee has no control, then Franchisor will waive the Royalty Fee due under this Agreement for a period of time that Franchisor reasonably determines is necessary for the Franchised Business to repair the damage/loss to the Premises and resume operations (or relocate the Franchised Business to a different approved location within the Designated Territory), with said waiver period not to exceed ninety (90) days commencing from the date Franchisee gives Franchisor notice of the damage or loss and Franchisor designating such time period in its written response to such Franchisee notice.

5. FRANCHISOR OBLIGATIONS AND CORRESPONDING TERMS

A. **Initial Training Program**. Franchisor shall offer and make available an initial training program (the "Initial Training Program") tuition-free for Franchisee (or its operating principal). Unless Franchisor agrees otherwise in writing, Franchisee (or its Operating Principal) must directly manage and oversee the day-to-day operations of the Franchised Business. If Franchisee determines to hire a non-owner Designated Manager after this initial two-year period, they will be required meet Franchisor's then-current criteria for hiring a third-party Designated Manager, which will include completion of the Initial Training Program and Franchisee's payment of the then-current training tuition.

1. The Initial Training Program will be provided by Franchisor and its training personnel at Franchisor's corporate headquarters or other training facility, which may be the Franchised Business or another System Agency, or through other formats Franchisor designates, which may include remote learning.

2. The Initial Training Program will be provided subject to the schedule and availability of Franchisor's training personnel.

3. Franchisor reserves the right to condition the provision of the Initial Training Program on Franchisee demonstrating that Franchisee has: (i) obtained all required insurance coverages set forth in the Franchise Agreement and Manuals; (ii) undertaken all steps to establish the EFT Account, including providing Franchisor with all authorizations and approvals necessary to access that account; (iii) submitted and obtained Franchisor's approval of the initial marketing plan and proposed budget for the Initial Marketing Spend; (iv) demonstrated that Franchisee has pre-paid all amounts in connection with the Initial Marketing Spend; and (v) provided Franchisor with completed copies of all agreements and contracts that are attached as Exhibits to the Franchise Agreement (collectively, the "Training Pre-Conditions").

4. Franchisor will provide the Initial Training Program to additional owners or personnel of Franchisee or managers of the Franchised Business (subject to the availability of

Franchisor's staff), provided Franchisee pays Franchisor its then-current training fee for each individual that does not attend at the same time as Franchisee prior to the opening of the Franchised Business.

5. Franchisee will be responsible for all costs and expenses associated with: (i) Franchisee and its designated personnel attending and completing the portion(s) of the Initial Training Program that take place at Franchisor's then-current headquarters or other designated training location (including travel, lodging, meals and possible wages); and/or (ii) the out-of-pocket costs and expenses that Franchisor's training personnel expends at the Premises of the franchised Agency.

B. **Replacement Personnel Training**. Franchisor will also provide the Initial Training Program to any replacement personnel or those who attend but fail to complete the program as well, provided Franchisee pays Franchisor's then-current initial training fee (as well as any expenses incurred).

C. **Additional and Refresher Training; Remedial Training**.

1. Franchisor may, as it deems appropriate in its discretion, develop additional and refresher training courses, and require Franchisee and its management to attend such courses. Franchisor will not require Franchisee and its designated attendees to pay its then-current training fee (the "Training Fee") in connection with attending additional/refresher training, unless (a) Franchisee requests such additional/refresher training, and/or (b) such additional/refresher training is provided on-site at the Premises of the Franchised Business. Franchisee will always be responsible for the costs and expenses that it and its trainees incur in connection with attending any additional/refresher training under this Agreement. Franchisor will not require Franchisee and its management to attend more than five (5) days of additional/refresher training each year.

2. If Franchisor determines that Franchisee is operating the Franchised Business in a manner that is not consistent with the terms of this Agreement or the Manuals, or if Franchisee is otherwise in material default of this Agreement, Franchisor may also require that Franchisee, its Designated Manager (if applicable) and/or other management personnel of the Franchised Business attend and complete up to five (5) additional days of training at (a) Franchisor's designated training facility, (b) the Franchised Business, and/or (c) other location Franchisor designates, that is designed to address the default or other non-compliance issue (the "Remedial Training"). Franchisor may always charge its then-current Training Fee for any Remedial Training it provides to Franchisee or Franchisee's personnel, in addition to any and all other remedies that Franchisor has in connection with Franchisee's non-compliance under this Agreement.

3. Franchisor will be solely responsible for all costs and expenses that are incurred in connection with Franchisee and its personnel attending, participating in and completing any training that is required or Franchisee otherwise wishes to receive in connection with the Franchised Business from Franchisor or any of Franchisor's Approved Suppliers.

D. **Manual(s)**. Franchisor will provide Franchisee with access to a digital (or hard) (1) copy of its proprietary and confidential operations manual prior to the opening of the Franchised

Business, as well as any other instructional manuals as Franchisor deems appropriate (collectively, the "Manuals").

1. As part of the Manual(s) or otherwise, Franchisor will provide Franchisee with access to its then-current list of: (i) Required Items, which may include inventory, services, furniture, fixtures, equipment, inventory, supplies and other items that Franchisee is required to purchase or lease in connection with the establishment and ongoing operation of the Franchised Business; (ii) a list of Approved Suppliers from which Franchisee must purchase or lease any Required Items, which may be Franchisor or its affiliates; and (iii) a list of the Approved Products and Services that Franchisee is authorized to offer, sell or provide at and from the Franchised Business. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to opening, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to you.

2. Franchisor may also establish and maintain one (1) or more System-associated website portal that is accessible to System members and Agency owners (each, a "System Site"), wherein Franchisor may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise listed on the System Site.

3. In the event Franchisee or its personnel saves or prints out a hard copy of any Manual, then such electronic/hard versions of said Manual must be immediately returned upon expiration or termination of this Agreement for any reason (and never used for any competitive purpose). The provisions of this Section shall survive the term of this Agreement.

E. **Site Selection Assistance**. Franchisor will provide Franchisee with site selection assistance and guidance with regards to Franchisee's selection of a Premises for the Franchised Business, including Franchisor's then-current site selection criteria, as it deems appropriate in its sole discretion. Franchisor will review and approve of any location the Franchisee proposes for the Franchised Business. Franchisor must approve of Franchisee's proposed location, and also has the right to review the lease for the Premises (the "Lease") or purchase agreement for the location, prior to Franchisee entering into any such agreement for that location to serve as the Premises of the Franchised Business. Franchisor may condition its approval of any proposed Premises on the landlord's execution of Franchisor's form of Consent and Agreement of Landlord attached to this Agreement at Exhibit C. Franchisor will use reasonable efforts to review and approve of any proposed Premises location and corresponding Lease within 30 days of receiving all reasonably requested information from Franchisee. Franchisor reserves the right to require Franchisee to use one (1) or more of its approved suppliers for site selection and other assistance related to securing an approved Premises. Franchisor will not be responsible for the negotiation or approval of any lease or other occupancy agreement for the Premises, and Franchisor's approval of a given site as the Premises of the Franchised Business shall not and may not be construed to constitute any kind of guarantee, representation or other statement as to the success of the Franchised Business at that location/site.

F. **Initial Marketing Spend Assistance; Ongoing Review of Marketing, Advertising and Promotional Materials**.

1. Franchisor may assist Franchisee, as it deems appropriate in its discretion, in developing and conducting the Initial Marketing Spend (as defined and described more fully in Section 9 of this Agreement), which program shall be conducted at Franchisee's expense.

2. Franchisor will review and approve/reject any advertising or marketing materials proposed by Franchisee in connection with the Franchised Business as described more fully in Section 9 of this Agreement.

G. **Continuing Assistance**. Franchisor may, as it deems appropriate and advisable in its sole discretion, provide continuing advisory assistance in the operation of the Franchised Business (after the Initial On-Site Training has been provided). Franchisor's determination not to provide any particular service, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement. Franchisor may provide such assistance via telephone, fax, intranet communication, Skype or any other communication channel Franchisor deems appropriate, subject to the availability and schedules of Franchisor's personnel. In the event Franchisee requests that Franchisor provide any type of assistance or training on-site at the Franchised Business, then Franchisee may be required to pay Franchisor's then-current training tuition fee in connection with such training (in addition to reimbursing Franchisor for any costs/expenses that Franchisor's personnel incurs in connection with providing such assistance).

H. **Website**. For so long as Franchisor has an active website containing content designed to promote the Franchisor's brand, System and Proprietary Marks (collectively, the "Website"), Franchisor will list the contact information of the Franchised Business on this Website, provided Franchisee is not in material default under this Agreement. Franchisor may also provide Franchisee with one or more email address(es), as it deems appropriate in its discretion, which Franchisee must use only in connection with the Franchised Business.

I. **Private Label Products**. Franchisor may directly, or indirectly through Franchisor's affiliates or designated vendors, develop and provide Franchisee with private label products or other merchandise bearing the Proprietary Marks to be sold at the Franchised Business. Franchisee may be required to purchase these items from Franchisor or any other Approved Supplier Franchisor designates.

J. **Inspections of the Franchised Business and Premises**. Franchisor will, as it deems appropriate in its sole discretion, conduct inspections and/or audits of the Franchised Business and Premises to ensure that Franchisee is operating its Franchised Business in compliance with the terms of this Agreement, the Manuals and the System standards and specifications. Such inspections may include inspections of the Premises, taking photographs and/or videotape of the Agency's common area, taking samples of any Approved Products for sale at the Agency, interviewing and surveying Franchisee's personnel and customers, inspecting any and all books and records, and conducting mystery Agency services. Franchisee is solely responsible for ensuring the Franchised Business is operated from the Premises in accordance with all applicable laws, and Franchisor reserves the right to require full reimbursement of the costs associated with any "mystery shopper" or other quality assurance assessment tool if that assessment reveals

any kind of non-compliance with the Manual, other System standards and/or the terms of this Agreement.

K. **Administration of Fund**. Franchisor will administer the Fund, as it deems advisable and appropriate in its discretion, , as detailed more fully in Section 9 of this Agreement.

L. **No Assumption of Liability; Delegation of Duties**.

1. Franchisor shall not, by virtue of any approvals or advice provided to the Franchisee under this Agreement, including site selection or other approval provided under this Section 5, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance (including site selection and project oversight) provided by Franchisor or its nominee in relation to the selection or development of the Premises is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Premises, that the development of the Premises is free of error, nor that the Franchised Business is likely to achieve any level of volume, profit or success.

2. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

M. **Important Notice Requirement with Regards to Franchisor's Pre-Opening Obligations.** In the event Franchisee has any reason to believe that Franchisor has failed to provide any pre-opening assistance or other of its pre-opening obligations hereunder, the parties agree and acknowledge that Franchisee shall notify Franchisor in writing of the specific of such default and/or misrepresentation within 90 days from the date the Franchised Business commences operation. Absent such written notice to Franchisor by that date, Franchisee will be deemed to have agreed and acknowledged that Franchisor fully complied with its pre-opening and opening-related obligations hereunder.

N. **Annual Conference and Contribution Fee**. Franchisor may establish and conduct an annual conference for all System Agency owners and operators, and may require Franchisee and its Designated Manager to attend this conference for up to five (5) calendar days each year. Franchisor reserves the right to charge Franchisee its then-current contribution fee in connection with any conference conducted pursuant to this Section, and Franchisee will be solely responsible for all expenses incurred in attending such conferences.

6. DUTIES OF FRANCHISEE

A. **Secure Premises**. Franchisee must secure a Premises within the Designated Territory within: (a) 30 days if Franchisee wishes to operate from a home office that is secured and meets the System standards and specifications, or (b) three (3) months of executing this Agreement if Franchisees wishes to operate from an approved third-party premises, unless Franchisor agrees to an extension of time in writing. If Franchisee is entering into a Lease for the proposed Premises, the form of Lease must be approved by Franchisor and Franchisee must ensure that both Franchisee and the party leasing the Premises to Franchisee under the Lease execute the form of Collateral Assignment of Lease attached

to this Agreement as Exhibit C prior to, or at the same time, the Lease is executed. Franchisee may be required to use Franchisor's designated supplier for site selection and other assistance related to securing a Premises.

B. **Access to Franchisor for Inspection of Premises**. Upon the surrender of the Premises, Franchisee must conduct a physical inventory so that there is an accurate accounting of inventory, fixtures, furniture, supplies and equipment on hand, and shall provide a signed copy of this physical inventory to Franchisor as of the date of surrender of the Premises. Franchisor shall have the right to enter the Premises at its convenience and conduct said physical inventory on its own.

C. **Compliance with Lease**. Franchisee must comply with both the Lease and any additional leasehold covenants and regulations of the building in which the Premises is located. In the event the landlord of the Premises terminates the Lease due to Franchisee's default thereunder, this termination will also constitute a material breach of this Agreement by Franchisee. In the event Franchisor provides appropriate notice as described in Section 6(A) above and assumes control of the Premises and the operation of the former Franchised Business upon the termination or expiration of the Lease, the future operation of that Business by Franchisor shall not be as an agent of Franchisee and Franchisor shall not be required to account to Franchisee as a result thereof.

D. **Build-Out of Premises and Required Opening/Launch Date**.

1. Franchisee shall submit to Franchisor, for Franchisor's approval, detailed plans and specifications, adapting Franchisor's then-current standard plans and specifications to the Premises and to local and state laws, regulations, and ordinances. Once approved by Franchisor, Franchisee shall not materially change or modify such plans and specifications without the prior written consent of Franchisor. Franchisor must provide its prior written consent before Franchisee may open the Franchised Business, and Franchisor reserves the right to inspect the construction and/or build-out of the Franchised Business at any reasonable time prior to the opening date. Should Franchisee fail to open the Franchised Business for operation within the prescribed period or, if applicable, within an extension of time approved in writing by Franchisor, this Agreement will be deemed terminated upon written notice from Franchisor to Franchisee, without the necessity of further action or documentation by either party. Franchisee shall use a qualified licensed, general contractor or construction supervisor to oversee construction or modification of the Franchised Business and completion of all improvements.

2. Franchisee shall complete the buildout of the Franchised Business and launch active operations no later than six (6) months from the date this Agreement is executed.

3. If Franchisee fails to open the Franchised Business for operation within the prescribed period (or, if applicable, within any extended period of time Franchisor approves in writing), this Agreement will be deemed terminated upon written notice to Franchisee from Franchisor.

4. The parties further agree and acknowledge that if Franchisee is opening and operating the Franchised Business pursuant to its development obligations under an Area Development Agreement that Franchisee (or its affiliate) has entered into

with Franchisor (an "ADA"), then that ADA will control the timeline for opening and operating the Franchised Business in the event there is an inconsistency between the ADA and this Agreement. Franchisee must open and commence operations of the Franchised Business within the time period prescribed in the development schedule set forth in the ADA (regardless of when Franchisee executes this Agreement).

E. **Required Licenses and Permits**. Prior to opening, Franchisee must obtain and maintain (throughout the term of this Agreement) all required licenses, permits and approvals to establish, open and operate the Franchised Business at the Premises in the Designated Territory.

F. **Provision of Approved Services by Appropriate Personnel Only**. Franchisee must ensure that the Approved Products are only provided by personnel of the Franchised Business that have received and demonstrated completion of the required instruction, training and information and have obtained any required permits or certifications associated with the provision of the Approved Services (and/or any corresponding Approved Products and/or inventory) at issue.

G. **Approved Products and Approved Services**. Franchisee must only offer and sell only the Approved Products and the Approved Services that Franchisor designates in the Manuals or otherwise in writing at the Franchised Business. Franchisee may not offer or provide any other products/services and must not deviate from Franchisor's System standards and specification related to the manner in which the Approved Products and Services are offered and sold, unless Franchisor provides its prior written consent. Franchisor has the right to add additional, delete or otherwise modify certain of the Approved Products and Services from time to time in the Manuals and otherwise in writing, as it deems appropriate in its sole discretion. In the event of a dispute between Franchisee and Franchisor concerning Franchisee's right to carry any particular product or to offer any specific service, Franchisee will immediately remove the disputed products from inventory, remove the disputed service from those services offered at the Premises, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute. Franchisee shall accept as payment for services or products any valid indication of prepayment or credit, no matter where such credit was issued or such prepayment was made. Franchisee shall be compensated for fulfilling prepaid services as specified in the Manual or otherwise in writing by Franchisor.

H. **Other Devices Prohibited at Premises**. Franchisee is specifically prohibited from installing, displaying, or maintaining any vending machines, automatic teller machines, internet kiosks, public telephones (or payphones), or any other electrical or mechanical device in the Agency other than those Franchisor prescribes or approves.

I. **Fixtures, Furniture, Signs and Inventory**. Franchisee must maintain at all times during the term of this Agreement and any renewals hereof, at Franchisee's expense, the Premises and all fixtures, furnishings, signs, artwork, décor items and inventory therein as necessary to comply with Franchisor's standards and specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires. The parties agree and acknowledge, however, that the limitation set forth in the preceding sentence will not apply to any request to modify the Proprietary Marks as provided for in this Agreement.

J. **Compliance with Applicable Laws**. Franchisee must at all times conduct and operate the Franchised Business in accordance with all federal, state, and local laws, ordinances, and regulations applicable thereto, including any laws and regulations related to in-home care services. Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. The parties agree and acknowledge that nothing in this Agreement shall, or may be construed to, create or establish (by contract or conduct) any kind of employment or co-employer relationship between: (i) Franchisor and/or its affiliates; and (ii) Franchisee or Franchisee's personnel that Franchisee determined to hire and/or otherwise engage in connection with the Franchised Business as an independent business owner.

K. **Required Items**. Franchisee must: (i) purchase any and all Required Items that Franchisor designates for use in connection with the Franchised Business, which may include (without limitation) all products, supplies, inventory, equipment, fixtures, Computer System, and materials required for the operation of the Franchised Business; (ii) ensure that all Required Items meet Franchisor's standards and specifications; and (iii) purchase all items Franchisor specifies from the Approved Supplier(s) that Franchise designates, which may include Franchisor or its affiliate(s). Franchisee agrees and acknowledges that Franchisor and/or its affiliates may derive revenue from the offer and sale of Required Items.

L. **Alternative Supplier Approval**. If Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, to the extent known. Franchisee must then follow Franchisor's then-current procedure for evaluating and approving such request and pay Franchisor, at its option, an evaluation fee amounting to up to the greater of (i) Franchisor's costs/expenses incurred in evaluating/testing the proposal, or (ii) $500 (the "Evaluation Fee"). At Franchisor's request, Franchisee must also provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether or not Franchisee's request is approved or denied within thirty (30) days of: (i) Franchisor's receipt of all supporting information from Franchisee regarding Franchisee's request under this Section; and (ii) if applicable, Franchisor's completion of any inspection or testing associated with Franchisee's request. If Franchisor does not provide written approval within this time period, then Franchisee's request will be deemed denied. Franchisor may, but is not obligated to, provide Franchisee's proposed supplier with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement. Each supplier that Franchisor approves must comply with Franchisor's usual and customary requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract.

Franchisor may re-inspect and revoke Franchisor's approval of particular products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate.

M. **Computer Issues**. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders, to the extent such are associated with the Required Software that Franchisee licenses from a party other than Franchisor.

N. **[Reserved]**

O. **Initial Training Program and Other Training/Conference Attendance**. Franchisee and each of its management personnel must attend and successfully complete all (a) pre-opening training including any remote training provided via online learning management system or webinar, (b) all ongoing training (whether refresher, remedial or otherwise), and (c) any annual conferences or similar regional meetings that Franchisor determines to establish or conduct (in-person, digitally or otherwise).

1. Franchisee must ensure that its principal operator attends, participates in and completes all portions of the Initial Training Program at least 30 days prior to opening the Franchised Business, unless Franchisor agrees to another timeline in a separately signed writing;

2. Franchisee shall cover all costs associated with the costs and expenses that Franchisee and any of its personnel incur in connection with attending any part of the Initial Training Program, including costs associated with travel, lodging, meals and personnel compensation.

3. Franchisee and, if applicable, Franchisee's Designated Manager(s) must: (i) attend and complete any additional or refresher training the Franchisor is permitted to require Franchisee to attend each year; and (ii) attend Franchisor's annual conference if such a conference is conducted by Franchisor (and pay Franchisor's then-current contribution fee, if any, associated with attending the same).

4. Any failure to attend and complete the Initial Training Program or other training/conferences, including any Remedial or Refresher Training, described in this Section will be a material default of this Agreement and grounds for termination if not cured within the appropriate cure period set forth in this Agreement (if any).

P. **Training of Agency Personnel**. Franchisee must conduct training classes for, and properly train, all of Franchisee's employees on sales, advertising, maintenance of the Premises, the POS and computer system, as well as any other information that is relevant to each employee's role with the Franchised Business, including Franchisor's standards and specifications for operating the Franchised Business, as Franchisor may set forth in the Manuals or otherwise in writing. Further, at least one (1) person that has completed the Initial Training Program must manage the Franchised Business at all times.

Q. **Hours of Operation; Staffing**. Franchisee shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may prescribe in the Manuals or otherwise in writing, and Franchisee must ensure that the Franchised Business is sufficiently staffed during those operations to meet customer demand and otherwise provide customer service in a manner that meets System standards.

R. **Image**. Franchisee shall maintain the image of the Franchised Business at all times in accordance with Franchisor's standards and specifications, including: (i) ensuring that the Premises is maintained in a clean and orderly manner; and (ii) ensuring that all equipment, furniture and fixtures remain in good, clean condition and are properly displayed.

S. **Customer Lists and Data/Agreements**. Franchisee must (i) maintain a list of all of its current and former customers, as well as their purchase history, at the Premises; and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly return this information, which is deemed "Confidential Information" and Franchisor's exclusive property hereunder, to Franchisor upon expiration or termination of this Agreement for any reason. Franchisee acknowledges that Franchisor may have automatic access to any or all of this information via the Computer System and related software that Franchisor requires for use in connection with the Franchised Business.

T. **Minimum/Maximum Pricing (Subject to Applicable Law); Pricing Guidelines**. To the extent permitted under applicable law, Franchisee must follow Franchisor's general pricing guidelines, including any promotional or minimum prices set by Franchisor for a particular Approved Service. As an independent contractor, however, Franchisee may exercise flexibility in meeting competition with respect to the pricing of certain Approved Products and Services offered at the Franchised Business. Franchisor may request information from Franchisee that has been used to substantiate any reduction or increase in pricing made by Franchisee to meet market conditions, including any insurance-related factors.

U. **Operation of Franchised Business and Customer Service**. Franchisee shall manage and operate the Franchised Business in an ethical and honorable manner, and must ensure that all those working at the Franchised Business provide courteous and professional services to customers and always keep its customers' interests in mind while protecting the goodwill of the Proprietary Marks, System and the Franchised Business. Franchisee must handle all customer complaints and requests for returns and adjustments in a manner consistent with Franchisor's standards and specifications, and in a manner that will not detract from the name and goodwill enjoyed by Franchisor. Franchisee must consider and act promptly with respect to handling of customer complaints and implement complaint response procedures that Franchisor outlines in the Manuals or otherwise in writing.

V. **Access to Agency**. To determine whether Franchisee is complying with this Agreement, Manuals and the System, Franchisor and its designated agents or representatives may at all

times and without prior written notice to Franchisee: (i) inspect the Premises; (ii) observe and monitor the operation of the Franchised Business for consecutive or intermittent periods as Franchisor deems necessary; (iii) interview or survey personnel and customers of the Franchised Business; and (iv) inspect, audit and/or copy any books, records, and agreements relating to the operation of the Franchised Business, including all financial information. Franchisee agrees to cooperate with Franchisor fully in connection with these undertakings by Franchisor (if taken). If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with the operation of the Franchised Business.

W. **Personal Participation by Franchisee**. For the first two (2) years of operation of the Franchised Business, Franchisee must personally participate in the direct management operation of the Franchised Business on a full-time basis. After the initial two-year period, Franchisee may engage a Designated Manager that Franchisor approves in writing to manage the day-to-day operations of the Franchised Business when Franchisee is not present. If Franchisee designates a manager at any time, that manager must successfully complete the Initial Training Program prior to assuming any management responsibilities in connection with the Franchised Business. Regardless, Franchisee is solely responsible for all aspects of the operation of the Franchised Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept.

X. **Credit Cards**. Franchisee must accept credit cards at the Premises to facilitate sales, including all major credit cards designated by Franchisor.

Y. **Payments to Franchisor**. Franchisee agrees to promptly pay Franchisor all payment and contributions that are due to Franchisor, its affiliates or any Approved Supplier.

Z. **Franchisee's Responsibility for Employment Matters and Decisions**. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's personnel must be competent, conscientious, and properly trained. Nothing in this Agreement is intended or may be construed to create any type of employer or joint employer relationship between (a) Franchisee and/or its personnel, and (b) Franchisor.

7. PROPRIETARY MARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

A. **Ownership of Proprietary Marks**. Franchisee acknowledges Franchisor's exclusive ownership and/or right to use the Proprietary Marks. Franchisee agrees that, during the term of this Agreement and after its expiration or termination, neither Franchisee not its principals/affiliates will or may directly or indirectly contest or aid in contesting the validity of the Proprietary Marks or the ownership or rights of the Proprietary Marks by Franchisor. Furthermore, Franchisee intends and hereby concedes that any commercial use Franchisee may make of the Proprietary Marks shall contribute and inure to the commercial use and benefit of Franchisor, which Franchisor may claim to strengthen and further secure ownership of the Proprietary Marks.

B. **Permitted Use**. It is understood and agreed that the use by Franchisee of Franchisor's Proprietary Marks applies only in connection with the operation of the Franchised Business

at the Premises, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by the Franchisor), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor.

C. **Use of Proprietary Marks in Advertising and Signage**. To develop and maintain high, uniform standards of quality and service and thereby protect Franchisor's reputation and goodwill, as well as that of the System, Franchisee agrees to:

1. Operate and advertise the Franchised Business only under the Proprietary Marks authorized by Franchisor as specified in this Agreement or the Manuals;

2. Maintain and display signage and advertising bearing the Proprietary Marks that reflects the current commercial image of the System and, upon notice from Franchisor, to immediately discard and cease use of Proprietary Marks or other imagery that has become obsolete and no longer authorized by Franchisor.

3. Upon Franchisor's request, Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Premises, a sign containing the following notice: "This business is owned and operated independently by (*name of franchisee*) who is an authorized licensed user of the trademark, *[BUTTERFLY HOME CARE or other designated mark]*, under a license agreement with Butterfly Home Care, LLC."

D. **Proprietary Marks are Sole Property of Franchisor**. Franchisee acknowledges that the Proprietary Marks, System, Manual, and all other information and items delivered to Franchisee by Franchisor pursuant to this Agreement or in furtherance of the System, including without limitation, video and audio tapes or disks, information communicated by electronic means, and intellectual property, are the sole and exclusive property of Franchisor, and Franchisee's right to use the same are contingent upon Franchisee's continued full and timely performance under this Agreement. Franchisee acknowledges it acquires no rights, interests, or claims to any of said property, except for Franchisee's rights to use the same under this Agreement for the term hereof and strictly in the manner prescribed. Franchisee agrees that it will not, during the term of this Agreement or any time thereafter, contest or challenge the sole and exclusive proprietary rights of Franchisor (and, if appropriate, Franchisor's affiliates) to the Proprietary Marks, System, Manuals, and other information, intellectual property, and items delivered or provided or to which Franchisee obtains access under this Agreement, nor shall Franchisee claim any proprietary interest in such property. Franchisee agrees that it will not adopt, display, attempt to register or otherwise use any names, marks, insignias, or symbols in any business that are or may be confusingly similar to the Proprietary Marks licensed under this Agreement.

E. **Legal Action Involving Proprietary Marks**. Furthermore, Franchisee agrees to cooperate with and assist Franchisor in connection with any legal action brought by or against either of them regarding the protection and preservation of the Proprietary Marks, System, or the Manuals and other information and intellectual property delivered to Franchisee or used by Franchisee under this Agreement.

F. **Modification or Substitution of Marks by Franchisor**. If in Franchisor's reasonable determination, the use of Proprietary Marks in connection with the System will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's

rights in the Proprietary Marks, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify, discontinue, or to use one (1) or more additional or substitute trade or service Proprietary Marks then upon notice from Franchisor, Franchisee will terminate or modify, within a reasonable time, such use in the manner prescribed by Franchisor. If Franchisor changes the Proprietary Marks in any manner, Franchisor will not reimburse Franchisee for any out-of-pocket expenses that Franchisee incurs to implement such modifications or substitutions. Franchisor is not obligated to reimburse Franchisee for any loss of goodwill or revenue associated with any modified or discontinued Proprietary Mark, nor is Franchisor responsible for reimbursing Franchisee for any other costs or damages.

G. **No Alternative Uses of Substitute Marks by Franchisee**. Franchisee agrees not to make any changes or amendments whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.

H. **Cease Use of Marks on Termination/Non-Renewal**. Upon termination or expiration and non-renewal of this Agreement, Franchisee agrees to immediately cease use, in any manner whatsoever, of any of the Proprietary Marks or any other Proprietary Marks or trade names that may be confusingly similar to the Proprietary Marks.

I. **Disconnection of Telephone Number on Termination/Renewal**. Franchisee acknowledges that there will be substantial confusion among the public if, after the termination or expiration and non-renewal of this Agreement, Franchisee continues to use advertisements and/or the telephone number listed in the telephone directory under the Proprietary Mark(s) or any mark/name/indicia confusing similar thereto. Thus, effective upon the termination or expiration and non-renewal of this Agreement, Franchisee agrees to direct the telephone company servicing Franchisee, per Franchisor's request, to disconnect the telephone number used in connection with the Franchised Business or transfer such number to Franchisor or to any person or location of Franchisor's choosing. If Franchisee fails to take these steps, Franchisee shall be deemed to have hereby irrevocably appointed Franchisor as Franchisee's attorney-in-fact for purposes of directing and accomplishing such transfer. Franchisee understands and agrees that, notwithstanding any billing arrangements with any telephone company or yellow pages directory company, Franchisor will be deemed for purposes hereof to be the subscriber of such telephone numbers, with full authority to instruct the applicable telephone or yellow pages directory company as to the use and disposition of telephone listings and numbers. Franchisee hereby agrees to release, indemnify, and hold such companies harmless from any damages or loss as a result of following Franchisor's instructions.

J. **Non-Exclusive Use of Proprietary Marks**. Franchisee understands and agrees that its right to use the Proprietary Marks is non-exclusive, that Franchisor in its sole discretion has the right to grant licenses to others to use the Proprietary Marks and obtain the benefits of the System in addition to the licenses and rights granted to Franchisee under this Agreement, and that Franchisor may develop and license other trademarks or service marks in conjunction with systems other than the System on any terms and conditions as Franchisor may deem advisable where Franchisee will have no right or interest in any such other trademarks, licenses, or systems.

K. **Acknowledgements**. With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:

1. Franchisee shall not use the Proprietary Marks as part of Franchisee's corporate or any other business name, domain name, e-mail address or any social media or social networking profile/page;

2. Franchisee shall not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such a manner as might in any way make Franchisor liable therefor without Franchisor's prior written consent; and

3. Franchisee shall execute any documents and provide such other assistance deemed necessary by Franchisor or its counsel to obtain protection for Proprietary Marks or to maintain the continued validity of such Proprietary Marks.

L. **Use Outside Scope**. Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this license without Franchisor's prior written consent is an infringement of Franchisor's exclusive right to use the Proprietary Marks and, during the term of this Agreement and after the expiration or termination hereof, Franchisee covenants not to directly or indirectly commit an act of infringement, contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof.

M. **Notification of Infringement**. Franchisee shall notify Franchisor within three (3) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee represents and warrants to it will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.

N. **Indemnification Regarding Proprietary Marks**. Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the Franchised Business, provided: (i) such use is in full compliance with Franchisor's standards and specifications; and (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor deems appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section 7. Notwithstanding anything in this Section to the contrary, Franchisee agrees and acknowledges that Franchisor's liability under this Section shall be limited to no more than the Initial Franchise Fee paid under this Agreement.

O. **Other Obligations of Franchisee**. In addition to all other obligations of Franchisee with respect to the Proprietary Marks licensed herein, Franchisee agrees:

1. To feature and use the Proprietary Marks solely in the manner prescribed by Franchisor and not use the Proprietary Marks on the Internet or otherwise online, except as approved in writing by Franchisor; and

2. To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

8. OPERATIONS MANUALS AND CONFIDENTIAL INFORMATION

A. **Compliance with Manuals**. In order to protect the reputation and goodwill of Franchisor and the System, and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct the Franchised Business in strict accordance with Franchisor's Manuals.

B. **Control of Agency and Premises**. Franchisee acknowledges the Manuals provided by Franchisor to Franchisee is intended to protect Franchisor's standards, systems, names, and marks, but that such Manuals are not intended to control the day-to-day operation of Franchisee's business. Franchisee further acknowledges and agrees that Franchisee's Agency will be under the control of the Franchisee at all times. Franchisee will be responsible for the day-to-day operation of the business.

C. **Confidential Information**. In connection with the operation of the Franchised Business, Franchisee will from time to time become acquainted with, work with, and even generate certain information, procedures, techniques, data, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep confidential any of Franchisor's trade secrets or proprietary information as defined below and will not use such for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Business.

D. **Trade Secrets and Confidential Information**. The confidentiality requirements set forth in the preceding paragraph will remain in full force and effect during the term of this Agreement and in perpetuity after its termination or expiration and non-renewal. Franchisor's trade secrets and proprietary/confidential information include the following:

1. The Manuals;

2. Any information or materials, whether technical or non-technical, that is used in connection with or otherwise related to the establishment and operation of an Agency or the System that is not commonly known by, or available to, the public, including without limitation: (i) information and materials related to the architectural plans, design, layout, equipping, build-out and/or construction of an Agency; (ii) methodology, protocol and System standards/specifications for the promotion, offer and sale of the Approved Services and/or any Approved Products, including any Franchisor policies regarding gift cards and/or promotional coupons; (iii) information related to Franchisor's relationship with existing or prospective Approved Suppliers or other third-party vendors (whether or not Franchisee is required to use such vendors); (iv) the reservations system, as well as Computer System and any other Required Software information that is customized or

otherwise identified as specific to the System, that has been customized in any manner for use by Franchisor and/or an Agency; (v) marketing and advertising materials, as well as any other items that display the Proprietary Marks in any manner, as well as Franchisor's designated marketing/advertising/promotional campaigns; (vi) any passwords, logins or other keys necessary to access Franchisee's POS system, reservation system, Computer System or related software used in connection with the Franchised Business; (vii) any and all customer information and/or contracts with individuals that patronize or have other submitted information to the Franchised Business (the "Customer Information"); (viii) the Required Items and/or Approved Supplier information and/or relationships; and (ix) standards, specifications, guidelines and information related to the System methodology, processes, procedures, initial and ongoing training and otherwise; and

3. All information and data Franchisee collects regarding the customers and clientele of the Franchised Business at any time during the term of this Agreement;

4. Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential (collectively, the types of information described in this Section 8(D) will be referred to as "Confidential Information").

E. **Confidential Information as Property of Franchisor**. Franchisee acknowledges and agrees that the Confidential Information and any business goodwill of the Franchise are Franchisor's sole and exclusive property and that Franchisee will preserve the confidentiality thereof. Upon the termination or expiration and non-renewal of this Agreement, all items, records, documentation, and recordings incorporating any Confidential Information will be immediately turned over by Franchisee, at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

F. **Information Not Proprietary**. Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as defined in Section 8(H) below) is information that:

1. Becomes publicly known through no wrongful act of Franchisee or Restricted Persons; or

2. Is known by Franchisee or Restricted Persons without any confidential restriction at the time of the receipt of such information from Franchisor or becomes rightfully known to them without confidential restriction from a source other than Franchisor.

G. **Reasonable Efforts to Maintain Confidentiality**. Franchisee shall at all times treat the Confidential Information as confidential and shall use all reasonable efforts to keep such information secret and confidential, including without limitation, all logins/passwords/keys necessary to access any component of the Computer System or related software used in connection with the Franchised Business. The Manuals must remain at the Premises and be kept in a secure location, under lock and key, except when it is being studied by Franchisee or Franchisee's employees. Franchisee shall not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part.

H. **Prevention of Unauthorized Use or Disclosure**. Franchisee shall adopt and implement all reasonable procedures as Franchisor may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its officers, agents, directors, shareholders, trustees, beneficiaries, partners, employees, and independent contractors who may obtain or who are likely to obtain knowledge concerning the Confidential Information (collectively, "Restricted Persons") execute Franchisor's prescribed form of confidentiality agreement that will be in substantially the same form attached to this Agreement as Exhibit E (the "Confidentiality and Non-Competition Agreement"). Franchisee must obtain a signed copy of the Confidentiality and Non-Competition Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Business. Franchisee's spouse or significant other shall also be bound by the same requirement and shall sign the same Confidentiality and Non-Competition Agreement. Franchisee must provide Franchisor with a copy of each signed Confidentiality and Non-Competition Agreement within ten (10) days of Franchisor's request.

I. **Access to Manuals**. Franchisor will provide online access to one (1) copy of the Manuals to Franchisee. The Manuals shall at all times remain the sole property of Franchisor and any and all copies (hard copies or electronic files) of the Manuals must be returned to Franchisor upon termination or expiration and non-renewal of this Agreement.

J. **Modification of Manuals**. In order for Franchisee to benefit from new knowledge, information, methods, and technology adopted and used by Franchisor in the operation of the System, Franchisor may from time to time revise the Manuals, and Franchisee agrees to adhere to and abide by all such revisions (at its expense). Franchisee agrees at all times to keep its copy of the Manuals current and up to date. In the event of any dispute as to the contents of Franchisee's Manual, the terms of the master copy of the Manuals maintained by Franchisor at its home office shall be controlling. Franchisor may provide any supplements, updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it deems appropriate.

K. **Improvements**. Franchisee agrees to disclose promptly to Franchisor any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by Franchisee or its employees or agents that are in any way related to the establishment or operation of the Franchised Business (collectively, the "Improvements"), all of which shall be automatically and without further action owned by Franchisor without compensation to Franchisee (including all intellectual property rights therein). Whenever requested to do so by Franchisor, Franchisee will execute any and all applications, assignments, or other instruments that Franchisor may deem necessary to apply for and obtain intellectual property protection or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that Franchisor cannot automatically own certain of the Improvements that may be developed, then Franchisee hereby agrees to grant Franchisor a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.

9. ADVERTISING AND MARKETING

A. **Designated or Pre-Approved Advertising Materials and Campaigns**. Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all or some of the System Agencies operating under the System. Franchisee must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including without limitation, the type/quantity/timing/placement and choice of media, and market areas and advertising agencies, the System standards and specifications established by Franchisor shall be final and binding upon Franchisee. Franchisor may also request that Franchisee purchase and/or make copies of (and Franchisee's expense) and subsequently use certain other advertising or promotional materials that Franchisor designates for use in connection with the Franchised Business.

B. **Approval for all Other Advertising/Promotional Materials**. All advertising and promotion by Franchisee in any medium must be conducted in a professional manner and shall conform to Franchisor's standards and requirements as set forth in the Manuals or otherwise. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials twenty (20) days prior to use if such plans and materials have not been prepared by Franchisor or previously approved by Franchisor during the twelve (12) months prior to their proposed use. Franchisee must submit unapproved plans and materials to Franchisor, and Franchisor will have fifteen (15) days to notify Franchisee of its approval or disapproval of such materials. If Franchisor does not provide its specific approval of the proposed materials within this fifteen (15) day period, the proposed materials will be deemed rejected. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor's property and there will be no restriction on Franchisor's use or dissemination of such materials. Once approved, Franchisee may use the proposed materials for a period of ninety (90) days, unless Franchisor prescribes a different time period for use or requires Franchisee to discontinue using the previously-approved materials in writing. Franchisor may revoke its approval of any previously approved advertising materials upon notice to Franchisee. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee or to be used by a Cooperative, including, but not limited to, the phrase "Franchises Available" and references to Franchisor's telephone number and/or website.

C. **Initial Marketing Spend.** Franchisee must spend a minimum of $5,000 on the initial advertising and grand opening of the Franchised Business in connection with pre-opening and/or other marketing/promotional/advertising activities that Franchisor otherwise approves to promote the visibility of the Franchised Business (the "Initial Marketing Spend"). Franchisor may require that Franchisee expend all or any portion of the Initial Marketing Spend on initial marketing/advertising and/or public relations materials or services that are purchased from an Approved Supplier. As part of the Initial Marketing Spend, Franchisee may be required to purchase grand opening materials, such as banners, brochures and other promotional materials Franchisee will need to announce and promote the Franchised Business's grand opening, from an Approved Supplier. The exact amount that Franchisee must expend as its Initial Marketing Spend will be designated by Franchisor in writing to Franchisee once Franchisee has secured its approved Premises and is close to completing the System-required buildout at the same.

D. **Local Marketing Requirement**. Franchisee must expend the minimum amount equal to the greater of (i) one percent (1%) of the Net Billings generated by the Franchised Business during the preceding calendar month of operations, or (ii) $1,000 per month, to market, promote and advertise the Franchised Business within the Designated Territory (the "Local Marketing Requirement" or "LMR"). Franchisor may require that all or some portion of the LMR be expended on services/collateral that is acquired from one (1) or more of its then-current Approved Suppliers.

1. Upon Franchisor's request, Franchisee must provide Franchisor with invoices or other proof of its monthly expenditures on local advertising and marketing.

2. Franchisee must ensure that: (i) the Franchised Business has a dedicated phone line for use in connection with the Franchised Business only (and no other business, including any other System Agency); and (ii) the Franchised Business is listed in the appropriate Internet-based directories that Franchisor designates.

3. Franchisee may not advertise and promote the Franchised Business outside of the Designated Territory, unless (a) the geographic area wherein Franchisee wishes to advertise is contiguous to the Designated Territory and that area has not been granted to any other Agency location or System franchisee/developer, or (b) Franchisor otherwise provides its prior written consent in writing.

E. **Brand Development Fund**. Franchisor has established or expects to establish a brand development Fund designed to promote, advertise, market and otherwise develop the System, Proprietary Marks and Franchisor's brand generally. Franchisor may require Franchisee to make a Fund Contribution to the Fund, which shall be payable at the same time and manner as the Royalty Fee, in an amount equal to up to three percent (3%) of the Net Billings of the Franchised Business generated during the immediately preceding reporting period. All payments by Franchisee to the Fund are non-refundable upon payment, and Franchisor will account separately for all sums paid to the Fund. The Fund will be maintained and administered by Franchisor or Franchisor's designee as follows:

1. Franchisor will use Fund and all contributions to it and any earnings on it, exclusively for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and materials, and any other activities that Franchisor believes would enhance the image of the System, Proprietary Marks, System Agency locations and growth, and/or the Approved Products or Approved Services and/or Franchisor's brand generally.

2. Franchisor is not obligated to spend monies from the Fund in any particular Franchisee's market in proportion to the payments to the Fund made by the Franchisee in that market. Franchisor does not represent that it will spend any particular amount of advertising funds locally, regionally, or nationally.

3. The Fund may be used to meet any and all costs of maintaining, administering, directing, and preparing advertising. This includes, among other things, direct mail advertising, marketing surveys and other public relations activities, developing and maintaining the Franchisor's website(s), employing advertising and public relations agencies, purchasing promotional items, and providing other marketing materials and services to the System Agencies operating under the System. These

costs may include the proportionate salary share of Franchisor's employees that devote time and render services for advertising and promotion or the administration of the Fund, including administrative costs, salaries, and overhead expenses related to administering the Fund and its programs. Franchisor may use certain Fund contributions to defray certain operating expenses that are reasonably allocable to the brand and System advertising, marketing and other promotional efforts that are covered or contemplated within the Fund expenditures (and/or the administration/direction of the Fund).

4. All such payments to the Fund may be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds, and may be deemed an asset of Franchisor, subject to Franchisor's obligation to expend the monies in the Fund in accordance with the terms hereof. Franchisor may, in its sole discretion, elect to accumulate monies in the Fund for such periods of time, as it deems necessary or appropriate, with no obligation to expend all monies received in any fiscal year during that fiscal year.

5. In the event Franchisor's expenditures for the Fund in any fiscal year shall exceed the total amount contributed to the Fund during such fiscal year, Franchisor shall have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Fund or to use such excess as a credit against its future contributions. The parties agree and acknowledge that the Fund is not to be deemed a trust, unless Franchisor agrees and determines otherwise in writing.

6. The parties agree and acknowledge that Franchisor shall not be required to have the Fund audited, reviewed or otherwise compiled by any third-party accountant, and the Franchisor will make a basic accounting of the Fund for a given fiscal year that will be available to Franchisee, at Franchisee's written request, after 120 days have passed since the end of Franchisor's fiscal year end. Franchisor may dissolve, suspend, modify and/or reinstate the Fund at any time after it is established.

F. **Advertising Council**. Franchisor may establish, if and when it deems appropriate in its sole discretion, a council to provide advice and guidance regarding the administration of the Fund and various other advertising/marketing matters (an "Advertising Council"). If Franchisor establishes an Advertising Counsel, it may serve in only an advisory capacity and may consist of franchisees, personnel from Franchisor's affiliate-owned Agencies, or other management/employees that Franchisor designates. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and procedures by which it operates, will be determined by Franchisor. The recommendations of the Advertising Council shall not be binding on Franchisor.

G. **Website**. Franchisor agrees that it will establish an interior page on its corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) this Agreement is not subject to termination. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Business, System or Proprietary Marks without Franchisor's prior written consent. If approved to establish a separate website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by

or for the benefit of Franchisee shall be deemed "advertising" under this Agreement and will be subject to (among other things) Franchisor's approval as described in this Section 9. Franchisee may not promote or otherwise list its Franchised Business, or the Proprietary Marks or System, on any social media or networking site, including without limitation, Facebook®, LinkedIn®, Instagram®, Pinterest®, Twitter® or YouTube®, without Franchisor's prior written consent. Franchisor shall have the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate.

H. **Cooperatives**. Franchisor may establish regional advertising cooperatives that are comprised of multiple Agency owners located within a geographical region that Franchisor designates (each, a "Cooperative"). If Franchisor establishes a Cooperative and designates Franchisee as a member thereof, Franchisee may be required to contribute to the Cooperative in an amount not to exceed Franchisee's then-current Local Marketing Requirement. All amounts paid to a Cooperative will be credited towards Franchisee's Local Marketing Requirement (if any). Franchisor shall have the right to specify the governing rules, terms and operating procedures of any Cooperative.

10. ACCOUNTING AND RECORDS

A. **Maintenance of Records**. Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, maintain original, full, and complete register tapes, computer files, back-up files, other records, accounts, books, data, licenses, contracts, and product vendor invoices which shall accurately reflect all particulars relating to the Franchised Business, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for at least three (3) years, even if this Agreement is no longer in effect. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to the Franchisor under this Section 10 shall belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).

B. **Examination and Audit of Records**; **Approved Accountant During Initial Operations.** Franchisor and its designated agents shall have the right to examine and audit Franchisee's records, accounts, books, computer files, and data at all reasonable times to ensure that Franchisee is complying with the terms of this Agreement. If such audit discloses that Franchisee has underreported the Net Billings of the Franchised Business or any amount due to Franchisor by two percent (2%) or more in any given reporting period (weekly, monthly or otherwise), then Franchisee must: (i) reimburse Franchisor any costs/expenses incurred in connection with conducting the inspection and audit; and (ii) pay any amount due and owing Franchisor as a result of Franchisee's underreporting, along with any accrued interest on said amounts.

C. **Computer System for Records.** Franchisee shall record all transactions and Net Billings of the Franchised Business on a Computer System that is designated or approved by

Franchisor, which must contain software that allows Franchisee to record accumulated sales without turning back, resetting or erasing such sales. Franchisor will, at all times and without notice to Franchisee, have the right to independently and remotely access and view Franchisee's Computer System as described in Section 4 of this Agreement.

D. **Computer System Files and Passwords**. Franchisee will not install or load any computer software on the hard disks of the Computer System used in connection with the Franchised Business without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System located at the Premises or used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement. Consistent with the other provisions of this Agreement, Franchisee agrees and acknowledges that Franchisor may have automatic access to Franchisee's specific passwords/keys/logins through the Computer System components and related software that Franchisor requires Franchisee to use in connection with the Franchised Business.

E. **Customer Information or Other Data Collected via the Franchised Business**. At any time and upon request of Franchisor, Franchisee shall provide Franchisor with any customer data collected at or via the Franchised Business and/or the Required Software used at or in connection with the same.

F. **Tax Returns**. Upon Franchisor's request, Franchisee shall furnish the Franchisor with a copy of each of its reports, returns of sales, use and gross receipt taxes, and complete copies of any state or federal income tax returns covering the operation of the Franchised Business, all of which Franchisee shall certify as true and correct.

G. **Required Reports**. Franchisee must provide Franchisor with the following reports and information, all of which must be certified as true and correct by Franchisee and in the form and manner prescribed by Franchisor: (i) a signed Net Billings Report as described more fully in Section 4 of this Agreement on or before Wednesday of each week; (ii) on or before the twentieth (20^{th}) of each month, an unaudited profit and loss statement for the Franchised Business for the preceding calendar month; (iii) within ninety (90) days after the close of each fiscal year of Franchisee, financial statements which shall include a statement of income and retained earnings, a statement of changes in financial position, and a balance sheet of the Franchised Business, all as of the end of such fiscal year; and (iv) any other financial information or performance metrics of the Franchised Business that Franchisor may reasonably request.

H. **Change to Ownership of Franchisee**. In addition to the foregoing statements, Franchisee must provide Franchisor with written reports regarding any authorized change to: (i) the listing of all owners and other holders of any type of interest (legal or beneficial) in Franchisee or the Franchised Business; and (ii) Franchisee's partners, officers, directors, as well as any of the Designated Manager(s) that manage the day-to-day operations of the Franchised Business. Franchisee will notify Franchisor in writing within ten (10) days after any such change, unless Franchisor is required to first notify Franchisor and obtain its approval prior to making any such change.

I. **Late Reporting Fee.** In the event Franchisee fails to submit any given report, financial or otherwise, to Franchisor as required by this Agreement, including without limitation, any financials related to the Franchised Business, Franchisor reserves the right to charge Franchisee its then-current late fee in connection with any late reports (the "Late Reporting Fee").

11. INSURANCE AND INDEMNIFICATION

A. **Required Insurance**. Franchisee shall, at its own expense and no later than the earlier of (a) the date on which Franchisee uses any of the Proprietary Marks, or (b) the date Franchisee begins building out the Premises, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Manuals or otherwise in writing (whether the Franchised Business is open or not). This insurance shall be in such amounts Franchisor or the lessor of the Premises designates from time to time. In addition to the insurance that Franchisor requires prior to opening your Franchised Business and via updates thereafter during this term, Franchisee must ensure that it procures any other or additional insurance coverages require by any lender, lessor of the Premises and/or applicable law. any other insurance that may be required by applicable law, or by lender or lessor, or applicable law. Among other coverages, Franchisee must ensure that it has sufficient coverage to cover any liability under the indemnification provisions of this Agreement and a policy covering business interruption that covers incidents beyond Franchisee's control. Franchisee must acquire insurance only from carriers rated A-VIII or better by A.M. Best and Company, Inc. (or similar criteria as Franchisor periodically specifies), unless Franchisor designates specific carriers from which Franchisee must purchase coverage (in which case Franchisee may only purchase from the designated carrier(s)). Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies Franchisee purchases must name Franchisor and any other party that Franchisor designates as additional insureds, and provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification or cancellation. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee shall make timely delivery of certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to Franchisor. The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

B. **Failure to Procure and Maintain Insurance**. If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must: (i) reimburse Franchisor for the costs incurred to obtain the required insurance (including any premium amounts paid); and (ii) pay Franchisor its then-current administrative fee, as may be reasonably charged by Franchisor as consideration for securing the required insurance on Franchisee's behalf.

C. **Indemnification**. Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, as well as Franchisor's

directors, officers, principals/owners, managers, shareholders, affiliates, subsidiaries, employees, servants, agents, successors and assignees (collectively, the "Indemnitees"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's (a) breach or attempted breach of, or misrepresentation under, this Agreement, and/or (b) ownership, construction, development, management, or operation of the Franchised Business in any manner. Notwithstanding the foregoing, at Franchisor's option, Franchisor may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense.

12. INDEPENDENT CONTRACTOR

A. **No Fiduciary Relationship**. In all dealings with third parties, including without limitation, employees, suppliers, and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto either to create a fiduciary relationship between them or to constitute the Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of Franchisor for any purpose whatsoever.

B. **Independent Contractor Relationship**. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation or to create any obligation on behalf of Franchisor. Upon Franchisor's request, Franchisee must display a sign in its Franchised Business displaying the following phrase (or something similar): "This franchised Agency is independently owned and operated pursuant to a license agreement." Neither this Agreement nor the parties franchise relationship hereunder shall not, and not be construed to, constitute any kind of employer or joint employer relationship between (a) Franchisor, and (b) Franchisee and/or any personnel of the Franchised Business. Franchisor and Franchise mutually agree and acknowledge that: (i) Franchisor shall not and does not exercise actual control or supervision, or otherwise interact, with any personnel of the franchised Agency and that such personnel will be subject to the management of Franchisee only once such individual has commenced its employment or other engagement with respect to the Agency operations; and (ii) Franchisee will be solely responsible for making all employment or personnel-related decisions, including onboarding, hiring, firing, promotion and management personnel decisions (if and as applicable).

13. TRANSFER AND ASSIGNMENT

A. **No Transfer by Franchisee Without Franchisor's Approval.** Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in this Agreement or the Franchised Business (or undertake any of the actions identified in Section 13(C) of this Agreement) without Franchisor's prior written consent. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein.

B. **Death or Disability**.

1. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of Franchisee's principals/owners/guarantors), Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable, will have the right to continue the operation of the Franchised Business as "Franchisee" under this Agreement if: (i) within ninety (90) days from the date of death, disability or incapacity (the "90-Day Period"), such person has obtained Franchisor's prior written approval and has executed Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company Franchisee's obligations to Franchisor and Franchisor's affiliates; and (ii) such person successfully completes Franchisor's training program (which Franchisor will provide at Franchisor's then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to Franchisor.

2. Franchisor is under no obligation to operate the Franchised Business, or incur any obligation on behalf of any incapacitated franchisee, during or after the 90-Day Period. If necessary, Franchisee (or Franchisee's legal representative, as applicable) shall appoint a previously approved acting interim manager to operate the Franchised Business during the 90-Day Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate the Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines in Franchisor's sole discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney's fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

3. Franchisor will not collect any transfer fee if there is a transfer under this Section 13(B) to an immediate family member of the Franchisee that Franchisor approves pursuant to Section 13(E).

C. **Ownership.** In addition to those acts described in Section 13(A), a transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's voting stock or any increase in the number of outstanding shares of Franchisee's voting stock which results in a change of ownership, (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer or any interest in the limited liability company. Any

new partner, shareholder, or member or manager owning having an ownership interest in the surviving entity after the proposed transfer will be required to personally guarantee Franchisee's obligations under this Agreement. A transfer pursuant to (i) and (iii) above shall not be subject to Franchisor's right of first refusal as set forth in Section 13(D).

D. **Right of First Refusal.** If Franchisee proposes to transfer either this Agreement or all, or substantially all, of the assets used in connection with the Franchised Business or any interest in Franchisee's lease to any third party (other than a corporation or limited liability company as set forth in Section 13(C) hereof or in the event of Franchisee's death/disability as set forth in Section 13(B)), Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 13(E) of this Agreement. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any material change in the terms of the offer will be deemed a new proposal subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

E. **Conditions for Approval.** Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement or any other acts of transfer described in Section 13(C) upon satisfaction of the following occurrences:

1. All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors, are satisfied;

2. Franchisee must cure all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, Franchisor's designated/approved suppliers and vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;

3. Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities;

4. Franchisee or transferee shall provide Franchisor 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 Franchisee's obligations under this Agreement;

5. The transferee shall demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other business or chain which is similar in nature or in competition with Franchisor, except that the transferee may be an existing franchisee of ours;

6. The transferee shall execute Franchisor's then-current franchise agreement (which may contain materially different terms than this Agreement) for the remaining balance of Franchisee's term under this Agreement, with transferee's term commencing on the date the transferee executes the then-current franchise agreement;

7. Franchisee must pay Franchisor a transfer fee equal to $15,000 (the "Transfer Fee"), and Franchisee and/or the proposed assignee must agree to and actually cover all third-party broker fees and other costs/expenses associated with the transaction immediately upon closing;

8. The transferee shall satisfactorily complete Franchisor's Initial Training Program at the transferee's expense within the time frame Franchisor sets forth, with the transferee responsible for the costs and expenses associated with completing such training at the location Franchisor agrees to send its training personnel;

9. Franchisee (and Franchisee's principals/guarantors if Franchisee is a partnership, corporation or limited liability company) must comply with the post-termination provisions of this Agreement;

10. The transferee must demonstrate that is has obtained or maintained, within the time limits set by Franchisor, all permits and licenses required for the continued operation of the Franchised Business;

11. 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;

12. The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

13. Franchisor shall have the right, but is under no obligation, to disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchised Business as Franchisee has supplied Franchisor hereunder.

Franchisor will not unreasonably withhold its consent to a proposed transfer or assignment requested by Franchisee, provided the foregoing conditions are met. Franchisor's approval of a transfer shall not operate as a release of any liability of the transferring party nor shall such approval constitute a waiver of any claims Franchisor may have against the transferring party.

Furthermore, Franchisor agrees that Franchisee will not be required to pay any transfer fee in the event: (i) Franchisee wishes to transfer its rights under the Franchise Agreement to a newly-established legal business entity that is wholly owned by Franchisee and established solely for purposes of operating the Franchised Business under the Franchise Agreement; or (ii) Franchisee is required to encumber certain assets of the Franchised Business (or subordinate Franchisor's security interest thereto) in order to receive SBA or other traditional bank financing, provided Franchisor otherwise approves of the transfer.

F. **Transfer from an Individual Franchisee to Entity**. If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee or training tuition fees set forth in Section 13(E)(7)-(8), and such assignment will not be subject to Franchisor's right of first refusal in Section 13(D): (i) the corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Business; (ii) Franchisee is, and at all times remains, the owner of 51% or more of the outstanding shares of the corporation or a controlling interest in the limited liability company; (iii) the corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and (iv) all stockholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and execute the Personal Guaranty attached to this Agreement as Exhibit B.

G. **Franchisor's Right to Transfer**. Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

14. COVENANTS

Franchisee acknowledges that, as a participant in Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Franchisee agrees to the covenants in this Section to protect Franchisor, the System, Proprietary Marks and Franchisor's other franchisees.

A. **During the Term of this Agreement.** During the term of this Agreement, neither Franchisee, its principals, owners, guarantors or Designated Manager(s), shall or may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with, any other business that: (i) offers, sells and/or provides in-home care services and/or the management or scheduling of such services or related services (each, a "Competing Business"); or (ii) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business.

2. For purposes of this Agreement, a Competing Business does not include: (i) any business operated by Franchisee under a Franchise Agreement with Franchisor; or

(ii) any business operated by a publicly traded entity in which Franchisee owns less than two percent (2%) legal or beneficial interest.

3. Subject to and to the extent permitted by applicable law where the Franchised Business is located, employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

4. Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

B. **After the Term of this Agreement.**

1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.

2. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

   a. Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:

      i. at the Premises;
      ii. within the Designated Territory; or
      iii. within a 40-mile radius of (a) the Designated Territory or (b) any other System Agency that is open, under lease or otherwise under development as of the date this Agreement expires or is terminated;

   b. Subject to and to the extent permitted by applicable law where the Franchised Business is located, employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

   c. Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

C. **Intent and Enforcement**. It is the parties' intent that the provisions of this Section 14 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 14 by Franchisee, any of Franchisee's principals, or any member of the immediate family of Franchisee or Franchisee's principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill of the Franchised Business, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 14 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 15 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation on the restrictive covenants set forth in Section 14(B) shall be tolled during any default under this Section 14.

D. **Confidentiality and Non-Competition Agreement**. Franchisee must ensure that all management personnel of the Franchised Business, as well as any officers and directors of Franchisee, execute Franchisor's then-current form of Confidentiality and Non-Competition Agreement (which will be in substantially the same form as the document attached to this Agreement as Exhibit E). Franchisee must furnish Franchisor a copy of each executed agreement.

E. **No Defense**. Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 14.

15. DEFAULT AND TERMINATION

Franchisor may terminate this Agreement as described in this Section, and Franchisee agrees and acknowledges that the defaults, or failure to cure such defaults within the appropriate time period prescribed below (if any), shall constitute "good cause" and "reasonable cause" for termination under any state franchise laws or regulations that might apply to the operation of the Franchised Business.

A. **Automatic Termination**. This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

1. The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;

2. A petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee and not dismissed within thirty (30) days;

3. A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian in connection with the Franchisee or Franchised Business (or assets of the Franchised Business) is filed and consented to by Franchisee;

4. A receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;

5. A final judgment in excess of $10,000 against Franchisee remains unsatisfied or of record for 60 days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment; or

6. Franchisee attempts to sell, transfer, encumber or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Business in violation of Section 13 hereof.

B. **Termination Upon Notice**. Franchisor has the right to terminate this Agreement upon written notice to Franchisee without providing Franchisee any opportunity to cure with respect to any of the following breaches or defaults:

1. If Franchisee or Franchisee's owners/principals commit any fraud or misrepresentation in the establishment or operation of the Franchised Business, including without limitation, any misrepresentation made in Franchisee's franchise application;

2. If Franchisee does not timely attend and fully complete the appropriate portions of the Initial Training Program components within the appropriate time period(s) set forth in this Agreement;

3. If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations set forth in Section 15(C) of this Agreement during any twelve (12) month period, whether or not these breaches were timely cured;

4. If Franchisee or Franchisee's owners/principals violate any of the in-term covenant not to compete or any of the other restrictive covenants set forth in Section 14 of this Agreement;

5. If Franchisee misuses the Proprietary Marks or Confidential Information in any manner, or otherwise violates any provision of this Agreement related to the use of the Proprietary Marks, Confidential Information and any other confidential materials provided by Franchisor (including those provisions related to non-disclosure of the Manuals and other confidential materials that Franchisor loans to Franchisee);

6. If Franchisee misuses any proprietary software that Franchisor designates for use in connection with the Franchised Business;

7. If Franchisee or any of Franchisee's principals default on any other agreement with Franchisor or any affiliate or Approved Supplier of Franchisor, and such default is not cured within the prescribed time period set forth in that other agreement;

8. If Franchisee defaults under the lease for the Premises and does not cure within the prescribed period of time thereunder, or if Franchisee otherwise loses its right to possess and control the Premises to operate the Franchised Business at any time during the term of this Agreement (except in cases of *force majeure* and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates);

9. If Franchisee fails to open and commence operations of the Franchised Business within the time period prescribed in Section 6 of this Agreement;

10. If Franchisee fails to cure any of the following violations under this Agreement within ten (10) days of being notified by Franchisor: (i) failure to offer only those Approved Products and Services that Franchisor authorizes at the Franchised Business; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Business; (iii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates;

11. If Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manuals;

12. If Franchisee fails to provide Franchisor with access, or otherwise blocks Franchisor's access, to Franchisee's POS system, Computer System or registers located at the Franchised Business as required under this Agreement, and fails to remedy this default within 48 hours of being notified by Franchisor;

13. If Franchisee fails to pay Franchisor, its affiliates or any of its Approved Suppliers any amount that is due and owing Franchisor within ten (10) days of the date that Franchisor (or other party owed the money) notifies Franchisee of the outstanding amount that is due and owed;

14. If Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business;

15. If Franchisee fails, for a period of ten (10) days after notification of non-compliance, to obtain any other licenses, certificates, permits or approvals necessary to operate the Franchised Business at the Premises;

16. If Franchisee, any person controlling, controlled by, or under common control with the Franchisee, any principal officer or employee of Franchisee, or any person owning an interest in Franchise is convicted of a felony or any other crime or offense (even if not a crime) that is reasonably likely in the sole opinion of Franchisor to adversely

affect the System, any System unit, the Proprietary Marks, or the goodwill associated therewith;

17. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including inventory, employee taxes, FICA, insurance or benefits;

18. If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement three (3) or more times within any twelve (12) month period; or

19. If Franchisee commits repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice; operates the business in a manner that presents a health or safety hazard to its employees or customers; or if Franchisee loses its approval from any city, state, or other regulatory agency to operate a business that provides all the Approved Services.

C. **Termination Upon Notice and 30 Days' Cure**. Except for those defaults set forth in Sections 15(A)-(B) of this Agreement, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) breaches or violates any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's other System standards and specifications in the operation of the Franchised Business as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor.

D. **Step-In Rights**. In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any), then Franchisor has the right, but not the obligations, to enter the Premises and exercise complete authority with respect to the operation of the Franchised Business until such time that Franchisor determines, in its reasonable discretion, that the default(s) at issue have been cured and that Franchisee is otherwise in compliance with the terms of this Agreement. In the event Franchisor exercises these "step-in rights," Franchisee must (a) pay Franchisor a management fee amounting to the greater of (a) eight percent (8%) of the Net Billings of the Franchised Business, or (b) $500/day, for each day that Franchisor's representatives are operating the Franchised Business (the "Management Fee"), and (b) reimburse Franchisor for all reasonable costs and overhead that Franchisor incurs in connection with its operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee must indemnify, defend and hold Franchisor (and its representatives and employees) harmless from and against any Claims that may arise out of Franchisor's operation of the Franchised Business.

16. POST-TERM OBLIGATIONS

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

A. **Cease Ownership and Operation of Agency; Cease Affiliate with Franchisor and Brand Generally**. Cease to be a franchise owner of Franchised Business under this Agreement and cease to operate the former Franchised Business under the System. Franchisee shall not thereafter directly or indirectly represent to the public that the former Franchised Business is or was operated or in any way connected with the System or hold itself out as a present or former franchise owner of a System franchise at or with respect to the Premises (unless Franchisor agrees otherwise in writing);

B. **Return Manuals and Confidential Information.** Return to Franchisor the Manuals and all trade secrets, Confidential Information (including customer lists and information) and other confidential materials, equipment, software and property owned by Franchisor and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law.

C. **Pay All Outstanding Amounts Due in Connection with Franchised Business.** Pay any outstanding amounts due to Franchisor, its affiliates and/or Approved Suppliers, as well as the Landlord of the Premises, for all amounts past due and owing as of the termination or expiration of this Agreement promptly, with Franchisee agreeing to pay all amounts owed to Franchisor and its Approved Suppliers no later than 10 days from the date this Agreement is terminated or expires.

D. **Assignment of Customer Contracts, Telephone/Facsimile Numbers and Domain Names**. Take such action as may that Franchisor designates to: (i) provide and assign to Franchisor the then-current and up-to-date customer list to Franchisor; and (ii) transfer, disconnect, forward, or assign all telephone/facsimile numbers and domain names used in connection with the Franchised Business, as well as any white and yellow page telephone references, advertisements, and all trade and similar name registrations and business licenses to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone/Facsimile Numbers and Domain Names attached to this Agreement as Exhibit F.

E. **Cease Using Proprietary Marks**. Cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest; cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System; and remove all trade dress, physical characteristics, color combinations, and other indications of operation under the System from the Premises. Without limiting the generality of the foregoing, Franchisee agrees that, in the event of any termination or expiration and non-renewal of this Agreement, it will remove all signage bearing the Proprietary Marks, deliver the fascia for such signs to Franchisor upon Franchisor's request, and remove any items that are characteristic of the System “trade dress” from the Premises. Franchisee agrees that Franchisor or a designated agent may enter upon the Premises at any time to make such changes at Franchisee's sole risk and expense and without liability for trespass.

1. Upon Franchisor's request, Franchisee must provide all materials bearing the Proprietary Marks to Franchisor upon expiration or termination of this Agreement for any reason, without cost to Franchisor; and

2. Franchisee must cease holding itself out as a present franchisee of Franchisor or the franchise system and, upon Franchisor's request, as a past franchisee of Franchisor or the franchise system.

F. **Compliance with Post-Term Covenants**. Comply with the post-term covenants not to compete and other restrictive covenants set forth in Section 14 of this Agreement;

G. **Written Evidence of Compliance**. Provide Franchisor with written evidence that they have complied with the post-term obligations, within thirty (30) days' notice of termination or scheduled expiration of the franchise; and

H. **Purchase of Assets**. Franchisor shall have the option, but not the obligation, within thirty (30) days after the date of termination, expiration, and non-renewal of this Agreement to purchase any and all of Franchisee's assets from the Franchised Business at a purchase price equal to net depreciated book value. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to compliance with law, the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

17. TAXES AND INDEBTEDNESS

A. **Taxes**. Franchisee must promptly pay when due any and all federal, state, and local taxes, including without limitation, unemployment, workers' compensation, and sales taxes which are levied or assessed with respect to any services or products furnished, used, or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business.

B. **Debts and Obligations**. Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in the operation of the Franchised Business.

18. WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

A. **Franchisor's Approval**. Whenever this Agreement requires or Franchisee desires to obtain Franchisor's approval, Franchisee shall make a timely written request. Unless a different period is specified in this Agreement, Franchisor shall respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request within such fifteen (15) day period, such failure to respond shall be deemed as a disapproval of any such request.

B. **No Waiver**. No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a

waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee; no delay, forbearance, or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder; and no acceptance by Franchisor of any payments due hereunder shall be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Agreement.

C. **Terms of Other Franchise Agreements**. No warranty or representation is made by the Franchisor that all System franchise agreements heretofore or hereafter issued by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other System franchise owners in a non-uniform manner.

D. **Modification of System and Manuals**. Except as provided in Section 22 and Franchisor's right to unilaterally modify the System and Manuals, no amendment, change, or variance from this Agreement shall be binding upon either Franchisor or Franchisee unless set forth in writing and signed by both parties.

19. ENFORCEMENT

A. **Full Access to Premises for Inspection**. In order to ensure compliance with this Agreement and enable Franchisor to carry out its obligation under this Agreement, Franchisee agrees that Franchisor and its designated agents shall be permitted, with or without notice, full and complete access during business hours to inspect the Premises and all records thereof, including but not limited to, records relating to Franchisee's customers, suppliers, employees, and agents. Franchisee shall cooperate fully with the Franchisor and its designated agents requesting such access.

B. **Injunctive Relief**. The Franchisor or its designee shall be entitled to obtain without bond, declarations, temporary and permanent injunctions, and orders of specific performance in order to enforce the provisions of this Agreement relating to Franchisee's use of the Proprietary Marks, the obligations of Franchisee upon termination or expiration of this Agreement, and assignment of the franchise and ownership interests in Franchisee or in order to prohibit any act or omission by Franchisee or its employees which constitutes a violation of any applicable law or regulation, which is dishonest or misleading to prospective or current customers of businesses operated under the System, which constitutes a danger to other franchise owners, employees, customers, or the public or which may impair the goodwill associated with the Proprietary Marks.

C. **No Withholding of Payments**. Franchisee agrees and acknowledges that it may not withhold payments or amounts of any kind due to Franchisor on the premise of alleged nonperformance by Franchisor of any of its obligations hereunder.

D. **Costs and Attorneys' Fees**. If Franchisee is in breach or default of any monetary or non-monetary obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must reimburse Franchisor for all costs/expenses incurred in connection with

enforcing its rights under this Agreement including all reasonable attorneys' fees, court costs and litigation expenses. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

20. NOTICES

Any notice required to be given hereunder shall be in writing and shall be either mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the respective addresses set forth below:

To Franchisor:	Butterfly Home Care, LLC Attn: Ms. Becky Wang, President 22375 Broderick Dr., Suite 250 Sterling, Virginia 20166
With a copy to:	Attn: William R. Graefe, Esq. pHranchiseLaw 2003B Cambridge Street Philadelphia, Pennsylvania 19130 williamgraefe@pHranchiseLaw.com
To Franchisee:	_____ _____ _____

Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; or (ii) the actual date of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party(ies) with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice shall be sent to such other address.

21. GOVERNING LAW AND DISPUTE RESOLUTION

A. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without reference to this state's conflict of laws principles.

B. **Internal Dispute Resolution**. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's management, after providing notice as set forth in Section 21(G) of this Agreement, and make every effort to resolve the dispute internally. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

C. **Mediation**. At Franchisor's option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 21(B)

above, will be submitted first to mediation to take place at Franchisor's then-current corporate headquarters under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of 60 days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's right to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 21(C) if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

D. **Injunctive Relief**. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

E. **Venue**. Subject to Sections 22(B)-(D) of this Agreement, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction closest to Franchisor's then-current corporate headquarters or, if appropriate, the (i) United States District Court for the Western District of Virginia, or (ii) the United States District Court where Franchisor's subsequent and then-current headquarters is located as of the date the action is initiated. Franchisee acknowledges that this Agreement has been entered into in the Commonwealth

of Virginia and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters in Virginia, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Virginia as set forth in this Section.

F. **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Section 21, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee.

G. **Notice Requirement**. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

H. **No Withholding of Payments**. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

I. **Limitation(s) of Action**. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless Franchisee brings an action/suit against Franchisor before the earlier of (a) one (1) year after the actual act, transaction or occurrence upon which such action is based, or (b) one (1) year after the Franchisee should have reasonably become or actually became aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder. Any action/suit that Franchisee does not bring this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement.

J. **Waiver of Punitive Damages**. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

K. **WAIVER OF JURY TRIAL**. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT

LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

L. **WAIVER OF CLASS ACTIONS**. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

22. SEVERABILITY AND CONSTRUCTION

A. Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to make fully the provisions hereof. Franchisee understands and acknowledges that Franchisor shall have the right in its sole discretion on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.

B. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute the same instrument.

C. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall 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 shall be construed independently of any other Section or provision of this Agreement.

23. ACKNOWLEDGMENTS

A. Franchisee acknowledges that it received a complete copy of this Agreement for a period not less than fourteen (14) calendar days, during which time conducted an independent investigation of the business licensed hereunder to the extent of Franchisee's desire to do so. Franchisee recognizes and acknowledges that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, that Franchisee will be successful in this venture or that the business will attain any level of sales volume, profits, or success. Franchisee acknowledges that this Agreement and the exhibits hereto constitutes the entire Agreement of the parties. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter.

B. Franchisee agrees and acknowledges that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on the date first written above.

FRANCHISOR	**FRANCHISEE**
BUTTERFLY HOME CARE, LLC	**[INSERT ENTITY OR INDIVIDUAL(S)]**
By:_____	_____
Becky Wang, President	[Name], [Title]
Date: _____	Date: _____

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EXHIBIT A TO THE FRANCHISE AGREEMENT

DATA SHEET AND STATEMENT OF OWNERSHIP

1. SITE SELECTION AREA

Pursuant to Section 2(B) of the Franchise Agreement, Franchisee must locate and secure a Premises for the Franchised Business within the following Site Selection Area:

_____

2. PREMISES

Pursuant to Section 2(C) of the Franchise Agreement, the Franchised Business shall be located at the following approved Premises:

_____

3. DESIGNATED TERRITORY

Pursuant to Section 2(D) of the Franchise Agreement, Franchisee's Designated Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

_____

4. FRANCHISEE CONTACT PERSON (IF AN INDIVIDUAL) OR OPERATING PRINCIPAL (IF AN ENTITY).

The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name of Principal Contact: _____

Cellular Telephone No.: _____

E-mail Address: _____

5. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

Principal/Owner Name	**Title/Role with Franchisee Entity or Franchised Business**	**Ownership Interest Held by Principal**

THE PARTIES SIGNING THIS DATA SHEET BELOW AGREE AND ACKNOWLEDGE THAT THIS DATA SHEET, BY ITSELF, DOES NOT CONSTITUTE A FRANCHISE AGREEMENT OR OTHERWISE CONFER ANY FRANCHISE RIGHTS UPON FRANCHISEE. THIS DATA SHEET PROVIDES CERTAIN DEAL-SPECIFIC INFORMATION IN CONNECTION WITH THE FRANCHISE THAT IS GOVERNED BY THE FRANCHISE AGREEMENT TO WHICH THIS DATA SHEET IS AN EXHIBIT.

THE PARTIES AGREE AND ACKNOWLEDGE THAT THE FOREGOING FRANCHISE AGREEMENT MUST BE EXECUTED PRIOR TO OR CONTEMPORANEOUS WITH THIS DATA SHEET FOR ANY RIGHTS TO BE CONFERRED.

IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit to the Franchise Agreement on as of _____.

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto as of the day and date first above written.

FRANCHISOR	**FRANCHISEE**
BUTTERFLY HOME CARE, LLC	**[INSERT FRANCHISEE NAME(S)]**
By: _____ Becky Wang, President	By: _____ [Name], [Title]

EXHIBIT B TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS/MEMBERS/SHAREHOLDERS/MANAGERS/ PARTNERS/ETC.) AND THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

ARTICLE I
PERSONAL GUARANTY

The undersigned persons (individually and collectively "you") hereby represent to Butterfly Home Care, LLC (the "Franchisor") that you are all the owners, principals, members, shareholders, managers, partners, as applicable, of the business entity named [INSERT] (the "Franchisee"), as well as their respective spouses, as of the date this Personal Guaranty (the "Personal Guaranty" or "Guaranty") is executed.

In consideration of the grant by Franchisor to the Franchisee as herein provided, each you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing franchise agreement with Franchisor (the "Franchise Agreement"), and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation: (i) any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement; (ii) the prohibition of any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer as set forth in the Franchise Agreement; (iii) those obligations related to confidentiality, non-disclosure and indemnification; and (iv) the in-term and post-term covenants against competition, as well as all other restrictive covenants set forth in the Franchise Agreement.

ARTICLE II
CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this Guaranty, you will receive information, which Franchisor considers to be Confidential Information, trade secrets and/or confidential information, that may include without limitation: (i) site-selection criteria; (ii) methods, techniques and trade secrets for use in connection with the proprietary business operating system that Franchisor and its affiliates have developed (the "System") for the establishment and operation of a franchised Agency (hereafter, a "Franchised Business"), including without limitation, proprietary training, methodology and practices for the provision of in-home care services and related services (the "Approved Services"); (iii) marketing research and promotional, marketing and advertising programs for the Franchised Business; (iv) knowledge of specification for and suppliers of, and methods of ordering, certain products, fixtures, furnishings, equipment and inventory used at the Franchised Business, including all required inventory associated with the Approved Services (the "Required Items"), as well as information related to designated or approved supplier pricing and/or relationships for sourcing such Required Items

(each, an "Approved Supplier"); (v) knowledge of the operating results and financial performance of other Agency locations; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; (vii) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (viii) information regarding the development of Franchisor's proprietary marks (the "Proprietary Marks"); (ix) information generated by, or used or developed in, the Agency's operation, including customer names, addresses, telephone numbers and related information and any other information contained in the Franchised Business's computer system; (x) the design, build-out and any construction/remodeling plans for the interior and exterior of the Franchised Business; (xi) Franchisor's proprietary Operations Manual and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (xii) as well as any other proprietary information or confidential information that is provided to Franchisee by Franchisor during the term of the Franchise Agreement (collectively, "Confidential Information"). You shall not, during the term of this Agreement or anytime thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials; price marketing mixes related to the Approved Products (as defined in the Franchise Agreement); standards and specifications for providing the Approved Services and Products and other merchandise or services offered or authorized for sale by System franchisees; methods and other techniques and know-how concerning the of operation of the Franchised Business, which may be communicated to you or of which you may become apprised by virtue of your role as a guarantor of the Franchisee's obligations under the Franchise Agreement.

You further acknowledge and agree that the following also constitutes "Confidential Information" under this Section: (i) former, current and prospective customer information, including customer names and addresses, contracts/agreements (collectively "Customer Information"), and (ii) sources and pricing matrices of any Approved Suppliers (the "Supplier Relationship Information"); and (iii) any and all information, knowledge, know-how, techniques and/or other data that Franchisor designates as confidential.

ARTICLE III
NON-COMPETITION

You acknowledge that as a participant in the Franchisor's System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, you agree as follows:

1. **During the Term of the Franchise Agreement and this Guaranty.** During the term of the Franchise Agreement and this Personal Guaranty, each of the undersigned may not, directly or in-directly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1.1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money, lease space or extend credit to (or otherwise have any interest in or involvement with), any other business that: (i) offers, sells and/or provides in-home care services and/or the management or scheduling of such services or related services (each, a "Competing Business"); or (ii) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business; provided, however, that this Section does not apply to your operation of a System franchise pursuant to a valid franchise agreement with Franchisor, or your ownership of less than two percent (2%) of the interests in a publicly traded company.

1.2. Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

1.3. Divert or attempt to divert business or customers of any Franchisee-owned Franchised Businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

2. **After the Term of This Agreement.**

2.1. For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business competing in whole or in part with Franchisor in offering or granting franchises or licenses, or establishing joint ventures, for the ownership or operation of a Competing Business.

2.2. For a period of two (2) years after the expiration, transfer or termination of the Franchise Agreement, regardless of the cause, the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

2.2.1. Own, maintain, engage in, be employed by, lend money to, have any interest in, or be employed as an officer, director, executive, or principal of any other Competing Business at or within the following areas:

2.2.1.1. at the Premises of the Franchised Business;
2.2.1.2. within the Designated Territory granted under the Franchise Agreement; or
2.2.1.3. within a 40-mile radius of (a) the perimeter of the Designated Territory or (b) any other System Business that is open, under lease or otherwise under development as of the date the two (2) year post-term period above commences.

2.2.2. Contact any of Franchisor's suppliers or vendors for any competitive business purpose; or

2.2.3. Subject to and to extent permitted by applicable laws where the Franchised Business is located, solicit any of Franchisor's employees, or the employees of Franchisor's affiliates, or any other System franchisee to discontinue employment.

3. **Intent and Enforcement**. It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this

Article III in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV
DISPUTE RESOLUTION

1. **Acknowledgment**. You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's Proprietary Marks, System or otherwise afford you any other rights. This Guaranty is not a franchise agreement of any kind.

2. **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the Commonwealth of Virginia.

3. **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal Guaranty to Franchisor's management. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Agreement.

4. **Mediation.** At Franchisor's option, all claims or disputes between you and Franchisor or its affiliates arising out of, or in any way relating to, the Franchise Agreement, this Guaranty or any other agreement by and between the parties or their respective affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to mediation, to be conducted at Franchisor's then-current headquarters at Franchisor's then-current corporate headquarters, under the auspices of the American Arbitration Association ("AAA") and in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor that specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of 60 days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elect to exercise our option to submit such claim or dispute to mediation. You may not commence any litigation or other proceeding against or naming Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor may specifically enforce our mediation rights under this Section. Each party shall bear its own cost of mediation, except that you and Franchisor shall share the mediator's fees and costs equally. This agreement to mediate at Franchisor's option shall survive any termination or expiration of the Franchise Agreement and this Guaranty.

4.1. *Excepted Claims.* The parties agree that mediation shall not be required with respect to any claim or dispute involving: (i) any of your payment obligations that are past due; (ii) the actual or threatened disclosure or misuse of Franchisor's Confidential Information; (iii) the actual or threatened violation of Franchisor's rights in, or misuse of, the Proprietary Marks, System or other trade secrets; (iv) any of the restrictive covenants contained in the Franchise Agreement or this Guaranty; or (v) any claims arising out of or related to fraud or misrepresentation by you, or your insolvency (collectively, the "Excepted Claims").

5. **Jurisdiction and Venue**. Subject to the other dispute resolution provisions in this Guaranty, the parties agree that any action at law or in equity instituted against either party to this Agreement must be commenced and litigated to conclusion (unless settled) only in (a) the state court of competent jurisdiction located closest to Franchisor's then-current headquarters at the time the action is initiated, or (b) the United States District Court for the Western District of Virginia or other applicable United States District Court

encompassing Franchisor's then-current headquarters at the time the action is initiated. The undersigned hereby irrevocably consent(s) to the jurisdiction of the foregoing courts in Virginia or other state where the Franchisor's then-current headquarters is located.

6. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Agreement and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.

7. **Right to Injunctive Relief.** Nothing contained in this Guaranty shall prevent Franchisor from applying to or obtaining from any court having jurisdiction a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or arbitration proceeding or pending the trial or handing down of a decision or award pursuant to any mediation or arbitration proceeding conducted hereunder. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance.

8. **JURY TRIAL AND CLASS ACTION WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.**

9. **Limitation of Action.** You further agree that no cause of action arising out of or under this Guaranty may be maintained by you unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

10. **Punitive Damages.** You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

11. **Costs and Attorneys' Fees.** Whether or not formal legal proceedings are initiated, in the event Franchisor incurs any legal fees or other costs associated with enforcing the terms of this Guaranty or the Franchise Agreement against you, then Franchisor will be entitled to recover from you all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Guaranty or the Franchise Agreement.

12. **No waiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty shall not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by us respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Your election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13. **No Personal Liability.** You agree that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty, or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor's sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to you for any reason. This is an important part of this Guaranty. You agree that nothing that you believe you have been told by us or our representatives shall be binding unless it is written in the Franchise Agreement or this Guaranty. Do not sign this Agreement if there is any question concerning its contents or any representations made.

14. **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

15. **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

16. **Successors.** References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty on the date stated on the first page hereof.

PERSONAL GUARANTORS

[INSERT NAME]

_____

[Name], Individually

SPOUSAL GUARANTOR

[INSERT NAME]

_____

[Name], Individually

EXHIBIT C TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is made, entered into and effective on this ___day of _____, 20____Effective Date,") by and between: (i) Butterfly Home Care, LLC, a Virginia liability company with its principal place of business at 22375 Broderick Dr., Suite 250, Sterling, Virginia 20166 (the "Franchisor"); and (ii) _____, [a/an] [individual(s)/limited liability company/corporation] with a business address at _____ (the "Franchisee").

BACKGROUND INFORMATION

The Franchisor entered into that certain Franchise Agreement (the "Franchise Agreement") dated as of _____, 20__ with the Franchisee, pursuant to which the Franchisee plans to own and operate a franchised business (the "Franchised Business") located at _____ _____ (the "Site"). In addition, pursuant to that certain Lease Agreement (the "Lease"), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from _____ (the "Lessor"). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information set forth above.

2. **Incorporation of Terms**: Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement.

3. **Indemnification of Franchisor**: Franchisee agrees to indemnify and hold Franchisor and its affiliates, stockholders, directors, officers, principals, franchisees/licensees and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee's breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.

4. **Conditional Assignment**: Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Site and the franchise relating to the Franchised Business, and all of the Franchisee's rights, title and interest in and to the Lease as conditional for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment to the Lessor as a result of the Franchisee's breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor's option be deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to

the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination**: Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms of the Lease without such written consent is null and void.

6. **Exercise of Remedies**: In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;

b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;

c) to exclude the Franchisee, its agents or employees from the Site;

d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

e) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;

f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor; and

g) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately

terminated as of the date of Franchisee defaults under the Lease and fails to cure said default within the applicable cure period (if any).

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The parties agree and acknowledge that Franchisor is not required to assume the Lease, take possession of the Site or otherwise exercise of its other rights described in this Assignment. In the event Franchisor elects to exercise its right to assume the Lease and/or take possession of the Site, it will provide written notice to Franchisee in writing and undertake the other necessary actions at issue. Nothing in this Assignment may be construed to impose an affirmative obligation on the part of Franchisor to exercise any of the rights set forth herein.

7. **Power of Attorney**: Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

8. **Election of Remedies**: It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies. Franchisor is not required to exercise any of its rights set forth in Section 6 hereof, but shall have the irrevocable right to do so.

9. **Binding Agreements**: This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "Franchisor" and "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control**. This Assignment governs and controls over any conflicting provisions in the Lease.

11. **Attorneys' Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing party.

12. **Severability**. If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such section

or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

FRANCHISOR	**FRANCHISEE**
BUTTERFLY HOME CARE, LLC	**[INSERT]**
By: _____ Becky Wang, President	By: _____
	Name: _____
	Title:_____
Date: _____	Date: _____

The Lessor hereby consents, agrees with, approves of and joins in with this COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE.

LESSOR

_____

By: _____
Name:_____
Title:_____
Date:_____

EXHIBIT D TO THE FRANCHISE AGREEMENT

EFT AUTHORIZATION FORM

Bank Name: _____
ABA# : _____
Acct. No.: _____
Acct. Name: _____

Effective as of the date of the signature below, _____(the "Franchisee") hereby authorizes Butterfly Home Care, LLC (the "Company") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Company or its affiliates under the franchise agreement to which this Exhibit D is attached (the "Franchise Agreement") for the franchised business located at: _____ (the "Franchised Business"): (i) all Royalty Fees; (ii) Fund Contributions; (iii) Technology Fees; (iv) any amounts due and owing the Company or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Company or its affiliates; and (v) all other fees and amounts due and owing to Company or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Company (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a weekly basis, or on such other schedule as Company shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Company. **[INSERT FRANCHISEE NAME]** shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED TO BY:

FRANCHISOR	**FRANCHISEE**
BUTTERFLY HOME CARE, LLC	**[INSERT FRANCHISEE NAME(S)]**
By: _____ Becky Wang, President	By: _____ [Name], [Title]

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

EXHIBIT E TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT
(for trained employees, officers, directors, general partners, members, Designated Managers and any other management personnel of Franchisee)

In consideration of my being a [INSERT TITLE/ROLE WITH FRANCHISEE] of [INSERT FRANCHISEE ENTITY] (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from Butterfly Home Care, LLC (the "Company") to: (i) establish and operate a franchised business to a franchise agreement between the parties (the "Franchised Business"); and (ii) use in the operation of the Franchised Business the Company's trade names, trademarks and service marks (collectively, the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of such an Agency (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: _____ (the "Premises").

1. The Company possesses certain proprietary and confidential information relating to the operation of the Franchised Business and System generally, including without limitation: Company's proprietary and confidential Operations Manual and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Business (collectively, the "Manual"), including all methodologies, price matrices, processes and procedure associated with the offer and sale of, and/or otherwise associated with, the promotion and/or provision of the Approved Services authorized for sale at a Franchised Business; Franchisor's proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Business and other System Agency locations; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Franchised Business; and any techniques, methods and know-how related to the operation of Agency or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the "Confidential Information").

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As [INSERT TITLE WITH RESPECT TO FRANCHISEE] of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Manual, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information, in whole or in part, for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as

confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as [INSERT TITLE] of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. I will surrender any material containing some or all of the Confidential Information to the Company, upon request, or upon conclusion of the use for which the information or material may have been furnished.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business that: (i) offers, sells and/or provides in-home care services and/or the management or scheduling of such services or related services (each, a "Competing Business"); or (iii) grants or has granted franchises or licenses, or establishes or has established joint ventures, for one or more Competing Business(es). I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose.

7.1 *Post-Term Restrictive Covenant for Designated Manager of Franchised Business or Manager/Officers/Directors of Franchisee*. In the event I am a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a Personal Guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of two years after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a 40-mile radius of the Premises; or (ii) within a 40-mile radius of any other Agency location that exists at the time my employment with Franchisee ceases through the date of my involvement with the Competing Business. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location, or undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose, during this two (2) year period following the termination or expiration of my employment with the Franchisee.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened

harm and without being required to furnish a bond or other security. I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. I shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

12. Franchisee shall make all commercially reasonable efforts to ensure that I act as required by this Agreement.

13. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by me shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by me.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF [INSERT STATE] AND MYSELF HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURT CLOSEST TO FRANCHISOR'S THEN-CURRENT HEADQUARTERS OR, IF APPROPRIATE, THE UNITED STATES DISTRICT COURT FOR THE [INSERT APPROPRIATE COURT AND STATE]. I HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. I HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ME IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY VIRGINIA OR FEDERAL LAW. I FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE ONE OF THE COURTS DESCRIBED ABOVE IN THIS SECTION; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

15. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any un-appealed final decision to which Franchisor is a part, I expressly agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

16. This Agreement contains the entire agreement of the parties regarding the subject matter of this Agreement. This Agreement may be modified only by a duly authorized writing executed by all parties.

17. All notices and demands required to be given must be in writing and sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile or electronic mail, (provided that the sender confirms the facsimile or electronic mail, by sending an original confirmation copy by certified or registered mail or expedited delivery service within

three (3) business days after transmission), to the respective party at the following address unless and until a different address has been designated by written notice.

The notice shall be addressed to

Butterfly Home Care, LLC
Attn: Becky Wang, President
22375 Broderick Dr., Suite 250
Sterling, Virginia 20166

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or electronic mail shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

18. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and inure to the benefit of its respective parent, successor and assigns.

IN WITNESS WHEREOF, this Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED

Signature: _____

Name: _____

Address: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

[FRANCHISEE NAME]

By: _____

Title: _____

NOTE: NOT REQUIRED AT SIGNING OF THE FRANCHISE AGREEMENT. FRANCHISEES WILL BE REQUIRED TO HAVE CERTAIN MANAGEMENT PERSONNEL EXECUTE A FORM OF THIS AGREEMENT.

EXHIBIT F TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES

1. [INSERT FRANCHISEE], doing business as a franchise under the mark BUTTERFLY HOME CARE® or other mark that Assignee designates under the franchise agreement to which this Exhibit is attached (the "Assignor"), in exchange for valuable consideration the parties acknowledge has been provided by Butterfly Home Care, LLC (the "Assignee") and receipt of which is hereby acknowledged by Assignor, hereby conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its franchised Agency located at _____ (collectively, the "Assigned Property"). The Assigned Property includes the following:

Telephone Number(s): _____

Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): _____

2. The conditional agreement will become effective automatically upon termination, expiration of Assignor's franchise. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and/or domain name registrar to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company and/or domain name registrar, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company or domain name registrar to effectuate this agreement, and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

ASSIGNEE	**ASSIGNOR**
FRANCHISOR	**[INSERT FRANCHISEE NAME(S)]**
BUTTERFLY HOME CARE, LLC	
By: _____	By: _____
Becky Wang, President	[Name], [Title]

EXHIBIT C

DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") entered into as of _____ (the "Effective Date"), between: (i) Butterfly Home Care, LLC, a Virginia limited liability company with its principal place of business at 22375 Broderick Dr., Suite 250, Sterling, Virginia 20166 (the "Franchisor"); and (ii) [INSERT DEVELOPER NAME(S), [a/an] [individual(s)/limited liability company/corporation] with a business address at [INSERT ADDRESS] (the "Developer").

BACKGROUND

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and consideration, have developed a system of operations (collectively, the "System") for the establishment and operation of a business (each, an "Agency") that offers and provides (i) in-home personal care and companion services and, to the extent permitted by applicable law, other in-home care services that Franchisor designates or authorizes (collectively, the "Approved Services"), and (ii) certain branded products that Franchisor may now or in the future develop for retail sale (the "Approved Products"), to third-party clientele in and their respective homes or other residences (each, a "Client") and by personnel that has the appropriate and required licensing, credential and/or criteria to perform the services at issue.

B. Each Agency is licensed to operate utilizing: (i) the proprietary marks Franchisor designates from time to time, including its current primary mark BUTTERFLY HOME CARE® (the "Proprietary Marks"); and (ii) the system of operations Franchisor and its principals have developed for the establishment and ongoing operation of such a retail business (the "System").

C. Franchisor grants qualified third parties the right to develop a certain number of Businesses within a defined geographical area (the "Development Area"), in accordance with the terms of this Agreement to which Developer must be strictly adhere, with each Business within the Development Area being opened and operating utilizing the Proprietary Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor's then-current form of franchise agreement (each, a "Franchise Agreement").

D. Developer recognizes the benefits of receiving the right to operate a Business utilizing the System and desires to: (i) become a multi-unit operator subject to the terms of this Agreement; and (ii) receive the benefits provided by Franchisor under this Agreement.

E. Developer has applied for the right to develop multiple franchised Businesses within the Development Area as set forth in this Agreement (each, a "Franchised Business"), and Franchisor has approved such application in reliance on Developer's representations made therein.

F. Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor's operations manual and other System standards and specifications, are essential to the operation of all Businesses and the System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Development Area**.

1.1 Subject to the terms and conditions set forth herein, Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and open a total of _____ Franchised Businesses

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within the Development Area defined in the Data Sheet attached hereto as Exhibit A (the "Data Sheet"), provided Developer opens and commences operations of such Franchised Businesses in strict accordance with the mandatory development schedule also set forth in the Data Sheet (the "Development Schedule") and otherwise subject to the terms and conditions set forth herein.

1.2 Except for Franchisor's reserved rights specifically identified in the Initial FA (as defined below), during the term of this Agreement Franchisor will not open or operate, or license any third party the right to open or operate, any Business utilizing the Proprietary Marks and System from a physical location within the Development Area.

1.3 Notwithstanding anything contained in this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) establish and operate, and license any third party the right to establish and operate, other System Businesses using the Proprietary Marks and System at any location outside of the Development Area; (ii) market, offer and sell the services that are similar to the products and services offered by the Franchised Business under a different trademark or trademarks at any location, within or outside the Development Area; (iii) use the Proprietary Marks and System, other such marks Franchisor may designate, to distribute any retail Approved Products in any alternative channel of distribution, within or outside the Development Area; (iv) to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and/or Approved Services (but under different marks), within or outside the Development Area; (v) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System, to engage in any other activities not expressly prohibited in this Agreement and; and (vi) own and operate Businesses in "Non-Traditional Sites" including, but not limited to, malls, family entertainment venues, amusement parks, military bases, college campuses, hospitals, airports, sports arenas and stadia, train stations, travel plazas, toll roads and casinos, both within or outside the Development Area.

2. **Development Fee.**

2.1 Developer shall pay Franchisor the development fee set forth in the Data Sheet (the "Development Fee") for the right to develop the foregoing Franchised Businesses within the Development Area under this Agreement, with the parties agreeing and acknowledging that this Development Fee shall be: (i) deemed fully earned upon payment and is not refundable under any circumstances; and (ii) paid in full upon execution of this Agreement.

2.2 Once the Development Fee is paid, Developer shall not be required to pay Franchisor any initial franchise fee in connection with the initial or any other Franchised Business that Developer is awarded the right to develop under this Agreement.

3. **Initial Franchise Agreement**. Contemporaneous with the execution of this Agreement, Developer must enter into Franchisor's current form of Franchise Agreement for the initial Franchised Business that Developer is required to develop within the Development Area (the "Initial FA"). In the event Developer is a business entity of any kind, then Developer's principals/owners must each execute the form of personal guaranty attached to the foregoing Franchise Agreement, as well as any additional Franchise Agreements described in Section 4 of this Agreement.

4. **Additional Franchise Agreements.** Developer and agrees and acknowledges that it must: (i) enter into Franchisor's then-current form of Franchise Agreement for each additional Franchised Business that Developer is required to open under this Agreement; and (ii) enter into such Franchise Agreements at such times that are required for Developer to timely meet, and strictly adhere to, its obligations under the agreed-upon Development Schedule.

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5. **Development Obligations.** Developer must ensure that, at a minimum, Developer: (i) opens and commences operations of the number of new Franchised Businesses during each of the development periods defined in the Development Schedule (each, a "Development Period"); and (ii) has the minimum cumulative number of Franchised Businesses open and operating at the expiration of each such Development Period. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that Developer's failure to comply with the Development Schedule in any manner with respect to any Development Period is grounds for immediate termination of this Agreement if not timely cured within the time period set forth in Section 6.2 of this Agreement below (and any future development rights granted hereunder).

6. **Term and Termination.**

6.1 This Agreement will commence as of the date it is fully executed and, unless earlier terminated by Franchisor, will expire on the earlier of: (i) the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule; or (ii) the date Developer actually opens the last Franchised Business that Developer is granted the right to open under this Agreement. Upon expiration or termination of this Agreement for any reason, Developer will not have any rights within the Development Area other than the territorial rights granted in connection with any "Development Area" associated with a Franchised Business that Developer has opened and commenced operating as of the date this Agreement is terminated or expires (as such rights are granted by Franchisor under the respective Franchise Agreement(s) into which Developer has entered for such Franchised Business(es)).

6.2 Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events: (i) if Developer ceases to actively engage in development activities in the Development Area or otherwise abandons its development business for three (3) consecutive months, or any shorter period that indicates an objective intent by Developer to discontinue development of the Franchised Businesses within the Development Area; (ii) if Developer becomes insolvent or is adjudicated bankrupt, or if any action is taken by Developer, or by others against the Developer, under any insolvency, bankruptcy or reorganization act, or if Developer makes an assignment for the benefit of creditors or a receiver is appointed by the Developer; (iii) if Developer fails to meet its development obligations under the Development Schedule for any single Development Period, and fails to cure such default within 30 days of receiving notice thereof from Franchisor; or (iv) if any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.

6.3 In the event this Agreement is terminated prior to its natural expiration for any reason, the parties agree and acknowledge that the geographic scope of the post-term non-compete described in Section 14(B)(2)(a)(iii) of the Initial FA shall also include the following areas: (a) the Development Area, and (b) a 10-mile radius around the perimeter of the Development Area.

7. **Reservation of Rights.** Except as provided in Section 1 of this Agreement, the parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that Franchisor and its affiliates reserve all other rights not expressly granted to Developer herein.

8. **Sale or Assignment.** Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted herein without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding, if Developer is an individual or a partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is wholly owned by Developer according to the same terms and conditions as provided in Developer's initial

Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its sole discretion.

9. **Acknowledgment**. Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Franchisor's Proprietary Marks or System.

10. **Notices**. All notices, requests and reports to be given under this Agreement are to be in writing, and delivered either by hand, overnight mail via recognized courier such as UPS or FedEx, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice).

11. **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without reference to this state's conflict of laws principles.

12. **Internal Dispute Resolution.** Developer must first bring any claim or dispute between Developer and Franchisor to Franchisor's management, after providing Franchisor with notice of and a reasonable opportunity to cure an alleged breach hereunder. Developer must exhaust this internal dispute resolution procedure before bringing a dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

13. **Mediation**. At Franchisor's option, all claims or disputes between Franchisor and Developer or its affiliates arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisor and Developer or its affiliates, or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 13 above, must be submitted first to non-binding mediation, at Franchisor's headquarters or other location designated by Franchisor in or around Sterling, Virginia, with said mediation to be conducted under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Developer must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Developer as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Developer may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's right to mediation, as set forth herein, may be specifically enforced by Franchisor.

13.1 The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 13 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any confidential/proprietary information of Franchisor (as such information is defined more fully in the Franchise Agreements); (ii) any of the restrictive covenants contained in this Agreement or any other Franchise Agreements executed in connection with the Franchised Businesses opened within the Development Area; and (iii) any of Developer's payment obligations under this Agreement or any such Franchise Agreement.

13.2 This agreement to mediate will survive any termination or expiration of this Agreement. The parties agree that there will be no class action mediation and that any mediation proceeding involving Franchisor and Developer or its principals that arises out of or relates to this Agreement in any

manner must be mediated in a proceeding that does not involve any other third party, including any other franchisee or licensee of Franchisor's franchise system.

14. **Injunctive Relief.** Developer acknowledges and agrees that irreparable harm could be caused to Franchisor by Developer's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Developer's use of the Proprietary Marks and Franchisor's confidential information; (ii) Developer's covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement or any Franchise Agreement with Franchisor; (iii) Developer's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) prohibiting any act or omission by Developer or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Developer's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Developer waives all damage claims if the injunction is wrongfully issued.

15. **Jurisdiction and Venue.** Subject to Sections 12 through 14 of this Agreement, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction closest to Franchisor's then-current corporate headquarters or, if appropriate, the (i) United States District Court for the Western District of Virginia, or (ii) the United States District Court where Franchisor's subsequent and then-current headquarters is located as of the date the action is initiated (unless settled by the parties after such action is initiated). Developer acknowledges that Franchisor may bring an action in any other court of competent jurisdiction to seek and obtain injunctive relief as set forth in Section 14 above. Developer hereby irrevocably consents to the personal jurisdiction of the state and federal courts described in this Section.

16. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement and the dispute resolution procedures contained herein, including without limitation, the right to specifically utilize and exhaust the mediation procedure with respect to all claims asserted against such person(s) by Developer or its principals.

17. **JURY TRIAL WAIVER.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR DEVELOPER'S PURCHASE FROM FRANCHISOR OF THE DEVELOPMENT RIGHTS DESCRIBED HEREIN.

18. **WAIVER OF CLASS ACTIONS**. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN DEVELOPER, DEVELOPER'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

19. **Waiver of Punitive Damages.** Developer waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) that Developer may have against Franchisor arising out of any cause

whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, Developer's recovery will be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

20. **Attorneys' Fees.** If either party institutes any judicial or mediation proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Agreement and Franchisor prevails in the action or proceeding, Developer will be liable to Franchisor for all costs, including reasonable attorneys' fees and court costs, incurred in connection with such proceeding.

21. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

22. **Severability.** The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning, which renders it valid and enforceable. The provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. If the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.

23. **Construction of Language.** The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

24. **Successors**. References to "Franchisor" or "Developer" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.

25. **Additional Documentation.** Developer must, from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreements and take such other action as Franchisor may reasonably require in order to effectuate the transactions contemplated in this Agreement. If Developer fails to comply with the provisions of this Section, Developer hereby appoints Franchisor as Developer's attorney-in-fact to execute any and all documents on Developer's behalf, as reasonably necessary to effectuate the transactions contemplated herein.

26. **No Right to Offset.** Developer may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

27. **Entire Agreement**. This Agreement contains the entire agreement between the parties concerning Developer's development rights within the Development Area; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor will any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Franchisor reserves the right to change Franchisor's policies, procedures, standards, specifications or manuals at Franchisor's discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Nothing in this Agreement, or any related agreement, is intended to disclaim any of the representations Franchisor made to Developer in the Franchise Disclosure Document that Franchisor provided to Developer.

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

BUTTEFLY HOME CARE, LLC

By: _____
Becky Wang, President

Date: _____

DEVELOPER:

[INSERT DEVELOPER NAME]

By: _____

Print Name: _____

Date: _____

Spouse Signature: _____

Spouse Name: _____

Date: _____

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EXHIBIT A to DEVELOPMENT AGREEMENT
DATA SHEET

1. **Development Area.** The Development Area, as referred to in Section 1 of the Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following area or areas:

_____

2. **Development Schedule.** The Development Schedule referred to in Section 5 of the Development Agreement is as follows:

Expiration of Development Period (each, a "Development Period")	# of New Franchised Businesses Opened Within Development Period	Cumulative # of Franchised Businesses that Must Be Open and Operating
___ Months from Effective Date	1	1
___ Months from Effective Date	1	2
___ Months from Effective Date	1	3

3. **Development Fee**. The Development Fee that is due and payable to Franchisor immediately upon execution of this Agreement shall be $_____._____.

BUTTERFLY HOME CARE, LLC

By: _____
Becky Wang, President

Date: _____

DEVELOPER

[INSERT DEVELOPER NAME]

By: _____

Title: _____

Date: _____

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EXHIBIT D

FINANCIAL STATEMENTS

Butterfly Home Care, LLC

(A Virginia Limited Liability Company)

Balance Sheet with Report of Independent Auditors
January 14, 2025

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Report of Independent Auditors

To the Member(s) of
Butterfly Home Care, LLC:

Opinion
We have audited the accompanying financial statements of Butterfly Home Care, LLC (the Company), a Virginia limited liability company, which comprise the balance sheet as of January 14, 2025, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 14, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after January 23, 2025.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Troy, MI
January 23, 2025

Butterfly Home Care, LLC
(A Virginia Limited Liability Company)
BALANCE SHEET
As of January 14, 2025

	January 14, 2025
ASSETS	
Current assets	
Cash and cash equivalents	$ 200,196
Total current assets	200,196
LIABILITIES AND MEMBER'S EQUITY	
Contributed capital	200,196
Retained earnings	-
Member's equity	200,196
Total liabilities and member's equity	$ 200,196

The accompanying notes are an integral part of the financial statements.

Butterfly Home Care, LLC
(A Virginia Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
January 14, 2025 Balance Sheet

1. Organization

Butterfly Home Care, LLC (the "Company") is a Virginia limited liability company. The Company provides franchise solutions for home healthcare services. As of January 14, 2025, total member contributions were $200,196 and distributions were $0.

2. Summary of significant accounting policies and nature of operations

Basis of accounting
The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

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

Cash and cash equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

The Company maintains its cash in bank deposit accounts which could exceed federally insured limits. As of January 14, 2025, the cash balance was $200,196 and did not exceed the insured limit.

Income taxes
Income taxes on Company income are levied on the Member at the member level. Accordingly, all profits and losses of the Company are recognized by the Member on their respective tax return.

3. Subsequent events

Subsequent events have been evaluated through January 23, 2025, which is the date the financial statements were available to be issued. There were no subsequent events noted impacting the financials of the Company as of the balance sheet date.

EXHIBIT E

STATE-SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT AND AGREEMENT(S)

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STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR BUTTERFLY HOME CARE, LLC

The following modifications are made to the Butterfly Home Care, LLC ("**Franchisor**," "**us**," "**we**," or "**our**") Franchise Disclosure Document ("**FDD**") given to franchisee ("**Franchisee**," "**you**," or "**your**") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20___ ("**Franchise Agreement**"). When the term "**Franchisor's Choice of Law State**" is used, it means Virginia. When the term "**Supplemental Agreements**" is used, it means Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum ("**State Addendum**") will modify these agreements to comply with the state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. If you are signing the Franchise Agreement in one of these states, the following language applies:

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain provisions requiring mediation. The mediation will occur in Virginia. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement and Supplemental Agreements require the application of the law of Virginia. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section

20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

The following Risk Factor is hereby added to the State Cover Page:

> WE HAVE NOT RESEARCHED THE SPECIFIC STATE LAWS OF CALIFORNIA APPLICABLE TO THE ESTABLISHMENT AND OPERATION OF A BUTTERFLY HOME CARE BUSINESS TO DETERMINE WHETHER ANY OF THE PRODUCTS OR SERVICES OFFERED BY A BUTTERFLY HOME CARE FRANCHISE ARE NOT PERMITTED BY STATE LAW.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Item 17.w, Choice of Law, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three years after the act or transaction constituting the violation upon which it is based, the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

See the last page of this Exhibit E for your signature.

MARYLAND

Item 17 is amended by adding the following language after the table:

(a) A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

(b) Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

(c) Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

(d) The franchise agreement, which provides for termination upon bankruptcy of the franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

The franchise agreement and area development agreement are amended to provide as follows:

(a) A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

(b) Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

(c) Pursuant to COMAR 02.02.08.16L, the general release required as a condition of

renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

(d) All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The disclosure document, franchise agreement, development agreement and any document signed in connection with the franchise are supplemented with the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MICHIGAN

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 your right to join an association of franchisees.

(b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.

(c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure 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 us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us 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 five years; and (ii) you are prohibited by the Franchise Agreement 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 you do not receive at least six months' advance notice of our intent not to renew the Franchise.

(e) A provision that permits us 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 the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us 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 our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.

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

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you 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:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials_____ Date_____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Butterfly Home Care, LLC, 18402 US Hwy 281 N., Ste. 267, San Antonio, Virginia 78259 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____ By: _____

Print Name: _____

Its: _____

VIRGINIA

Item 17(h). The following is added to Item 17(h):

> "Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable."

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In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Butterfly Home Care, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

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.

Exhibit H to this Franchise Disclosure Document is amended to provide that a General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("**Addenda**") is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐	California	☐	Michigan	☐	Rhode Island
☐	Hawaii	☐	Minnesota	☐	South Dakota
☐	Illinois	☐	New York	☐	Virginia
☐	Iowa	☐	North Dakota	☐	Washington
☐	Indiana	☐	Ohio	☐	Wisconsin
☐	Maryland				

Dated: _____, 20____

FRANCHISOR:
BUTTERFLY HOME CARE, LLC

By: _____

Title: _____

FRANCHISEE:

_____

_____

By: _____

Title: _____

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EXHIBIT F

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 2024

None as we are a new franchise offering as of the Issue Date of the Disclosure Document.

Franchisees with Unopened Outlets as of December 31, 2024

None as we are a new franchise offering as of the Issue Date of the Disclosure Document.

Former Franchisees that Exited System in Past Fiscal Year Ending December 31, 2024

None as we are a new franchise offering as of the Issue Date of the Disclosure Document.

EXHIBIT G

OPERATIONS MANUAL
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EXHIBIT H

SAMPLE RELEASE AGREEMENT

In consideration for the consent of Butterfly Home Care, LLC (the "Franchisor"), to the assignment by _____("Franchisee") of its interest in that certain franchise agreement entered into by and between Franchisor and Franchisee dated _____ (the "Franchise Agreement"), Franchisee hereby remises, releases, and forever discharges Franchisor, its officers, directors and employees and agents, and their respective successors, assigns, heirs and personal representatives, from all debts, covenants, liabilities, actions, and causes of action of every kind and nature, including but not limited to those arising out of or existing under the Franchise Agreement, the offer and sale of the franchised business described therein, and out of the franchise relationship between the parties hereto, whether in law or in equity, from the beginning of time to the date hereof. Franchisee acknowledges that this Release is intended to release all claims held by any person against the parties to be released, arising out of any of the matters to be released.

This Release has been entered into and agreed to as of the _____ day of _____, 20____

FRANCHISEE:

By: _____

Print Name:_____

By: _____

Print Name:_____

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EXHIBIT I

STATE EFFECTIVE DATES

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	Pending Registration
Hawaii	Not Registered
Illinois	Pending Registration
Indiana	Not Registered
Maryland	Pending Registration
Michigan	Pending Registration
Minnesota	Not Registered
New York	Not Registered
Rhode Island	Not Registered
North Dakota	Not Registered
South Dakota	Not Registered
Virginia	Pending Registration
Washington	Pending Registration
Wisconsin	Pending Registration

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.

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EXHIBIT J

RECEIPTS

RECEIPT
(Retain This Copy)

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 Butterfly Home Care, 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 a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Butterfly Home Care, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Butterfly Home Care, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Butterfly Home Care, 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, DC 20580, and the appropriate state agency identified in Exhibit A to this Disclosure Document.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Ms. Becky Wang, 22375 Broderick Dr., Suite 250, Sterling, Virginia 20166, (703) 278-2898

Issuance Date: February 3, 2025.

I received a disclosure document issued February 3, 2025, which included the following exhibits:

A. List of State Franchise Administrators/Agents for Service of Process
B. Franchise Agreement (and Exhibits)
C. Development Agreement (and Exhibits)
D. Financial Statements
E. State Specific Addenda
F. List of Franchisees and Franchisees That Left Our System in the Past Fiscal Year or That Have Not Communicated to Us in the 10 Weeks Prior to the Issue Date of this Disclosure Document
G. Operations Manual Table of Contents
H. Sample Termination and Release Agreement
I. State Effective Page
J. Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

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RECEIPT
(Our Copy)

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 Butterfly Home Care, 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 a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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If Butterfly Home Care, 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 appropriate state agency identified on Exhibit A to Disclosure Document.

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G. Operations Manual Table of Contents
H. Sample Termination and Release Agreement
I. State Effective Page
J. Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

Rev. 012417

Please sign this copy of the receipt, date your signature, and return it to Butterfly Home Care, LLC, 22375 Broderick Dr, Sterling, Virginia 20166.

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