

FRANCHISE DISCLOSURE DOCUMENT



HomeCare
ADVOCACY NETWORK

HomeCare Advocacy Network Inc.
440 Regency Pkwy Dr., #222
Omaha, NE 68114

HomeCare Advocacy Network Inc is offering franchises for the use of the tradename “HOME CARE ADVOCACY NETWORK” and related trademarks and service marks for the operation of a business that provides hands-on personal care, non-medical care, in-home care assistance and companionship care services to seniors and other adults, supplemental staffing services for nursing homes, hospitals and other medical institutional settings, home health services and other in-home medical care, and other related products, materials, and equipment (“**HCAN Services Business**” or “**Franchised Business**”).

The total investment necessary to begin operation of a HCAN Services Business ranges from \$132,250 to \$216,600. This includes initial fees in the amount of \$56,100 that must be paid to the franchisor.

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 fourteen (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 disclosure document.**

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “*A Consumer’s Guide to Buying a Franchise*”, which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: October 23, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
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 Exhibits G and H.
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 HCAN 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 an HCAN franchisee?	Item 20 or Exhibits G and H list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Nebraska. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Nebraska than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.
5. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

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.

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES...	2
ITEM 2. BUSINESS EXPERIENCE.....	5
ITEM 3. LITIGATION	6
ITEM 4. BANKRUPTCY	6
ITEM 5. INITIAL FEES	6
ITEM 6. OTHER FEES	7
ITEM 7. ESTIMATED INITIAL INVESTMENT	11
ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	13
ITEM 9. FRANCHISEE'S OBLIGATIONS.....	17
ITEM 10. FINANCING	18
ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	18
ITEM 12. TERRITORY	26
ITEM 13. TRADEMARKS.....	29
ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	31
ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	32
ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	33
ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	33
ITEM 18. PUBLIC FIGURES	39
ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS.....	39
ITEM 20. OUTLETS AND FRANCHISE INFORMATION.....	40
ITEM 21. FINANCIAL STATEMENTS	43
ITEM 22. CONTRACTS.....	43
ITEM 23. RECEIPTS.....	43

EXHIBITS

- A. LIST OF STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS
- B. FRANCHISE AGREEMENT AND RELATED MATERIALS
 - Exhibits to Franchise Agreement:
 - A. Franchise Fee, Designated Area and Owners
 - B. Guaranty and Assumption of Obligations
 - C. Confidentiality and Non-Compete Agreement
 - D. Successor Franchise Addendum
 - E. Form of Business Associate Agreement
 - F. Multiple Unit Amendment
 - G. Home Health Services Amendment
 - H. Secondary Branding Position Amendment
 - I. ACH Authorization
- C. TABLE OF CONTENTS OF OPERATIONS MANUAL
- D. FINANCIAL STATEMENTS AND GUARANTY OF PERFORMANCE
- E. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- F. MULTI-STATE ADDENDUM
- G. LIST OF CURRENT HCAN SERVICES BUSINESS FRANCHISEES
- H. LIST OF HCAN SERVICES BUSINESS FRANCHISES TERMINATED, CANCELLED, NOT RENEWED OR OTHERWISE CEASED TO DO BUSINESS
- I. 1-FRANCHISEE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED
2-INDEPENDENT FRANCHISEE ASSOCIATIONS
- J. MULTI-UNIT DEVELOPMENT AGREEMENT
- K. STATE EFFECTIVE DATES AND RECEIPTS

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

To simplify the language in this Franchise Disclosure Document, the word “**we**”, “**us**” or “**HCAN Services Business**” means HomeCare Advocacy Network Inc., the Franchisor of this business; and the word “**Franchisee**” or “**you**” means the person who buys the franchise, whether you are an individual or a corporation, partnership, limited liability company or other legal entity.

The Franchisor and Its Affiliates

We were formed as a Delaware corporation on April 22, 2020. Our principal business address is 440 Regency Pkwy Dr, #222, Omaha, NE 68114. We do business under our corporate name and the names “HCAN Services Business.” We do not have a predecessor. We began offering franchises for HCAN Service Businesses in June, 2020. We do not engage in any other business activities. We do not offer franchises in any other lines of business.

We do not have a parent company.

We have one Affiliate. HomeCare Advocacy Network IP, LLC (“**HCAN-IP**”). HCAN IP is a Nebraska limited liability company formed on December 6, 2019 and has the sole purpose of providing, owning, maintaining, and licensing the intellectual property to HCAN Services Businesses. HCAN IP has never operated a business similar to the HCAN Services Business you will operate and has never offered franchises in this or any other line of business.

We do not have any predecessors offering franchises in this or any line of business.

Our agent and address for service of process in Delaware is Corporation Trust Center, 1209 Orange St., Wilmington, DE 19801. Our other agents for service of process are disclosed on **Exhibit A**.

The Franchised Business

HCAN Services Business specializes in an array of services that you may be authorized to provide, including, but not limited to, furnishing hands-on personal care, non-medical care, in-home care, assistance and companionship care services to seniors and other adults, supplemental staffing services for nursing homes, hospitals, other home health agencies and other medical settings, home health services and other in-home medical care, and other related products, materials, and equipment that we have or may develop and implement (“**HCAN Services**”). You may be authorized to provide any or all of the HCAN Services with the HCAN branding and trademarks in primary position (“**Primary Branding Position**”), or in the case where you already have a bona fide care services business and facility, you may be authorized to provide any or all of the HCAN Services with HCAN branding and trademarks in a secondary position to your existing branding and trademarks (“**Secondary Branding Position**”). HCAN Services, whether offered in Primary Branding Position or Secondary Branding Positions are collectively referred to as a (“**Franchised Business**”). We grant franchises for, and may periodically operate, businesses under the “HCAN + HomeCare Advocacy Network™” trademark which is our principal mark.

Unless prohibited by state or federal law, if you desire to offer to your clients services relating to home health care (“**Home Health Services**”), you must apply to us for our prior written approval, which we have the right to provide or deny. To be eligible to offer Home Health Services (i) you must have completed the Home Health Training Assessment; (ii) you must not have any uncured defaults under the Franchise Agreement; (iii) you must comply with all federal, state, and local laws and regulations, including obtaining all applicable licenses and permits (such as those required by any applicable Nurse Practice’s Act); (iv) you, or a qualified person designated by you, must have successfully completed our applicable training program pertaining to home health services and must have satisfactorily completed a third party accreditation program acceptable to us; (v) you must follow the guidelines outlined in the HCAN Operations Manual (“**Operations Manual**”) (vi) you must satisfy any other requirements

established by us that we believe are necessary for a Franchised Business to offer Home Health Services, including insurance requirements; and (vii) you must execute the Home Health Services Amendment to the Franchise Agreement in a form similar to **Exhibit G** to the Franchise Agreement. If permitted by applicable law, you may determine the referrals for services you will accept based on the skill level of your personnel; provided such services are in compliance with our System and business model (as we may determine). We have the right to revoke our approval for you to offer Home Health Services if you fail or refuse to continue to meet any of these conditions. If you acquire the right to operate an existing Franchised Business, you must also meet these requirements to offer Home Health Services.

Each Franchised Business operates in accordance with our system (“**System**”). The distinguishing characteristics of the System include the HCAN Operations Manual, uniform operating methods, procedures, and techniques; other confidential operations procedures; and, methods and techniques for record keeping, personnel management and training, marketing and advertising; and, the “HCAN + HomeCare Advocacy Network™” marks along with other means of identification including certain trademarks, service marks, and logos as are now designated or may be designated in the future (collectively, the “**Marks**”), all of which we may change, improve and further develop periodically.

As described in this Franchise Disclosure Document, we offer a franchise for a single Franchised Business under the terms and conditions of the Franchise Agreement attached as **Exhibit B**, which will be the actual contract between you and us, and which describes your rights and obligations. If you desire to develop more than one franchised business in a specified territory you must sign a Franchise Agreement for each Franchised Business. In the alternative, if you enter into one or more other Franchise Agreements at the same time, and the Designated Areas granted to you under the Franchise Agreements are contiguous, you may request to operate the Franchised Business under each Franchise Agreement from the same Premises. We have the right to accept or deny your request for any reason. If we authorize you to do so, you will execute the appropriate amendments to the various Franchise Agreements provided in **Exhibit F** to the Franchise Agreement.

At our discretion, we may offer qualified candidates the right to open and operate multiple Franchised Businesses. If we grant you the right to open multiple Franchised Businesses, you must sign the Multi-Unit Development Agreement attached to this Franchise Disclosure Document as **Exhibit J** and will also sign the Franchise Agreement for the first Franchised Business to be developed at the same time.

When you develop and open multiple Franchised Businesses as a multi-unit developer, the Franchise Agreement you sign for each additional Franchised Business may be materially different from the original Franchise Agreement you sign to develop your first Franchised Business.

Market and Competition

You will compete with other businesses offering similar services, some of which are part of national or regional franchised and non-franchised chains. The hands-on personal care, non-medical care, in-home care assistance, companionship care services, and Home Health Services, if applicable, will be offered primarily to seniors or other individuals. The supplemental staffing services in health care will be offered to nursing homes, hospitals, other home health agencies, and other medical settings. The market for in-home care services and for supplemental staffing services in health care is highly developed and competitive in most markets.

Industry Specific Regulations

You must comply with all federal, state and local laws and regulations that apply to your operations, including those pertaining to the health care industry, professional and facility licensing, minimum wage laws, workers’ compensation, corporate, tax, environmental, sanitation, insurance, no smoking, EEOC, OSHA, non-discrimination, employment and sexual harassment laws.

You should consider the following types of regulation that may apply to the ownership and operation of your Franchised Business:

A. Licensure; Record Keeping

You must obtain and maintain any health care or employment related permits, licenses, certifications or other indications of authority necessary for the operation of your Franchised Business, including, for example, a home health agency license, nurse staffing and/or employment agency license and medication management licensing compliance. You cannot provide nursing services, skilled or otherwise without complying with the Nurse Practices Act. The Nurse Practices Act varies by state and may include requirements regarding licensing, educational program standards, and supervision by a physician. Some jurisdictions may also require a Certificate of Need. Some states require you to obtain a license to provide employment services. Local law may require you to obtain a particular permit, license or accreditation. Some states have imposed a moratorium on the issuance of home health agency licenses, nurse staffing licenses, and other in-home healthcare licenses or permits. You are responsible for investigating the availability and requirements for obtaining all necessary licenses in your state and compliance with the Nurse Practices Act and you assume all risks that result from your failure to comply with any of these laws.

Many states have licensing, certification or registration requirements applicable to the services you will be providing as a HCAN Services Business franchisee. You therefore may be required to register as a home health agency, nurse staffing and/or employment agency and to comply with the screening requirements of health care workers. State licensing, certification and registration statutes may require a minimum level of education or related work experience and/or the payment of a fee in order to obtain the license.

In addition to obtaining business licenses, your staff may also need to be licensed, registered, or certified to perform certain services. You may also be required to have a full-time registered nurse (“**RN**”) to comply with the regulations in your state governing nursing agencies and/or home health agencies and to provide services through licensed individuals. You should inquire about any applicable laws and your corresponding obligations and cost of compliance.

Some states may also have specific record-keeping or other requirements for health care providers. You will be responsible for investigating and complying with any such laws that may apply in your territory.

B. Anti-Kickback Laws

Certain provisions of the Social Security Act, commonly referred to as the “Anti-Kickback Act,” prohibit the offer, payment, solicitation or receipt of any form of remuneration either in return for the referral of patients or patient care opportunities paid in whole or in part by a federal health care program, including the Veterans Administration (“**VA**”), or in return for the recommendation, arrangement, purchase, lease or order of items or services paid in whole or in part by a federal health care program, including VA benefits. The Anti-Kickback Act is broad in scope and has been broadly interpreted by courts in many jurisdictions. The Anti-Kickback Act prohibits many business courtesies and arrangements that are common outside the health care industry.

Additionally, a number of states have enacted laws which prohibit payment for referrals and other types of “kickback” arrangements. These state laws sometimes apply to all patients regardless of their insurance coverage.

C. Other Federal Regulations

There are a number of federal laws prohibiting certain activities and arrangements relating to services or items that are reimbursable by Medicare or Medicaid. While Medicare and Medicaid laws may

not apply to your Franchised Businesses, these laws may apply to those facilities, including laws prohibiting Medicare- or Medicaid-participating facilities, from employing providers excluded from those programs. If a practitioner is an excluded provider from Medicare or Medicaid, he or she will be prohibited from receiving payment from that facility. It is your responsibility to determine whether and to what extent employees of your HCAN Services Business need to be screened for their possible excluded status in these or other payment programs.

To the extent your HCAN Services Business accepts reimbursement directly from the VA, it will be required to satisfy the applicable regulatory requirements the VA imposes on its vendors, including but not limited to the Federal Acquisition Regulations and various VA contract requirements. The False Claims Act imposes civil liability on persons or corporations, which submit or cause to be submitted false or fraudulent claims for payment to the government. A violation of the False Claims Act may result in liability for fines, treble damages, attorneys' fees and exclusion from federal health care programs.

We require all of our franchisees to be compliant with the portions of the Health Insurance Portability and Accountability Act ("**HIPAA**") which require health care providers to submit transactions related to payment in standard electronic formats and regulate the security and privacy of health data, and HIPAA's implementing regulations, including the HIPAA Privacy Rule, HIPAA Breach Notification Rule, HIPAA Security Rule, HITECH Act, and Omnibus Rule. Under HIPAA's privacy and security regulations, you must implement privacy and security policies and safeguards, designate a privacy and security officer, inform individuals regarding how their health information is used and disclosed, provide access to health information, and give notice of certain breaches of protected data. To help you comply, we have designated a third-party supplier to provide you with various tools for implementing your own compliance program (See ITEM 11). In addition, if you engage a third party to perform functions that require access to patients' personal information, you are required to execute a business associate agreement ("**Business Associate Agreement**") in a form similar to the form of agreement between you and us (**Exhibit E** to the Franchise Agreement).

D. General Matters

Laws and regulations may change at any level of government at any time, resulting in increased scrutiny applied to medical, home care, and/or staffing agencies by various levels of government. As such, the costs of compliance may increase. You are responsible for keeping informed about changes in legislation that may impact the operation of your Franchised Business. We strongly urge you to consult with competent local counsel regarding all of the laws and regulations described above and others that may be applicable to you and your Franchised Business.

This document does not include all laws that may apply to your Franchised Business. You should also be aware of pending legislation that may affect your Franchised Business in the future.

We have resources available as a reference to you, but you are solely responsible for investigating, understanding and complying with the laws, regulations and requirements applicable to you and your Franchised Business.

ITEM 2. BUSINESS EXPERIENCE

President, and Chief Executive Officer and Member of the Board of Directors: Mark Goetz

Mr. Goetz has served as our President, Chief Executive Officer, and a member of our Board of Directors in Omaha, Nebraska since January 2020. Mr. Goetz previously served as the Vice President of Home and Community Based Services at The Asbury Group in Frederick, Maryland from July 2017 to December 2019.

Operations Director: Sierra Goetz

Ms. Goetz has served as our Operations Director in Omaha, Nebraska since January 2020. Ms. Goetz was a Customer Services Representative and Medicare Sales Agent at Oracle Insurance Agency from July 2018 to December 2019.

General Counsel and Member of Board of Directors: Chris Cue

Mr. Cue joined HomeCare Advocacy Network, Inc. as General Counsel and became a member of our Board of Directors in April 2020. Mr. Cue has been the proprietor of Chris L. Cue Attorney at Law in Chicago, Illinois since May 2013 and will continue to operate that business concurrent to being General Counsel at HomeCare Advocacy Network, Inc.

Chairman of the Board of Directors: Steve Philips

Mr. Philips has served as Chairman since July 2024. Mr. Philips was the President of Allied Oil & Supply from August 2011 to July 2024.

Business Development Manager: Jennifer Johnson

Ms. Johnson has served as our Business Development Manager since December 2024. Ms. Johnson previously served as the Director of Quality and Standards from July 2023 to July 2024 at Right at Home, LLC. Ms. Johnson was the Director of Sales from May 2021 to July 2023 at Right at Home, LLC. Ms. Johnson was the Business Performance Manager from December 2016 to May 2021 at Right at Home, LLC.

ITEM 3. LITIGATION

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

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Single Unit Franchises

The standard initial franchise fee (“**Initial Franchise Fee**”) for one Franchised Business is \$49,700. The Initial Franchise Fee is deemed fully earned and nonrefundable for any reason upon signing the Franchise Agreement.

The Initial Franchise Fee is charged for a franchise to operate from one location in an assigned specific territory that we describe as the “**Designated Area**.” The Initial Franchise Fee is payable at the time you sign the Franchise Agreement. The Designated Area will be defined by zip codes and generally includes a population of approximately thirty thousand (30,000) to fifty thousand (50,000) people aged 65 and older, as more thoroughly explained in Item 12. Zip codes are a system of postal codes used by the United States Postal Service (“**USPS**”) and are changed by it from time to time. Changes by the USPS may affect the zip codes and the geographic area that makes up Franchisee’s Designated Area.

During the fiscal year that ended May 31, 2024 we collected uniform Initial Franchise Fees in the amount of \$55,000. The Initial Franchise Fee is uniform to all franchisees under this offering.

Training and Development Fee

You must also pay a training and development fee (“**Training and Development Fee**”) of

\$6,400 when you sign the Franchise Agreement. This fee is utilized by us to provide you with initial training. The Training and Development Fee is deemed fully earned and nonrefundable for any reason upon signing the Franchise Agreement.

Multiple Unit Owners

At our discretion, we may offer qualified candidates the right to open and operate multiple Franchised Businesses. If we grant you the right to open multiple Franchised Businesses, you must sign the Multi-Unit Development Agreement attached to this Franchise Disclosure Document as **Exhibit J**. In the alternative, if you enter into one or more other Franchise Agreements at the same time, and the Designated Areas granted to you under the Franchise Agreements are contiguous, you may request to operate the Franchised Business under each Franchise Agreement from the same Premises. We have the right to accept or deny your request for any reason. If we authorize you to do so, you will execute the appropriate amendments to the various Franchise Agreements provided in **Exhibit F** to the Franchise Agreement (See Item 11).

When you develop and open multiple Franchised Businesses as a multi-unit developer, the Franchise Agreement you sign for each additional Franchised Business may be materially different from the original Franchise Agreement you sign to develop your first Franchised Business. As a Multi-Unit Developer, you must pay to Franchisor an Initial Franchise Fee or a Development Franchise Fee for each HCAN Services Business to be developed. The Initial Franchise Fee for the first and second HCAN Services Business to be developed under the Multi-Unit Development Agreement shall be \$49,700 for each unit. You must pay a multi-unit development fee (“**Multi-Unit Development Fee**”) equal to \$24,850 for the third and each subsequent HCAN Services Business you commit to develop under the terms of the Multi-Unit Development Agreement. The Multi-Unit Development Fee is paid in addition to each Development Initial Franchise Fee. You must pay the Multi-Unit Development Fee when you sign the Multi-Unit Development Agreement. The Multi-Unit Development Fee is fully earned at the time you sign the Multi-Unit Development Agreement and is not refundable for any reason regardless of whether you ultimately open any or all of HCAN Services Businesses. You will pay a development franchise fee (“**Development Franchise Fee**”) equal to \$24,850 at the time you sign the third and each subsequent Franchise Agreements required under the terms of your Multi-Unit Development Agreement. The Multi-Unit Development Fee may not be uniform for all franchisees due to the variable nature of negotiations, including but not limited to the size of the Development Area to be developed, the number of HCAN Services Businesses to be developed, demographic data and trends and other variable conditions, and we reserve the right to charge different Multi-Unit Development Fees at our sole discretion.

During the fiscal year ended May 31, 2024, we collected uniform Multi Unit Development Fees in the amount of \$27,500 for each unit developed under a Multi-Unit Development Agreement.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Continuing Royalty ¹	7% of Gross Revenue.	Payable weekly by ACH	<u>See</u> Definition of Gross Revenue, and Minimum Royalty Requirement Per Quarter.

HCAN Marketing and Development Service Fee ²	\$750 - \$2,500	Payable monthly.	You are required to pay us for HCAN Marketing and Development Services. We may increase, reduce or suspend the fee for HCAN Marketing and Development Services upon notice to you. <u>See</u> Item 11 and Section 10.7, Franchise Agreement.
Technology Fee	Currently \$250 per month, subject to increase.	Payable Monthly by ACH	Payable to us. This fee is for services including but not limited to access to the HCAN System, electronic records, management software, or other operations systems. We may increase the fee based on supplier pricing increases, introduction of new technology and/or changes in vendors. If you are not on the HCAN System, we reserve the right to charge a monthly fee.
Non-Compliance Technology Fee	\$750 - \$3,500	Payable Monthly by ACH	We reserve the right to charge a monthly fee of \$750 - \$3500 for administrative costs associated with having a system different from HCAN Legacy Systems.
Audit	Greater of \$10,000 or entire expenses of the audit.	Immediately.	Payable if the audit shows an understatement in Gross Revenue of at least 2% and/or if inspection discloses Franchise operated the Franchise Business in violation of Franchise Agreement. <u>See</u> Sections 11.3 and 11.5, Franchise Agreement.
Late Fee	\$250 per week for each item not submitted when due, plus the highest allowable legal rate for open account business credit, not to exceed 1.5% per month.	Automatically incur after due and payable date.	Applies to Weekly Reports, accounting and records, and all Royalty Fees and amounts due for purchases from us or any affiliates. <u>See</u> Section 10.2, Franchise Agreement.

Insurance Reimbursement ³	Amount of unpaid premiums.	Prior to opening your Franchised Business or commencement of any construction for leasehold improvements, you must have the issued policies.	Payable to us only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Successor Franchise Fee ⁴	50% of the then current Initial Franchise Fee at the time of each Successor Term approved by us.	At the time of execution of the Successor Franchise Agreement.	This amount is meant to offset the time and expense we will incur in handling each Successor Franchise. <u>See</u> Sections 2.1, 2.2, and 2.3, Franchise Agreement.
Transfer Fee	50% of the then-current Initial Franchise Fee for a franchise at the time of the transfer or 100% of the then-current Initial Franchise Fee if a Franchisee Consultant or Broker commission is payable.	At the time of transfer.	This Transfer Fee does not apply to an assignment of interest to an entity under Section 18.4.1 or an assignment to a Permitted Transferee under Section 18.7 of the Franchise Agreement. <u>See</u> Section 18.5, Franchise Agreement.
Additional Manager Training	Current rates as published in the Operations Manual; currently, \$500 per day plus expenses.	Time of additional training.	We provide 10 days of training to your Operating Principal and 2 additional persons, at our cost, at our headquarters. <u>See</u> Item 15. You pay for costs of attending training and for additional training if you request it.
Additional Onsite Assistance	Current rates as published in Service Operations Manual; currently, \$500 per day per person plus expenses.	Time of assistance.	We provide approximately 5 days of onsite assistance within six months of the beginning of operations at our cost. You pay for additional assistance if you request it.

Educational Programs, Seminars, Convention ⁵	You are required to pay your expenses as well as your employees' expenses in attending these educational programs, plus the fee we may charge to cover our costs of providing such programs.	Time of educational program.	Attendance will not be required more than 2 times per calendar year and will not last more than 5 days. If your Franchised Business offers Home Health Services, we can require you or a qualified person designated by you to attend additional training relating to Home Health Services.
Cost of Enforcement or Defense	All costs including attorneys' fees.	Upon settlement or conclusion of claim or action.	You will reimburse us for all costs in enforcing our obligations under the Franchise Agreement if we prevail. <u>See</u> Section 29.4, Franchise Agreement.
Indemnification	All costs including attorneys' fees.	Upon settlement or conclusion of claim or action.	You will defend suits at your own cost and hold us harmless against suits involving damages resulting from your operation of the Franchised Business. <u>See</u> Section 22.3, Franchise Agreement.
Supplier or Product Inspection Fee	\$10,000.	Upon request to consider a new supplier or product.	This fee is for the us to evaluate and/or inspect any product or supplier that has not yet been approved by us and that you request be evaluated.

NOTES:

1. Gross Revenue; Minimum Royalty. The term “**Gross Revenue**,” as used here and throughout this Franchise Disclosure Document, will mean and include the total of all revenues from the operation of the Franchised Business whether received in cash, in services in kind, from barter and/or exchange, on credit (whether or not payment is received therefor) or otherwise. There will be deducted from Gross Revenue for purposes of said computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to clients; provided, that such taxes were separately stated when the client was charged and such taxes were paid to the appropriate taxing authority. There will be further deducted from Gross Revenue the amount of any documented refunds, chargebacks, credits and allowances given in good faith to clients by you, mileage expense, or any reimbursed expense. (See Section 10.1.2, Franchise Agreement).

2. HCAN Marketing and Development Services Fee. We or our Affiliates will provide you with or will facilitate the following marketing and development services (“**HCAN Marketing and Development Services**”): (i) providing you with professionally managed social media services, which will include providing a social media account manager for your Franchised Business, (ii) providing you with digital marketing services, and (iii) providing you with certain caregiver recruiting services, which may be provided by a third party contracted with us. You will be required to pay us a monthly fee for the HCAN Marketing and Development Services in such amounts, and on such terms, as are more fully set forth in the Operations Manual (“**HCAN Marketing and Development Services Fee**”). See Item 11.

3. Insurance Policies. You must maintain the insurance that we may require from time to time in our Operations Manual and as further described in Item 8. The coverages described in Item 8 must be in full force and effect throughout the term of the Franchise Agreement. You should expect to incur the same fees for each Franchised Business. The coverages included in this Franchise Disclosure Document are the recommended minimums, but they may not be adequate for all losses of every type and size. We encourage you to make decisions with the advice of your insurance consultant and legal counsel. See Items 7 and 8 that follow for additional information.

4. Successor Franchise Fee. In order to extend your right to operate the Franchised Business beyond the initial term of the Franchise Agreement, you must apply to us to obtain a successor franchise agreement (“**Successor Franchise Agreement**”) for the successor franchise term (“**Successor Franchise Term**”) permitted in your current Franchise Agreement.

5. Educational Programs, Seminars and Conventions. As a franchisee you will have the opportunity to attend the HCAN Services Business annual meeting (“**Annual Conference**”) held each year, where you can participate in various sessions that offer insight and learning opportunities to help you run your Franchised Business. The fee for the annual meeting is set several months prior to the meeting and we do not currently expect it to exceed \$500 per attendee but it may exceed that amount in the future. See Items 7 and Item 11 for more information on the Annual Conference. For your first Annual Conference, we will pay the attendance fee for up to two people to attend. If you bring more than two people, you will pay the attendance fee, which will not exceed \$500 per person to attend.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT FOR A SINGLE FRANCHISED BUSINESS

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Fee ¹	\$49,700	Wire, Cashier’s or Personal Check	Upon Signing Franchise Agreement	Us
Training and Development Fee ²	\$6,400	Wire, Cashier’s or Personal Check	Upon Signing Franchise Agreement	Us
Real Estate/Rent ³	\$2,000 - \$4,000	As Arranged	Monthly, As Arranged	Landlord
Rent Deposits ⁴	\$750 - \$1,500	As Arranged	Up front, As Arranged	Landlord
Leasehold Improvements ⁵	\$10,000 - \$15,000	As Arranged	Up front, As Arranged	Landlord, Required Suppliers
Insurance ⁶	\$3,000 - \$7,000	As Arranged	As Arranged	Insurance Carrier
Furniture and Fixtures ⁷	\$2,700 - \$8,000	As Arranged	As Arranged	Required Suppliers
Computer Hardware and Software ⁸	\$8,000	As Arranged	As Arranged	Required Suppliers

Other Office Equipment, Medical Equipment, and Supplies ⁹	\$3,000 - \$6,000	As Arranged	As Arranged	Required Suppliers
Training Expenses ¹⁰	\$2,500 - \$5,000	As Incurred	As Incurred	Transportation Lines, Hotels and Restaurants
Initial Opening Marketing ¹¹	\$10,000 - \$15,000	As Arranged	As Arranged	Required Suppliers
Permits and Licenses ¹²	\$200 - \$2,000	As Arranged	As Arranged	Licensing Authority
Professional Fees ¹³	\$3,000 - \$5,000	As Arranged	As Arranged	Accountants and Attorneys
Signage ¹⁴	\$1,000 - \$4,000	As Arranged	As Arranged	Required Suppliers
Additional Funds (3 months) ¹⁵	\$30,000 - \$80,000	As Arranged	As Necessary	As You Determine
TOTAL ¹⁶	\$132,250 - \$216,600			

NOTES:

1 Initial Franchise Fee. The Initial Franchise Fee is \$49,700. The Initial Franchise Fee is deemed fully earned and nonrefundable upon signing the Franchise Agreement. The Initial Franchise Fee is described in greater detail in Item 5 of this Franchise Disclosure Document.

2 Training and Development Fee. The Training and Development Fee is \$6,400. The Training and Development Fee is deemed fully earned and nonrefundable upon signing the Franchise Agreement.

3 Real Property. You must provide a location, other than a personal residence, from which to operate the Franchised Business, and the open office must exist solely and exclusively for the operation of the Franchised Business. Normally, space is obtained on a leasehold basis. The floor area recommended for the Franchised Business is approximately 600 to 800 square feet. The estimate for rental property represents a high-end annual lease rate of \$23 per square foot for 800 square feet of space. The low-end estimate represents an annual lease rate of \$18 per square foot for 600 square feet of space. Additionally, there may be lease acquisition costs in the nature of deposits. It is extremely difficult to estimate lease acquisition costs because of the wide variation in these costs among various locations. We will not assist in financing this expenditure.

4 Rent Deposits. A rent deposit may be required by your landlord.

5 Leasehold Improvements. Minimal leasehold improvements are generally required before operation. These costs again vary based on the size of the business and requirements of a particular landlord, depending upon whether or not the improvements are capitalized as part of the lease.

6 Insurance. Requirements are described in greater detail in Item 8 of this Franchise Disclosure Document. This estimate is for estimated first year premiums of all insurance coverage except office contents and workers' compensation insurance, which vary by location.

7 Furniture and Fixtures. The range represents the approximate costs associated with acquiring the furniture, including desks, chairs, shelves and phone system.

8 Computer Hardware and Software. The range represents the approximate costs associated with acquiring the Franchisor required computer hardware, designated software (“**Designated Software**”) and high-speed internet service.

9 Other Office Equipment and Supplies. The range represents the approximate costs associated with acquiring basic office supplies and fax/copy machine.

10 Training Expenses. You are responsible for arranging transportation and paying the expenses for meals and lodging for any persons attending our Training Program and our Annual Conference as described below. The amount expended will depend on the distance you must travel and the type of accommodations you choose. New franchisees are currently required to attend the Annual Conference. We may waive this requirement during your first year of operations if the date you are scheduled to open your Franchised Business is within 30 days of the scheduled Annual Conference. For your first Annual Conference, we will pay the attendance fee for up to two people to attend. If you bring more than two people, you will pay the attendance fee, which will not exceed \$500 per person to attend. The low estimate contemplates attendance by one person traveling to our headquarters in Omaha, Nebraska or other designated location for our training program. The low estimate does not include your attendance at the Annual Conference. The high estimate contemplates attendance by two people traveling to our headquarters or other designated location to attend our training program. The high estimate also includes the annual conference fee and travel expenses for one person to attend the Annual Conference.

11 Initial Opening Marketing. The range represents the approximate costs associated with promoting the opening of your location.

12 Permits. State and local government licensing and registration fees vary considerably from state to state and you must check into and verify the amount of the fees.

13 Professional Fees. This range represents the approximate costs associated with attorney and CPA fees.

14 Signage. This range includes the cost of all requisite signage used in the Franchised Business.

15 Additional Funds. Such amounts are the minimum recommended levels to cover operating expenses, including employees’ salaries for 3 months. The amounts do not include money for Franchise owner’s compensation. If you appoint a Director, we require a second salaried employee, these salaries are included in the amounts. Salaries are based on industry average and will vary depending on the location of your Franchised Business.

16 Total Investment. In compiling this list of expenditures, we relied on our experience in working with and for other home-care Franchised Systems. The amounts shown are estimates only and may vary for many reasons including the size of a Franchised Business, the capabilities of your management team, where you locate your Franchised Business, and your business experience and acumen. This does not include any personal living expenses, Franchise owner compensation, royalty, or company-wide brand marketing and promotion fund contributions. You should review these estimates carefully with a business advisor or accountant before making any decision to buy a franchise. We do not offer direct or indirect financing to you for any part of the Estimated Initial Investment. All or part of your investment may be financed by a bank or other lending institution on terms we cannot estimate. Once you sign the Franchise Agreement, no payment you make to us is refundable.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Supplies and Suppliers

You must operate the Franchised Business according to our System standards. System standards include the matters in the Operations Manual, and they may regulate among other things, the types, models and brands of required equipment, signs, stationary, promotional materials and other items necessary to operate the Franchised Business. From time to time, we will provide you a list of approved manufacturers, suppliers and distributors (“**Required Suppliers**”) authorized to supply items or services used to operate the Franchised Business (“**Required Suppliers List**”) and a list of approved products, materials, equipment, signs, stationary, supplies and other items or services necessary to operate the Franchised Business (“**Required Supplies**”) or offer for sale to clients of a Franchised Business (“**Required Supplies List**”). You must purchase, sell and use only those suppliers and supplies that are listed on the Required Suppliers List or Required Supplies List. We do not have an affiliate that is a supplier of products or services to us or any franchisee. Currently neither we nor any of our affiliates are Required Suppliers or the only required suppliers of any good or service. Neither we nor any of our officers or principals owns an interest in any of our Required Suppliers.

Any item used in the Franchised Business that is not specifically required to be purchased in accordance with the Required Suppliers List or the Required Supplies List must conform to our established standards and specifications.

We make our criteria for approving alternative suppliers available to franchisees. We apply the following general criteria in approving a proposed supplier:

1. Ability to provide sufficient quantity of products;
2. Quality of products and/or services at competitive prices;
3. Production and delivery capability; and
4. Dependability and general reputation.

If alternative suppliers meet the above criteria, we permit franchisees to contract with them. You will receive notice of our approval or disapproval of a proposed supplier within 30 days of our receipt of all pertinent information. The time period in which you will be notified of our approval or disapproval of an alternative supplier is 30 days. We charge you a fee of \$10,000 to secure our approval to purchase from alternative suppliers. We may revoke approval of a supplier if a supplier no longer meets these general criteria.

If you would like to offer for sale to clients of the Franchised Business or use to operate the Franchised Business any product, material, equipment or supply or purchase any products from a supplier not on either of these lists, you must obtain our prior written approval. In that case, you must notify us and submit to us all information, specifications and samples that we may request regarding a supplier, service or product proposed by you. We may require that our representatives be permitted to inspect the proposed supplier’s facilities and that samples from the proposed supplier be delivered to us for evaluation and testing. We have the absolute right to determine whether such supplier’s goods or products meet the System standards and our specifications and may approve or disapprove any proposed supplier. We will typically provide response to such written request within 30 days from the date we receive your written request and the necessary items we require for review. Although products, services or suppliers may be approved by us, we and our affiliates expressly disclaim all warranties, including warranties of merchantability and fitness for any particular purpose, with respect to products, services, fixtures, furniture (including without limitation any required computer systems), signs, stationary, supplies or other approved items sold to or provided to you by us or any third-party, including any Required Supplier. We reserve the right to designate exclusive suppliers, the right to designate us or our affiliate(s) as an approved or exclusive supplier, and the

right to earn fees on franchisee purchases from suppliers. We charge you a fee of \$10,000 to obtain our approval for a supplier.

Standards and Specifications

In addition to using services and products which are required to be purchased from Required Suppliers or must be Required Supplies, you may be obligated to purchase items that meet our minimum guidelines, standards and specifications. Our guidelines, standards and specifications may impose minimum requirements for quality, uniformity, design and appearance. Those will be communicated to you in our Operations Manual or other communication used in our System. Presently, we have established guidelines, standards and specifications for all advertising, promotion and logo use. You must adhere to our guidelines, standards and specifications for content, size, color paper stock and typeface. All advertisements are subject to our approval or disapproval and we must be given at least 10 business days to review your advertisements. If we or our designated agent fails to respond to you in 10 business days, then such advertisements will be deemed to be disapproved by us. We will also provide you with an array of operating forms and other supplies which you will reproduce and must use in the operation of your Franchised Business.

Computer Hardware and Designated Software

You are required to purchase and utilize computer hardware and Designated Software as more fully described in Item 11 of this Franchise Disclosure Document.

Client Satisfaction Survey Program and Caregiver Satisfaction Survey Program

You are required to participate in the client satisfaction survey program (“**Client Satisfaction Survey Program**”) and the caregiver satisfaction survey program (“**Caregiver Satisfaction Survey Program**”). You must use us or our Required Suppliers for both programs. There is no base cost to participate in either the Client Satisfaction Survey Program or the Caregiver Satisfaction Survey Program, however, we reserve the right to charge you a fee in the future. If you elect to have the Required Supplier interview more than 5% of your customers or caregivers, you will incur a fee. We may also change or eliminate the programs at any time. You are responsible for reviewing and responding to any comments and/or alerts provided to you by the Required Supplier as part of the Client Satisfaction Survey Program and/or Caregiver Satisfaction Survey Program. We may also require you to participate in other survey satisfaction programs. You may be required to pay fees to participate in such programs. We may set minimum client satisfaction survey scores and minimum caregiver satisfaction survey scores in our Operations Manual.

Insurance

Your insurance policy must meet our minimum specifications as prescribed in this Item 8 and the Operations Manual. The following is a list of the required coverages with their respective minimum limits of coverage (See Section 14.2, Franchise Agreement):

- a. Commercial Property or “Special” form coverage insurance on business property used in the operation of the Franchised Business for full repair as well as replacement value of the property, except that an appropriate deductible clause will be permitted not to exceed \$2,500.
- b. Workers’ Compensation and Employer’s Liability insurance and, in some jurisdictions, stop gap liability (also known as Employers Contingent Liability), as well as such other insurance as may be required by statute or rule of the state and county in which the Franchised Business is located.
- c. Commercial General liability insurance, including a per location aggregate comprised of the following coverages: Medical Professional Liability or Healthcare Provider Professional

Liability; broad form blanket contractual liability; personal and advertising injury; products/completed operations; medical payments and fire damage liability; insuring Franchisor on a primary and noncontributory basis and Franchisee against all claims, suits, obligations, liabilities and damages, including attorney fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from, or occurring in the course of, or on or about or otherwise relating to the Franchised Business, including coverage in the following limits:

Coverage	Minimum Limits of Coverage
General Liability	
Each Occurrence	\$1,000,000.00
Aggregate	\$2,000,000.00
Products/Completed Operations	\$2,000,000.00
Fire Legal Liability	\$100,000.00
Professional Liability	\$1,000,000.00
Hire & Non Owned Auto Liability	\$1,000,000.00
Sexual Abuse/Molestation	\$1,000,000.00
Worker Compensation	\$100M/\$100M/\$100M
Umbrella Coverage over existing General Liability, Professional and Business Automobile Liability	\$1,000,000.00
	\$250,000.00
Cyber Liability	
Employment Practices Liability	\$500,000.00
Crime:	
Employee Theft	\$50,000.00
Theft Client Property	\$25,000.00

d. Should any liability policy's be written on a "claims-made" basis for trigger of coverage, the policy's "Retroactive Date" will at all times be the original inception date of the first claims-made liability policy acquired for insuring you or the franchisee entity. Should the claims made liability policy be replaced, full retro dated coverage is required. Should any policy be terminated or cancelled for any reason, or a "claims made" policy be rewritten to an "occurrence form" of coverage, the franchisee must maintain at a minimum and secure 12 months additional "Extended Reporting Period".

e. Business interruption extra expense insurance for actual losses sustained, for a period of indemnity not less than a 6 month period.

f. Commercial Automobile Liability insurance including all owned, non-owned and hired vehicle coverage with a combined single limit of at least one million dollars (\$1,000,000) each accident, subject to a maximum retention of \$5,000.

g. Such additional insurance and types of coverage as may be required by the terms of any office lease for the Franchised Business, or as we may require periodically. You must name us as "Additional Insured" on a primary basis on your insurance policies for Commercial General

Liability, Medical Professional Liability, Cyber Liability Insurance, and Auto Liability, and provide us or our third-party representative with an ACORD Form Certificate of Insurance for each policy prior to the commencement of operations of your Franchised Business.

h. Crime-Fidelity Employee Dishonesty coverage with Third Party Crime endorsement added. Limit of insurance must be in a minimum amount not less than \$25,000 subject to minimum state requirements and a deductible per claim of not more than \$1,000.

In addition to the required coverages described above, we also recommend and reserve the right to require you to purchase additional insurance coverages, as necessary, including Third Party Employment Practices Insurance.

Miscellaneous

There are currently no purchasing or distribution cooperatives. We may negotiate discounted group rates, as we deem appropriate, for purchases of office supplies, printing, and other items necessary for the operation of the Franchised Business. We currently have supply purchase agreements in effect for items including uniforms and payroll services but, reserve the right to add additional services.

We receive no revenue or other material consideration from any suppliers as a result of purchases by you or other franchisees. If we are to receive any revenue it will be used to cover our general expenses and costs.

We estimate that approximately 15% to 25% of your expenditures for leases (excluding real estate) and purchases in establishing your Franchised Business and less than 25% of your expenditures on an ongoing basis will be for goods and services which are subject to sourcing restrictions (that is, for which supplies we must approve, or which must meet our standards or specifications).

For fiscal year ended May 31, 2024, we derived approximately \$59,140.70 in revenue from franchisees for purchases of services and products from franchisor. This revenue represented approximately 14.0% of our total revenue for the fiscal year ended May 31, 2024. We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional businesses) based on whether or not you purchase through the sources we designate or approve; however, purchases of unapproved products or from unapproved vendors in violation of the Franchise Agreement will entitle us, among other things, to terminate the Franchise Agreement.

ITEM 9. FRANCHISEE'S OBLIGATIONS

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement. It will help you find more detail information about your obligations in these agreements and in other items of this Franchise Disclosure Document.

	Obligation	Section in the Agreement	Item in the Franchise Disclosure Document
a.	Site selection and acquisition/lease	Section 3	Item 12
b.	Pre-opening purchase/leases	Sections 3 and 7	Items 7 and 8
c.	Site development and other pre-opening requirements	Sections 3 and 4	Items 6, 7 and 11

d.	Initial and ongoing training	Section 4	Items 6 and 11
e.	Opening	Sections 4, 7, and 12	Item 11
f.	Fees	Sections 1, 2, 9, 10, 11, 12, 14, 16, 17, 18, and 21	Items 5, 6 and 7
g.	Compliance with standards and policies/Operating Manuals	Sections 6, 7, 11, 12, 13, 15, and 22	Item 8
h.	Trademarks and proprietary information	Sections 5, 6, 7, 9, and 12	Items 13 and 14
i.	Restrictions on products/services offered	Sections 7 and 12	Items 8 and 16
j.	Warranty and customer service requirements	Section 12.1	N/A
k.	Territorial development and sales quotas	Sections 1 and 12	Item 12
l.	Ongoing product/service purchases	Section 12	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	Sections 3, 7, 12, and 16	Items 6 and 17
n.	Insurance	Section 14	Items 6, 7 and 8
o.	Advertising	Section 9	Items 6 and 11
p.	Indemnification	Section 22	Item 6
q.	Owner's participation/management/staffing	Sections 4, 12, and 15	Item 15
r.	Records and reports	Section 11	Items 8 and 11
s.	Inspections and audits	Sections 5 and 11	Items 6, 11 and 13
t.	Transfer	Sections 18, 19, and 20	Items 6 and 17
u.	Renewal	Section 2	Item 17
v.	Post-termination obligations	Section 17	Item 17
w.	Non-competition covenants	Sections 7 and 15	Item 17
x.	Dispute resolution	Sections 29 and 30	Item 17
y.	Licenses	Section 12	Item 7

ITEM 10. FINANCING

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

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

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

A. Our Obligations Before the Franchised Business Opens

Before you have an "open office" (See Franchise Agreement, Section 12.12.3) we will:

1. Provide you with general advice on locating and leasing appropriate office space to operate your Franchised Business. You select your site although it must be within your Designated Area and we

must authorize the location you propose to use (See Franchise Agreement, Section 3). Generally, we will not own the Premises and lease it to you.

2. If you choose to continue to operate your existing care service business and facility while adding any or all HCAN Services in a Secondary Branding Position we will provide you with a pre-opening support plan, which will include customized components and timing of your training program and a rebranding project plan (See Secondary Branding Position Addendum to Franchise Agreement).

3. Provide your Operating Principal (See Item 15) and up to two other persons with an Initial Training Program. The training will be offered in Omaha, Nebraska at our headquarters or another site we designate. It will consist of approximately 10 calendar days of training as more fully explained below. The program is offered periodically as new Franchisees join the System (See Franchise Agreement, Section 4).

4. Provide you with password protected electronic access to the Operations Manual. The Table of Contents of the Operations Manual, including pages devoted to each subject, is attached to this Franchise Disclosure Document as Exhibit C (See Franchise Agreement, Section 6).

5. Provide you reference to a HIPAA designated third-party supplier, for you to use to create and implement your own HIPAA compliance program (See Franchise Agreement, Section 6).

6. Provide you with demographic statistics relating to your Designated Area. The statistics will include an approximation of the number of persons age 65 and older in your Designated Area. (See Franchise Agreement, Section 1.2).

7. Provide you with a list of pre-opening and pre-training activities to accomplish prior to the opening of your Franchised Business (See Franchise Agreement, Section 13.2).

8. Provide you with various software templates for the operation of your Franchised Business (See Franchise Agreement, Sections 11.4 and 12.4).

B. Our Obligations During the Operation of the Franchised Business:

1. Provide a minimum of two on-site visits at your franchise open office within your first and second years of commencement of operations, such visit lasting between one and two days depending on your needs (See Section 4).

2. Make available to you phone and/or e-mail support during our normal business hours for franchise operations questions and general advice (See Franchise Agreement, Section 13).

3. Host a web site for our franchisees that will include 1 content page of our design of information to promote your Franchised Business (See Franchise Agreement, Section 13.2.6).

4. Assist you with the selection of a vendor to undertake background searches on employees. You are required to check the background of all employees prior to employment according to standards provided in the Operations Manual (See Franchise Agreement, Section 12.10). We will not take part in the approval of your hiring of employees.

5. We will approve or disapprove within 10 business days of receipt any advertising or promotion which you wish to use which has not been previously approved by us. If we or our designated agent fails to respond to you in 10 business days, then the advertisement or promotion will be deemed to be disapproved by us. While we permit you to use your own advertising materials, we must approve it prior to use by you (See Franchise Agreement, Section 9.1).

C. Optional Assistance During the Operation of the Franchised Business:

1. Provide to you, from time to time, as we, in our sole discretion, deem appropriate, advice and written materials concerning techniques of managing and operating your Franchised Business, including camera-ready artwork for advertising, forms and promotional materials including, stationary, brochures and business cards, which are designed to enhance the quality and effectiveness of your Franchised Business (See Franchise Agreement, Section 13).

2. We may, in our discretion, update the Required Supplies List and Required Suppliers List from time to time, as necessary (See Franchise Agreement, Section 12.6).

3. We may change or modify the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new computer programs and systems, new types of inventory, supplies, merchandise and products, new equipment or new techniques (See Franchise Agreement, Section 8).

4. We may arrange, from time to time, as we, in our sole discretion, deem appropriate for certain strategic alliances with third parties. You may, but are not required, to participate in any strategic alliance program. If you do elect to participate, you will be required to comply with the terms of such strategic alliance program. We do not currently charge you a fee to participate in strategic alliance programs.

D. Advertising Programs:

HCAN Marketing and Development Services Fee. We or our Affiliates will provide you with or will facilitate certain HCAN Marketing and Development Services, which will include providing you with professionally managed social media services and digital marketing services, including providing a social media account manager for your Franchised Business, and providing you with certain caregiver recruiting services, which may be provided by a third party contracted with us. You are required to pay us a monthly fee for the HCAN Marketing and Development Services in such amounts, and on such terms, as are more fully set forth in the Operations Manual, beginning the same month you commence paying Royalty.

E. Computer System:

We have the right, under the Franchise Agreement, to require you to purchase and use any and all computer software programs (“**Designated Software**”), which we may develop and/or designate for use in or by the System, and to purchase all computer hardware, which we deem necessary for the efficient operation of the software. If we require you to use any software developed by us, we reserve the right to charge a fee for the use of such software, but the fees will not exceed the fees or charges for similar software developed by third parties. The approximate costs associated with acquiring the required computer hardware and software is \$8,000, and the approximate costs associated with maintaining and upgrading the computer hardware and software is \$8,000 annually. You must also use our Designated Software. You will pay a license fee to the supplier. We reserve the right to change or eliminate the Designated Software at any time.

To operate your business, you will need a minimum of two workstation computers, one must remain in the office to house any required databases, 2 tablets, a laser or Deskjet printer, and certain required software programs. The minimum required specifications include:

Workstation: PC

- Multi Core PC with 2.8 GHz or higher processor clock speed
- 16 GB of Ram or higher (20 GB of Ram or higher required to host databases)
- 20 GB minimum of available hard disk space
- CD-ROM or DVD drive

- 22” monitor is recommended
- Suggested screen resolution of 1920 x 1080 for a workstation (minimum required resolution of 1024 x 768)
- Sound card and speakers
- Keyboard and Mouse device
- 10/100/1000 Network Adapter
- Microsoft .NET Framework 4.0
- Supported operating system

Workstation: MAC

- 21.5 Inch iMac with the following specs:
- 2.8GHz quad-core Intel Core i5 processor
- Turbo Boost up to 3.3GHz
- 8GB of onboard memory, configurable up to 16GB
- 1TB hard drive1 (Consider Upgrade to the 1TB Fusion drive)
- Intel Iris Pro Graphics 6200
- 1920-by-1080 sRGB display

Devices: 2 iPads (or equivalent). No older than 2 generations from newest

Additional Notes:

- Laser or Deskjet printer
- High speed business class Internet access

**Supported Operating Systems

- Windows 10 Pro (Requires QuickBooks Pro 2016 or higher)
- Windows 8 Pro (recommended over Windows 8)

Required Software Programs

- Home care administrative software from our required supplier
- Microsoft Office Professional 2010 or higher
- Most current version of Intuit Quick Books Pro or approved QuickBooks Online edition
- ZeeWise Zee360 CARS program (Not required for QuickBooks Online)
- Antivirus, spyware and firewall protection
- Hardware and/or software to adequately backup your computers and databases; and
- Any other type of data security required by law or insurance policy.

You may obtain all hardware meeting our specifications from any authorized reseller. We will provide you with certain proprietary templates used in conjunction with the software. We have the right to independently access and/or copy all information collected or compiled by or in accordance with your use of the software.

You must update or upgrade computer hardware components and/or software as we feel necessary but not more than one time per year. We have no obligation for maintenance, repairs, updates and upgrades to your computer system.

We will have independent access to all information that will be generated by or stored in any computer system. Subject to applicable laws, such as HIPAA and privacy-related laws, there are no contractual limitations on our right to access the information. You will be required to comply with any data security obligations required by law or necessary to meet insurance policy requirements, which may include the requirement to use different or additional computer hardware and software.

F. Methods Used to Select the Location of the Franchised Business:

We do not assign a specific office location in your Designated Area. You must lease or own a conventional office location to operate your business. You select your site although it must be within your Designated Area and we must authorize the location you propose to use. We have the right to grant or deny any location request for your proposed office. Generally, we will not own the Premises and lease it to you. You may relocate your Premises within your Designated Area after we authorize the location you propose to use. We have the right to grant or deny your request to relocate your Premises.

We will use reasonable efforts to help you analyze your market area, determine site feasibility and to assist you in the designation of the franchise location; however, it is your sole responsibility to undertake site selection activities and otherwise secure premises for the Franchised Business.

You must operate the Franchised Business from a conventional office located outside of any personal residence, nursing facility, assisted living facility (or similar facility) or executive suites, unless you have a bona fide care services business and facility and we have approved your Secondary Branding Position Addendum in which case you may operate your Franchised Business from within your existing facility. The office must be located within your Designated Territory, and the open office must exist solely and exclusively for the operation of the Franchised Business (“Premises”). The Premises is subject to our authorization, and such authorization indicates only that we believe the office falls within the acceptable criteria we have established in the Operations Manual as of the approval date. We do not: (i) select your office location, (ii) assist you in conforming it to local ordinances and building codes, (iii) assist you with constructing or decorating it, or (iv) provide for necessary equipment, signs or fixture. The Brand Standards Manual includes the criteria for your Premises.

G. Typical Length of Time Before Operation:

The typical length of time between the signing of the Franchise Agreement and the opening of your Franchised Business is approximately between 30 and 90 days. Factors that may affect the time period are obtaining any necessary licenses to operate your Franchised Business (such time may vary considerably among states); obtaining a lease, financing, or building permits; zoning and local ordinances; weather conditions, or delayed installation of equipment, fixtures, signs, etc., together with the variance in performance among franchisees.

It is your obligation to locate a site for your office and to provide us with all necessary information in accordance with the timing requirements established in the Franchise Agreement so that we may authorize your Premises in time for you to open your Franchised Business in accordance with the requirements established in the Franchise Agreement. Specifically, if you do so, we will authorize your Premises in time for you to open your Franchised Business and have an “open office” not later than the ninety days after signing the Franchise Agreement, unless otherwise agreed upon in writing by us or due to licensing requirements imposed by applicable law in the Designated Area. If the Franchise Agreement is for an additional Franchised Business, we will determine if you can operate your Franchised Businesses from the same Premises when you sign your Franchise Agreement or if you will need to open another Premises in the Designated Area of your additional Franchised Business. If you fail to provide us with all such necessary information in accordance with the timing requirements established in the Franchise Agreement, your failure to do so will be a default of the Franchise Agreement and we may, in addition to all other remedies provided for under the Franchise Agreement, terminate the Franchise Agreement. An open office is defined as (i) a Premises, and (ii) such Premises will at all times have at least two full-time equivalent staff members, one of whom may be the Operating Principal and one of whom must have the authority to hire and manage employees and actively market and sell the services and products, materials and equipment of the Franchised Business, and (iii) such Premises continuously provides and supervises home care and/or staffing services, and (iv) such Premises produces and delivers all of Weekly Reports and others required under the Franchise Agreement. Within the context of a Franchised Business that is re-sold,

an open office is defined as the date on which the Franchised Business's office was originally opened.

H. Training:

We will train your Operating Principal (See Item 15) and up to two other persons, one of whom may be another owner or your office manager, for approximately 10 calendar days as described below and commonly referenced to as our initial training program ("**Initial Training Program**"). Each person attending the Initial Training Program on your behalf must complete the Initial Training Program successfully. The Initial Training Program will occur in Omaha, Nebraska at our headquarters, or another site we designate after you sign the Franchise Agreement, and must be successfully completed at least 15 days before you begin operating your Franchised Business and before you may have an open office. We expect to conduct the Initial Training Program periodically as we add new franchisees. You must pay all travel and living expenses for you and your personnel. Also see Item 15.

The instructional materials consist of our Operations Manual, videos, checklist, demonstrations, practice and quizzes. The subjects covered in phase one training are described below:

INITIAL TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE- JOB TRAINING	LOCATION
Business Training Omaha, NE			
Introduction	2	0	Our Headquarters, in Omaha, NE
Personnel	8	0	Our Headquarters, in Omaha, NE
Customer Relations	6	0	Our Headquarters, in Omaha, NE
Management	6	0	Our Headquarters, in Omaha, NE
Daily Operations Procedures	6	0	Our Headquarters, in Omaha, NE
Marketing	8	0	Our Headquarters, in Omaha, NE
Financial Reporting	4	0	Our Headquarters, in Omaha, NE
Total Business Training	40	0	
On-Site Training Franchise Location			
Personnel	0	4	Franchise Location
Customer Relations	0	8	Franchise Location
Management	0	4	Franchise Location
Daily Operating Procedures	0	8	Franchise Location
Marketing	0	8	Franchise Location
Financial Reporting	0	4	Franchise Location
Intranet and POS Usage	0	4	Franchise Location

Total On-Site Training	0	40	
Total Combine Training	40	40	

We provide a minimum of 40 hours in classroom at our location in Omaha, NE and 40 hours of additional training in a company owned or partner location. All training is currently conducted by Mark Goetz, Sierra Goetz, Patrice Thabault and/or Tracy Dale, either in our Omaha, NE offices or at the onsite franchise location. Each of our instructors has at least 10 years of experience relevant to the subjects they are teaching and/or with us or our affiliate.

Within six months after you have begun operating your Franchised Business, and at our expense, we will send a representative to your office for approximately one to two days for the purpose of facilitating the early stages of your Franchised Business (“**Initial Field Training**”). During this period, our representative will assist you in establishing and standardizing procedures and techniques essential to the operation of your Franchised Business. If you request additional assistance from us in order to facilitate the early stages of your Franchised Business, or if we deem it necessary to provide such additional assistance to you, you will reimburse us for the expense that we incur in providing such additional assistance to you at the then-current rate as published in the Operations Manual, plus expenses.

We periodically may provide and require that previously trained and experienced franchisees, and their managers, attend and successfully complete refresher and updated training programs to be conducted in Omaha, Nebraska at our headquarters or at another site we designate. We have the right to charge a fee for any continuing educational training programs, seminars, or webinars to cover our costs of providing such programs. You are required to pay your expenses as well as your additional attendees’ expenses when attending these programs.

If you are purchasing a franchise from an existing franchisee, your on-site training may be conducted by the existing franchisee on our behalf. This training will generally be conducted within two weeks before the transfer of the Franchised Business to you, and two weeks after the transfer. If this is your second or later franchise, we may waive your training requirements.

New franchisees and other designated franchisees are currently required to attend the Annual Conference. We have the right to charge an attendance fee. For your first Annual Conference, we will waive the attendance fee for up to two attendees. You will pay the travel and living expenses incurred by you and your attendees when attending the Annual Conference (See Item 6 and Item 7). We may waive the requirement that you attend the Annual Conference during your first year of operation if your opening date is within 30 days of the scheduled Annual Conference. If we waive the attendance requirement for your first year of operation, you will be required to attend your second year of operation. You are responsible for training all of your employees that do not attend the Initial Training Program. We may require all franchisees to attend the Annual Conference in the future.

To be eligible to offer Home Health Services, you or a qualified person designated by you must successfully complete our training program relating to Home Health Services to be conducted in Omaha, Nebraska at our headquarters or at another site we designate. This training program will not exceed five days in duration. You or a qualified person designated by you may also be required to attend additional training relating to Home Health Services, as directed by us, which may include online training through our learning management system, teleconferences, and webinars. We have the right to charge a fee for any of these continuing educational training programs, seminars, or webinars to cover our costs of providing such programs. You are required to pay your expenses as well as your employees’ expenses when attending these programs.

We may periodically conduct additional training session and if we do, we will determine its duration, curriculum, and location. We strongly encourage you to attend these training sessions and we reserve the right to require you to do so. Currently, attendance at these training sessions is optional and you must pay all travel and living expenses for you and your personnel.

ITEM 12. TERRITORY

Franchise Agreement

Your designated area (“**Designated Area**”) will be defined to include a population of approximately 30,000 to 50,000 people who are age 65 and older. A geographic description of your Designated Area will be attached to the Franchise Agreement as **Exhibit A**. You maintain rights to your Designated Area even though the population increases.

You do not have rights or options to acquire additional franchises after executing a Franchise Agreement. You may apply for the right to operate additional HCAN Services Business Franchised Businesses under separate Franchise Agreements.

If you are opening an additional Franchised Business under a separate Franchise Agreement and another HCAN Services Business franchisee has been serving clients in an area previously unassigned to any franchisee that is now in your Designated Area, we will, in accordance with the Operations Manual and in the best interests of continuity of client care, permit that franchisee to continue to serve those clients in your Designated Area only if that franchisee was doing so before you executed the additional Franchise Agreement or before you established an open office for the Franchised Business granted to you under the Franchise Agreement.

If your Premises is outside your Designated Area you have no greater than twelve (12) months from entering into your Franchise Agreement to, at your sole expense, either transfer the Premises you may have to your Designated Area or purchase the territory. If you are granted the right to enter into more than one Franchise Agreement and the Designated Areas granted to you under the Franchise Agreements are contiguous, we can authorize you to operate the Franchised Businesses under the Franchise Agreements from the same Premises. If we authorize you do to so, you will execute the appropriate amendments to the various Franchise Agreements provided in **Exhibit F** to the Franchise Agreement (See Item 5). You may relocate your open Premises used within your Designated Area after we authorize the location you propose to use. We have the right to grant or deny the request to relocate your open Premises based on the following factors: whether or not the Premises is located within the Designated Area or a contiguous designated area described in an additional Franchise Agreement between you and us; the condition of the Premises and whether the Premises is located in a private residence. You have the right to open multiple Premises in your Designated Area but at our sole discretion may be required to consolidate into a single Premises.

For your Franchised Business, except as explained below, you will not receive an exclusive territory. You may face competition from other channels of distribution or competitive brands that we control. While the Franchise Agreement is in effect, you have an open office, and you are in compliance with all of the terms and conditions of the Franchise Agreement, including but not limited to complying with the minimum requirement for your franchise (described below), we will not grant the right to another franchisee to operate a Franchised Business using the Marks in the Designated Area and we will not establish a company-owned or affiliate-owned HCAN Services Business using the Marks in your Designated Area. If, before you execute the Franchise Agreement or before you have established an open office, another HCAN Services Business franchisee has been serving clients in an area previously unassigned to any franchisee that is now in your Designated Area, we will, in accordance with the Operations Manual and in the best interests of continuity of client care, permit that franchisee to continue

to serve those clients in your Designated Area.

You must confine the performance of all services and the supply of all related products, materials and equipment to clients located in the Designated Area, except as may be authorized by written communication from us. If you wish to provide HCAN Services or any other related products, materials and equipment outside your Designated Area (e.g., in an area that is not currently assigned to another HCAN Services Business franchisee), then you must first obtain prior written approval from us, which we are under no obligation to grant. If we have granted such approval, you may advertise and promote, use promotional materials, solicit and engage in similar efforts outside of the Designated Area. If we have granted you approval to provide HCAN Services or to advertise and promote, use Promotional Materials, solicit and engage in similar efforts outside of your Designated Area, we may withdraw our approval at any time and for any reason without any further obligation to you.

You do not have the right to use other channels of distribution, such as the Internet, telemarketing or other direct marketing to make sales outside of your Designated Area, unless otherwise permitted in writing by us. We retain the sole right to:

1. Establish and/or license other Franchised Businesses at any location outside of the Designated Area as we deem appropriate;
2. Establish and license others to establish businesses under other systems using the Marks or other proprietary marks, which businesses may be located within or outside the Designated Area, provided, however, that, except as specifically provided in this Agreement, we will not license or establish a business substantially offering HCAN Services and using the Marks within your Designated Area;
3. Advertise and sell the HCAN Services under other trademarks, service marks and commercial symbols through similar or dissimilar channels of distribution, including without limitation, by electronic means such as the Internet and websites we establish and according to terms we deem appropriate outside your Designated Area;
5. Advertise the System and communicate about the System, its products and services on the Internet (including social media) and to create, operate, maintain and modify, or discontinue the use of one or more websites using the Marks;
6. Offer for sale products that are ancillary or related to the HCAN Services and needs of clients and customers through our website(s) or through such dissimilar channels of distribution as we determine at our discretion within and outside your Designated Area;
7. Acquire the assets or ownership interest of one or more businesses offering HCAN Services similar to those provided at your Franchised Business, and franchise under a service mark or trademark other than the Marks, license or grant the right to others to operate those businesses once acquired, regardless of whether these businesses are located or operating within your Designated Area; provided, however, that such businesses will not be granted the rights to use the Marks;
8. To be acquired by an entity providing services, products, materials and equipment similar to those provided at your Franchised Business, even if such business operates, franchises and /or licenses competitive businesses in your Designated Area; provided, however, that any business operated directly or indirectly by such acquirer that is similar to the Franchised Business will not be granted the right to operate using the Marks in the Designated Area;
9. Engage in joint marketing programs with partner companies and all forms of sales through the Internet or any other form of electronic media (including social technology, social media and social networking platforms); and

10. Engage in any other activities not expressly prohibited in the Franchise Agreement.

Presently, we have no plans to provide substantially similar services or products under a different mark either through similar or alternative channels of distribution, but we reserve the right to do so.

In consideration of our agreement not to grant another HCAN Services Business franchise in your Designated Area, you must at all times use your best efforts to promote and increase the sales and service of the Franchised Business and to effect the widest and best possible distribution, sale and placement, solicitation and servicing of all potential clients for authorized HCAN Services Business services throughout the Designated Area. You cannot, without our prior written permission, which we have the sole right to grant or deny for any reason or for no reason, solicit sales or perform services outside your Designated Area. You must confine all efforts (including any advertising, promotion or client solicitation), as well as performing all services to clients at sites located in the Designated Area unless we otherwise grant permission in advance in writing. If you wish to provide HCAN Services or any other related products, materials and equipment outside of your Designated Area, in unassigned areas, then you must have our prior written approval. Even if we have given our permission, we may, in our discretion, at any time for any reason, withdraw our permission to you to perform further services for either preexisting or new clients outside your Designated Area. As such, you understand and acknowledge that the privilege to perform services outside of your Designated Area may be withdrawn at any time in our sole discretion and thus any operation outside of your Designated Area is at your risk. These conditions on soliciting sales or performing services outside of your Designated Area pertain to all channels of distribution including, without limitation, by electronic means such as the Internet and websites.

Multi-Unit Development Agreement

During the term of the Multi-Unit Development Agreement, you will have the right to develop, own and operate a specified number of Franchised Businesses in your Development Territory. If you open additional Franchised Businesses under a Multi-Unit Development Agreement, the Franchise Agreements that you sign for each additional Franchised Business may be materially different from the original Franchise Agreement you signed for the first Franchised Business.

ITEM 13. TRADEMARKS

The Franchise Agreement grants you the nonexclusive right to use our Marks, including the service mark “HOMECARE ADVOCACY NETWORK” and various designs and logo types associated with our products and services. You may also use our other current or future Marks as we may designate to operate your HCAN Services Business.

The Marks and the System are owned by HCAN IP. HCAN IP has granted us a non-exclusive license (“**Intellectual Property License**”) to use the intellectual property for purposes of franchising the System around the world. The Intellectual Property License extends for 20 years, commencing May 31, 2020 provided that we are not in default or do not materially breach the Intellectual Property License by engaging in any activity which damages the Marks or the goodwill of the System. In the event the Intellectual Property License is terminated, HCAN IP has agreed to negotiate a license with our licensees to use the HCAN Marks and the System on substantially the same terms as the terms in our Intellectual Property License.

Mark	Registration Date	Registration Number	Status
------	-------------------	---------------------	--------

	September 7, 2021	6479732	Registered
HOME CARE ADVOCACY NETWORK	March 9, 2021	6291325	Registered

Currently there are no effective material determinations of the United States Patent and Trademark Office, trademark trial and appeal board, the trademark administrator of this state or any court; pending infringement, opposition or cancellation; or pending material litigation involving the Principal Mark.

There are no infringing or prior superior uses known to us that could materially affect the use of the Principal Mark in this state or any other state in which the Franchised Business is to be located. All required affidavits have been filed. No registration of any Mark has been renewed.

There are no other agreements currently in effect which significantly limit our rights to use or license the use of the Principal Mark in any manner material to your franchise.

All of your usage of the Marks and any goodwill established from their use will inure to our benefit.

You acknowledge that we are the sole owner of all right, title and interest in the Marks. You will not receive any interest in the Marks. You may not at any time contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement.

You must promptly notify us of any claim, demand or cause of action based upon or arising from any attempt by any person, firm, or corporation to use the Marks or any colorable imitation of the Marks. We will take whatever action we deem appropriate to protect the Marks. We are not required to defend or otherwise protect you against a claim of infringement or unfair competition arising out of your use of the Marks. We have the right to control any administrative proceedings or litigation involving a Mark. We are not required to participate in your defense or in your indemnification for expenses and damages if you are party to an administrative or judicial proceeding involving a trademark licensed to you, or if the proceeding is resolved unfavorably to you.

You must modify or discontinue using any Mark upon direction to do so from us within a reasonable time after receiving notice from us. We may add to, delete, substitute or modify any or all of our Marks from time to time. You must accept, use or cease using, as may be appropriate, the Marks, including modified or additional Marks in accordance with our prescribed directives, procedures, policies, rules and regulations whether contained in the Operations Manual, Franchise Agreement or otherwise. If you fail or refuse to do so, we may execute in your name and on your behalf any and all documents necessary, in our judgment, to comply with the Franchise Agreement and the Franchise Agreement irrevocably appoints and designates us as your attorney-in-fact to do so. You will not be compensated or otherwise reimbursed for expenses resulting from or related to any discontinuance or modification of any of the Marks.

Except as approved by us in writing, you must not use any Mark or part of any Mark as part of any corporate or trade name, in any modified form, nor may you use any Mark in connection with the sale of any unauthorized product or service, or in any other manner we do not authorize in writing. You must give notices of trademark and service mark registrations as we specify and obtain such fictitious or assumed name registrations as may be required under the law.

You may not establish a Web site or any other Web presence on the Internet using any domain

name without obtaining our prior written approval. Any domain name cannot contain the words “HOMECARE ADVOCACY NETWORK” or any variation without our written consent. We retain the sole right to advertise on the Internet and create Web sites using the “HOMECARE ADVOCACY NETWORK” domain names. You acknowledge that we are the owner of all right, title and interest in and to such domain names as we designate in the Operations Manual. We retain the right to pre-approve your use of linking and framing between our Web pages and all other Web sites and any other Web presence. If we request, you will, within five days, dismantle any frames and links between your Web pages and any other Web sites and Web presences.

We and our agents will have the right to enter and inspect your Franchised Business, during normal business hours, to ensure you are complying with our standards.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents are material to the franchise, and we do not have any pending patent applications that are material to the franchise. We own certain copyrights in the Operations Manual, marketing materials, certain forms and reports and other copyrightable items. While we claim copyrights in these and similar items used in operating a Franchised Business, we have not registered these copyrights with the United States Registrar of Copyrights but need not do so to protect them. You may use these items only as we specify while operating your Franchised Business and must stop using them immediately if we direct you to do so and also at such time when the franchise is terminated.

You will receive proprietary, confidential and trade secret information related to the operation of an HCAN Services Business. Our confidential information will include services, equipment, technologies, systems of operation, programs, policies, standards, techniques, requirements and specifications, the Operations Manual, the identity of and services to clients, records of clients and billings, methods of advertising and promotion, instructional materials, and other matters all being part of the HCAN Services Business System. You are required to maintain the confidentiality of this information and may not use such information in any other business or in any manner we do not specifically authorize in writing. You may never, during the term of the Franchise Agreement, or after the Franchise Agreement expires or is terminated, reveal any of our confidential information, which will then include contracts for clients served by you, client lists and details of service, to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize. Although we own client lists and certain client related data, we are not responsible for complying with HIPAA. You are responsible for complying with HIPAA and for maintaining the confidential nature of client information as required by HIPAA. You are prohibited from transferring client information, except as required by HIPAA.

You will divulge confidential information only to your employees who must have access to it in order to operate the Franchised Business. All information, knowledge and know-how which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement, except information which you can demonstrate lawfully came to your attention before our disclosure of it; or which, at the time of our disclosure to you, had lawfully become a part of the public domain, through publication or communication by others; or which, after our disclosure to you, lawfully becomes a part of the public domain, through publication or communication by others.

You and any of your employees having access to confidential information will be required by us to sign a confidentiality agreement in the form attached as **Exhibit C** to the Franchise Agreement.

If you make or acquire any improvements, including any enhancements, adaptations, derivative works, modifications or new processes in the operation of the Franchised Business, you will grant-back rights in these improvements to us in consideration of the grant of the franchise and without the payment of additional consideration. If we seek patent protection or copyright registration for any improvements, it

will do so at our own expense. You will sign or have the creator sign all documents necessary to enable us to apply for intellectual property rights protection and to secure all rights to these improvements. You will have each of your employees sign an agreement requiring employee cooperation with the foregoing requirements. You agree that this does not constitute our consent to your modification of any HCAN Services Business intellectual property or the creation of any derivative work based on any HCAN Services Business copyright and you must obtain our express written consent before making the modification or derivative work.

The Operations Manual belongs to us and we have the right to terminate your access upon the expiration or termination of the Franchise Agreement. You may not make any disclosure, duplication, or other unauthorized use of any portion of the Operations Manual.

You must keep the passwords and any access codes to the Operations Manual confidential. If there is a dispute with the contents of the Operations Manual, the terms of our master copy will control.

You must not use, in advertising or any other form of promotion, the copyrighted materials, trademarks, service marks or commercial symbols of HCAN Services Business without the appropriate notices which may be required by law or us, including ©, ® or other copyright registration notices or the designations TM, SM where appropriate or an indication that the Marks described in Item 13 and any other HCAN Services Business trademarks or service marks are the trade names, trademarks and service marks of HCAN Services Business or an affiliate. The contents of all material available from us are copyrighted by us unless otherwise indicated. All rights are reserved by us, and content may not be reproduced, disseminated, published, or transferred in any form or by any means, except with our prior written permission. Despite anything stated or implied to the contrary in this Agreement, you must not use any of the Marks or copyrighted materials in any manner which has not been specified or approved by us.

To establish the validity of the sale of any Franchised Business for comparable purposes, we reserve the right to disclose information about any such transaction, including, but not limited to the transaction's terms, financing structure, and related marketing materials; the unit's operations and financial performance; and any other related material information.

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

Upon executing the Franchise Agreement, you will designate an individual member of your ownership group to serve as your operating principal ("**Operating Principal**"). The Operating Principal will have the full authority to act on your behalf in all matters related to the performance of the Franchise Agreement and the operation of the Franchised Business. We have the right to rely on any and all directions, elections, information and other communication from your Operating Principal as being made on your behalf, even if we receive information from any other owner or person who claims to have an ownership interest in you which may be contrary to or different from the information provided by your Operating Principal. We have no duty or obligation to inquire into or resolve any conflicting information provided by your Operating Principal and any other person on your behalf. If you are an individual, you will perform all the obligations of the Operating Principal.

The Operating Principal will, during the entire period he or she serves as such: (i) unless agreed upon in writing by us, maintain a direct or indirect ownership interest in you equal to at least 25% of the ownership interests in you; (ii) establish the operation of the Franchised Business as his or her primary business focus and devote his or her best efforts to the supervision and conduct of the Franchised Business; (iii) meet our standards and criteria for such individual, as outlined in the Operations Manual or otherwise in writing by us; and (iv) satisfy the training requirement discussed in Item 11(F). You must keep us informed of the identity of your Operating Principal.

Even with a designated Operating Principal, you will remain obligated to oversee the operations of the Franchised Business, and you must devote the necessary time and best efforts for the proper and effective operation of the franchise. You must at all times faithfully, honestly and diligently perform your obligations under the Franchise Agreement(s) and you must not engage in any business or other activities that will conflict with your obligations under the Franchise Agreement.

You are not an agent, legal representative, joint venturer, partner or employee of ours. You will be an independent contractor and are in no way authorized to make any contract, agreement, warranty or representation or to create any obligation, express or implied, on behalf of us.

You, your spouse, and all holders of a legal or beneficial interest in the franchisee entity must personally guarantee the obligations of franchisee to us and enter into a Non-Compete Agreement.

All of your employees having access to confidential information may be required to sign employment agreements with confidentiality agreements in a form approved by us.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those services and products that we approve as part of the System. You may not offer any products or perform any services that we have not authorized. We periodically may change approved services and/or add products, and there are no limits on our right to do so.

You must not, without our written consent, place in, on or upon the location of the Franchised Business, or in any communication media, any form of advertising, or list with any business, real estate broker, agent or attorney any information concerning the sale of the Franchised Business or the rights granted under the Franchise Agreement.

You must, at all times, hold yourself out as an independent contractor. You must take whatever actions we suggest which clearly indicates that the Franchised Business is independently owned and operated as a HCAN Services Business Franchised Business and not as an agent of ours.

You must cooperate with us by maintaining high standards in the operation of the franchise and you must at all times, give prompt, courteous and efficient service to your clients and not engage in any business or other activities that will conflict with your obligations under the Franchise Agreement. The Franchised Business will, in all dealings with its clients, suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing, moral and ethical conduct.

We reserve the right to designate certain national or regional accounts that we may develop for the HCAN Services Business System. We also reserve the right to develop certain national or regional alliance programs. Your obligation to participate and our policies and procedures for national or regional alliance programs will be included in the Operations Manual. These obligations may include, but are not limited to, completing our form owner profile for use in credentialing with national or regional accounts in the form and timing set out in the Operations Manual, maintaining your credentialing with national or regional accounts (that you participate in) annually or such other required frequency and naming such national or regional accounts as an additional insured.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION **THE FRANCHISE RELATIONSHIP**

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

FRANCHISE AGREEMENT

Provisions	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.1	The term is ten years from the date the Franchise Agreement is signed.
b. Renewal or extension of the term	Section 2.2	If you continuously complied with all of the provisions in the Franchise Agreement, you have two separate options to obtain a Successor Franchise Agreement for terms of five-years each, subject to the terms and conditions of the then current form of the Successor Franchise Agreement. There is a Successor Franchise Fee payable to us for each Successor Franchise Term approved by us equal to 50% of the then current Initial Franchise Fee at the time of each Successor Term is approved by us.
c. Requirements for franchisee to renew or extend	Sections 2.2, 2.3 and 18.2	For you to obtain a Successor Franchise Agreement, you must not be in default under any terms of the Franchise Agreement and substantially have complied with all obligations under the Franchise Agreement; maintain possession of the business Premises; have brought the Franchised Business into compliance with our current standards; have given timely notice of your request to obtain a Successor Franchise Agreement to us; have satisfied all monetary obligations owed to us and any affiliate; have paid the Successor Franchise Fee, if any; have executed a general release, in form prescribed by us, of all claims – except those not permitted to be waived under applicable law – against us and our agents; have signed a current Successor Franchise Agreement which may have materially different terms and conditions than in your original contract; and have met current qualifications and training requirements. You must give us notice of your intent to obtain a Successor Franchise Agreement between eight and 14 months before the Franchise Agreement expires. “Renew” or “renewal” means the continuation of your franchise relationship.
d. Termination by franchisee	Section 16.1	You may terminate the Franchise Agreement if you are in compliance with the Franchise Agreement, and we materially breach the Franchise Agreement, which breach results in a material adverse effect on Franchisee and fails to cure or begin to cure within 30 days of receiving your written notice.
e. Termination by franchisor without cause	Not Applicable	The Franchise Agreement does not provide for termination without cause.
f. Termination by franchisor with cause	Sections 16.2, 16.3, 16.4, and 16.5	We may terminate the Franchise Agreement if you default under the terms of the Franchise Agreement.

g. “Cause” defined - curable defaults	Sections 16.3, 16.4, 16.5, and 12.13	The following events constitute curable defaults: failure to satisfactorily complete training; violation of and failure to cure any health, safety or sanitation law or conduct your operation in a manner creating a safety hazard; default under the lease for the Premises; failure to establish and continuously maintain an open office within the Designated Area; failure to timely meet with Franchisor after receiving notice from Franchisor (Section 30.4 Notice); default under any covenant in Section 15; providing franchise services or products in another franchisee’s designated area; failure to pay the Minimum Royalty or contribute the Minimum Brand Marketing and Promotion Fee when due; payments of Continuing Royalty and Brand Marketing and Promotion Fee that are not equal or greater than the Minimum Royalty and/or Minimum Brand Marketing and Promotion Fee for four consecutive Quarters or four Quarters in a 24 month period; after failing to meet the Minimum Quarterly Gross Revenue you fail or refuse to submit a Performance Improvement Plan, get our approval of a Performance Improvement Plan or comply with a Performance Improvement Plan; failure to meet the Minimum Quarterly Gross Revenue within the time period specified in a Performance Improvement Plan; your failure or refusal to comply with any provision of the Franchise Agreement or any mandatory specification, standard, or operating procedure prescribed in the Manuals or otherwise directed in writing by us
---------------------------------------	--------------------------------------	--

h. “Cause” defined defaults – non-curable defaults	Sections 16.2 and 12.13	The following events constitute non-curable defaults: making a material misrepresentation or omission in the application for the franchise; conviction or plea of no contest to a felony or other crime or offense that can adversely affect the reputation of you or the Franchised Business; unauthorized use of any trade secret, confidential information, proprietary software, your misuse of the Marks, or any portion of the Operations Manual, copyrighted or copyrightable material or patents; abandonment of the business for five business days in any consecutive 12 month period; an attempt to or in fact does: (i) surrender or transfer of control of business, or (ii) make unauthorized assignment, or (iii) refuse to assign the Agreement or interest of a deceased or incapacitated controlling owner; submission of reports on three or more separate occasions understating Royalty Fees by more than 2% for any accounting periods during the term of the franchise and you do not satisfactorily demonstrate that understatements resulted from inadvertent error; failure to submit payments on two or more occasions within any 12 month period; any other franchise agreement with us is terminated by us as a result of your default, other than a default due to your failure to meet the Quarterly Minimum Gross Billings requirements of that agreement; you are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; attempt to assign, transfer or sell the clients or identity of clients without our consent; perform HCAN Services in another franchisee’s designated area on two or more occasions; fail to meet the Minimum Royalty or Minimum Brand Marketing and Promotion Fee for four consecutive Quarters or more than four Quarters in any consecutive 24 months; or failure to timely submit to arbitration any franchisee quarrel for which we have provided a Notice to Arbitrate. Termination upon bankruptcy may not be enforceable under the federal bankruptcy law (11 U.S.C. Section 101 et seq.).
---	--------------------------------	--

i. Franchisee's obligations on termination/non-renewal	Section 17	Your obligations include: cease operations of the Franchised Business; pay the remainder of the lease and assign lease to us, at our option; stop using the Marks and items bearing the Marks; assign any assumed names to us; de-identify the Premises from any confusingly similar decoration, design or other imitation of a HCAN Services Business Franchised Business; stop advertising as a Franchised Business; terminate all agreements with Required Suppliers; pay all sums owed to us; pay all damages and costs incurred in enforcing the termination provisions of the Franchise Agreement; return all manuals, copyrighted material, and other confidential information to us; sell to us, at our option, all assets of the Franchised Business, including signs, equipment, supplies and items bearing the Marks; assign your telephone and facsimile number, internet and email addresses to us and comply with the covenants not to compete.
j. Assignment of contract by franchisor	Section 18.1	There are no restrictions on our right to assign except that assignee must be financially responsible and economically capable of performing our obligations under the Franchise Agreement and assignee must expressly agree to assume such obligations.
k. "Transfer" by franchisee-defined	Sections 18.2 and 18.3	Includes transfer of assets or sale of equity. You may transfer the assets of the Franchised Business and all rights subject to certain restrictions.
l. Franchisor approval of transfer by you	Section 18.4	We have the right to approve all transfers and transferees but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 18.4	For a transfer to a third party, the transferee must meet our current qualifications, successfully complete the training program, sign the current Franchise Agreement and agree to assume all of the previous franchisee's obligations. You will be required to pay all sums owed to us, including a transfer fee of 50% of the then-current Initial Franchise Fee, or if a Franchise consultant or brokers Commission is payable, 100% of the Initial Franchise Fee. If you are transferring to an entity you owned and formed solely for the purposes of operating the Franchised Business, you must remain the owner of the majority interest of that entity.
n. Franchisor's right of first refusal to acquire your business	Section 20	We have the right of first refusal to purchase a Franchised Business that is for sale and for which you have received a good faith offer to purchase. We have 30 days from notice of the offer to purchase the Franchised Business or its assets at the same terms as those contained in the offer.

o. Franchisor's option to purchase your business	Section 17.10	We are not obligated to do so, but, if the franchise is terminated or expires, we may purchase the assets of the Franchised Business at fair market value within 30 days after expiration or termination of the Franchise Agreement. The fair market value of the business will be determined by the current market value of the "hard assets" of the business.
p. Death or disability of franchisee	Section 19	Your heirs, beneficiaries, devisees or legal representatives can apply to us to continue operation of the Franchised Business or sell or otherwise transfer interest in the Franchised Business for 180 days after the death or incapacity. If they fail to do so, the Franchise Agreement will terminate and we will have the option to buy the assets used to operate the Franchised Business.
q. Non-competition covenants during the term of the franchise	Section 15.3	You must not (i) divert or attempt to divert any business or client to a competitor; (ii) perform any act which may harm the goodwill associated with the Marks and the System; (iii) own or otherwise have any interest in any business (including a business operated before entry into the Franchise Agreement) specializing in offering or providing in-home assistance, companionship or staffing services, related services or services that are the same as or similar to any product or service provided in the System or provided in the Franchised Business; (iv) or offering or providing services or products that are the same as or similar to any component of the operation or services of the Franchised Business or System (referrals to provide Services are excluded).
r. Non-competition covenants after the franchise is terminated or expires	Section 15	You must not own, otherwise have an interest in, or operate a business or become an employee of a business, which specializes or provides in-home assistance, companionship or staffing services, related services or services that are the same as or similar to any product or service provided in the System or provided in the Franchised Business for a period of 1½ years after the Franchise Agreement terminates, expires or is transferred within 10 miles of the outer boundaries of the Designated Area. You must not solicit current or past customers, accounts, or clients serviced by the Franchised Business or any other franchisee's franchised business or referral sources for a period of 1 ½ years after the Franchise Agreement terminates, expires or is transferred. You must not, for a period of 1 ½ years after the Franchise Agreement terminates, expires or is transferred provide services or products that are the same as or similar to a component of the operation or services of the Franchised Business or System to any party.

s.	Modification of the agreement	Section 26	The Franchise Agreement can be modified only by written agreement between us and you. We may modify or change the System through changes in the Operations Manual.
t.	Integration/merger clause	Sections 26 and 27	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. No claim made in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 29	Any dispute or claim relating to or arising out of the Franchise Agreement must be resolved exclusively by mandatory arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) or another arbitration service agreed to by the parties. Any proceedings will be conducted at the AAA’s Omaha, Nebraska office (subject to applicable state law). In addition, Owners of your Franchised Business are obligated to submit arguments between themselves to arbitration if Franchisor so orders.
v.	Choice of forum	Section 28	Douglas County, Nebraska (subject to applicable state law).
w.	Choice of law	Section 28	State of Nebraska (subject to applicable state law).

ITEM 18. PUBLIC FIGURES

We do not presently use any public figures to promote our franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in this disclosure document. Financial performance information that differs from that included in this 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.

The following historical financial performance data is derived from our Franchisees, which serves as the foundation for the representations included below. It’s important to note that the representations in Item 19 are specifically derived from the franchise system’s Franchised Businesses that were operational during the specified periods. This data does not include any other subset of these Franchised Businesses, ensuring the accuracy and relevance of the information.

Table 1 shows data reported by 10 Franchised Offices operated by franchisees that reported Gross Revenue during 2024, This data displays “Gross Revenue,” “Gross Profit – After Payroll,” Clients Served, Hours Billed, and Territory Size. This offices are operated by the franchisee. HomeCare Advocacy Network does not own or operate any businesses as of May 2024.

"Gross Revenues" encompasses the total revenues derived from operating the Franchised Business. This includes all monetary transactions, services rendered in lieu of payment, exchanges through barter, credit-based sales, and other forms of revenue generation. It is important to note that Gross Revenue do not incorporate any sales tax or similar statutory charges levied on transactions, provided that these are itemized separately at the point of sale and remitted to the tax authority as required by law.

The financial data presented below provides a snapshot of historical performance across various franchised locations. Included are the average and median Gross Revenue which reflect the financial outcomes experienced by these entities. This information is intended to offer prospective franchisees insight into the potential financial performance of their franchised operations but should not be considered as a guarantee of future results.

Success in this franchise depends significantly on the individual franchisee's capabilities and personal efforts. The historical data shared here represents past performances of established franchisees and is not predictive of future results. While some franchisees have reached or exceeded these financial benchmarks, there is no guarantee that all franchisees will achieve comparable results. Prospective franchisees should enter this venture with realistic expectations and a strong commitment to managing their franchise diligently.

Please be aware that financial outcomes can vary substantially among franchisees. Factors influencing these outcomes include geographic location, market conditions, and the individual franchisee's management acumen. We advise all potential franchisees to consider these variables carefully when evaluating the potential for success in their franchised business.

Table 1: 2024 Average and Median Gross Billings						
HomeCare Advocacy Network Franchised Offices Months in Business	Total Offices	Average Gross Billings	Median Gross Billings	Highest Offices Gross Billings	Lowest Offices Gross Billings	Median Territory Size People 65 Years and Over
12-24 Months	2	\$101,824.81	\$101,824.81	\$119,602.97	\$84,046.64	30,403
25-36 Months	7	\$362,420.21	\$364,054.30	\$769,794.68	\$122,671.84	49,621
37-48 Months	1	\$1,045,151.64	\$1,045,151.64	\$1,045,151.64	\$1,045,151.64	78,780

Notes to Table 1:

Table 1 includes data reported by 10 Franchised Offices operated by franchisees that reported Gross Revenue during 2024, 2 Franchised Offices were excluded due to not being opened for 12 months. The date used to report the Gross Revenue for those franchises was the date of the original franchise.

Some outlets have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.

Other than the preceding financial performance representation, HomeCare Advocacy Network, Inc. does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mark Goetz at 440 Regency Pkwy Dr, #222, Omaha, NE 68114, the Federal Trade Commission, and the appropriate state regulatory agencies.

Written substantiation for the financial performance representation will be made available to prospective franchisee upon reasonable request.

ITEM 20. OUTLETS AND FRANCHISE INFORMATION

In the following Table No. 1, you will find the total number of franchised and company-owned

outlets for each of our last three fiscal years. For purposes of this Item 20, “outlet” means and includes franchises/outlets of a type substantially similar to that offered to the prospective franchisee.

Table No. 1
Systemwide Outlet Summary

Outlet Type	Year Ended May 31	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	1	8	+7
	2023	8	10	+2
	2024	10	12	+2
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	1	8	+7
	2023	8	10	+2
	2024	10	12	+2

In the following Table No. 2, you will find the total number of franchised outlets transferred in each state during each of our last three fiscal years. For purposes of this Item 20, “transfer” means the acquisition of a controlling interest in a franchised outlet, during its term, by a person other than us or an affiliate of ours. No transfers of outlets from franchisees to new owners for years 2022 to 2024 occurred in the states not included in this table.

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years Ended May 31, 2022 to 2024

State	Year Ended May 31	Number of Transfers
All States	2022	0
	2023	0
	2024	0
TOTAL	2022	0
	2023	0
	2024	0

In the following Table No. 3, you will find the status of franchisee-owned outlets located in each state (with at least one outlet) for each of our last three fiscal years.

Table No. 3
Status of Franchised Outlets
For Years Ended May 31, 2022 to 2024

State	Year Ended May 31	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Florida	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Illinois	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Iowa	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	2	0	0	0	0	4
Nebraska	2022	1	2	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
South Dakota	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Utah	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	1	0
Wisconsin	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TOTAL	2022	1	7	0	0	0	0	8
	2023	8	2	0	0	0	0	10
	2024	10	3	0	0	0	1	12

In the following Table No. 4, you will find the status of company-owned outlets located in each state (with at least one outlet) for each of our last three fiscal years.

Table No. 4
Status of Company-Owned Outlets
For Years Ended May 31, 2022 to 2024

State	Year Ended May 31	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
All States	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
TOTAL	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

In the following Table No. 5, you will find projected new franchised and company-owned outlets.

Table No. 5
Projected Openings as of May 31, 2024

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
Arizona	0	1	0
California	0	2	0
Colorado	2	0	0
Florida	0	2	0
Pennsylvania	0	2	0
Kansas	1	1	0
Missouri	1	1	0
Nebraska	2	0	0
Texas	2	2	0
TOTAL	8	11	0

Exhibit G lists the names of all current franchises and the addresses and telephone numbers of their outlets as of the date of this Franchise Disclosure Document.

Exhibit H lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not-renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who had not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with HCAN Services Business. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

Exhibit I-1 lists, to the extent known, the names, addresses, telephone numbers, e-mail address and Web address of each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed.

Exhibit I-2 lists the independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21. FINANCIAL STATEMENTS

Our fiscal year end is May 31. Attached as Exhibit D are our audited financial statements as of May 31, 2024, May 31, 2023, and May 31, 2022 and the related statement of operations and members equity, and cash. Also included in Exhibit D are our unaudited balance sheet as of December 31, 2024.

ITEM 22. CONTRACTS

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

- B. Franchise Agreement (including the following exhibits):
 - A. Franchise Fee and Designated Area
 - B. Guaranty and Assumption of Obligations
 - C. Confidentiality and Non-Compete Agreement
 - D. Renewal Addendum
 - E. Form of Business Associate Agreement
 - F. Multiple Unit Amendment
 - G. Home Health Amendment
 - H. Secondary Branding Position Amendment
 - I. ACH Authorization
- E. Franchisee Disclosure Questionnaire
- F. Multi-State Addendum
- J. Multi-Unit Development Agreement

ITEM 23. RECEIPTS

You will find copies of a detachable receipt in **Exhibit K** at the very end of this Franchise Disclosure Document.

EXHIBIT A TO THE FRANCHISE DISCLOSURE DOCUMENT
LIST OF STATE AGENTS FOR SERVICE OF PROCESS
AND STATE ADMINISTRATORS

EXHIBIT A TO THE FRANCHISE DISCLOSURE DOCUMENT**LIST OF STATE AGENTS FOR SERVICE OF PROCESS
AND STATE ADMINISTRATORS**

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California Department of Financial Protection and Innovation One Sansome Street, Suite 600 San Francisco, CA 94104 415-972-8559 1-866-275-2677	California Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 860-240-8230	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 404-656-3790	Same
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722	Commissioner of Securities of the State of Hawaii Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 502-696-5389	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 504-342-7013 (gen. info.) 504-342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 525 W. Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, MI 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101 651-539-1500	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, NE 68508-2732 P.O. Box 95006 Lincoln, Nebraska 68509-5006 Tele: 402-471-2171	Same
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 603-271-3641	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NEW YORK	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21 st FL New York, NY 10005 212-416-8222	Secretary of State of New York 99 Washington Avenue Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office/Securities Division 2 South Salisbury Street Raleigh, NC 27601 919-733-3924	Secretary of State Secretary of State's Office Same Address
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, 14 th Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712; Fax: 701-328-0140	North Dakota Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215 614-466-8831 or 800-282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 405-521-2451	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 401-222-3048	Director, Rhode Island Department of Business Regulation Same address
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 803-734-2166	Same
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Insurance 124 S. Euclid Avenue, Suite 104 Pierre, SD 57501 605-773-3563	Director of the South Dakota Division of Insurance Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
TEXAS	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 512-475-1769	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 TELE: 801-530-6601 FAX: 801-530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9 th Floor 1300 E. Main Street Richmond, VA 23219 804-371-9051	Clerk of the State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219 804-371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200, Olympia, WA 98504-1200 360-902-8762	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501

EXHIBIT B TO THE FRANCHISE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT AND RELATED MATERIALS



HomeCare
ADVOCACY NETWORK

HomeCare Advocacy Network Inc.

FRANCHISE AGREEMENT

TABLE OF CONTENTS

SECTION	PAGE
1. APPOINTMENT AND FRANCHISE FEE	2
2. TERM AND SUCCESSOR TERM.....	5
3. BUSINESS LOCATION, ENTITY REQUIREMENTS AND OPERATING PRINCIPAL	6
4. TRAINING AND ASSISTANCE	9
5. PROPRIETARY MARKS.....	10
6. CONFIDENTIAL OPERATIONS MANUAL.....	12
7. CONFIDENTIAL INFORMATION AND THE COLLECTION, USE, AND DESTRUCTION OF CUSTOMER DATA	14
8. MODIFICATION OF THE SYSTEM.....	16
9. ADVERTISING AND PROMOTION	17
10. CONTINUING SERVICES AND ROYALTY FEE.....	20
11. ACCOUNTING AND RECORDS	21
12. STANDARDS OF QUALITY AND PERFORMANCE	23
13. FRANCHISOR’S OPERATIONS ASSISTANCE.....	27
14. INSURANCE	28
15. COVENANTS.....	30
16. DEFAULT AND TERMINATION	32
17. RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION OR TERMINATION.....	35
18. TRANSFERABILITY OF INTEREST	37
19. DEATH OR INCAPACITY OF FRANCHISEE.	43
20. RIGHT OF FIRST REFUSAL.....	44
21. OPERATION IN THE EVENT OF ABSENCE, INCAPACITY OR DEATH	44
22. INDEPENDENT CONTRACTOR AND INDEMNIFICATION	46
23. APPROVALS	47
24. NON-WAIVER.....	47
25. NOTICES.....	47
26. ENTIRE AGREEMENT	47
27. SEVERABILITY AND CONSTRUCTION.....	48
28. APPLICABLE LAW AND CHOICE OF FORUM	48
29. DISPUTE RESOLUTION.....	49
30. “FRANCHISEE” DEFINED AND GUARANTY	52
31. FORCE MAJEURE.....	52
32. CAVEAT	53
33. ACKNOWLEDGMENTS.....	53

34.	LIMITATION ON DAMAGES	54
-----	-----------------------------	----

EXHIBITS

- A. FRANCHISE FEE, DESIGNATED AREA AND OWNERS
- B. GUARANTY AND ASSUMPTION OF OBLIGATIONS
- C. CONFIDENTIALITY AND NON-COMPETE AGREEMENT
- D. RENEWAL ADDENDUM
- E. FORM OF BUSINESS ASSOCIATE AGREEMENT
- F. MULTIPLE UNIT AMENDMENT
- G. HOME HEALTH AMENDMENT
- H. SECONDARY BRANDING POSITION AMENDMENT
- I. ACH AUTHORIZATION

HomeCare Advocacy Network Inc.

FRANCHISE AGREEMENT

This Franchise Agreement, together with the Exhibits attached to it (collectively “this **Agreement**”), made by and between HomeCare Advocacy Network Inc., a corporation formed under the laws of the State of Delaware and having its principal place of business at 440 Regency Pkwy Dr, #222, Omaha, NE 68114 (“**Franchisor**”), and _____ whose principal address is _____, an individual/partnership/corporation/limited liability company resident/established in the State of _____ (“**Franchisee**”) and is effective as of the date Franchisor executes this Agreement as indicated on the signature page hereto (“**Effective Date**”).

WITNESSETH:

WHEREAS, Franchisor, over a period of time and as the result of extensive research and the expenditure of time, expertise, effort and money, has developed a business system (the “**System**”) that is owned by Franchisor and identified by the trade name “**HEMOCARE ADVOCACY NETWORK**,” specializing in an array of services that you may be authorized to provide, including, but not limited to, providing hands-on personal care, non-medical care, in-home care, assistance and companionship care services to seniors and other adults, supplemental staffing services for nursing homes, hospitals, other home health agencies and other medical settings, home health services and other in-home medical care, and other related products, materials, and equipment that we have or may develop and implement (“**HCAN Services**”). You may be authorized to provide any or all of the HCAN Services with the HCAN branding and trademarks in primary position (“**Primary Branding Position**”), or in the case where you already have a bona fide care services business and facility, you may be authorized to provide any or all of the HCAN Services with HCAN branding and trademarks in a secondary position to your existing branding and trademarks (“**Secondary Branding Position**”). HCAN Services, whether offered in Primary Branding Position or Secondary Branding Positions are collectively referred to as the (“**Franchise**”); and

WHEREAS, the distinguishing characteristics of the System and the Franchise include, without limitation, established programs, resources and support services, exclusively designed signage, equipment, products, and materials; the HomeCare Advocacy Network operations manual (“**Operations Manual**”); uniform policies, operating methods, procedures and techniques; other confidential operations procedures; and methods and techniques for record keeping and reporting, personnel management and training, marketing and advertising, all of which may be changed, improved and further developed by Franchisor from time to time; and

WHEREAS, Franchisor is the owner of the right, title and interest, together with all the goodwill connected with them, in and to the trade names, service marks and trademarks “**HEMOCARE ADVOCACY NETWORK**”, associated logos, commercial symbols and such other trade names, service marks and trademarks as are now designated (and may hereinafter be designated by Franchisor) as part of the System (individually, “**Mark**”; collectively, “**Marks**”); and, in accordance with the terms and conditions of this Agreement, has licensed to Franchisee the right to use the Marks in the operation of a Franchise; and

WHEREAS, Franchisor will continue to develop, use and control such Marks for the benefit and use of itself and its franchisees in order to identify for the public the source of services and products, materials and equipment marketed thereunder and to represent the System’s high standards of quality; and

WHEREAS, Franchisor grants and licenses to certain qualified persons and entities the right to own and operate a Franchise providing HCAN Services that are authorized and approved by Franchisor in utilizing the System and Marks; and

WHEREAS, Franchisee desires to operate a Franchise under the System and wishes to obtain the rights from Franchisor for that purpose, as well as to receive other assistance provided by Franchisor in connection therewith; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality and service and the necessity of operating a Franchise (sometimes referred to in this Agreement as the "**Franchised Business**") in conformity with Franchisor's standards and specifications; and

WHEREAS, Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received nor relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement. Franchisee acknowledges that it has read and understands this Agreement, the Franchisor's Franchise Disclosure Document and all of their respective attachments, upon which Franchisee has exclusively relied, and that Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees or agents that are contrary to the statements made in this Agreement, Franchisor's Franchise Disclosure Document or their respective attachments.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party, hereby agree as follows:

1. APPOINTMENT AND FRANCHISE FEE

1.1 Franchisor grants to Franchisee, and Franchisee accepts, as of the Effective Date set forth after Franchisor's signature and pursuant to the terms and conditions of this Agreement, (i) the right to conduct the Franchised Business in accordance with the System, as it may be changed, improved and further developed from time to time; and, (ii) the license to use the Marks, within the Designated Area (described in Section 1.2). Franchisee undertakes the obligation to operate the Franchised Business strictly in accordance with the System and this Agreement, as the System may be changed, improved and further developed from time to time, at a location to be designated, as provided in Section 3 hereof within the Designated Area.

1.2 Neither Franchisor nor any parent, subsidiary or affiliate of Franchisor (collectively, "**Related Entity**") will, conditioned upon Franchisee's full compliance with the terms of this Agreement, so long as this Agreement is in force and effect and Franchisee is not in default under any of the terms of this Agreement, license or operate any other Franchise within the Designated Area, except as specifically set forth in this Agreement. The Designated Area is defined by zip codes and includes a population of between approximately thirty thousand (30,000) to fifty thousand (50,000) people, who are age sixty-five (65) and older ("**Potential Clients**"). A list of the zip codes for the Designated Area is in Exhibit A. Zip codes are a system of postal codes used by the United States Postal Service ("**USPS**") and are changed by it from time to time. Changes by the USPS may affect the zip codes and the geographic area that makes up Franchisee's Designated Area.

1.3 Notwithstanding the rights granted to Franchisee in Section 1.2, Franchisor retains the sole right to:

1.3.1 Establish and/or license other Franchises at any location outside of the Designated Area as Franchisor deems appropriate;

1.3.2 Establish and license others to establish businesses under other systems using the Marks or other proprietary marks, which businesses may be located within or outside the Designated Area, provided, however, that, except as specifically provided in this Agreement, Franchisor will not license or establish a business offering the Primary Services within Franchisee's Designated Area;

1.3.3 Advertise and sell the HCAN Services under other trademarks, service marks and commercial symbols through similar or dissimilar channels of distribution, including, without limitation, by electronic means such as the Internet and websites that Franchisor establishes and pursuant to terms Franchisor deems appropriate outside Franchisee's Designated Area;

1.3.4 Advertise the System on the Internet (including social media) and to create, operate, maintain and modify, or discontinue the use of one or more websites using the Marks;

1.3.5 Offer for sale products that are HCAN Services or related to the HCAN Services and needs of clients and customers through our website(s) or through such dissimilar channels of distribution within and outside Franchisee's Designated Area;

1.3.6 Acquire the assets or ownership interest of one or more businesses providing HCAN Services similar to those provided at Franchisee's Franchised Business, and franchise, under a service mark or trademark other than the Marks, license or grant the right to others to operate those businesses once acquired, regardless of whether these businesses are located or operating within Franchisee's Designated Area; provided, however, that such businesses will not be granted the rights to use the Marks;

1.3.7 Be acquired by an entity providing services, products, materials and equipment similar to those provided at Franchisee's Franchised Business, even if such business operates, franchises and/or licenses competitive businesses in Franchisee's Designated Area; provided, however, that any business operated directly or indirectly by such acquirer that is similar to the Franchise will not be granted the right to operate using the Marks in the Designated Area;

1.3.8 Engage in joint marketing programs with partner companies and all forms of sales through the Internet or any other form of electronic media (including social technology, social media and social networking platforms); and

1.3.9 Engage in any other activities not expressly prohibited in this Agreement.

1.4 Franchisee will use its best efforts to confine all advertising and promotion (including using online or traditional media), use of Promotional Materials (as defined in Section 9.1), solicitation, and similar efforts to the Designated Area, except as may be authorized by written communication from Franchisor. Franchisee will confine the performance of all services and the supply of all related products, materials and equipment to clients located in the Designated Area, except as may be authorized by written communication from Franchisor. If Franchisee wishes to provide HCAN Services or any other related products, materials and equipment outside of its Designated Area, then Franchisee must first obtain the prior written approval of Franchisor, which Franchisor is under no obligation to grant. Notwithstanding the foregoing, if Franchisor provides its prior written approval, Franchisee may advertise and promote, use Promotional Materials (as defined in Section 9.1), solicit and engage in similar efforts outside of its Designated Area. If Franchisor has granted Franchisee approval to provide HCAN Services or to advertise and promote, use Promotional Materials, solicit and engage in similar efforts outside of Franchisee's Designated Area, Franchisor may withdraw its approval at any time and for any reason without any further obligation to Franchisee. If, before Franchisee executed this Agreement or before Franchisee has established an open office (defined in Section 12.2), another HomeCare Advocacy Network franchisee has been serving clients in an area previously unassigned to any franchisee that is now in Franchisee's Designated Area, Franchisor will, in the best interests of continuity of client care, permit that franchisee to continue to serve those clients in Franchisee's Designated

Area. Despite any other provision in this Agreement to the contrary, authority for the disposition and resolution of any request by Franchisee or disagreement that may arise between Franchisor and Franchisee about zip codes, Designated Area make-up, franchisee sales, marketing, promotions, advertising, soliciting, working or rendering services or products, materials or equipment outside of a franchisee's Designated Area will rest with the Franchisor and Franchisor's decision will be final and conclusive.

1.5 In consideration of the Franchise granted in this Agreement, Franchisee will pay to Franchisor, upon execution of this Agreement, a Franchise Fee ("**Franchise Fee**") in the amount set forth on **Exhibit A**. When paid, the Franchise Fee is fully earned and non-refundable as consideration for expenses incurred by Franchisor, including marketing, researching, awarding, furnishing assistance and services to Franchisee and for Franchisor's lost or deferred opportunity to franchise others.

1.6 If Franchisee desires to offer to its clients HCAN Services relating to home health ("**Home Health Services**"), Franchisee must apply for prior written approval from Franchisor, which approval Franchisor has the right to provide or deny.

1.6.1 To be eligible to offer Home Health Services, Franchisee must demonstrate to Franchisor's satisfaction that it has met the following conditions:

1.6.1.1 The Franchisee has completed the Initial Field Training;

1.6.1.2 The Franchised Business must not have any uncured defaults under the Franchise Agreement;

1.6.1.3 Franchisee or a qualified person designated by Franchisee must have successfully completed Franchisor's training program specifically relating to Home Health Services ("**Home Health Training Program**");

1.6.1.4 Franchisee must comply with all state and federal laws, including obtaining all applicable licenses and permits, including as required under the applicable Nurse Practice Act;

1.6.1.5 Franchisee must follow the guidelines outlined in the Home Health Policy and Procedure Manual, which Franchisee will be required to purchase from an Approved Supplier;

1.6.1.6 Franchisee must satisfy any other requirements established by Franchisor that Franchisor believes is necessary for a Franchised Business to offer Home Health Services, including all insurance requirements; and

1.6.1.7 Franchisee must execute an amendment to this agreement ("**Home Health Amendment**") in a form similar to **Exhibit G** to this Agreement.

1.6.2 If Franchisee and the Franchised Business meet all of these conditions, the Franchised Business may offer Home Health Services and, if required by applicable law, determine the referrals for services it will accept based on the skill level of its personnel. Franchisor has the right to revoke its approval for Franchisee to offer Home Health Services if Franchisee fails or refuses to continue to meet any of the foregoing conditions.

1.6.3 If Franchisee purchases a Franchised Business that is already approved to offer Home Health Services, Franchisee may continue offering Home Health Services so long as Franchisee and the Franchised Business meet all of the above conditions, excluding the condition set forth in Section 1.6.1.1

1.6.4 If Franchisee purchases a Franchised Business that is not already approved to offer Home Health Services, Franchisee and the Franchised Business must meet all of the conditions above.

1.7 Franchisee will pay the sum set forth on **Exhibit A** as a non-recurring and non-refundable training and development fee (“**Training and Development Fee**”) to Franchisor upon execution of this Agreement. The Training and Development Fee entitles Franchisee to receive the initial training for the Operating Principal and two (2) additional persons. When paid, the Franchise and Development Fee is fully earned and non-refundable.

1.8 Franchisee acknowledges that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of the particular site/area or circumstance, density of population, business potential, population of Designated Area, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such franchisee’s business. Franchisee will not be entitled to require Franchisor to grant to Franchisee a like or similar variation under this Agreement.

2. TERM AND SUCCESSOR TERM

2.1 This Agreement will be effective and binding from the date of its acceptance by Franchisor (as indicated on the signature page) for an initial term equal to ten (10) years (unless sooner terminated in accordance with the terms of this Agreement, with two (2) separate options intended to enable Franchisee to secure a successor term (“**Successor Term**”) for the period of five (5) years each as provided in Section 2.2).

2.2 Subject to the notice provisions in Section 2.3, at the expiration of the initial term (or any Successor Term), if this Agreement will then be in full force and effect, and Franchisee will have duly performed all of its terms and conditions, Franchisee will have two (2) separate options to secure a Successor Term, subject to the terms and conditions of the then current form of Franchise Agreement (“**Successor Franchise Agreement**”), for periods of five (5) years each. Except as set forth in the prior sentence, a Successor Franchise Agreement will not grant Franchisee an additional option for successive terms. For the purposes of this Section 2.2, unless the context clearly indicates otherwise, the words “terms and conditions” of this Agreement will include, but not be limited to, the following:

2.2.1 Franchisee has, during the entire initial term of this Agreement and any subsequent Successor Terms, duly performed all provisions of this Agreement;

2.2.2 Franchisee maintains legal and physical possession of the Premises (as defined in Section 3.1 below) or receives Franchisor’s written approval to relocate to a new authorized Premises, and the Franchised Business is in full compliance with the specifications and standards then applicable for a new or renewing Franchise. Franchisee will also present evidence reasonably satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises for the duration of any renewal term; or, in the event Franchisee is unable to legally retain possession of the Premises, or, in the judgment of Franchisor, the Franchised Business should be relocated, Franchisee secures substitute premises approved by Franchisor;

2.2.3 Franchisee has given notice of Franchisee’s desire to acquire a Successor Franchise Agreement to Franchisor as provided in Section 2.3 below;

2.2.4 Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor and its Related Entities, including the Successor Franchise Fee, and has timely met these obligations throughout the term of this Agreement;

2.2.5 Instead of the then-current Initial Franchise Fee or its equivalent, Franchisee has delivered to Franchisor the successor franchise fee (“**Successor Franchise Fee**”) in the amount of fifty percent (50%) of the then-current Initial Franchise Fee that corresponds to the type of Initial Franchise Fee initially paid by Franchisee for the Franchised Business and Franchisee has executed Franchisor’s then current form of Successor Franchise Agreement, or at Franchisor’s election has executed successor documents with appropriate modifications to reflect the fact that the current form Franchise Agreement relates to the grant of a Successor Term, which Successor Franchise Agreement or successor documents will supersede in all respects this Agreement, and the terms of this Agreement. Despite the foregoing, upon signing a Successor Franchise Agreement unless otherwise provided in this Agreement, the Designated Area will not be changed unless mutually agreed to in writing by Franchisee and Franchisor; and

2.2.6 Franchisee and its owners have executed a general release, in a form prescribed by Franchisor, of any and all existing claims against Franchisor and its respective officers, directors, agents and employees, except such claims as are not permitted to be waived under applicable law.

2.3 Unless the context of this Agreement clearly indicates otherwise, the words “**term of this Agreement**” will include and apply to the initial term and any Successor Term. If Franchisee desires to exercise its option to request a Successor Franchise Agreement at the expiration of the then current term of this Agreement, Franchisee must give Franchisor written notice of its desire to secure such Successor Franchise Agreement at least twelve (12) months, but not more than eighteen (18) months, prior to the expiration of the then current term of this Agreement. Within sixty (60) days after its receipt of such timely notice, Franchisor will furnish Franchisee with a copy of Franchisor’s current form Franchise Agreement which relates to the grant of a Successor Term, in accordance with Section 2.2.5 and written notice of any other requirements, as set forth in Section 2.2, which Franchisee must satisfy as a condition of acquiring a Successor Franchise Agreement. The provision of a Successor Franchise Agreement will be conditioned upon Franchisee’s compliance with such requirements and continued compliance with all the terms and conditions of this Agreement up to the date of termination, provided, however, that in the event Franchisee is diligently and in good faith curing any deficiencies as required by Franchisor, the term of this Agreement will be extended for a period of time equal to the number of days required to cure such deficiency as determined by Franchisor.

2.4 If Franchisee does not initiate and comply with the terms and conditions for securing a Successor Franchise Agreement and the procedures set forth in this Section 2.4, including signing Franchisor’s then current form of the Franchise Agreement and/or, if Franchisor determines is appropriate, Franchisor’s successor documents, prior to the tenth (10th) or fifth (5th) anniversary date of this Agreement, as applicable (“**Expiration Date**”), then upon notice from Franchisor this Agreement will expire as of the Expiration Date with Franchisee then operating without a Franchise to do so and in violation of Franchisor’s rights.

3. BUSINESS LOCATION, ENTITY REQUIREMENTS AND OPERATING PRINCIPAL

3.1 Franchisee must operate the Franchised Business only within the Designated Area. Franchisee’s open office location for the Franchised Business will be at an open office location separate from any personal residence, nursing facility, assisted living facility (or similar facility) or executive suites and the open office will exist and be used solely and exclusively for the operation of the Franchised Business under this Agreement (“**Premises**”), and will at all times be located within the Designated Area. As used in this Agreement, open office has the meaning set forth in Section 12.2.

3.2 Franchisee will be solely responsible for purchasing or leasing a suitable site and office for the Premises and it will be maintained in the condition and appearance consistent with Franchisor’s standards. While Franchisor will utilize its general experience in providing guidelines and criteria for selection of a Premises location, nothing contained herein will be interpreted as a guarantee of success for said location. The Premises is subject to Franchisor’s approval, which Franchisor has the right to grant or deny. Franchisee

acknowledges that Franchisor's approval of the Premises indicates only that Franchisor believes that the office falls within the acceptable criteria established by Franchisor as of the approval date.

3.3 If Franchisee is a corporation, limited liability company or partnership:

3.3.1 Franchisee will be duly organized, in good standing in its state of origin, and validly existing solely for the exclusive purpose of owning and operating as a Franchised Business duly authorized to do business, and will state that in its organizational documents;

3.3.2 All shareholders, members or partners of Franchisee, as the case may be, will be listed on **Exhibit A**, together with their ownership interest in Franchisee and will enter into a written agreement, in a form satisfactory to Franchisor, attached hereto as **Exhibit B**, jointly and severally guaranteeing the full payment and performance of Franchisee's obligations to Franchisor under this Agreement;

3.3.3 Each stock certificate or membership certificate or other evidence of ownership of an equity interest in Franchisee, as the case may be, will have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed by this Agreement;

3.3.4 The bylaws, operating agreement or partnership agreement of Franchisee, as the case may be, will be in writing and will conspicuously state that all ownership interests in Franchisee are held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed by this Agreement;

3.3.5 No shares of common or preferred voting stock, membership interests or partnership interests (of whatever nature) in Franchisee, as the case may be, will be issued or transferred to any person, partnership, trust, foundation, limited liability company, corporation or other party without obtaining Franchisor's prior written consent and then, only upon and in compliance with this Agreement;

3.3.6 If Franchisee has not done so prior to the execution of this Agreement, Franchisee will deliver copies of Franchisee's organizational documents to Franchisor prior to the execution hereof and from time to time upon Franchisor's request;

3.3.7 Franchisee will not use any Mark or portion of any Mark as part of any corporate or entity name, with any prefix, suffix or other modifying words, terms, designs or symbols or any modified or other confusingly similar form;

3.3.8 Franchisee will designate, and at all times during the term of this Agreement have, an Operating Principal, in accordance with the requirements set forth in Section 3.4; and

3.3.9 Franchisee and each of its shareholders, members or partners, and their respective spouses, as the case may be, will enter into a written Confidentiality and Non-Compete Agreement, in a form satisfactory to Franchisor, attached hereto as **Exhibit C**.

3.4 If Franchisee is a trust:

3.4.1 Franchisee will be created, in good standing in its state of origin, and have the power to own and operate the Franchised Business and duly authorized to do business, and will state that in its organizational documents;

3.4.2 All trustees and beneficiaries of Franchisee, as the case may be, will be listed on **Exhibit A**, together with their beneficial interest in Franchisee and the grantor, trustees or beneficiaries, as Franchisor designates, will enter into a written agreement, in a form satisfactory to Franchisor, attached hereto as **Exhibit B**, jointly and severally guaranteeing the full payment and performance of Franchisee's obligations

to Franchisor under this Agreement;

3.4.3 The trust agreement and any other evidence of ownership of an equity or beneficial in Franchisee, as the case may be, will have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed by this Agreement;

3.4.4 The trust agreement of Franchisee will be in writing and will conspicuously state that all ownership and beneficial interests in Franchisee are held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed by this Agreement;

3.4.5 No equity or beneficial interest in Franchisee, as the case may be, will be transferred to any person, partnership, trust, foundation, limited liability company, corporation or other party without obtaining Franchisor's prior written consent and then, only in compliance with this Agreement;

3.4.6 If Franchisee has not done so prior to the execution of this Agreement, Franchisee will deliver copies of Franchisee's organizational documents to Franchisor prior to the execution hereof and from time to time upon Franchisor's request;

3.4.7 Franchisee will not use any Mark or portion of any Mark as part of any trust or business name, with any prefix, suffix or other modifying words, terms, designs or symbols or any modified or other confusingly similar form;

3.4.8 Franchisee will designate, and at all times during the term of this Agreement have, an Operating Principal, in accordance with the requirements set forth in Section 3.4 and

3.4.9 Franchisee and each of its grantors, trustees and beneficiaries, as Franchisor designates, and their respective spouses, as the case may be, will enter into a written Confidentiality and Non-Compete Agreement, in a form satisfactory to Franchisor, attached hereto as **Exhibit C**.

3.5 Upon the execution of this Agreement, Franchisee will designate and retain an individual to serve as the Operating Principal of Franchisee ("**Operating Principal**"). The Operating Principal will have the full authority to act on behalf of Franchisee in all matters related to the performance of this Agreement and the operation of the Franchised Business. Franchisor has the right to rely on any and all directions, elections, information and other communication from Operating Principal as being made on behalf of Franchisee, even if Franchisor receives information from any other owner or person who claims to have an ownership interest in Franchisee which may be contrary to or different from the information provided by Operating Principal. Franchisor has no duty or obligation to inquire into or resolve any conflicting information provided by Operating Principal and any other person on behalf of Franchisee. If Franchisee is an individual, Franchisee will perform all obligations of the Operating Principal. The Operating Principal will, during the entire period he or she serves as such, meet the following qualifications:

3.5.1 Unless agreed upon in writing by Franchisor, the Operating Principal must maintain a direct or indirect ownership interest in Franchisee equal to at least twenty-five percent (25%) of the ownership interests in Franchisee. Except as may otherwise be provided in this Agreement, the Operating Principal's ownership interest in Franchisee must remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. The Operating Principal must execute the Confidentiality and Non-Compete Agreement, in the form attached as **Exhibit C** and the Guaranty And Assumption Of Obligations, in the form attached as **Exhibit B**;

3.5.2 The primary business focus of the Operating Principal must be the operation of the Franchised Business and the Operating Principal must devote his or her best efforts to the supervision and conduct of the Franchised Business;

3.5.3 The Operating Principal will meet Franchisor's standards and criteria for such individual, as set forth in the Operations Manual or otherwise in writing by Franchisor, and will satisfy the

training requirements set forth in Section 4; and

3.5.4 If, during the initial term of this Agreement and any renewal term, (i) the Operating Principal is not able to continue to serve in the capacity of Operating Principal; (ii) the Operating Principal no longer qualifies to act as such in accordance with this Section; or, (iii) Franchisee desires to replace the Operating Principal with another person who is qualified to act as such in accordance with this Section, Franchisee will promptly notify Franchisor and, within 30 days after the Operating Principal ceases to serve or be so qualified, provide evidence satisfactory to Franchisor that shows the owners of more than fifty percent (50%) of the ownership interests in Franchisee had designated a duly qualified replacement Operating Principal. Any failure to comply with the requirements of this Section will be deemed a material event of default under this Agreement.

3.6 Appointment of Director.

3.6.1 Franchisee may designate and retain a Director (“Director”) to direct the operation of the Franchised Business location. Franchisee shall designate its Director prior to attending the Initial Management Training Program. The Director shall be responsible for the daily operation of the Franchised Business location.

3.6.2 The Director shall, during the entire period he or she serves as Director, meet the following qualifications:

3.6.2.1 Meet all Franchisor’s standards and criteria for such individual(s), as set forth in the Manual or otherwise in writing by Franchisor, and shall be an individual otherwise acceptable to Franchisor in its sole discretion.

3.6.2.2 Devote his or her full time and best efforts to the supervision and management of the Franchised Business, and may not engage in any other business activity without the Franchisor’s consent, which may be withheld in Franchisor’s sole discretion.

3.6.2.3 Satisfy the training requirements set forth in Article 4.

3.6.3 . If the Director is not able to continue to serve in such capacity, or no longer qualifies to act as such in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate a replacement within thirty (30) days after the General Manager ceases to serve, such replacement being subject to the same qualifications required by this Agreement. Franchisee’s replacement Director shall attend and satisfactorily complete the Initial Management Training Program, at Franchisee’s sole cost and expense, including the payment of the then-current tuition rate. Until such replacement is designated and trained, Franchisee shall provide interim management of the Franchised Business, who shall act in accordance with the terms of this Agreement. Any failure to comply with the requirements of this Section shall be deemed a material event of default under this Agreement. Franchisor, in Franchisor’s sole discretion, may provide interim management support and charge Franchisee twenty percent (20%) of the Gross Revenue generated by the Franchised Business during Franchisor’s operation thereof until such General manager is properly trained or certified in accordance with Franchisor’s requirements, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, and shall be withdrawn from Franchisee’s designated bank account in accordance with Section 10.4

4. TRAINING AND ASSISTANCE

4.1 Franchisor will make the training program available to the Operating Principal and two (2) additional persons, one of whom may be another owner of Franchisee or Franchisee’s office manager. Each person attending the training program on behalf of Franchisee is required to complete the initial training program (“**Initial Training Program**”) successfully prior to commencement of business operations and prior

to having an open office. The Initial Training Program will begin on the date designated by Franchisor within approximately ninety (90) days after the Effective Date. The Initial Training Program will include classroom training at Franchisor's headquarters or another location designated by Franchisor. The Initial Training Program will be approximately ten (10) days in duration and will cover administrative, operational, sales and marketing matters. All expenses incurred by the Operating Principal and other representatives in attending the Initial Training Program, including, without limitation, travel costs, room and board expenses, and employees' salaries, will be the sole responsibility of Franchisee. Franchisee acknowledges that it will be solely responsible for training Franchisee's employees that are not required to attend the Initial Training Program in the operation of the Franchised Business.

4.2 If this Agreement is for Franchisee's first Franchised Business, Franchisor will furnish to Franchisee, at the Premises, one (1) of Franchisor's representatives for approximately five (5) days or such longer period of time as Franchisor determines is necessary for the purpose of facilitating the early stages of the Franchised Business ("**Initial Field Training**"). During this period, such representative will assist Franchisee and Operating Principal in establishing and standardizing procedures and techniques essential to the operation of the Franchised Business. The first five days of the Initial Field Training will be at Franchisor's expense. Should Franchisee request additional assistance from Franchisor to facilitate the early stages of the Franchised Business, or should Franchisor determine that Franchisee or the Operating Principal needs additional training, Franchisee will reimburse Franchisor for the expense Franchisor incurs in providing such additional assistance at its then-current rate as published in the Operations Manual (defined in Section 6), plus expenses. If this Agreement is for an additional Franchised Business, Franchisor is not required to provide the Initial Field Training described in this Section 4.2; but, may do so if it determines the Initial Field Training described in this Section 4.2 is necessary.

4.3 Franchisor has the right to provide training to additional Operating Principal(s), owners or office managers ("**Executive Management Employees**") of Franchisee to the extent that Franchisor can reasonably accommodate such additional Executive Management Employees in Franchisor's regularly scheduled training classes. Franchisee will be responsible for all expenses incurred by Franchisee or Franchisee's Executive Management Employees in attending such additional training including, without limitation, travel costs, room and board expenses, and Executive Management Employees' salaries. Franchisee is solely responsible for the training of employees that do not attend Franchisor's Initial training.

4.4 Franchisor may, from time to time, require franchisees and their Operating Principals and Executive Management Employees to attend and successfully complete refresher and updated training programs, seminars, conferences, regional conferences, webinars and the HomeCare Advocacy Network annual meeting ("**Annual Conference**"). These educational training programs, seminars, conferences, regional conferences and the Annual Conference will be conducted at such locations as may be designated by Franchisor. Attendance at such educational training programs, seminars, conferences, regional conferences, the Annual Conference and/or webinars will be at Franchisee's sole expense. Attendance at the Annual Conference is mandatory for new franchisees as described in Section 12.13, unless waived by Franchisor. If we waive the attendance requirement for your first year of operation, you will be required to attend your second year of operation. Franchisor has the right to require all franchisees attend the Annual Conference. Attendance will not be required for more than two (2) live programs in any calendar year and such live programs will not collectively exceed five (5) business days in duration. Franchisor has the right to charge a fee for any educational training programs, seminars, conferences, regional conferences, the Annual Conference and/or webinars to cover Franchisor's costs of providing such programs. Franchisor will waive the attendance fee, for up to two of Franchisee's attendees, for the first Annual Conference attended by Franchisee.

4.5 To be approved by Franchisor to offer Home Health Services pursuant to Section 1.6, Franchisee or a qualified person designated by Franchisee must successfully complete Franchisor's training program specifically relating to Home Health Services, which will not exceed five (5) days in duration. At any time afterwards, Franchisor may require Franchisee or a qualified person designated by Franchisee to

attend additional training related to Home Health Services as directed by Franchisor, which may include online training through Franchisor's learning management system, teleconferences, and webinars. Attendance at such continuing educational training programs, seminars or webinars will be at Franchisee's sole expense. Franchisor has the right to charge a fee for any of these continuing educational training programs, seminars, or webinars to cover Franchisor's costs of providing such programs.

4.6 Franchisee acknowledges that Franchisor may from time-to-time, make certain recommendations as to employment policies and procedures. Franchisee will have the exclusive right to determine if it will adopt such policies and procedures and the specific terms of such policies and procedures. Franchisee is solely responsible for training its employees on all such policies and procedures.

5. PROPRIETARY MARKS

5.1 Franchisee acknowledges that Franchisor is the owner of all right, title and interest, together with all the goodwill under the Marks with the right to use and sublicense use of the Marks to franchisees. Franchisee further acknowledges that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of the Franchised Business by Franchisee pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by Franchisor from time to time during the term of this Agreement. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee acknowledges that all usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks will inure to the exclusive benefit of Franchisor, and that this Agreement does not confer any goodwill or other interests in the Marks upon Franchisee. Franchisee will not, at any time during the term of this Agreement or after its termination or expiration, contest the validity, strength, enforceability or ownership of any of the Marks or assist any other person in contesting the validity, strength, enforceability or ownership of any of the Marks.

5.2 Except as approved by Franchisor in writing, Franchisee will not use any Mark or portion of any Mark as part of any corporate or entity name, with any prefix, suffix or other modifying words, terms, designs or symbols or in any modified or other confusingly similar form, nor may Franchisee use any Mark or any modification or other confusingly similar form thereof in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Despite the foregoing, Franchisee may use "HOMECARE ADVOCACY NETWORK" as a fictitious or assumed name while this Agreement is in effect, and Franchisee will obtain such fictitious or assumed name registrations as may be required under applicable state law at Franchisee's expense. Such fictitious or assumed name registrations will recognize Franchisee as doing business under an assumed name but will not recognize Franchisee as having the exclusive right to use such name in that state. In no event, however, will this right to use be considered a specific grant of any ownership rights in any of the Marks. The contents of all material available from Franchisor are copyrighted by Franchisor unless otherwise indicated. All rights are reserved by Franchisor, and content may not be reproduced, disseminated, published, or transferred in any form or by any means, except with the prior written permission of Franchisor. Even if there is anything to the contrary in this Agreement, Franchisee will not use any of the Marks or copyrighted materials in any manner that has not been specified or approved by Franchisor.

5.3 Franchisee will promptly notify Franchisor of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use any of the Marks or any confusingly similar form of any of the Marks. Franchisee will also notify Franchisor of any action, claim or demand against Franchisee relating to the Marks within ten (10) days after Franchisee receives notice of said action, claim or demand. Upon receipt of timely notice of any action, claim or demand against Franchisee relating to the Marks, Franchisor will have the sole right to defend any such action. Franchisor will have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks. In any defense or prosecution of any litigation relating to the Marks or components of the System undertaken by Franchisor, Franchisee will cooperate with Franchisor and execute any and all documents and

take all actions as may be desirable or necessary, in the opinion of Franchisor's legal counsel, to carry out such defense or prosecution. Both parties will make every effort consistent with the foregoing to protect, maintain and promote the Marks, including "HOMECARE ADVOCACY NETWORK".

5.4 Franchisor may add to, substitute or modify any or all of the Marks from time to time. If Franchisor determines it is advisable at any time and for any reason, Franchisor has the right to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee will comply with Franchisor's directions within a reasonable time after notice is given to Franchisee by Franchisor, and Franchisor will have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Mark. On expiration or sooner termination of this Agreement, Franchisor may, if Franchisee does not timely comply with Franchisor's directions, execute in Franchisee's name and on Franchisee's behalf any and all documents necessary, in Franchisor's judgment to end and cause a discontinuance of the use by Franchisee of the Marks and Franchisor is hereby irrevocably appointed and designated as Franchisee's attorney-in-fact to do so. Franchisee will be responsible for the tangible costs (such as replacing signs and materials) of complying with any obligation to change or discontinue using the Marks. Franchisor will not be liable for any direct, indirect, special, incidental, exemplary or consequential damages arising out of an addition, substitution or modification of any of the Marks.

5.5 In order to preserve the validity and integrity of the Marks and copyrighted materials licensed by this Agreement and to ensure that Franchisee is properly employing the same in the operation of the Franchised Business, Franchisor and its agents will have the right of entry to and inspection of the Premises at all reasonable times, and, additionally, will have the right to observe the manner in which Franchisee is rendering the services of the Franchised Business and conducting its operations, to confer with Franchisee's employees and clients, and, at Franchisee's expense, to select or request Franchisee to provide samples of products, materials, inventory, equipment, advertising and other items, and supplies for inspection and evaluation purposes to make certain that the services, products, inventory, materials, supplies, equipment and operations are satisfactory and meet the quality control provisions and performance standards established by Franchisor.

5.6 Franchisee may not establish a Web site or any other Web presence, including any form of social media, on the Internet using any domain name until Franchisee obtains Franchisor's prior written approval. Any domain name cannot contain the words "HOMECARE ADVOCACY NETWORK" or any variation without Franchisor's written consent. Franchisor retains the sole right to develop, design and execute any form of content or promotion, social networking or advertising on the Internet and to create a website using the "HOMECARE ADVOCACY NETWORK" domain names and other domain names using the Marks. Franchisee acknowledges that Franchisor is the owner of all right, title and interest in and to such domain names. Franchisee may not use linking and framing between Franchisee's pages or website and any other websites or Web presence, including any form of social media, without the prior approval of Franchisor, which Franchisor has the right to withhold for any reason. If requested by Franchisor, Franchisee will, within two (2) calendar days, dismantle any frames and links between Franchisee's website and any other websites and take down any social media sites or posts as directed by Franchisor. Franchisor will provide Franchisee, as a link within Franchisor's site, approximately one (1) to two (2) pages devoted to the Franchised Business. Franchisor has the sole right to determine the content of the pages devoted to the Franchised Business.

5.7 Upon expiration or earlier termination of this Agreement, Franchisee will cease use of the Marks, terminate all fictitious name registrations using the Marks and will deliver to Franchisor any signs, advertising, promotional or merchandising materials utilizing the Marks. Franchisee hereby appoints Franchisor as its attorney-in-fact to make any filings required by law to effect the foregoing, which power of attorney will be irrevocable and coupled with an interest. Franchisee will cancel or transfer to Franchisor all registrations in the name of Franchisee using any Marks, trade names of Franchisor or any similar designation, and will execute such documents and take such steps as Franchisor may request to effect such cancellation or transfer. Franchisee hereby grants to Franchisor an irrevocable power of attorney coupled with an interest to

effect the foregoing. Franchisee will be responsible for the tangible fees and costs associated with complying with any obligation to change or discontinue using the Marks.

6. CONFIDENTIAL OPERATIONS MANUAL

6.1 During the term of this Agreement, Franchisor will provide Franchisee with password protected electronic access to the Operations Manual, which contain: (i) mandatory and suggested specifications, standards, procedures and rules prescribed from time to time by Franchisor for the operation of the Franchised Businesses, (ii) information relative to other obligations of Franchisee under this Agreement; and, (iii) compliance guidelines for the System and the operation of the Franchised Business. Franchisee acknowledges and agrees that the requirements imposed by this Agreement and the Operations Manual are necessary to promote the high uniform standards of quality of the System, the Franchise and the services offered by Franchised Business; and, to promote and maintain the goodwill associated with the Marks and the System. Franchisee agrees to conform to the requirements in the Operations Manual. Franchisor has the right to add, modify and revise its policies, standards, procedures, Confidential Information and the Operations Manual periodically to conform to the changing needs of the System, as provided in Section 8. Franchisor may deliver its policies, standards, procedures, Confidential Information and the Operations Manual, and any updates to such information, in a written document, via CD, DVD, electronically on its Website, Intranet or through other electronic communication methods at it deems appropriate. The Operations Manual will also include any other materials, in any form provided by Franchisor to Franchisee under this Agreement, including written, unwritten, oral, visual, and electronic or by access to a website. Franchisee will immediately, upon notice from Franchisor, adopt and implement any such revisions, updates and changes in its Franchised Business.

6.2 The Operations Manual, together with the passwords, access codes and users' names to access the Operations Manual in electronic format, will always remain the sole property of and be owned by Franchisor; and, electronic access will be terminated upon the expiration or termination of this Agreement or sooner if determined by Franchisor to be necessary to protect the System. Franchisee will protect the confidentiality of all passwords, access codes and users' names used to access the Operations Manual in electronic format and will not make any disclosure, duplication or other unauthorized use of such passwords, access codes and users' names or any portion of the Operations Manual, as provided in Section 7.

6.3 The Operations Manual contains Franchisor's proprietary information and Franchisee will keep such information confidential both during the term of this Agreement and after the expiration or termination of this Agreement. Franchisee will, at all times have a computer to access the electronic version of the Operations Manual. Franchisee will promptly notify Franchisor by telephone and in writing if Franchisee discovers any unauthorized access to the Operations Manual in electronic format; and, will comply with Franchisor's directions with regard to any action Franchisor determines is necessary to remedy any unauthorized access and the consequences thereof. In the event of any dispute as to the contents of the Operations Manual, the terms of the master copy of the Operations Manual maintained by Franchisor at Franchisor's corporate office will be controlling.

6.4 During the term of this Agreement, Franchisor will also provide Franchisee with a reference to a HIPAA designated third-party supplier, for you to use to create and implement your own HIPAA compliance program.

6.5 Franchisee understands and agrees that establishing and maintaining a common identity creates substantial value to Franchisor, Franchisee and other franchisees in the System. Franchisee agrees and acknowledges that to preserve, maintain and enhance the reputation and goodwill of the System and the Marks, full compliance with the Operations Manual is essential; and, that failure of the Franchisee to operate the Franchised Business in accordance with the Operations Manual can cause damage to the Franchisor, Franchisee and other franchisees within the System. Notwithstanding the foregoing, and consistent with goals of the System, Franchisee is responsible for the day-to-day operation of the Franchised Business.

6.6 Franchisee acknowledges that the services offered by the Franchised Business and the way such services are offered to clients of the Franchised Business are essential to Franchisor and the System. To protect the System, Franchisee will comply with all mandatory specifications, standards and procedures relating to: (1) the type and quality of the services offered by the Franchised Business; (2) the appearance, color, design of signage of the Franchised Business; and, (3) standards of services provided by the Franchised Business. Franchisee also agrees to use all equipment, signage, and services as have been approved for the System from time to time by Franchisor. Mandatory specifications, standards, and procedures will be prescribed by Franchisor in the Operations Manual, or otherwise communicated to Franchisee in writing.

7. CONFIDENTIAL INFORMATION AND THE COLLECTION, USE, AND DESTRUCTION OF CUSTOMER DATA

7.1 Franchisor owns and possesses (and may continue to develop and acquire) certain confidential information consisting of and relating to the methods, techniques, formats, specifications, procedures, equipment, information, software, systems, sales and marketing techniques and programs, and knowledge of and experience in the development, operation and franchising of Franchises; advertising, marketing and promotional programs for Franchises; knowledge of, specifications for and suppliers of certain products, materials, equipment and supplies used to operate a Franchise; knowledge of the operating results and financial performance of Franchises other than the Franchised Business; the Operations Manual; passwords, codes and user names to access the Operations Manual in electronic format; and, contracts for clients served by Franchisee, the client lists and details of service (collectively, the “**Confidential Information**”). Except as otherwise provided by applicable law, the term Confidential Information also includes all written or electronic information, computer files, documents, records and data that the Franchisor or any of its representatives furnishes or otherwise discloses to Franchisee or any of its representatives, together with all analyses, compilations, studies, memoranda, translations, notes or other documents, records or data (in whatever form maintained, whether documentary, computer or other electronic storage or otherwise) prepared by Franchisee or any of its representatives which contain or otherwise reflect or are generated from such information and documents. Except as otherwise provided by applicable law, Franchisor will retain all ownership of, property in, and title to its Confidential Information; and Franchisee will have no claim to it or right in it except as expressly authorized under the provisions of this Agreement. Franchisor will disclose certain Confidential Information to Franchisee in the training program, the Operations Manual, and in guidance furnished to Franchisee during the term of this Agreement. Franchisee and the Operating Principal acknowledge that, except as otherwise provided by applicable law, the Confidential Information is proprietary and involves trade secrets of Franchisor, and that Franchisee and the Operating Principal will not acquire any interest in the Confidential Information, other than the right to utilize the Confidential Information in the operation of the Franchised Business in compliance with this Agreement during the term of this Agreement. Franchisee and the Operating Principal further acknowledge and agree that the Confidential Information is disclosed to Franchisee only on the condition precedent that Franchisee and the Operating Principal agree and Franchisee and the Operating Principal hereby do agree to: (1) use the Confidential Information only in operating the Franchised Business and not in any other business or capacity; (2) keep all Confidential Information absolutely confidential during and after the term of this Agreement; (3) make no unauthorized copies of any Confidential Information disclosed via electronic medium, in writing or other tangible form; and (4) adopt and implement all reasonable procedures periodically prescribed by Franchisor to prevent unauthorized use or disclosure of Confidential Information including restrictions on disclosures to Franchisee’s principals and employees. Franchisee and the Operating Principal will divulge Confidential Information only to Franchisee’s employees who must have access to it in order to perform their responsibilities to operate the Franchised Business. Franchisee and the Operating Principal further agree that the Operating Principal and each officer, director, management and supervisory level employee of Franchisee having access to Confidential Information will be required by Franchisee to sign an employment confidentiality contract in the form of **Exhibit C**. Franchisee and the Operating Principal do, by entering into this Agreement, acknowledge that, except as otherwise provided by applicable law, all Confidential Information is owned by Franchisor alone and during the term of this Agreement and at the end of this

Agreement all Confidential Information will be returned to Franchisor.

7.1.1 Franchisee and the Operating Principal acknowledge and agree that the Franchised Business' clients, client lists, details of service, and contracts are also trade secrets and are derived and result from the operation of the Franchised Business in accordance with this Agreement and Franchisor's System standards, specifications and operating procedures. Franchisee and the Operating Principal acknowledge and agrees that such clients, client lists, details of service to clients, and contracts are deemed Confidential Information (as defined above) owned by Franchisor and are subject to the restrictions set forth above, including, without limitation, restrictions on the use, sale or transfer of such client lists and contracts to a third party. Although Franchisor owns client lists and certain client related data, Franchisee is required to comply with the Health Insurance Portability and Accountability Act ("**HIPAA**") as further described in Section 12.14. Franchisee is prohibited from transferring client information, except as required by HIPAA.

7.2 Notwithstanding the provisions of Sections 7.1 and 7.1.1, Franchisor reserves the right to use, advertise, publish (including inclusion in its Franchise Disclosure Document) and disclose information regarding the performance of Franchisee, including but not limited to, revenues, expenses and profits of Franchisee to other franchisees in the System, prospective franchisees and in the media to advertise or promote the System. Notwithstanding the foregoing, without the prior written permission of Franchisee, Franchisor will not specifically identify any of such financial information as it relates specifically to Franchisee in its Franchise Disclosure Document.

7.3 All ideas, concepts, techniques or other materials relating to the Franchised Business, whether or not protectable intellectual property and whether created by or for Franchisee, the Operating Principal or Franchisee's employees, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of its franchise System and works made-for-hire. To the extent that any item does not qualify as a work made-for-hire, Franchisee and the Operating Principal hereby assign ownership of that item, and all related rights to that item, to Franchisor and agrees to sign any assignments or other documents as Franchisor reasonably requests to evidence its ownership of or to otherwise assist Franchisor in obtaining intellectual property rights in the item.

7.4 Confidential Information does not include any information, knowledge or know-how that Franchisee obtained prior to its being provided to Franchisee directly or indirectly by Franchisor or any of its current, former or future affiliates (including, without limitation, pursuant to any license agreement or similar agreement between Franchisee and any such party). Franchisee and the Operating Principal have the burden of proving that the elements of this Section apply to any information, knowledge or know-how.

7.5 Franchisee agrees, at its sole cost and expense, to at all times:

7.5.1 comply with the data protection, collection, maintenance and use requirements for Customer Data set out in the Operations Manual and this Agreement, including all policies, procedures and controls that Franchisor implements now or in the future;

7.5.2 comply with all applicable federal, state and local statutes, regulations, ordinances and requirements, including but not limited to, the California Consumer Privacy Act, relating to the data protection, collection, maintenance and use of Customer Data (collectively, "**Privacy Laws**");

7.5.3 assist and otherwise cooperate with Franchisor to ensure Franchisor's and Franchisee's compliance with applicable Privacy Laws;

7.5.4 promptly notify Franchisor in writing of any Security Incident (defined below) that Franchisee becomes aware of or discovers. Franchisee will assist and otherwise cooperate with Franchisor to investigate any such Security Incident and will take all required steps, as determined by Franchisor, to remedy Franchisee's noncompliance with applicable Privacy Laws, this Agreement or the Operations Manual. For purposes of this Section 7.5.4, "**Security Incident**" means any actual or suspected accidental or unlawful

destruction, loss, alteration, unauthorized disclosure of, or access to Customer Data in violation of applicable Privacy Laws, this Agreement or the Operations Manual;

7.5.5 promptly provide Franchisor with the ability to delete, access or copy Customer Data in Franchisee's possession or control;

7.5.6 promptly notify Franchisor of any request regarding Customer Data received by the Franchisee from a "consumer" as defined by applicable Privacy Laws;

7.5.7 adopt policies, procedures, and controls, including those set out in the Operations Manual, if any, that enable Franchisee to respond, and to cause its agents and employees to respond, promptly to any rights request made pursuant to applicable Privacy Laws, including any disclosure request, deletion request, or opt-out request;

7.5.8 adopt policies, procedures, and controls, including those set out in the Operations Manual, if any, that limit access to Customer Data to only those employees that have a need-to-know basis based on specific job function or role. Franchisee will provide data privacy and security training to employees who have access to Customer Data or who operate or have access to system controls and will require employees to adhere to data confidentiality terms providing for the protection of Customer Data in accordance with this Agreement and the Operations Manual; and

7.5.9 maintain Customer Data in confidence in accordance with Section of this Franchise Agreement.

7.6 Franchisee agrees to never sell, disclose, release, transfer, make available, divulge or use the Customer Data, or derivatives thereof for Franchisee's benefit or for the benefit of a third party, nor for any commercial purpose, other than to operate the Franchised Business. Notwithstanding anything to the contrary Franchisee will not disclose, release, divulge, or otherwise make Customer Data available to third parties except to the extent such access is strictly necessary to achieve a business purpose for the benefit of the Franchised Business and only if such third party recipient is contractually bound to comply with data protection provisions no less restrictive than those set out in this Agreement and the Operations Manual, including an agreement to comply with applicable Privacy Laws.

7.7 At Franchisor's instruction, Franchisee will de-identify, delete or destroy Customer Data and will provide Franchisor with written confirmation that such actions are completed within ten (10) days of Franchisor's instruction.

7.8 Franchisee hereby indemnifies and holds Franchisor harmless from any violations of applicable Privacy Laws or this Section 7 of this Agreement by Franchisee, any contractor or subcontractor, employee, affiliate or other third party to whom Franchisee has sold, disclosed, released, transferred, made available, divulged or otherwise permitted to access Customer Data. This indemnification obligation will survive termination or expiration of this Agreement.

7.9 For purposes of this Agreement, customer data ("**Customer Data**") means the information, records, lists or data that contains Personal Information.

7.10 For purposes of this Agreement, personal information ("**Personal Information**") means and includes information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, potential consumer, individual or household, as such term may be further defined or amended by applicable federal, state and local statutes, regulations, ordinances and requirements, including but not limited to, the California Consumer Privacy Act. Personal Information is collected, maintained or generated in the operation of the Franchised Business, including through the use of a point of sale system.

8. MODIFICATION OF THE SYSTEM

Franchisee acknowledges that from time to time Franchisor may change or modify the System, including Operations Manual; the adoption and use of new or modified trade names, trademarks, service marks and/or copyrighted materials; new computer systems, equipment, techniques and/or services; and, that Franchisee will be required to accept, use and display for the purpose of this Agreement any such changes in the System as if they were part of this Agreement at the time of execution hereof. Franchisee will make such expenditures of money as are reasonably required to make such modifications in the System. Franchisor will permit Franchisee a reasonable period of time, based on the amount of the expenditure, if any, to implement such modifications. Franchisee will not change, modify or alter the System in any way, except as directed by Franchisor; provided that no such change or modification will alter Franchisee's fundamental status and material rights under this Agreement.

9. ADVERTISING AND PROMOTION

Recognizing the value of advertising for and promotion of the Franchised Business and the importance of the standardization of advertising and promotion to the furtherance of the goodwill and the public image of the Franchised Business, Franchisee agrees as follows:

9.1 Franchisee will submit to Franchisor or its designated agency, for its prior written approval, all advertising and promotional materials to be used by Franchisee, including, but not limited to, direct mail, newspaper, radio, television, Internet (including social media), website, on-line listings, other web based marketing (including social media), specialty items, novelty items and other promotional materials (hereinafter for this Section 9, collectively referred to as “**Promotional Materials**”). Franchisor or its designated agent will provide written approval or disapproval of said Promotional Material to Franchisee within ten business (10) days after the date such materials are received by Franchisor or its designated agent. If Franchisor or its designated agent fails to respond in ten business (10) days, then such Promotional Materials will be deemed to be approved by Franchisor.

9.2 Each month during the term of this Agreement, Franchisee will spend zero percent (0%) of its Gross Revenue, subject to increase, as defined in Section 10.1, on local marketing, sales and promotion, and other Promotional Materials. Such expenditures will be made directly by Franchisee. Franchisor may provide guidelines for conducting local marketing and promotional programs, and any proposed deviations from such guidelines will be approved by Franchisor in writing prior to use. Franchisee does not have the right to use other channels of distribution, such as the Internet (including social media), telemarketing or other direct marketing to make sales outside of Franchisee's Designated Area, unless otherwise permitted in writing by Franchisor. If requested by Franchisor, within thirty (30) days after the end of each calendar month, Franchisee will furnish to Franchisor, in a manner approved by Franchisor, an accurate accounting of Franchisee's expenditures on local marketing, sales and promotion for the preceding calendar month just ended.

9.3 Franchisee will use all Promotional Materials in accordance with Section 1.4, except as may be authorized by written communication from Franchisor. Franchisor reserves the right to withdraw approval of the use of any Promotional Materials for any reason by sending written notice to Franchisee.

9.4 Franchisee will provide necessary information for the website developed by Franchisor pursuant to Section 13.2.6.

9.5 Franchisee will not use in advertising or in any other form of promotion, the copyrighted materials, trademarks, service marks or commercial symbols of Franchisor without appropriate notices which may be required by applicable laws or as Franchisor may from time to time direct, including, without limitation, ©, ®, TM, SM, or other copyright or trademark registration notices or the designations where applicable or an indication that the name “HOMECARE ADVOCACY NETWORK” and the Marks are the trade names, trademarks and service marks owned by Franchisor.

9.6 Franchisor has established a brand marketing and promotion fund to promote expansion and increase brand awareness and preference of the System (the “**Brand Marketing and Promotion Fund**”).

9.6.1 Franchisee will contribute the following amount (“**Brand Marketing and Promotion Fee**”) to the Brand Marketing and Promotion Fund: zero percent (0%) of Franchisee’s weekly Gross Revenue, subject to increase. The Brand Marketing and Promotion Fees are paid weekly at the same time and in the same manner as the Royalty Fee or as otherwise prescribed in the Operations Manual until the maximum amount that Franchisee is obligated to contribute has been paid in each calendar year. All franchisees are required to contribute to the Brand Marketing and Promotion Fund on the same basis; provided, however, some franchisees may not be obligated to do so under their current franchise agreements. The Brand Marketing and Promotion Fees are paid directly into the Brand Marketing and Promotion Fund and will be used by Franchisor to develop and implement programs to promote expansion and increase awareness and preference of the HomeCare Advocacy Network brands. Franchisor has the right to modify or increase the Brand Marketing and Promotion Fee, with input and advice from the Brand Marketing and Promotion Council (as defined below); provided, that the contribution will not exceed two percent (2%) of Franchisee’s weekly Gross Revenue. Franchisor holds the Brand Marketing and Promotion Fund contributions in a separate account to be expended only as described below. The Brand Marketing and Promotion Fund will not be commingled with Franchisor’s funds or considered to be income of Franchisor; but, are held in the separate account to be expended as set forth in the Franchise Agreement. Any business operated by Franchisor or its Affiliates under the same Marks as the Franchised Business contribute to the Brand Marketing and Promotion Fund on the same basis as franchisees. Franchisor reserves the right to terminate or suspend the Brand Marketing and Promotion Fund and payment of the Brand Marketing and Promotion Fee at any time, but Franchisor will seek the advice of the Brand Marketing and Promotion Council prior to doing so. If Franchisor terminates the Brand Marketing and Promotion Fund, any unused Brand Marketing and Promotion Fees in the Brand Marketing and Promotion Fund will be paid back to all franchisees in the System in proportion to their contributions to the Brand Marketing and Promotion Fund during the preceding twelve (12) months.

9.6.2 The Brand Marketing and Promotion Fund will only be used for the following:

9.6.2.1 The development of programs and materials to build brand awareness and preference with referral sources, consumers, insurance companies or related businesses, health care providers, facilities, social service organizations, and others at the local, regional, and/or national level;

9.6.2.2 Local, regional, or national advertising, promotions, marketing, public relations, and/or direct sales including print, social media, Internet or web based, direct mail, radio or television; development and maintenance of any Internet and/or e-commerce programs; Internet promotions and on-line marketing activities, and related expenses;

9.6.2.3 The creation, production and placement of commercial advertising; agency costs and commissions; creation and production of video, audio and written advertisements; market research and research agency fees; administering local, regional, or national advertising programs, direct mail, promotions, public relations, Internet/e-commerce, social media, and other media advertising;

9.6.2.4 The attendance or participation in local, regional, or national tradeshows, conferences, exhibitions where promoting the brand would be appropriate; affiliate with national/community organizations to leverage the brand; and

9.6.2.5 Developing and administering sales, marketing, and/or public relations training or support programs for franchisees utilizing employees or third parties to develop, administer, or conduct the training or support programs and such other programs designed to promote or enhance the brand, with the advice of the Brand Marketing and Promotion Council.

9.6.2.6 The Brand Marketing and Promotion Fund will not be used for advertising or marketing activities whose principal purpose is to solicit new franchisees.

Franchisor may engage a third-party agency or agencies to assist Franchisor with these initiatives in addition to Franchisor's own in-house efforts. Franchisor cannot use the Brand Marketing and Promotion Fund for communications or materials primarily geared towards franchise sales or solicitations. Any expenditures from the Brand Marketing and Promotion Fund may or may not be proportionate to contributions made by Franchisee or provide a direct or any benefit to Franchisee. Franchisor, with input and advice from the Brand Marketing and Promotion Council, has the right to direct expenditures from the Brand Marketing and Promotion Fund for the purposes described above. Subject to these foregoing limitations, Franchisor may accumulate these funds, and the balance may be carried over to subsequent years and used for the purposes stated in the Franchise Agreement. If the Brand Marketing and Promotion Fund needs additional funds at any time to pay for expenditures, with input and advice from the Brand Marketing and Promotion Council, Franchisor may loan such funds to the Brand Marketing and Promotion Fund at an interest rate not to exceed five percent (5%) per annum and with repayment terms that will not unreasonably burden the Brand Marketing and Promotion Fund or prevent it from performing its obligations. Franchisor may also utilize the Brand Marketing and Promotion Fund to reimburse Franchisor for administrative expenses incurred in administering the Brand Marketing and Promotion Fund and the Brand Marketing and Promotion Council. An unaudited annual financial statement and report of the Brand Marketing and Promotion Fund will be prepared and delivered to the Brand Marketing and Promotion Council members and all franchisees participating in the Brand Marketing and Promotion Fund within 120 days after the end of Franchisor's fiscal year. The report will show the total Brand Marketing and Promotion Fees collected and expenditures from the Brand Marketing and Promotion Fund during the previous fiscal year. Franchisor reserves the right to change the name of the Brand Marketing and Promotion Fund from time to time.

9.6.3 Franchisor has the right to establish a committee composed of franchisees and members of Franchisor's staff ("**Brand Marketing and Promotion Council**"). When formed by the Franchisor, the Brand Marketing and Promotion Council consists of not less than seven (7) members, at least four (4) of whom must be franchisees, who will initially be appointed by Franchisor. When formed by Franchisor, the by-laws for the operation of the Brand Marketing and Promotion Council will be prepared and adopted by the initial Brand Marketing and Promotion Council, which will provide that:

9.6.3.1 each franchisee member of the Brand Marketing and Promotion Council will serve for terms that will be not less than two (2) years each and may serve up to two (2) consecutive terms;

9.6.3.2 a franchisee member of the Franchisee Advisory Council may not also serve as a member of the Brand Marketing and Promotion Council and a franchisee member of the Brand Marketing and Promotion Council may not also serve as a member of the Franchisee Advisory Council;

9.6.3.3 elections or appointments of franchisee members to the Brand Marketing and Promotion Council will occur between September 1 and October 31 of each year, based on the procedures established in the by-laws; and

9.6.3.4 Franchisor has the right to appoint the members of Franchisor's staff who serve on the Brand Marketing and Promotion Council and to appoint franchisee members to fill any vacancies that arise.

9.6.4 Notwithstanding the requirements of Section 1.4 regarding restrictions on the use of advertising and promotion materials, solicitations and similar efforts in the Designated Area, Franchisee understands that certain activities and programs undertaken by the Brand Marketing and Promotion Fund and approved by the Brand Marketing and Promotion Council may not lend themselves to be confined to franchisees' designated areas or other geographic areas. Therefore, Franchisee will not be deemed to be in default if Franchisee participates in such activities and programs in accordance with their approved terms and conditions.

10. CONTINUING SERVICES AND ROYALTY FEE

10.1 Franchisee will pay, without offset, credit or deduction of any nature, to Franchisor a royalty fee equal to seven percent (7%) of the Gross Revenue derived from the Franchised Business ("**Royalty Fee**"). The Royalty Fee will be paid weekly in the manner specified below or as otherwise prescribed in the Operations Manual.

10.1.1 On a weekly basis on a date designated by Franchisor, Franchisee will submit to Franchisor, in a format and manner directed by Franchisor, a true and accurate statement of Franchisee's Gross Revenue for the preceding week just ended ("**Weekly Reports**") in accordance with Section 10.6 below. Franchisee will make available to Franchisor all original books and records that Franchisor may deem necessary to ascertain Franchisee's Gross Revenue for reasonable inspections at reasonable times.

10.1.2 The term "**Gross Revenue**," as used throughout this Agreement, will mean and include the total of all revenues from the operation of the Franchised Business whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is received therefor) or otherwise. There will be deducted from Gross Revenue for purposes of said computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to clients, if such taxes are separately stated when the client is charged and if such taxes are paid to the appropriate taxing authority. There will be further deducted from Gross Revenue the amount of any documented refunds, chargebacks, credits and allowances given in good faith to clients by Franchisee and the amount of mileage and out-of-pocket expenses incurred by and reimbursed to employees of Franchisee in connection with providing services to clients.

10.2 Franchisee will pay Franchisor a late fee in an amount up to two hundred fifty dollars (\$250.00) for each occurrence if a Weekly Report is not submitted on its due date or if a Royalty Fee is not paid when due. All Royalty Fees, amounts due for purchases by Franchisee from Franchisor, and other amounts which Franchisee owes to Franchisor, will also bear interest after due and payable date at the highest applicable legal rate for open account business credit, not to exceed one and one-half percent (1.5%) per month. Franchisee acknowledges that all amounts due and payable pursuant to this Section 10.2 and Section 11.3 are reasonable liquidated damages, are set because of the difficulty of ascertaining the exact amount of expenses incurred by Franchisor, and are not penalties, and will be in addition to all other remedies available to Franchisor. Franchisee also acknowledges that this Section 10 will not constitute agreement by Franchisor to accept such payments after same are due and payable or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of, the Franchised Business. Franchisee acknowledges that its failure to pay all amounts when due will constitute, in addition to all other remedies available to Franchisor, grounds for termination of this Agreement, as provided in Section 16 hereof, despite the provisions of this Section 10. Nothing in this Section will limit Franchisor's right and remedies under any other provision of this Agreement.

10.3 Despite any designation by Franchisee, Franchisor will have the absolute right to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, purchases from Franchisor, interest or any other indebtedness owed by Franchisee to Franchisor, in such amounts and in such order as Franchisor will determine.

10.4 All Royalty Fees, amounts due for purchases by Franchisee from Franchisor and other amounts that Franchisee owes to Franchisor will be required to be paid to Franchisor through an Electronic Depository Transfer Account (“**EDTA**”) as further described in the Operations Manual. Immediately following execution of this Agreement, if directed by Franchisor, Franchisee will set up an EDTA and Franchisor will have access to such account to receive payment for Royalty Fees, amounts due for purchases by Franchisee from Franchisor, and any other amounts which Franchisee owes to Franchisor. Each week, Franchisee will make deposits to the EDTA sufficient to cover amounts owed to Franchisor for Royalty Fees and other monies owed by Franchisee to Franchisor. For the purposes of this Agreement, workweeks run from Sunday through Saturday. Deposits are due the Tuesday following the previous workweek. Franchisee will not withhold payment of any Royalty Fee, amounts due for purchases by Franchisee from Franchisor, or other amounts that Franchisor claims are due to Franchisor. Any alleged non-performance or breach of Franchisor’s obligations under the Franchise Agreement or any related agreement does not establish a right at law or in equity for Franchisee to withhold payment due Franchisor for Royalty Fee, amounts due for purchases by Franchisee from Franchisor, or other amounts that Franchisor claims are due to Franchisor

10.5 Franchisee will pay to Franchisor (or any Related Entity) promptly and when due the amount of all sales taxes, use taxes, personal property taxes and similar taxes imposed upon, required to be collected, or paid by Franchisor on the account of services or goods furnished by Franchisor to Franchisee through sale, lease or otherwise, or on account of collection by Franchisor of the initial Franchise Fee, all Royalty Fees, amounts due for purchases by Franchisee from Franchisor, and other amounts which Franchisee owes to Franchisor.

10.6 Franchisee’s and the Operating Principal’s signature on this Agreement constitutes: (i) Franchisee’s consent to make filings with the Franchisor by electronic means, if Franchisor so requests, and (ii) Franchisee’s representation and warranty to Franchisor that each electronic filing made by Franchisee is true and correct in all respects, and (iii) Franchisee’s consent and representation to Franchisor that each electronic signature will be equivalent to Franchisee’s actual signature for all intents and purposes.

10.7 Franchisee will pay, without offset, credit or deduction of any nature, to Franchisor a monthly fee for certain HCAN marketing and development services, as such services are prescribed in the Operations Manual (“**HCAN Marketing and Development Services Fee**”). The HCAN Marketing and Development Services Fee will be paid monthly in such amounts, and on such terms, as are more fully set forth in the Operations Manual.

11. ACCOUNTING AND RECORDS

11.1 Franchisee will regularly prepare and maintain during the term of this Agreement, and will preserve for the time period specified in the Operations Manual, full, complete and accurate books, records and accounts, including records maintained in electronic format, in accordance with the standard accounting system and procedures prescribed by Franchisor in the Operations Manual or otherwise. Franchisee will retain, during the term of this Agreement and for three (3) years thereafter, all books, records and accounts related to the Franchised Business, including, without limitation, sales reports, checks, purchase orders, invoices, payroll records, check stubs, sales tax records and returns, cash receipts and disbursement journals, general ledgers and any other financial records designated by Franchisor or required by law.

11.2 On or before the fifteenth (15th) day of each calendar month in a form and in the manner approved by Franchisor, Franchisee will supply to Franchisor a balance sheet as of the end of the last preceding

calendar month, a profit and loss statement for such month and Franchisee's fiscal year-to-date, and a statement of the aging of accounts receivable of the Franchised Business. Additionally, Franchisee will, at its expense, submit to Franchisor within one hundred twenty (120) days after the end of each fiscal year, an income statement for such fiscal year and a balance sheet as of the last day of such fiscal year, prepared in accordance with generally accepted accounting principles. Such financial statements will be certified to be true and correct by Franchisee.

11.3 Franchisee will submit to Franchisor such other periodic reports, forms and records, including income tax returns of Franchisee and, if applicable, its owners, in the manner and at the time specified in the Operations Manual, or as Franchisor will otherwise require in writing from time to time. If Franchisee is not using Franchisor's designated system for electronic reporting, for each occurrence that such a report, form or record is not timely submitted, Franchisee will incur a late fee payable to Franchisor in an amount up to two hundred fifty dollars (\$250.00) as determined by Franchisor. Such late fee will recur every seven (7) calendar days during the period of time that such report, form or record is not timely submitted. Franchisee acknowledges that such periodic reports, forms, records, income tax returns and similar documents, allows Franchisor to consult with Franchisee more effectively on Franchisee's operation of the Franchised Business and assists Franchisor to make uniform decisions for the benefit of the System.

11.4 To establish uniform standards for maintaining and managing client information, scheduling, client satisfaction survey programs, caregiver satisfaction survey programs, accounting records, administrative functions and activities to operate the Franchised Business, Franchisee will utilize software or third-party vendors designated by Franchisor and pay any required license fee, usage fee, program fee and/or set-up fee for such designated software or third-party vendor services. Franchisee will comply with all specifications and standards prescribed by Franchisor for equipment and software, as provided from time to time in the Operations Manual. Franchisor has the right (but not the obligation) to develop and design software to operate any aspect of the Franchised Business. If developed, the software will be proprietary to Franchisor and will constitute part of the Confidential Information. Franchisor may not be able to alter the software and System to accommodate the unique needs of each franchisee. If developed, Franchisor will designate when Franchisee will use the software. If Franchisor requires Franchisee to use any software developed by Franchisor, then, Franchisor reserves the right to charge a fee for the use of such software, but the fees will not exceed the fees or charges for similar software developed by third parties.

11.5 To be able to verify Franchisee's compliance with this Agreement and the Operations Manual, Franchisor or its designated agents will have the right at all reasonable times to examine, inspect and copy, at its expense, Franchisee's books, records and accounts, including tax returns. As part of the inspection, Franchisor will also have the right, at any time, to have an independent audit made of Franchisee's books, records and accounts at Franchisor's expense. If an inspection should reveal that any payments due to Franchisor have been understated in any report to Franchisor, then Franchisee will immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the maximum rate permitted by law. If an inspection discloses an understatement in any report equal to two percent (2%) or more, Franchisee will also reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorney fees). If an inspection discloses that Franchisee has operated its Franchised Business in violation of this Agreement, Franchisee will reimburse Franchisor for any and all costs and expenses connected with the inspection. The remedies described in this Section 11 are not exclusive and will be in addition to any other remedies Franchisor may have in this Agreement or as provided by law.

11.6 Pursuant to the terms of this Agreement, Franchisee will create and maintain an electronic database comprised of certain books, records, accounts, client lists, prospective clients, referral sources, etc., as prescribed by Franchisor. Franchisee acknowledges that to be able to verify Franchisee's compliance with this Agreement and the Operations Manual, it is imperative for the Franchisor to be able to timely and readily

access such database and information. Franchisee covenants that Franchisee will cooperate in good faith with the Franchisor as to all aspects relating to the performance of Franchisee's obligation to provide access to the database and provide such information to Franchisor. Franchisee covenants to cooperate with the Franchisor to promptly and mutually agree upon a time to coordinate with and allow Franchisor access to Franchisee's database and records via Franchisee's computer system. Franchisor maintains Internet access software so that it is able to connect remotely with Franchisee over the Internet. Upon Franchisor's request, Franchisee will promptly allow its database to be reviewed by Franchisor and Franchisee will generate and transmit the reports as requested by Franchisor. In the event that the Franchisor desires to review Franchisee's entire database, Franchisor and Franchisee will set up a webinar so that the entire database may be transferred via Franchisor's FTP site. Franchisor reserves the right to require that Franchisee upgrade any software used and approved by Franchisor for bookkeeping and record keeping purposes at least once every two (2) years.

11.7 Franchisee acknowledges and understands that computer systems are vulnerable to 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. Franchisor has taken reasonable steps to ensure that these problems will not materially affect the System. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps, including steps that Franchisor may require, to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

12. STANDARDS OF QUALITY AND PERFORMANCE

12.1 Franchisee will comply with all requirements set forth in this Agreement and the Operations Manual and other written policies, specifications, standards, procedures, rules and regulations promulgated by Franchisor from time to time and supplied to Franchisee by Franchisor ("**Promulgated Rules**"). The Promulgated Rules will constitute provisions of this Agreement as if fully set forth herein; provided, however, except as provided in this Agreement, that any changes to the Promulgated Rules will not materially alter or amend Franchisee's obligations in this Agreement with regard to the minimum Net Billing requirements; payment of Royalty Fees, Brand Marketing and Promotion Fees; or, successor fees or affect the term of this Agreement. All references herein to this Agreement will include such Promulgated Rules. Franchisee will comply with the entire System, including, but not limited to, the provisions of this Section 12.

12.2 If this Agreement is for Franchisee's first Franchised Business, Franchisee or the Operating Principal must successfully complete the Initial Training Program at least thirty (30) days prior to opening the office at the Premises and Franchisee must commence operations of the Franchised Business not later than six (6) months after execution of this Agreement, unless otherwise agreed upon in writing by Franchisor or due to licensing requirements imposed by applicable law in the Designated Area. If this Agreement is for an additional Franchised Business, Franchisee must commence operations of the Franchised Business on the date contemporaneously or within thirty (30) days after execution of this Agreement. As used in this Agreement, an open office means: a Premises, and such Premises will continuously (i) have at least two (2) full-time equivalent staff members, one of which may be the Operating Principal, who have the authority to and are hiring and managing employees and actively marketing and selling the services and products, materials and equipment of the Franchised Business, and (ii) provide and supervise home care and/or staffing services, and (iii) produce and deliver all Weekly Reports and others required under this Agreement. As used in this Agreement within the context of a Franchised Business that is re-sold, an open office means the date on which the Franchised Business's office was originally opened. As used in this Agreement, "continuously" means uninterrupted at least during normal day to day business hours and at least Monday through Friday, plus

providing a service to handle calls from and respond to the public 24 hours each day, 7 days per week. Prior to such opening, Franchisee will have complied with all of Franchisor's pre-opening standards and specifications. Franchisee acknowledges and agrees that the hours of operation and the staffing requirements of this Agreement are integral to maintaining the value of the System and the Marks; and, that Franchisee's failure to operate during the designated hours or to meet the staffing required by this Agreement is detrimental to the value of the System and the Marks. Franchisee further acknowledges and agrees that the day-to-day operational decision relating to the opening and closing procedures of the Franchised Business, including any security, staffing beyond the staffing of at least two full time equivalent staff members, and other similar matters, will be made solely by Franchisee. If Franchisee for any reason fails to commence and or continue such operations as herein provided, such failure will be a default of this Agreement and Franchisor may, in addition to all other remedies provided for under this Agreement, terminate this Agreement.

12.3 Franchisee will maintain the condition and appearance of the Premises consistent with Franchisor's standards. Franchisee will operate the Premises to maintain and/or improve the appearance and efficient operation of the Franchised Business, including, but not limited to, replacement of worn out or obsolete fixtures and signs, and repair of the exterior and interior of the Premises. If at any time, in Franchisor's reasonable judgment, the general state of repair or the appearance of the Premises or its equipment, fixtures, signs or decor does not meet Franchisor's standards, Franchisor will notify Franchisee, specifying the action to be taken by Franchisee to correct such deficiency. If Franchisee fails or refuses to initiate within thirty (30) days after receipt of such notice or immediately, if the condition presents a safety or health hazard; and, thereafter, continue a bona fide program to complete any required maintenance, Franchisor will have the right, to exercise its remedies set out in this Agreement and under applicable law.

12.4 To be able to verify Franchisee's compliance with this Agreement and the Operations Manual, Franchisor has the right to designate and require Franchisee to purchase and utilize commercially available software (or use third party vendors) for tracking sales leads, customer satisfaction survey programs, caregiver satisfaction survey programs and marketing support, sales reports, job cost, estimating, appointment scheduling, service calls, accounting and other business functions. Franchisee agrees that it will only utilize software as prescribed by Franchisor. Franchisee will comply with all specifications and standards prescribed by Franchisor regarding any software as provided from time to time in the Operations Manual. Software support and service will be provided by the software manufacturer with costs of such support paid by Franchisee directly to the manufacturer. Franchisor may, but is not obligated to, provide additional software support. Franchisor also has the right, but not the obligation, to develop design and license to Franchisee proprietary software to perform such functions. Franchisor cannot alter the System to accommodate the unique needs of each franchisee. Franchisor will have independent access to all of Franchisee's information and data relating to the Franchised Business. There are no contractual limitations on Franchisor's access to said information and data. In the event Franchisor introduces the software into the System, Franchisee will license the software from Franchisor or any designated party. Franchisee may choose any authorized dealer from which to license commercially available software.

12.5 Franchisee will offer for sale and provide at the Franchised Business all types of services and related products, materials and equipment that Franchisor from time to time authorizes and will not offer for sale or provide at the Franchised Business or the Premises which it occupies, any other category of services, products, materials or equipment or use such Premises for any purpose other than the operation of the Franchised Business. Franchisor reserves the right to designate certain national or regional accounts and alliances that Franchisor may develop for the HomeCare Advocacy Network System ("**National/Regional Accounts and Alliances**"). Franchisee's obligation to participate and Franchisor's policies and procedures for National/Regional Accounts and Alliances will be included on the Operations Manual.

12.6 From time to time, Franchisor will provide to Franchisee a list of approved manufacturers, suppliers and distributors authorized for items or services used to operate the Franchised Business ("**Required**

Suppliers List”) and a list of approved inventory, products, materials, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Franchised Business or offer for sale to clients of a Franchised Business (“**Required Supplies List**”). Franchisor may revise the Required Supplies List and Required Suppliers List from time to time, as Franchisor determines is appropriate. Franchisee must purchase, sell and use only those suppliers and supplies that are set forth on the Required Suppliers List or Required Supplies List. Franchisee must operate the Franchised Business according to our System standards. System standards include, but are not limited to, the matters in the Operations Manual and they may regulate among other things, the Required Suppliers List, Required Supplies List, types, models and brands of required equipment, signs, stationery, promotional materials and other items or services necessary to operate the Franchised Business or offer for sale to clients of a Franchised Business. If Franchisee would like to offer for sale to clients of the Franchised Business or use to operate the Franchised Business any product, material, equipment or supply or purchase any products, materials or equipment from a supplier not on either of these lists, Franchisee must obtain Franchisor’s prior written approval. Franchisee must notify Franchisor of such event and submit to Franchisor all information, specifications and samples that Franchisor may request regarding a supplier, service or product proposed by Franchisee. Franchisor may require that its representatives be permitted to inspect the proposed supplier’s facilities and that samples from the proposed supplier be delivered to Franchisor for evaluation and testing. Franchisor has the absolute right to determine whether such supplier’s goods or products meet the System standards and Franchisor’s specifications and may approve or disapprove any proposed supplier. Franchisor will typically provide response to such written request within 30 days from the date Franchisor receives Franchisee’s written request and the necessary items Franchisor requires for review. **ALTHOUGH PRODUCTS, SERVICES OR SUPPLIERS MAY BE APPROVED BY FRANCHISOR, FRANCHISOR AND ITS AFFILIATES EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO PRODUCTS, SERVICES, FIXTURES, FURNITURE (INCLUDING WITHOUT LIMITATION ANY REQUIRED COMPUTER SYSTEMS), SIGNS, STATIONERY, SUPPLIES OR OTHER APPROVED ITEMS SOLD TO PROVIDED TO FRANCHISEE BY FRANCHISOR OR ANY THIRD-PARTY, INCLUDING ANY APPROVED SUPPLIER.** Franchisor reserves the right to designate exclusive suppliers, the right to designate the Franchisor or its Related Entity as an approved or exclusive supplier, and the right to earn fees on Franchisee purchases from suppliers.

12.7 Franchisee, at its expense, will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and will operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations including, without limitation, all government regulations relating to housing and the care of individuals, occupational hazards and health, trade regulation, workers’ compensation, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales, use and property taxes.

12.8 Franchisee will maintain an electronic database of the names and addresses and contact notes of all current and past clients, clients’ families, and responsible parties, current and past prospects, referral sources and vendors of the Franchised Business. Franchisee will supply said database to Franchisor by electronic transmission at a time and in a manner prescribed by Franchisor. To preserve the proprietary and unique aspects of the System, Franchisee will maintain the confidentiality of said information and will not disclose, provide, transfer, assign, sell or otherwise disclose such database or contents thereof to any person or entity other than Franchisor, or as required by applicable law, in accordance with the provisions of Section 7 of this Agreement.

12.9 Each Franchised Business must operate and maintain an open office that must be under the direct and continuous supervision of the Operating Principal who has successfully completed Franchisor’s Initial Training Program. Franchisee will keep Franchisor informed at all times of the identity of any employee(s) acting as manager(s) of the Franchised Business. Franchisee will, at all times, faithfully, honestly and diligently perform its obligations and will not engage in any business or other activities that will conflict

with its obligations. Franchisee, the Operating Principal and Franchisee's owners will participate in the day-to-day activities of the Franchised Business on an ongoing basis.

12.10 Franchisee acknowledges that hiring employees with a history of elder abuse, crimes involving elders, drug or alcohol abuse or similar crimes will have a detrimental effect on the reputation of the System. Therefore, Franchisee will conduct criminal background checks on all prospective employees and current employees of the Franchised Business to determine whether any of them have a history of elder abuse or crimes involving elders or similar crimes that are ascertainable from the public record. All employees must also pass any applicable tests required by any governmental entity, submit to annual medical examinations and random drug tests, have a criminal background investigation performed and participate actively in safety training seminars and programs. Franchisee acknowledges that requiring employees to undergo criminal background checks, testing as required by any governmental entity and participating in safety training are integral to the value of the System, brand and the Marks, and any failure to do so, is detrimental to the System and the Marks. Franchisee is responsible and assumes liability for all hiring decisions for the Franchised Business and all hiring decisions will be made solely by Franchisee. Franchisee acknowledges that: Franchisee has the sole right to define the job duties and working conditions and control the way Franchisee's employees perform their job duties; Franchisor is not the employer or joint employer of Franchisee's employees; Franchisor will not exercise direct or indirect control of Franchisee's employees' working conditions; Franchisor does not share or codetermine the terms and conditions of employment of Franchisee's employees or participate in matters relating to the employment relationship between Franchisee and its employees, such as hiring, promotion, demotion, termination, hours or schedule worked, rate of pay, benefits, work assigned, discipline, response to grievances and complaints, or working conditions; and, Franchisee has the sole responsibility and authority for these terms and conditions of employment. Franchisee must conspicuously and in writing notify its employees that Franchisee (and only Franchisee) is their employer and that Franchisor is not their employer.

12.11 Franchisee will notify Franchisor in writing within five (5) days after Franchisee's receipt of any written threat or the actual commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of the Franchised Business.

12.12 Franchisee will at all times continuously use its best efforts to promote and increase the sales of the Franchised Business and to effect the widest and best possible distribution, sales and placement, soliciting all Potential Clients and accounts for services and related products, materials and equipment within the Designated Area.

Franchisee will comply with the portions of HIPAA which require health care providers to submit transactions related to payment in standard electronic formats and regulate the security and privacy of health data, and HIPAA's implementing regulations, including the HIPAA Privacy Rule, HIPAA Breach Notification Rule, HIPAA Security Rule, HITECH Act, and Omnibus Rule. Under HIPAA's privacy and security regulations, you must implement privacy and security policies and safeguards, designate a privacy and security officer, inform individuals regarding how their health information is used and disclosed, provide access to health information, and give notice of certain breaches of protected data. To help you comply, we have designated a third-party supplier to provide you with various tools for implementing your own compliance program. In addition, if you engage a third party to perform functions that require access to patients' personal information, you are required to execute a business associate agreement ("**Business Associate Agreement**") in a form similar to the form of agreement between you and us (**Exhibit E** to the Franchise Agreement).

12.13 In order to protect the Marks and the System, Franchisor may require that Franchisee participate in certain client satisfaction survey programs and caregiver satisfaction survey programs.

Franchisor may also set certain performance criteria and metrics regarding such client satisfaction survey programs and caregiver satisfaction survey programs and Franchisee's participation in such client satisfaction survey programs and caregiver satisfaction survey programs. Franchisee acknowledges that Franchisee is solely responsible for reviewing and responding to any issues or alerts provided through any caregiver satisfaction survey programs. Franchisee may incur a fee for participating in such client satisfaction survey programs and caregiver satisfaction survey programs. Franchisor may require Franchisee to participate in additional satisfaction or survey programs at any time. Franchisee will be required to pay any fees to participate in such programs.

12.14 Franchisor may require Franchisee to obtain accreditation through a third-party designated by Franchisor, including but not limited to the Joint Commission Accreditation (“**Accreditation**”) at its sole cost and expense. If required, Franchisee will obtain the Accreditation within the time frames set out by Franchisor and will satisfactorily maintain such Accreditation in good standing during the Term of the Franchise Agreement and any renewal period thereof (unless no longer required by Franchisor).

13. FRANCHISOR'S OPERATIONS ASSISTANCE

13.1 Franchisor may from time to time advise or offer guidance to Franchisee relative to prices for the services and products, materials and equipment offered by the Franchised Business that, in Franchisor's judgment, constitute good business practice. Such guidance will be based on the experience of Franchisor and its franchisees in operating Franchises and an analysis of the costs of such services and prices charged for competitive services. Franchisee will not be obligated to accept any such advice or guidance and will have the sole right to determine the prices to be charged by the Franchised Business and no such advice or guidance will be deemed or construed to impose upon Franchisee any obligation to charge any fixed or minimum prices for any services offered for sale by the Franchised Business; provided, however, that Franchisor reserves the right to establish maximum prices as Franchisor deems appropriate.

13.2 Prior to and upon commencement of operation of the Franchised Business and during the term of this Agreement, Franchisor must provide to Franchisee the following:

13.2.1 Guidelines for identifying a suitable location for the Franchised Business;

13.2.2 A comprehensive list of established sources of services, products, materials, equipment, supplies and goods necessary for the operation of the Franchised Business and specifications for same;

13.2.3 Guidance of advertising materials and strategies;

13.2.4 Negotiation of group rates for purchases of services, products, materials, and equipment as Franchisor deems necessary and appropriate;

13.2.5 Ongoing research and development of new services; and

13.2.6 Franchisor will host a website and, pursuant to the terms and conditions contained in the Operations Manual, provide Franchisee one (1) to two (2) pages of content of Franchisor's design promoting the Franchised Business. Franchisee may not participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Marks unless Franchisee first obtains written approval from Franchisor.

13.3 Franchisor may furnish Franchisee with ongoing assistance in connection with the operation of the Franchised Business as is reasonably determined to be necessary by Franchisor. Operations assistance may consist of advice and guidance with respect to:

13.3.1 Procedures adopted by the Franchised Business regarding the services and products, materials and equipment to be offered by the Franchised Business;

13.3.2 Purchase of services, products, materials, equipment and supplies;

13.3.3 Institution of proper administrative, bookkeeping, accounting, inventory control, supervisory and general operating procedures for the effective operation of the Franchised Business; and

13.3.4 Marketing and promotional programs and consultation.

13.4 Franchisor will make periodic visits to the Franchised Business for the purposes of consultation, assistance and guidance of Franchisee in all aspects of the operation and management of the Franchised Business. Franchisor or Franchisor's representatives who visit at the Franchised Business may prepare, for the benefit of both Franchisor and Franchisee, written reports with respect to such visits outlining any suggested changes or improvements in the operations of the Franchised Business and detailing any defaults in such operations which become evident as a result of any such visit. A copy of each such written report will be provided to Franchisor and may be provided to Franchisee. Franchisor will advise Franchisee of problems arising out of the operation of the Franchised Business as disclosed by reports submitted to Franchisor by Franchisee or by inspections conducted by Franchisor of the Franchised Business. Any guidance, suggestions or advice provided to Franchisee in the course of its ongoing assistance to Franchisee or on a periodic visits by the Franchisor, will be deemed recommendations only, and the decision to follow any such guidance, suggestions or advice will be made solely by Franchisee. Franchisee has the right to consult with its own independent advisors with respect to those policies and decisions.

13.5 All of the specifications, Required Suppliers Lists, Required Supplies Lists, training and Operations Manual to be provided by Franchisor to Franchisee pursuant to this Agreement will be delivered upon completion of training.

14. INSURANCE

14.1 Franchisee will procure, at its expense, and maintain in full force and effect during the term of this Agreement, but not later than the earlier of the date the Franchised Business opens for business in accordance with Section 12.2 or Franchisee hires its first employee, an insurance policy or policies protecting Franchisee and Franchisor, their respective officers, directors and employees, against any loss, liability, personal injury, death, property damage or expense whatsoever arising or occurring upon or in connection with the Franchised Business, as Franchisor may reasonably require, for its own and Franchisee's protection. Franchisee must name Franchisor as "Additional Insured" on a primary basis on Franchisee's insurance policies for Commercial General Liability, Medical Professional Liability, and Auto Liability, and provide Franchisor with an ACORD Form Certificate of Insurance for each policy prior to the commencement of operations of Franchisee's Franchised Business. Franchisee acknowledges that failure to add name Franchisor as "Additional Insured" on a primary basis on Franchisee's insurance is essential to protect the System and the Marks. The coverages described in this Section 14, as such requirements are modified periodically in the Operations Manual, must be in full force and effect throughout the term of this Agreement.

14.2 Such policy or policies will be written by an insurance company licensed to do business in the state in which Franchisee operates and having at least a "B+" Rating Classification as indicated in A.M. Best's Key Rating Guide in accordance with standards and specifications set forth in the Operations Manual or otherwise in writing and will include, at a minimum (except as different coverages and policy limits may reasonably be specified for all franchisees from time to time by Franchisor in the Operations Manual or otherwise in writing), the following:

14.2.1 Commercial Property or “Special” form coverage insurance on all business property used in the operation of the Franchised Business for full repair and replacement value of the property, except that an appropriate deductible clause will be permitted not to exceed TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00).

14.2.2 Workers’ Compensation, Employer’s Liability insurance and, in some jurisdictions, stop gap liability (also known as employers contingent liability), as well as such other insurance as may be required or permitted by statute or rule of the state and county in which the Franchised Business is located and operated.

14.2.3 Commercial General liability insurance, including a per location aggregate with the following coverages: Medical Professional Liability or Healthcare Provider Professional Liability; broad form blanket contractual liability; personal and advertising injury; products/completed operations; medical payments and fire damage liability, insuring Franchisor on a primary and noncontributory basis and Franchisee against all claims, suits, obligations, liabilities and damages, including attorney fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from, or occurring in the course of, or on or about or otherwise relating to the Franchised Business, including coverage in the following limits:

Coverage	Minimum Limits of Coverage
General Aggregate	
Each Occurrence	\$1,000,000.00
Aggregate	\$2,000,000.00
Products/Completed Operations	\$2,000,000.00
Fire Legal Liability	\$1,000,000.00
Professional Liability	
Hire & Non Owned Auto Liability	
Sexual Abuse/Molestation	
Worker Compensation	\$500K/\$500K/\$500K
Umbrella Coverage over existing Commercial General Liability, Professional Liability, Commercial Automobile Liability, and Employer’s Liability	\$1,000,000.00
Cyber Liability	\$250,000.00
Wage & Hour Claims Defense	\$250,000.00

Should any liability policies be written on a “claims-made” basis for trigger of cover, the policy’s “Retroactive Date” will at all times be the original inception date of the first claims-made liability policy acquired for insuring Franchisee or the Franchisee entity. Should the claims made liability policies be replaced, full retro dated coverage is required. Should any policies be terminated or cancelled for any reason, or a “claims made” policies be rewritten to an “occurrence form” of coverage, Franchisee will maintain at a minimum and secure two (2) additional years of “Extended Reporting Period” for claims that may not be discovered until after policy termination.

14.2.4 Business interruption extra expense insurance for actual losses sustained, for a period of indemnity not less than a six (6) month period.

14.2.5 Commercial Automobile liability insurance, including all owned, non-owned and hired vehicle coverage, with a combined single limit of at least ONE MILLION DOLLARS (\$1,000,000) each accident, subject to a maximum retention of FIVE THOUSAND DOLLARS (\$5,000).

14.2.6 Such additional insurance and types of coverage as may be required by the terms of any lease for the Franchised Business or as may be required from time to time by Franchisor.

14.2.7 Crime-Fidelity Employee Dishonesty coverage with Third Party Crime endorsement added. Limit of insurance will be in a minimum amount not less than \$25,000 and a deductible per claim of not more than \$1,000.

14.2.8 Umbrella coverage over Commercial General Liability, Professional Liability, Commercial Automobile Liability, and Employer's Liability coverages purchased by you for a minimum of ONE MILLION DOLLARS (\$1,000,000) in coverage.

14.2.9 Employment Practices Insurance for a minimum of TWO HUNDRED FIFTY THOUSAND DOLLARS \$250,000 for Wage & Hour claims defense.

14.2.10 If Franchisee is approved by Franchisor to provide Home Health services pursuant to Section 1.6 herein, Network Security/Data Breach ("**Cyber Liability**") coverage for a minimum of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) in coverage.

14.3 Franchisor reserves the right to require additional insurance coverages as necessary including 3rd Party Employment Practices coverage and Cyber Liability Insurance.

14.4 The insurance afforded by the policy or policies respecting Commercial General Liability and Professional Liability will not be limited in any way by reason of any insurance which may be maintained by Franchisor. Prior to commencement of operations of the Franchised Business, Franchisee will provide Franchisor with a current Certificate of Insurance issued on a standard ACORD certificate of insurance form evidencing all required and optional insurance requirements of this Agreement. Franchisee will maintain all such insurance at all times while operating under any authorization granted to Franchisee by Franchisor and including any completed or discontinued operations. It is Franchisee's sole responsibility to provide Franchisor with notice should any required insurance be cancelled, not renewed, materially changed or reduced from the required coverages. Failure of Franchisee to provide all insurance required, or failure to provide notice to Franchisor, will not relieve Franchisee of its obligations under this Agreement. Maintenance of such insurance and the performance by Franchisee of the obligations under this Section 14 will not relieve Franchisee of liability under the indemnity provision set forth in this Agreement. Minimum limits, as required above, may be modified from time to time, as conditions require, by written notice to Franchisee and Franchisee must maintain any such revised insurance coverage. As mentioned above, the coverages set forth in this Agreement are the minimum, but they may not be adequate for all losses of every type and size. Franchisor encourages Franchisee to make decisions with the advice of Franchisee's insurance consultant and legal counsel.

14.5 Should Franchisee, for any reason, not supply Franchisor with the required insurance certificate or procure and maintain such insurance coverage as required by this Agreement, Franchisor will have the right and authority (without, however, any obligation to do so) to procure such insurance coverage and to charge the cost of the same to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, will be payable by Franchisee immediately upon notice from Franchisor.

15. COVENANTS

15.1 Unless otherwise specified, the term "**Franchisee**" as used in this Section 15 will include, collectively and individually, Franchisee as defined in Section 30.

15.2 Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee or the Operating Principal will devote his or her full-time energy and best efforts to the management and operation of the Franchised Business.

15.3 Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee and the Operating Principal will not, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons or entities:

15.3.1 Divert or attempt to divert any business or client of the Franchised Business or any other franchisee's franchised business to any competitor by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System;

15.3.2 Employ or seek to employ any person who is employed by Franchisor, or by any other Franchisee of Franchisor (other than caregivers), or otherwise directly or indirectly induce or seek to induce such person to leave such employment without a mutual agreement with Franchisor or the other Franchisee; or

15.3.3 Own, maintain, engage in or have any interest in any business (including any business operated by Franchisee prior to entry into this Agreement) specializing, in whole or in part, in offering or providing non-medical in-home assistance, companionship, medical staffing services or other services or products, materials or equipment the same as, or similar to, those sold in the System or the Franchised Business or offering or providing any services or products, materials or equipment that are the same as, or similar to, a component to the operation of the Franchised Business or System to any party, including other franchisees and competitors. Notwithstanding the foregoing, nothing herein is intended to prevent Franchisee from accepting referrals to provide the Services.

15.4 Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee and the Operating Principal will receive valuable training and confidential information from Franchisor, including, without limitation, information regarding the promotional, operational, sales and marketing methods and techniques of Franchisor and the System. Thus, Franchisee covenants that at the time of execution of this Agreement and at all times during the initial term and any renewal term, the Franchisee, the Operating Principal and all shareholders or members of the Franchisee, as the case may be, will enter into a written Confidentiality and Non-Compete Agreement in the form of **Exhibit C** attached to this Agreement.

15.5 Each of the foregoing agreements, acknowledgements and covenants will be construed as independent of any other provision of this Agreement. If all or any portion of any covenant in this Section 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction, Franchisee covenants that Franchisee and the Operating Principal will 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 Section 15. The invalidity of any covenant contained in this Agreement does not affect the validity of remaining covenants contained in this Agreement.

15.6 Franchisee understands and acknowledges that Franchisor has the right to reduce the scope of any covenant set forth in Section 15.3 and **Exhibit C** of this Agreement or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof. Franchisee will comply forthwith with any covenant as so modified, which will be fully enforceable despite the provisions of Section 26 hereof.

15.7 Franchisee covenants and agrees to cooperate in good faith with Franchisor as to all aspects relating to the performance of Franchisee's obligations under this Agreement, and Franchisee will use good faith efforts to promote and develop the Franchised Business and Franchisor.

15.8 Franchisee will require those personnel performing managerial or supervisory functions and all personnel receiving training from Franchisor to execute confidentiality agreements in a form that incorporates Franchisee's obligations under this Agreement.

16. DEFAULT AND TERMINATION

16.1 Franchisee may not terminate this Agreement prior to the expiration of its term except through legal process resulting from Franchisor's breach of this Agreement which breach results in a material adverse effect on Franchisee or otherwise with Franchisor's consent. In the event that Franchisee claims that Franchisor has failed to meet any obligation under this Agreement, Franchisee will provide Franchisor with written notice of such claim within one (1) year after its occurrence, specifically enumerating all alleged deficiencies and providing Franchisor with an opportunity to cure, which will in no event be less than sixty (60) days after the date of receipt of such notice by Franchisor from Franchisee; provided, however, that if the nature of Franchisor's breach is such that more than sixty (60) days are reasonably required for performance or cure, then Franchisor will not be in breach if it commences performance within the sixty (60) day period and thereafter diligently continues and cures the breach. Failure to timely give any such notice will constitute a waiver of any such alleged breach by Franchisor.

16.2 If any of the following occurs, Franchisee will be in default, will have no right or opportunity to cure the default and Franchisor will have the right and good cause to terminate this Agreement, which termination will be effective immediately upon Franchisor's delivery of the written notice of termination pursuant to Section 25 identifying the grounds for the termination because Franchisee or any one or more of its Operating Principal, owners, officers, members, shareholders or managers:

16.2.1 Makes or made any material misrepresentation or omission in its application for the franchise;

16.2.2 Is convicted of or pleads no contest (if applicable in Franchisee's jurisdiction) to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisee or the Franchised Business;

16.2.3 Makes any unauthorized use, disclosure or duplication of any portion of the Operations Manual or the passwords, access codes or user names to access the Operations Manual in electronic format or duplicates, discloses or makes any unauthorized use of any Confidential Information;

16.2.4 Abandons, fails or refuses to continuously operate the Franchised Business for five (5) business days in any twelve (12) consecutive months period, unless the Franchised Business has been closed for a purpose approved by Franchisor or due to force majeure, or fails to relocate to approved premises within an approved period of time following expiration or termination of the lease for the Premises;

16.2.5 Surrenders or transfers control of the operation of the Franchised Business, makes an unauthorized direct or indirect assignment of the Franchised Business or its assets or an ownership interest in Franchisee, or fails or refuses to assign the Franchised Business or the interest in Franchisee of a deceased or disabled controlling owner thereof as required in this Agreement;

16.2.6 Submits to Franchisor on three (3) or more separate occasions at any time during the term of this Agreement any reports or other data, information or supporting records which understate by more than two percent (2%) the Royalty Fees for any accounting periods, and Franchisee is unable to satisfactorily demonstrate to Franchisor that such understatements resulted from inadvertent error;

16.2.7 Misuses or makes an unauthorized use of any Marks or commits any act which action can reasonably be expected to impair the goodwill associated with any Marks;

16.2.8 Misuses or makes an unauthorized use of any of Franchisor's proprietary software (if developed which can reasonably be expected to adversely affect the Franchisor's interest in such software);

16.2.9 Fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to pay the Royalty Fees when due, amounts due for purchases from Franchisor, or other payments due to Franchisor or a Related Entity;

16.2.10 Any multi-unit development agreement or other franchise agreement with Franchisor is terminated by Franchisor as a result of Franchisee's default, other than a default due to Franchisee's failure to meet the average Net Billing requirements set forth in such franchise agreement;

16.2.11 If Franchisee files for bankruptcy, becomes insolvent, commits any affirmative act of insolvency or files any action or petition of insolvency, or if a receiver (permanent or temporary) of its property or any part thereof is appointed by a court of competent authority, if Franchisee makes a general assignment for the benefit of its creditors, or if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed), if execution is levied against Franchisee's business or property, or if suit to foreclose any lien or mortgage against its Premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days or is not in the process of being dismissed within thirty (30) days;

16.2.12 Attempts to assign, transfer, or sell the clients or the client service contracts or the identity of clients of the Franchised Business without Franchisor's written consent, which Franchisee acknowledges Franchisor has the right to grant or deny for any reason or no reason;

16.2.13 Performs Primary Services or Ancillary Services in another franchisee's designated area on two (2) or more separate occasions, even if Franchisee has complied with Franchisor's then-current Promulgated Rules on encroachment, unless Franchisee has received the written permission of such other franchisee;

16.2.14 Fails to meet the Minimum Royalty or Minimum Brand Marketing and Promotion Fee requirements as set forth in Section 12.12 for four (4) consecutive Quarters or fails to meet the Minimum Royalty or Minimum Brand Marketing and Promotion Fee requirements more than four (4) Quarters in any twenty four (24) month period;

16.2.15 Fails to timely submit to arbitration any Franchisee Quarrel, for which Franchisor has given a Notice to Arbitrate, in accordance with Section 29.6;

16.2.16 Fails to have or replace an Operating Principal; or

16.2.17 If three (3) or more notices of default have been given by Franchisor to Franchisee within any twelve (12) month period pursuant to this Agreement, whether or not Franchisee has cured the reason for the default.

16.3 If Franchisee fails or refuses to make payment of any amount due Franchisor for Royalty Fees, purchases from Franchisor, or any other amount due to Franchisor, and Franchisee does not make payment within five (5) business days after written notice is delivered to Franchisee pursuant to Section 25, such failure to pay will provide Franchisor with good cause to terminate this Agreement.

16.4 If any of the following defaults occur, Franchisee must cure the default within the time periods set forth in this Section:

16.4.1 Fails to complete the training program at least thirty (30) days prior to opening the office, as provided in Section 12.2 of this Agreement;

16.4.2 Fails to cure any violation of a health, safety or other local, state or federal regulation or ordinance in a manner that presents a hazard to a client of the Franchised Business or other member of the public within the time period required by such regulation or ordinance; or

16.4.3 Fails to cure a default under the lease for the Premises according to the terms of the lease.

16.5 If any of the following defaults occurs, Franchisee will have thirty (30) days to cure the default:

16.5.1 Fails to establish and continuously maintain an open office as provided in Section 12.2 of this Agreement;

16.5.2 Fails to meet with Franchisor after receiving a Notice of Dispute pursuant to Section 29.1;

16.5.3 Defaults under any covenant to Franchisor in Section 15;

16.5.4 Fails to meet the Quarterly Gross Revenue in any Quarter and does not submit a Performance Improvement Plan acceptable to Franchisor within the time period required by Franchisors; does not execute the Performance Improvement Plan; or fails to achieve the required Quarterly Gross Revenue within the time period specified in the Performance Improvement Plan as set forth in Section 12.12;

16.5.5 Except as provided in Section 16.2.13, performs Primary Services or Ancillary Services in another franchisee's designated area, unless Franchisee has complied with Franchisor's then-current Promulgated Rules on encroachment or has received the written permission of such other franchisee;

16.5.6 Fails or refuses to comply with (a) any provision of this Agreement not specifically referenced in Sections 16.2, 16.3 or 16.4 above, or (b) any mandatory specification, standard or operating procedure prescribed in the Operations Manual or otherwise directed in writing by Franchisor, and Franchisee does not correct such failure or refusal (or provide proof acceptable to Franchisor that Franchisee has made all reasonable efforts to correct such failure or refusal and will continue to make all reasonable efforts to cure until a cure is effected, if such failure or refusal cannot reasonably be corrected within thirty (30) days) after written notice of such failure or refusal to comply is delivered to Franchisee;

16.5.7 Fails or refuses to obtain Accreditation or satisfactorily maintain such Accreditation if such Accreditation is required by Franchisor in accordance with Section 12.16; or

16.5.8 Fails or refuses to participate in any client satisfaction survey program, caregiver satisfaction survey program, or any other required satisfaction programs or surveys or fails to meet any performance criteria set out by Franchisor regarding such programs or surveys.

16.6 If Franchisee fails to cure the defaults with the time periods set forth in Sections 16.3, 16.4 or 16.5, termination of this Agreement will be accomplished by Franchisor delivering written notice of termination to Franchisee pursuant to Section 25 identifying the grounds for the termination. Termination will be effective immediately upon Franchisor's delivery of the written notice of termination.

16.7 To the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, nonrenewal or the like, other than

in accordance with applicable law, such provisions will, to the extent such are not in accordance with applicable law, not be effective, and Franchisor will comply with applicable law in connection with each of these matters.

16.8 The remedies described in this Agreement and in particular this Section 16 are not exclusive and will be in addition to any other remedies Franchisor may have in this Agreement or as provided by law. In addition to the remedy of termination set forth in this Agreement, Franchisor will have the right, without prejudice to any other right or remedy, to pursue an action at law for damages. Termination will be in addition to and not in limitation of any rights or remedies to which Franchisor is or may be entitled to at law or in equity. Franchisor's rights under this Agreement are cumulative and no exercise or enforcement by Franchisor or any right or remedy under this Agreement will preclude the exercise or enforcement by it of any other right or remedy under this Agreement or which Franchisor is entitled by applicable law to enforce.

17. RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION OR TERMINATION

Upon termination or expiration of this Agreement all rights granted by this Agreement to Franchisee will terminate, and:

17.1 Franchisee will immediately cease to operate the Franchised Business and will not thereafter, directly or indirectly, represent to the public or hold itself out as a present franchisee of Franchisor.

17.2 Upon demand by Franchisor, Franchisee will pay the entire remaining amount due under the lease for the Premises for the remainder of the term of the lease and will assign Franchisee's interest in any lease then in effect for the Premises to Franchisor, and Franchisee will furnish Franchisor with evidence satisfactory to Franchisor of compliance with these obligation within fifteen (15) days after termination or expiration of this Agreement.

17.3 Franchisee will immediately and permanently cease to use, by advertising or in any manner whatsoever (including any form of social media), any Confidential Information, Marks, any distinctive forms, slogans, signs, symbols, logos, devices, methods, procedures and techniques associated with the System. In particular, Franchisee will cease to use, without limitation, all signs, advertising materials, websites, stationery, forms and any other articles which display the Marks.

17.4 Upon demand by Franchisor, Franchisee will take such action as may be necessary to cancel, or, if Franchisor so requests, to assign to Franchisor or its designee, any fictitious or assumed name rights or equivalent registration filed with state, city or county authorities which contain the names "HOMECARE ADVOCACY NETWORK," or any other service mark or trademark associated with the System, and Franchisee will furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement. All goodwill attendant to, related to, and in connection with the Marks, clients, and use of Franchisor's System belong to the Franchisor.

17.5 Franchisee will immediately and permanently cease using, and will promptly legally dissolve, any entity used for operating the Franchised Business. In the event Franchisee subsequently operates any other business, Franchisee will not use any reproduction, counterfeit, copy or colorable imitation of the Marks either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's rights in and to the Marks and further, Franchisee will not utilize any designation of origin, description or representation which falsely suggests or represents an association or connection with Franchisor. Franchisee will make such modifications or alterations to the Premises (including, without limitation, the changing of the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association with Franchisor or the System and any business thereon subsequently operated by Franchisee or others, and will

make such specific additional changes thereto as Franchisor may reasonably request for that purpose including, without limitation, removal of all distinctive physical and structural features identifying the System. In the event Franchisee fails or refuses to comply with the requirements of this Section 17, Franchisor will have the right to enter upon the Premises without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required at the expense of Franchisee, which expense Franchisee will pay upon demand.

17.6 Franchisee will promptly within fifteen (15) days after the effective date of termination or expiration pay all sums owing to Franchisor. In the event of termination for any default of Franchisee, such sums will include all damages, costs and expenses, including reasonable attorney fees, incurred by Franchisor as a result of the default. Franchisee must contemporaneously with payment furnish a complete accounting of all amounts owing to Franchisor.

17.7 Upon demand by Franchisor, Franchisee will pay to Franchisor all damages, costs and expenses, including reasonable attorney fees, incurred by Franchisor subsequent to the termination or expiration of the franchise herein granted in obtaining injunctive or other relief for the enforcement of any provisions of this Section 17 or Section 15.

17.8 Franchisee will immediately turn over to Franchisor the Confidential Information; Operations Manual; the passwords, access codes and users names to access the Operations Manual in electronic format; all other Operations Manual materials; client information and client lists (subject to any applicable state or federal laws, including but not limited to privacy laws), details of service to clients (subject to any applicable state or federal laws, including but not limited to privacy laws), supplier lists, records, files, electronic files, instructions, brochures, agreements, disclosure statements, relevant data bases and any materials provided by Franchisor to Franchisee relating to the operation of the Franchised Business, all of which are acknowledged by Franchisee to be Franchisor's property. Franchisor acknowledges that time schedules, time limits, and requirements specified in this Section 17.8 are of the essence in order for Franchisor to protect its Confidential Information and System. For each full day or part thereof after termination or expiration of this Agreement that the Operations Manual and the passwords, access codes and users names to access the Operations Manual in electronic format are not delivered back to Franchisor, Franchisee will pay to Franchisor liquidated damages in the amount of Two Hundred and Fifty Dollars (\$250.00). Liquidated damages as provided in this Section 17.8 will not be the exclusive liability of Franchisee for delay but are in addition to all other remedies available to Franchisor. Franchisor and Franchisee further agree that the terms, conditions and amounts fixed for liquidated damages are reasonable considering the damages. Franchisor will sustain in the event of Franchisee's failure to meet the requirements for timely turning over the Operations Manual, together with the passwords, access codes and users names to access the Operations Manual in electronic format and that the amount is agreed upon and fixed as liquidated damages because of the difficulty of ascertaining the exact amount of damages that may be sustained by Franchisor and will be applicable regardless of the actual amount of damages sustained.

17.9 Upon demand, Franchisor will have the right, title and interest to any sign or sign faces bearing the Marks. Franchisee hereby acknowledges Franchisor's right to access the Premises should Franchisor elect to take possession of any said sign or sign faces bearing the Marks.

17.10 Franchisor will have the option and right (but not the duty), to be exercised by notice of intent to do so within thirty (30) days after termination or expiration of this Agreement, to purchase the following: (1) all fixed assets of the Franchised Business at depreciated value as reflected on the Franchisee's most recent financials; (2) the real property consisting of the designated site of the Franchised Business, as specified under Section 3 of this Agreement, at fair market value; and (3) all other assets/property of the Franchised Business at fair market value. The fair market value will be determined by the current market value of the applicable "hard assets" of the Franchised Business. If the parties cannot agree on fair market

value within a reasonable time, the determination will be made by a Qualified Appraiser (as defined below) selected by both the Franchisor and the Franchisee to determine the amount of the fair market value; provided that in the event that the Franchisor and Franchisee cannot agree upon a Qualified Appraiser within thirty (30) days after the notice of intent is given by the Franchisor to the Franchisee to purchase the assets, the Franchisor and Franchisee will each have the opportunity to appoint a Qualified Appraiser, within five (5) days following the expiration of such thirty (30) day period. The two (2) Qualified Appraisers will establish the amount of the fair market value in a single written opinion agreed to and signed by both of them. If these two (2) Qualified Appraisers cannot agree on the amount of the fair market value within ten (10) days after the appointment of the latter of them, these two (2) appointed Qualified Appraisers will together appoint a third Qualified Appraiser whose sole written opinion will establish the amount of the fair market value. A **“Qualified Appraiser”** will mean a professional appraiser or independent certified public accountant that is qualified by experience and ability to appraise the amount of the fair market value. The fees of any Qualified Appraiser or Qualified Appraisers will be equally shared by Franchisor and Franchisee. If either the Franchisor or the Franchisee entitled to appoint an appraiser fails to do so or if one of the two initial appraisers fails after appointment to submit his/her appraisal within the required period, the appraisal submitted by the remaining appraiser will be controlling. If Franchisor elects to exercise any option to purchase herein provided, it will have the right to set off all amounts due from Franchisee under this Agreement, if any, against any payment therefor.

17.11 Franchisee acknowledges that all client lists, telephone and facsimile numbers, Internet addresses and electronic mail addresses and domain names used in the operation of the Franchised Business constitute assets of the Franchisor and Franchisee will promptly execute all documents, including, but not limited to, authorization forms, prescribed by Franchisor to transfer and assign said assets to Franchisor upon termination or expiration of this Agreement. At termination or expiration of this Agreement, Franchisee will assign to Franchisor or its designee, all of Franchisee’s right, title and interest in and to Franchisee’s telephone and facsimile numbers, Internet addresses and electronic mail addresses and domain names and will notify the telephone company and all listing agencies of the termination or expiration of Franchisee’s right to use any telephone and facsimile numbers, Internet addresses and electronic mail addresses and domain names and any regular, classified or other telephone directory listing associated with the Marks and authorize a transfer of same to or at the direction of Franchisor.

17.12 Franchisee will comply with the requirements and covenants contained in Sections 11 and 15 of this Agreement.

17.13 All obligations of Franchisor and Franchisee which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and despite its expiration or termination and until they are satisfied or, by their nature, expire.

17.14 Franchisee will provide Franchisor with its current contact information for a period of one year from the date of termination or expiration of this Agreement.

18. TRANSFERABILITY OF INTEREST

18.1 This Agreement and any rights hereunder can be assigned and transferred by Franchisor and, if so, will be binding upon and inure to the benefit of Franchisor’s successors and assigns; provided, however, that with respect to any assignment or transfer resulting in the subsequent performance by the assignee or transferee of the functions of Franchisor, the assignee or transferee will: (i) at the time of such assignment, be financially responsible and economically capable of performing the obligations of Franchisor under this Agreement; and (ii) expressly assume and agree to perform such obligations.

18.1.1 Specifically, and without limitation to the foregoing, Franchisee expressly agrees and acknowledges that Franchisor may sell its assets, Marks and/or System outright to a third party; may make

a public offering of Franchisor as securities; may engage in a private placement of some or all of its securities; may merge, acquire other corporations or entities, or be acquired by another corporation or other entity; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of any Marks (or any variation thereof) and/or the loss of association with or identification of HomeCare Advocacy Network Inc. as Franchisor.

18.1.2 Nothing contained in this Agreement will require HomeCare Advocacy Network Inc. to continue to offer franchises in the event that Franchisor exercises its rights to assign or otherwise transfer its rights in this Agreement.

18.2 Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee and its owners and that Franchisor entered into this Agreement in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Franchisee and its owners. This Agreement and all rights hereunder including, but not limited to, any legal or beneficial interest in the Franchised Business and any assets of the Franchisee relating to the Franchised Business, may only be sold, assigned, transferred, conveyed, given away, encumbered, or otherwise transferred by Franchisee subject to the following conditions and requirements first being met, together with Franchisor's option/right to purchase and its right of first refusal as set forth in this Agreement and, if so sold, assigned, transferred, conveyed, given away, encumbered, or otherwise transferred, will be binding upon and inure to the benefit of Franchisee's successors and assigns:

18.3 Except as set forth in Section 18.7, neither Franchisee, its Operating Principal nor any holder of a legal or beneficial interest in Franchisee will sell, assign, transfer, convey, give away, encumber or otherwise transfer to any person, firm, corporation, publicly traded company, or other entity, all or any part of its interest in this Agreement or its assets or its interest in the franchise granted by this Agreement or its interest in any proprietorship, partnership, limited liability company or corporation which owns any interest in the franchise, nor offer, permit or suffer the same to be sold, assigned, transferred, conveyed, given away, encumbered or otherwise transferred in any way to any person, firm, corporation, publicly traded company, limited liability company or other entity without the prior written consent of Franchisor. Franchisee may not, without the prior written consent of Franchisor, fractionalize any of the rights of Franchisee granted pursuant to this Agreement. The restrictions on transferability described in the remainder of this Section 18 also apply to any purported transfers through a shell, through divorce or separation proceedings or by operation of law. Any purported assignment of any of Franchisee's rights herein not having the aforesaid consent will be null and void and will constitute a default of this Agreement;

18.4 Franchisor will not unreasonably withhold its consent to any transfer referenced in Section 18.3 of this Agreement when requested; provided, however, that the following conditions and requirements will first be met to the full satisfaction of Franchisor:

18.4.1 If Franchisee is an individual or general partnership and desires to assign and transfer its rights to a corporation, limited liability company or other entity ("**Business Transferee Entity**"):

18.4.1.1 The Business Transferee Entity will be newly and duly organized, in good standing in its state of origin, and validly existing solely for the exclusive purpose of owning and operating a Franchised Business as licensed under this Agreement and will state that in its organizational documents;

18.4.1.2 Franchisee will be and will remain the owner of the majority of voting stock, membership interest or other interest of the Business Transferee Entity;

18.4.1.3 The individual Franchisee (or, if Franchisee is a partnership, one of the partners) will be the Operating Principal of the Business Transferee Entity or appoint an Operating Principal approved by Franchisor;

18.4.1.4 The Business Transferee Entity will enter into a written assignment or agreement and conditional consent to transfer (in a form satisfactory to Franchisor) in which the Business Transferee Entity assumes all of Franchisee's obligations in this Agreement;

18.4.1.5 All shareholders or members of the Business Transferee Entity will enter into a written non-compete agreement, together with a guaranty and assumption of obligations agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of the Business Transferee Entity's obligations to Franchisor under this Agreement;

18.4.1.6 Each stock certificate or membership certificate of the Business Transferee Entity will have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement;

18.4.1.7 The shareholders agreement or operating agreement of the Business Transferee Entity will be in writing and will conspicuously state that all interests are held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement;

18.4.1.8 No shares of common or preferred stock or membership interests (of whatever nature) in the Business Transferee Entity will be issued or transferred, directly or indirectly, to any person, partnership, trust, foundation, limited liability company, corporation or other entity without obtaining Franchisor's prior written consent and then, only upon disclosure of the terms and conditions contained herein being made to the prospective new holders of the stock or membership interests;

18.4.1.9 All accrued money obligations of Franchisee to Franchisee's suppliers, Franchisor, its subsidiaries or assignees, will be satisfied prior to assignment or transfer;

18.4.1.10 Franchisor has the right to require that the Business Transferee Entity execute this Agreement or a new Franchise Agreement, together with a Confidentiality and Non-Compete Agreement, for the term established in the form of the standard form franchise agreement then being offered to new System franchisees and other standard HCAN Services agreements with Franchisor on the current standard forms being used by Franchisor;

18.4.1.11 The Business Transferee Entity will deliver copies of the Business Transferee Entity's organizational documents to Franchisor prior to the assignment of this Agreement and from time to time upon Franchisor's request;

18.4.1.12 The Business Transferee Entity will not use any Mark or portion of any Mark as part of any corporate or other entity name, with any prefix, suffix or other modifying words, terms, designs or symbols or in any modified or other confusingly similar form; and

18.4.1.13 The Franchisee owner(s) prior to the transfer will execute a general release, in a form prescribed by Franchisor, of any and all existing claims against Franchisor and its respective officers, directors, agents and employees, except such claims as are not permitted to be waived under applicable law.

18.4.2 If Franchisee is an individual or general partnership and desires to assign and transfer its rights to a trust or other similar entity (“**Trust Transferee Entity**”):

18.4.2.1 The Trust Transferee Entity will be in good standing in its state of origin, and validly existing with the power and purpose of owning and operating a Franchised Business as licensed under this Agreement and will state that in its organizational documents;

18.4.2.2 Franchisee will be and will remain the grantor and beneficial owner of the majority of the interest of the Trust Transferee Entity;

18.4.2.3 The individual Franchisee (or, if Franchisee is a partnership, one of the partners) will be the Operating Principal of the Trust Transferee Entity or appoint an Operating Principal approved by Franchisor;

18.4.2.4 The Trust Transferee Entity will enter into a written assignment or agreement and conditional consent to transfer (in a form satisfactory to Franchisor) in which the Trust Transferee Entity assumes all of Franchisee’s obligations in this Agreement;

18.4.2.5 All grantors and trustees of the Trust Transferee Entity will enter into a written non-compete agreement, together with a guaranty and assumption of obligations agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of the Trust Transferee Entity’s obligations to Franchisor under this Agreement;

18.4.2.6 Any certificate or other evidence of beneficial interest in the Trust Transferee Entity will have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement;

18.4.2.7 The trust agreement of the Trust Transferee Entity will be in writing and will conspicuously state that all legal and beneficial interests are held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement;

18.4.2.8 No legal or beneficial interests (of whatever nature) in the Trust Transferee Entity will be issued or transferred, directly or indirectly, to any person, partnership, trust, foundation, limited liability company, corporation or other entity without obtaining Franchisor’s prior written consent and then, only upon disclosure of the terms and conditions contained herein being made to the prospective new holders of the legal or beneficial interests;

18.4.2.9 All accrued money obligations of Franchisee to Franchisee’s suppliers, Franchisor, its subsidiaries or assignees, will be satisfied prior to assignment or transfer;

18.4.2.10 Franchisor has the right to require that the Trust Transferee Entity execute this Agreement or a new Franchise Agreement, together with a Confidentiality and Non-Compete Agreement, for the term established in the form of the standard form franchise agreement then being offered to new System franchisees and other standard HCAN Services agreements with Franchisor on the current standard forms being used by Franchisor;

18.4.2.11 The Trust Transferee Entity will deliver copies of the Business Transferee Entity’s organizational documents to Franchisor prior to the assignment of this Agreement and from time to time upon Franchisor’s request;

18.4.2.12 The Trust Transferee Entity will not use any Mark or portion of any Mark as part of any corporate or other entity name, with any prefix, suffix or other modifying words, terms, designs or symbols or in any modified or other confusingly similar form; and

18.4.2.13 The Franchisee owner(s) prior to the transfer will execute a general release, in a form prescribed by Franchisor, of any and all existing claims against Franchisor and its respective officers, directors, agents and employees, except such claims as are not permitted to be waived under applicable law.

18.4.3 If the transfer, other than such transfer as is authorized under Section 18.4.1 of this Agreement, if consummated alone or together with other related previous, simultaneous or proposed transfers, would have the effect of transferring control of the franchise granted by this Agreement to someone other than an original signatory of this Agreement:

18.4.3.1 The transferee(s) will be of good moral character with collected skill, aptitude, business ability, and reputation, together with a good credit rating, financial capacity, and competent business qualifications reasonably acceptable to Franchisor. Franchisee will provide Franchisor with a final purchase agreement duly executed by Franchisor and transferee, together with such information as Franchisor may require to make such determination concerning each such proposed transferee;

18.4.3.2 The transferee(s) or such other individual(s) as will be the Operating Principal will have successfully completed and passed the training course then in effect for franchisees or will have otherwise demonstrated to Franchisor's satisfaction, sufficient ability to operate the Franchised Business being transferred;

18.4.3.3 Franchisor has the right to require that the transferee(s), including all shareholders, officers, directors, members, beneficiaries, trustee, managers, governors and partners of the transferee(s), jointly and severally execute any or all of the following:

18.4.3.3.1 This Agreement or a new franchise agreement for the term established in the form of the standard form Franchise Agreement then being offered to new System franchisees and other standard HCAN Services agreements with Franchisor on the current standard forms being used by Franchisor, such as a non-compete agreement and a guaranty and assumption of obligations, except that an additional Franchise Fee will not be charged; and/or

18.4.3.3.2 A written agreement and conditional consent to transfer agreement or assignment from Franchisee in a form satisfactory to Franchisor, wherein transferee will assume all of Franchisee's obligations hereunder;

18.4.3.4 Approval by Franchisor of any transfer by Franchisee of the Franchised Business or any of Franchisee's rights under this Agreement will in no way be deemed a release by Franchisor of Franchisee's obligations pursuant to this Agreement. Consent by Franchisor to a transfer of the Franchised Business will not constitute or be interpreted as consent for any future transfer of the franchise;

18.4.3.5 The term of said agreements required pursuant to Section 18.4.3.3 will be for the unexpired term of this Agreement and for any extensions or renewals as provided in this Agreement;

18.4.3.6 If transferee is a corporation or a limited liability company:

18.4.3.6.1 The Transferee Entity will be newly and duly organized, in good standing in its state of origin, and validly existing solely for the exclusive purpose of owning and operating a Franchised Business as licensed under this Agreement and will state that in its organizational documents; and each stock certificate or membership certificate of the Transferee Entity will have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement;

18.4.3.6.2 The shareholders agreement or operating agreement of the Transferee Entity will be in writing and will conspicuously state that all interests are held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement;

18.4.3.6.3 No shares of common or preferred stock or membership interests in the Transferee Entity will be issued or transferred, directly or indirectly, to any person, partnership, trust, foundation, limited liability company, corporation or other entity without obtaining Franchisor's prior written consent and then, only upon disclosure of the terms and conditions contained herein being made to the prospective new holders of the stock or membership interests; and

18.4.3.6.4 All shareholders or members of the Transferee Entity will enter into a written non-compete agreement, together with a written agreement, in a form satisfactory to Franchisor, guaranteeing the full payment and performance of the transferee of all obligations to Franchisor under this Agreement; and

18.4.3.6.5 The Transferee Entity will designate an Operating Principal in accordance with Section 3.4.

18.4.3.7 All accrued money obligations of Franchisee to Franchisee's suppliers, to Franchisor, any Related Entity(ies) or assignee(s) of Franchisor, will be satisfied prior to assignment or transfer, and Franchisee will not be in default under the terms of this Agreement;

18.4.3.8 Franchisee, Operating Principal and each of its shareholders or members, prior to the transfer, will execute a general release, in a form prescribed by Franchisor, of any and all existing claims against Franchisor and its respective officers, directors, agents and employees, except such claims as are not permitted to be waived under applicable law; and

18.4.3.9 Franchisee, transferee and Franchisor will enter into an agreement and conditional consent to transfer, which agreement will set forth all of the conditions precedent to the transfer and it will be provided by Franchisor;

18.5 Franchisee will have fully paid and satisfied all of Franchisee's obligations to Franchisor, including at or before the closing of the transfer, a transfer fee ("**Transfer Fee**"), for the training, supervision, administrative costs, overhead, counsel fees, accounting and other related Franchisor incurred expenses in connection with the transfer in the amount determined as follows:

18.5.1 if there is no Franchisee consultant or broker commission payable, fifty percent (50%) of the Initial Franchise Fee then being charged by Franchisor for a new franchise; or

18.5.2 if there is a Franchisee consultant or broker commission payable one hundred percent (100%) of the Initial Franchise Fee then being charged by Franchisor for a new franchise, in which case Franchisor will pay the consultant or broker commission.

18.5.3 This Transfer Fee will not apply to an assignment of interest to a corporation or limited liability company under Section 18.4.1 of this Agreement or a transfer to a Permitted Transferee under Section 18.7 of this Agreement.

18.6 No sale, assignment, transfer, conveyance, encumbrance or gift of any interest in this Agreement or in the Franchise granted by this Agreement, will relieve Franchisee, the Operating Principal and the shareholders, members, beneficiaries or partners participating in any transfer of the obligations of the covenants contained in Section 15, except where Franchisor will expressly authorize in writing; and

18.7 Despite anything to the contrary contained in this Agreement, Franchisor will consent to any transfer referenced in Section 18.3 of this Agreement when requested when such proposed transferee is (i) a spouse or child of a Franchisee who is an individual; (ii) a Business Transferee Entity that is 100% owned by a spouse or a child of a Franchisee who is an individual, or (iii) an owner of more than fifty percent (50%) of a Business Transferee Entity, (collectively, “**Permitted Transferees**”); provided, however, that the conditions and requirements contained in Section 18.4.3 of this Agreement will first be met with regard to the Permitted Transferees to the full satisfaction of Franchisor.

18.8 Franchisee will promptly give Franchisor written notice whenever Franchisee has received an offer to buy the Franchised Business. Franchisee will also give Franchisor written notice simultaneously with any offer to sell the Franchised Business or any or all of the ownership entity of same made by, for or on behalf of Franchisee. Franchisee will indemnify and hold harmless Franchisor for Franchisee’s failure to comply with this Section 18.8.

18.9 Franchisee will not, without prior written consent of Franchisor, place in, on or upon the location of the Franchised Business, or in any communication media, any form of advertising relating to the sale of the Franchised Business, any ownership therein, or the rights granted under this Agreement.

19. DEATH OR INCAPACITY OF FRANCHISEE

19.1 In the event of the death or incapacity of the Operating Principal or any holder of a legal or beneficial interest of fifty percent (50%) or more in Franchisee, the heirs, beneficiaries, devisee, legal representatives of said individual, Settlor, partner, member or shareholder, as the case may be, will, within one hundred eighty (180) days after such event:

19.1.1 Apply to Franchisor for the right to continue to operate the franchise for the duration of the term of this Agreement and any successor terms hereof, which right will be granted upon the fulfillment of all of the conditions set forth in Section 18.4.3 of this Agreement (except that no transfer fee will be required) and upon appointing a designated manager to operate the Franchised Business which manager must begin Franchisor’s training program no later than six (6) months after the date of death or disability; or

19.1.2 Sell, assign, transfer or convey Franchisee’s interest in compliance with the provisions of Sections 18.2 and 20 of this Agreement; provided, however, in the event a proper and timely application for the right to continue to operate has been made and rejected, the one hundred eighty (180) days to sell, assign, transfer or convey will be computed from the date of application. For purposes of this Section 19.1.2, Franchisor’s silence on an application made pursuant to Section 18.4 through the one hundred eighty (180) days following the event of death or incapacity will be deemed a rejection made on the last day of such period.

19.2 In the event of the death or incapacity of an individual Franchisee, Settlor, or any partner, shareholder or member of a Franchisee which is a partnership, corporation or limited liability company, where the aforesaid provisions of Section 18 have not been fulfilled within the time provided, all rights licensed to

Franchisee under this Agreement will, at the option of Franchisor, terminate forthwith and automatically revert to Franchisor.

19.3 For purposes of this Agreement, “incapacity” will be defined as the inability of Franchisee to operate or oversee the operation of the Franchised Business on a regular basis by reason of any continuing physical, mental or emotional incapacity, chemical dependency or other limitation. Any dispute as to the existence of an incapacity as used herein will be resolved by majority decision of three (3) licensed medical physicians practicing in the MSA in which the Franchised Business is located, with each party selecting one (1) medical physician, and the two (2) medical physicians so designated selecting the third medical physician. The determination of the majority of the three (3) medical physicians will be binding upon the parties and all costs of making said determination will be borne by the party against whom it is made.

20. RIGHT OF FIRST REFUSAL

If Franchisee or its owners propose to sell the Franchised Business (or its assets) or part or all of the ownership of Franchisee, Franchisee and its owners will obtain and deliver to Franchisor a bona fide, executed written offer or proposal to purchase or proposal to merge same, and Franchisor will, for a period of thirty (30) days after the date of delivery of such offer or proposal, have the right, exercisable by written notice to Franchisee or its owners, to purchase the Franchised Business (or its assets) or such ownership for the price and on the terms and conditions contained in such offer or proposal delivered to Franchisor, provided that Franchisor may substitute cash for the fair market value of any form of payment proposed in such offer or proposal. If Franchisor does not exercise its right of first refusal, the offer or proposal may be accepted by Franchisee or its owners, subject to the prior written approval of Franchisor, as provided in Section 18, provided that if the sale fails to close within one hundred twenty (120) days after the date thereof, Franchisor will again have the right of first refusal described in this Section. Should a transferee assume the rights and obligations under this Agreement, such transferee will likewise be subject to Franchisor’s right of first refusal under terms and conditions as set forth herein. Despite the foregoing, the right of first refusal herein described will not apply to the sale or transfer of the Franchised Business (or its assets) or part or all of the ownership of Franchisee to a Permitted Transferee in accordance with Section 18.7 of this Agreement.

21. OPERATION IN THE EVENT OF ABSENCE, INCAPACITY OR DEATH

21.1 In order to prevent any interruption of the Franchised Business which would cause harm to said business and thereby depreciate the value thereof, in the event that Franchisee or the Operating Principal is absent or incapacitated by reason of illness or death and is not, therefore, in the sole judgment of Franchisor, able to operate the Franchised Business, Franchisee authorizes Franchisor to operate said business without waiver of any other rights or remedies Franchisor may have under this Agreement; provided, however, that (i) Franchisor will not be obligated to so operate the Franchised Business, and if Franchisor does operate the business (ii) Franchisor will not operate or manage the daily operations of the business for a period of time in excess of ninety (90) days, which period of time may be renewed from time to time as necessary in increments of ninety (90) day for an aggregate period of time up to an additional two hundred and seventy (270) days, and (iii) the Franchisor will regularly and periodically discuss the status of the business operations with the Franchisee, its heirs or successors, as applicable.

21.2 Franchisor will act diligently, in good faith and honestly in Franchisor’s actions hereunder. In furtherance of the foregoing, Franchisor may:

21.2.1 collect any and all revenues due and payable to the Franchised Business and endorse Franchisee’s name on checks received;

21.2.2 pay any and all expenses incurred to operate the Franchised Business including, but not limited to, wages, salaries and other compensation to Franchisee's employees, to Franchisor and persons Franchisor employs on Franchisee's behalf to manage the Franchised Business and to others for professional services;

21.2.3 pay any amounts due to Franchisor or Franchisor's affiliates, including the continuing Royalty Fees, Brand Development fees, amounts due for purchases of product and supplies and amounts due under any financing agreements;

21.2.4 incur debts in the ordinary course of business for inventory, materials, supplies and other items needed for the operation of the Franchised Business;

21.2.5 execute documents or instruments on Franchisee's behalf;

21.2.6 receive a reasonable fee for Franchisor's services hereunder (as more fully set forth below);

21.2.7 institute legal or administrative proceedings on behalf of and defend actions brought against the Franchised Business; and

21.2.8 take any other action Franchisor deems necessary or appropriate in furtherance of this provision.

21.3 Franchisor will maintain separate books and records of Franchisor's actions hereunder in accordance with the format required by the System. The net proceeds, if any, from Franchisor's operation of the Franchised Business will be deposited into a separate bank account or accounts under Franchisor's direction and control as trustee for Franchisee. Upon Franchisor's termination of the rights granted hereunder, such net proceeds, if any, will be distributed to Franchisee or as Franchisee directs. Franchisor will not be liable to Franchisee except for willful misconduct or gross negligence. Franchisee grants Franchisor the right to set off such charges to the account. Franchisee will indemnify and hold Franchisor harmless from and against any loss, claim, expense, damage, liability or other obligation of any nature, including legal fees and expenses arising from or in any manner connected with Franchisor's actions hereunder, excepting only those arising from or connected with Franchisor's willful misconduct or gross negligence. Franchisee acknowledges that Franchisor will have a duty to utilize only commercially reasonable efforts and will not be liable to Franchisee or its owner for any debts, losses, or obligations the business incurs, or to any of Franchisee's creditors for any supplies or services the business purchases.

21.4 All monies from the operation of the business during such period of operation by Franchisor will be kept in a separate account and the expenses of the business, including reasonable compensation of the then-current fees as specified in the Operations Manual, plus travel, room and board and expenses for Franchisor's representative, will be charged to said account.

21.5 In addition to any other fees due under this Agreement and reimbursement of Franchisor's out-of-pocket expenses to provide management services, including reasonable compensation of the then-current fees as specified in the Operations Manual, plus travel, room and board and expenses for Franchisor's representative, Franchisor is entitled to receive a fee for the management services provided by Franchisor equal to a management fee of 15% of the Gross Revenue of the Franchised Business ("**Management Fee**"). The Management Fee will be paid within ten (10) days after the end of each month, or part thereof, that management services are provided by Franchisor. Any portion of the Management Fee which is not paid when due shall bear interest at the rate set forth in Section 10.2 until such amount is paid in full.

21.6 In addition to the foregoing, Franchisee acknowledges that if Franchisor becomes aware, by any means, of any situation where any license required for the Franchised Business is or may be suspended, terminated or affected in any manner that could result in the closing of the Franchised Business for any period time, Franchisor may, but is not obligated to, notify any federal, state or local authority. If Franchisor takes such action, Franchisee agrees that Franchisor shall not be liable to Franchisee for any costs, expenses or damages resulting therefrom.

22. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

22.1 This Agreement does not create a fiduciary relationship between the Franchisor, Franchisee and Franchisee's owners, nor does it constitute Franchisee, Franchisee's owners or the Operating Principal as an agent, legal representative, joint venturer, joint employer, partner, employee or servant of Franchisor for any purpose whatsoever. It is understood between the parties that Franchisee, Franchisee's owners and the Operating Principal will be independent contractors and are in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor to incur any debt, or to create any obligation, express or implied, on behalf of Franchisor. The occasional or sporadic act of control by Franchisor directing the detail of any work is not sufficient to destroy the agreement forming the basis of the parties' independent contractor relationship.

22.2 It is acknowledged that Franchisee is the sole and independent owner of the Franchised Business, will be in full control thereof; and, will conduct such Franchised Business in accordance with its own judgment, subject only to the provisions of the Agreement. Franchisee will conspicuously identify itself as the independent owner of the Franchised Business and as a Franchisee of Franchisor.

22.3 During the term of this Agreement and any renewal hereof, Franchisee will hold itself out to the public as an independent contractor operating the business pursuant to a franchise from Franchisor. Franchisee will take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Premises and on all forms, stationery or other written materials, the content of which Franchisor reserves the right to specify.

22.4 Franchisee will defend, at its own cost, and indemnify and hold harmless Franchisor, its shareholders, directors, officers, employees and agents, from and against any and all losses, costs, claims, expenses (including, without limitation, reasonable accountant, attorney and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses), damages and liabilities, however caused, resulting directly or indirectly, from or pertaining to (i) the use, condition or construction, equipping, decorating, maintenance or operation of the Franchised Business, including the sale of any service or product sold from the Franchised Business, except to the extent caused by Franchisor's gross negligence or willful misconduct with regard to the foregoing, or (ii) any breach of this Agreement by Franchisee. Such losses, claims, costs, expenses, damages and liabilities will include, without limitation, those arising from latent or other defects in the Franchised Business, its services or products, materials or equipment whether or not discoverable by Franchisor, and those arising from the death or injury to any person or arising from damage to the property of Franchisee or Franchisor, their agents or employees or any third person, firm or corporation, whether or not such losses, claims, costs, expenses, damages or liabilities were actually or allegedly caused wholly or in part through the active or passive negligence of Franchisor or any of its agents or employees or resulted from any strict liability imposed on Franchisor or any of its agents or employees. The indemnification and hold harmless will survive termination of this Agreement.

22.5 Franchisor will not, by virtue of any approvals, advice or services provided to Franchisee or the Operating Principal, assume responsibility or liability to Franchisee, the Operating Principal or any third parties to which Franchisor would otherwise be subject.

23. APPROVALS

23.1 Whenever this Agreement requires the prior approval or consent of Franchisor, Operating Principal will make a timely written request to Franchisor therefor, and, except as otherwise provided herein, any approval or consent granted must be in writing to be binding upon Franchisor.

23.2 Franchisor makes no warranties or guarantees upon which Franchisee or the Operating Principal may rely and assumes no liability or obligation to Franchisee, the Operating Principal or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee or the Operating Principal in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

24. NON-WAIVER

No failure of Franchisor to exercise any power reserved to it in this Agreement, or failure to insist upon strict compliance by Franchisee and the Operating Principal with any obligation or condition in this Agreement, and no custom or practice of the parties that varies from the terms in this Agreement, will constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof. Waiver by Franchisor of any particular breach or default by Franchisee or the Operating Principal will not be binding unless in writing and executed by the Franchisor and will not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor will any delay, waiver, forbearance or omission of Franchisor to exercise any power or rights arising out of any breach or default by Franchisee of any of the terms, provisions or covenants hereof, affect or impair Franchisor's rights, nor will such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder will not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

25. NOTICES

Any and all notices required or permitted under this Agreement will be in writing and will be personally delivered, delivered by messenger or delivery service, delivered by overnight express delivery service, or mailed by certified mail return receipt requested, and will be effective when received by or confirmation of receipt is acknowledged to the respective parties at the addresses set forth in the introductory Section of this Agreement unless and until a different address has been designated by written notice to the other party. Any notice by certified mail will be deemed to have been given at the date and time of mailing. Franchisee will promptly notify Franchisor of any change in Franchisee's address.

26. ENTIRE AGREEMENT

This Agreement, any exhibit attached hereto, and the documents referred to herein, will be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede all prior agreements. No other representation has induced Franchisee to execute this Agreement, and there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied in this Agreement, which are of any force or effect with reference to this Agreement or otherwise. No amendment, change or variance from this Agreement (other than amendments to the Operations Manual or other matters with respect to which Franchisor has reserved the unilateral right to amend) will be binding on either party unless executed in writing by both parties. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchisor's Franchise Disclosure Document that Franchisor has furnished to Franchisee.

27. SEVERABILITY AND CONSTRUCTION

27.1 Each paragraph, part, term and/or provision of this Agreement will be considered severable, and if, for any reason, any paragraph, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation, such will not impair the operation of or affect the remaining portions, sections, parts, terms and/or provisions of this Agreement, and the latter will continue to be given full force and effect and bind the parties hereto; and said invalid sections, parts, terms and/or provisions will be deemed not part of this Agreement; provided, however, that if Franchisor determines that said finding of illegality adversely affects the basic consideration of this Agreement, Franchisor may, at its option, terminate this Agreement as provided in this Agreement.

27.2 Anything to the contrary herein notwithstanding, nothing in this Agreement is intended nor will be deemed to confer upon any person or legal entity other than Franchisor or Franchisee and such of their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under or by reason of this Agreement.

27.3 Franchisee will be bound by any promise or covenant imposing the maximum duty permitted by law which is contained within the terms of any provision hereof, as though it were separately stated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. By executing this Agreement, Franchisee acknowledges entering into this Agreement as a result of Franchisee's and Operating Principal's own independent investigation of Franchisor's franchised business and not as a result of any representations about Franchisor made by any of its shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in the Franchisor's Franchise Disclosure Document given to Franchisee pursuant to applicable law.

27.4 All captions herein are intended solely for the convenience of the parties, and none will be deemed to affect the meaning or construction of any provision hereof. The singular usage includes the plural and the masculine and neuter usages include the other and the feminine.

27.5 The recitals set forth in this Agreement are specifically incorporated into the terms of this Agreement and hereby constitute a part thereof.

28. APPLICABLE LAW AND CHOICE OF FORUM

28.1 This Agreement will be governed by and construed according to the laws of the State of Nebraska, excluding any conflict of laws or provisions which would result in the application of the laws of another jurisdiction, EXCEPT TO THE EXTENT GOVERNED BY FEDERAL LAW INCLUDING, WITHOUT LIMITATION, THE UNITED STATES TRADEMARK ACT OF 1946, AS AMENDED (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.). Franchisee acknowledges and agrees that Franchisee may not seek nor avail itself of the protection of any Nebraska franchise law that is intended solely to protect franchisees operating in or residing in the State of Nebraska. Franchisor and Franchisee irrevocably agree that the United States District Court of the District of Nebraska and the Courts of Nebraska sitting in Douglas County, Nebraska will have exclusive jurisdiction to hear and determine any action on a controversy on or under this Agreement, including any action for injunctive relief and for specific performance and other equitable relief, irrevocably submit to the jurisdiction of such Courts and irrevocably waive any objection which either of them might have to such Courts being nominated as the forum to hear and determine any such action on a controversy relating to this Agreement and agree not to claim that any such Court is not a convenient or appropriate forum. Not only must any such action be brought in such Courts but any such action must also be continually maintained in such Courts. The parties agree that such Courts have power

under the law of Nebraska to entertain any such action, that Nebraska is a reasonably convenient place for the trial of any such action, and that this agreement, applicable law, and choice of forum were not obtained by misrepresentation, duress, the abuse of economic power or other unconscionable means.

28.2 FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT IS ENTERED INTO IN DOUGLAS COUNTY, NEBRASKA.

28.3 NO RIGHT OR REMEDY CONFERRED UPON OR RESERVED TO FRANCHISOR OR FRANCHISEE BY THIS AGREEMENT IS INTENDED TO BE, NOR WILL BE DEEMED, EXCLUSIVE OF ANY OTHER RIGHT OR REMEDY IN THIS AGREEMENT OR BY LAW OR EQUITY PROVIDED OR PERMITTED, BUT EACH WILL BE CUMULATIVE OF EVERY OTHER RIGHT OR REMEDY.

28.4 NOTHING IN THIS AGREEMENT WILL BAR FRANCHISOR'S RIGHT TO OBTAIN INJUNCTIVE RELIEF AGAINST THREATENED CONDUCT UNDER GENERAL PRINCIPLES OF EQUITY, INCLUDING THE APPLICABLE PRINCIPLES FOR OBTAINING RESTRAINING ORDERS, PERMANENT AND PRELIMINARY INJUNCTIONS.

29. DISPUTE RESOLUTION

29.1 Except as provided in Section 29.3, if any dispute, controversy or claim between Franchisor Franchisee and the Operating Principal, and any of Franchisor's or Franchisee's affiliates, officers, directors, shareholders, members, guarantors, employees or owners, arising under, out of, in connection with or in relation to this Agreement, any loan or other finance arrangement between Franchisor or its affiliates and Franchisee, the parties' relationship, the Franchised Business, or any System Standard; or the scope of validity of the arbitration obligation under this Section ("**Dispute**"), the Dispute will be settled as follows:

29.1.1 The parties will first attempt to resolve the Dispute through good faith negotiation in accordance with Sections 29.1.2 and 29.1.3 below. Failure of a party to adhere to Sections 29.1.2 and 29.1.3 will constitute a waiver by such party of any right, remedy or relief claimed by the other party or provided by this Agreement or by law to otherwise accrues as a result of such Dispute.

29.1.2 If a party claims that a Dispute exists, such party will notify the other party in writing that a Dispute exists, specifying the nature and extent of the Dispute ("**Dispute Notice**"). The parties will meet within thirty (30) days after the date of delivery of such Dispute Notice in Omaha, Nebraska at the Hilton Omaha Hotel downtown at 1001 Cass Street or at such other location as directed by Franchisor for such attempted resolution.

29.1.3 Persons representing Franchisor and Franchisee who are authorized to settle the Dispute must attend the meeting required by Section 29.1.2. The parties may be represented by counsel at such meeting. The parties will then make a good faith attempt to resolve the Dispute. If the Dispute is not resolved at such meeting or a party fails to appear at a scheduled meeting, the parties are free to pursue arbitration. Each party will bear its own costs in connection with such meeting. The meeting and any negotiations and results thereof will be treated as a compromise settlement negotiation and the entire process is confidential.

29.2 Except as provided in Section 29.3, Franchisor and Franchisee agree that any Dispute not resolved pursuant to Section 29.1 must be submitted to binding arbitration in accordance with the Federal Arbitration Act in accordance with the following procedures:

29.2.1 The American Arbitration Association ("**AAA**") will administer the arbitration pursuant to its then-current Commercial Arbitration Rules by one arbitrator.

29.2.2 Franchisor and Franchisee will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be barred.

29.2.3 Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties. If a court or arbitrator determines that this limitation on joinder of or class action certification of claims is unenforceable, then the agreement to arbitrate the Dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts, in accordance with Section 29.8.

29.2.4 The arbitration must take place in the city where Franchisor's headquarters are located at the time of the Dispute.

29.2.5 The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least 5 years of significant experience in franchise law. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisor or Franchisee. The arbitrator will also have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which the main office of Franchisor is located. The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the Dispute between the parties, including, but not limited to: any decision as to whether forum and venues provision is applicable and enforceable as against the parties, subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement. The arbitrator may issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. The arbitrator will have subpoena powers limited only by the laws of the state in which the main office of Franchisor is located.

29.2.6 The parties to the Dispute will have the same discovery rights as are available in civil actions under the laws of the state in which the main office of Franchisor is then located. All other procedural matters will be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in which the main office of Franchisor is then located.

29.2.7 Other than as may be required by law, the entire arbitration proceedings (including, but not limited to, any rulings, decisions or orders of the arbitrator), will remain confidential and will not be disclosed to anyone other than the parties to this Agreement.

29.2.8 The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction.

29.2.9 Franchisor reserves the right, but has no obligation, to advance Franchisee's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with Section 29.4.

29.3 Notwithstanding Sections 29.1 and 29.2, the parties agree that the following claims will not be subject to arbitration or mediation:

29.3.1 any action for equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or

threat of harm to such party's tangible or intangible property, brought at any time, including without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder; or

29.3.2 any action in ejectment or for possession of any interest in real or personal property.

29.4 The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrators' fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in connection with the claims on which it prevailed. For the purposes of this Agreement in general and this Section specifically, the "**Prevailing Party**" will be deemed to be that party which has obtained the greatest net judgment in terms of money or money equivalent. If money or money equivalent has not been awarded, then the Prevailing Party will be that party which has prevailed on a majority of the material issues decided. The "**net judgment**" is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has prevailed over the other party using reasonable business and arbitrator's judgment.

29.5 The provisions of this Section are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. All applicable statutes of limitation and defenses based on the passage of time are tolled while the Dispute resolution procedures in this Section are pending. The parties will take such action, if any, required to effectuate such tolling. Each party must continue to perform its obligations under this Agreement pending final resolution of any Dispute pursuant to this Section, unless to do so would be impossible or impracticable under the circumstances.

29.6 If the Franchisee is owned by either (i) an entity owned by more than one person, or (ii) more than one person ((i) and (ii), an "**Owner**" or "**Owners**"), then Franchisor has the right to determine that any disagreement ("**Franchisee Quarrel**") among any Owners ("**Quarreling Owners**") in respect to the Franchised Business has resulted in, or may result in, a negative and adverse effect upon Franchisor or its System, Franchisor may, by notice in writing, order Franchisee and its Owners to promptly initiate/submit to (as the case may be) a binding arbitration proceeding with the Quarreling Owners (the "**Notice to Arbitrate**"). The arbitration proceeding will be conducted pursuant to and in accordance with the then-current Commercial Arbitration Rules of the AAA by one arbitrator selected by mutual agreement of the Quarreling Owners within 15 days after the Notice to Arbitrate is given, or, if the single arbitrator is not so mutually agreed upon, then, within 15 days after such failure to agree, in accordance with the rules of the AAA. Each Owner hereby agrees that the determination of the arbitrator as to the Franchisee Quarrel and the allocation of the costs of the proceeding will be final and binding upon such Owners, who will comply in all material respects with such determination. Each Owner further agrees that the prevailing Owner will have the right to bring an action in any court of competent jurisdiction within the State wherein the Franchisee is authorized to do business to enforce the arbitrator's award, and for that purpose each Owner hereby accepts generally and unconditionally the non-exclusive jurisdiction and venue of such courts and waives any defense related thereto including any defense of an inconvenient forum.

29.7 Notwithstanding any choice of law provision of this Agreement, all issues relating to arbitration or the enforcement of the agreement to arbitrate contained in this Agreement are governed by the U.S. Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the U.S. federal common law of arbitration. This federal act preempts any state rules on arbitration, including those relating to the site of arbitration. Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and will be binding.

29.8 Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be

interpreted under the laws of the State of Nebraska and any Dispute between the parties shall be governed by and determined in accordance with the substantive laws of the State of Nebraska, which laws shall prevail in the event of any conflict of law. Franchisee and Franchisor have negotiated regarding a forum in which to resolve any Disputes that may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers, directors, managers, partners or Guarantors (collectively, “**Franchisee Affiliates**”), and Franchisor, its parent, subsidiaries or affiliates and their respective officers, directors and sales employees (collectively, “**Franchisor Affiliates**”), the parties agree that the exclusive venue for Disputes between them shall be in the state and federal courts of Nebraska or the Omaha office of the AAA and each party waives any objection it may have to the personal jurisdiction of or venue in the state and federal courts of Nebraska or the Omaha, Nebraska office of the AAA. Franchisor, Franchisor Affiliates, Franchisee and Franchisee Affiliates each waive their rights to a trial by jury.

29.9 Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any Dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding.

29.10 The provisions of this Section 29 will not bar, override, delay or in any way restrict the right of Franchisor to terminate this Agreement pursuant to Sections 16.2 or 16.3, or to obtain any legal relief for a breach of this Agreement by Franchisee including by way of temporary or permanent injunction.

30. “FRANCHISEE” DEFINED AND GUARANTY

30.1 As used in this Agreement, the term “**Franchisee**” will include all persons who succeed to the interest of the original Franchisee by transfer or operation of law and will be deemed to include not only the individual or entity defined as Franchisee in the introductory paragraph of this Agreement, but will also include all owners of a legal or beneficial interest in the Franchised Business and/or Franchisee entity. Franchisee, if more than one individual, agrees that all liability pursuant to this Agreement will be joint and several. Franchisee, if it is an entity, represents and warrants to Franchisor that the persons executing the Guaranty and Assumption of Obligations, and the persons executing the Confidentiality and Non-Compete Agreement, constitute all owners of any legal or beneficial interest in Franchisee. By their signatures placed on this Agreement, each individual signatory acknowledges and accepts the duties and obligations imposed upon the Franchisee and each of the signatories by the terms of this Agreement. The singular usage includes the plural and the masculine and neuter usages include the other and the feminine.

30.2 Franchisee, if an individual, agrees that his/her spouse, as now or hereafter may exist, will benefit from and be exposed to valuable knowledge and information regarding the Franchised Business and thus his/her spouse will execute both a Guaranty and Assumption of Obligations and a Confidentiality and Non-Compete Agreement in the form respectively of **Exhibit B** and **Exhibit C** to this Agreement. Franchisee, if an entity, agrees that the owners thereof and the spouse of each owner, as now or hereafter may exist, will benefit from and be exposed to valuable knowledge and information regarding the Franchised Business and thus such spouse(s) will execute both a Guaranty And Assumption of Obligations and a Confidentiality and Non-Compete Agreement in the form respectively of **Exhibit B** and **Exhibit C** to this Agreement.

31. FORCE MAJEURE

Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party will be liable nor responsible for any delays in performance due to strikes, lockouts, casualties, acts of God, war, governmental regulation or control or other interference through legal proceedings, all beyond the reasonable control of the parties and, in any

event, said time period for the performance of an obligation hereunder will be extended for the amount of time of the delay; provided, the party delayed will give the other party written notice and full particulars of the force majeure promptly after the event occurs. This clause will not, however, result in an extension of the term of this Agreement.

32. CAVEAT

The success of the business venture contemplated to be undertaken by Franchisee by virtue of this Agreement is speculative and depends, to a large extent, upon the ability of Franchisee, as an independent businessperson, and its active participation in the daily affairs of the business as well as other factors. Franchisor does not, in this Agreement or otherwise, make any representation or warranty, express or implied, as to the potential success of the business venture.

33. ACKNOWLEDGMENTS

33.1 Franchisee and the Operating Principal represent and acknowledge that they have received, read and understood this Agreement and Franchisor's Franchise Disclosure Document and that Franchisor has accorded Franchisee and the Operating Principal ample time and opportunity to consult with advisors of their own choosing about the potential benefits and risks of entering into this Agreement. Even though this Agreement has been prepared by one of the parties, each of the parties confirms that each of them and their respective counsel have reviewed, negotiated and adopted this Agreement as the joint agreement and understanding of the parties. Thus, this Agreement is to be construed as a whole and any presumption that ambiguities are to be resolved against the primary drafting party will not apply. References to any document or other instruments include all amendments and replacements to such amendments and supplements to such amendments.

33.2 Franchisee and the Operating Principal acknowledge that Franchisee and the Operating Principal received the Franchise Disclosure Document, as required by the Federal Trade Commission Franchise Rule, at least fourteen (14) calendar days before the date on which this Agreement and the attachments to this Agreement were signed or consideration (anything of value) was paid. Franchisee and the Operating Principal acknowledge that, as a prospective franchisee, it had at least a full fourteen (14) days in which to review the disclosures. Franchisee and the Operating Principal further acknowledge that they received an additional copy of this completed Agreement and the attachments to this Agreement for signature, at least seven (7) calendar days before the date on which this Agreement and the attachments to this Agreement were signed and the Franchise Fee paid.

33.3 Franchisee and the Operating Principal have been advised to consult with an attorney, accountant, and other own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby, and the prospects for that business. Franchisee and the Operating Principal have either consulted with such advisors or have deliberately declined to do so. Despite the fact that this Agreement has been prepared by the Franchisor, Franchisee and the Operating Principal confirm that they and their respective counsel have reviewed, negotiated and adopted this Agreement, in its entirety, as the joint agreement and understanding of the parties.

33.4 Franchisee and the Operating Principal acknowledge that the covenants not to compete set forth in this Agreement are fair, reasonable and will not impose any undue hardship on Franchisee or the Operating Principal, since Franchisee and the Operating Principal have other considerable skills, experience and education which afford Franchisee and the Operating Principal the opportunity to derive income from other endeavors.

33.5 Franchisee and the Operating Principal declare under penalty of perjury, according to the laws of the State of Nebraska that all information set forth in any and all applications, financial statements

and submissions to Franchisor are true, complete and accurate in all respects, with Franchisee and the Operating Principal expressly acknowledging that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

33.6 Franchisee and the Operating Principal have conducted an independent investigation of the business contemplated by this Agreement and recognize that, like any other business, an investment in a HomeCare Advocacy Network Franchised Business involves business risks and that the success of the venture is primarily dependent upon the business abilities and efforts of Franchisee and the Operating Principal.

33.7 Franchisee and the Operating Principal have by entering into this Agreement, irrevocably waived trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either Franchisor or Franchisee

33.8 Franchisee understands that the audited financial statements (“**Financial Statements**”) of Franchisor attached to the Franchise Disclosure Document as **Exhibit D** have been prepared by a licensed certified public accountant in accordance with Generally Accepted Accounting Principles (“**GAAP**”) in the United States governing the preparation of Financial Statements as of the effective date of the Franchise Disclosure Document. Franchisee further acknowledges that GAAP accounting rules and standards may change over time, and that Financial Statements prepared under different or new GAAP accounting rules or standards could result in Financial Statements that report results that appear different in the future or change the Financial Statements previously used in a Franchise Disclosure Document. Franchisee represents and warrants to Franchisor that Franchisee reviewed the Financial Statements of Franchisor attached the Franchise Disclosure Document and that to the extent that Franchisee is relying on the Financial Statements as they are currently prepared as the basis for making Franchisee’s decision to purchase the Franchised Business, future changes in those Financial Statements due to changes in GAAP will not affect the Franchisee’s decision.

34. LIMITATION ON DAMAGES

34.1 IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, INDEMNITY, OR OTHERWISE, WILL FRANCHISOR BE LIABLE TO FRANCHISEE FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF REVENUE OR LOSS OF PROFIT.

34.2 The total liability of Franchisor to Franchisee arising out of or in connection with this Agreement, from any and all causes, will not exceed one hundred percent (100%) of the compensation actually received by Franchisor from Franchisee during the most recent 12 months preceding the claim.

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR AUTHORIZED REPRESENTATIVES TO BE EFFECTIVE AS OF THE DATE FRANCHISOR EXECUTES THIS AGREEMENT.

[signature page follows]

FRANCHISOR:

HomeCare Advocacy Network Inc.

Mark Goetz

President

Effective Date:_____

FRANCHISEE:

By:_____*

Printed Name: _____

Title if an entity:_____

Date Signed: _____

* The Operating Principal

EXHIBIT A TO THE FRANCHISE AGREEMENT

FRANCHISE FEE, DESIGNATED AREA AND OWNERS

1. The brand under which Franchisee is authorized to operate is:
☐ HOME CARE ADVOCACY NETWORK
2. The Franchise Fee or Successor Franchise Fee pursuant to Section 1.5 is (check one):
☐ \$_____ for one Franchised Business
☐ \$_____ for an additional Franchised Business
☐ \$_____ for the Successor Franchise Fee
☐ \$_____ for the Conversion Franchised Business
3. The Training and Development Fee pursuant to Section 1.7 is \$6,400.
4. The Designated Area pursuant to Section 1.2 includes the following zip codes as of the date set forth below Franchisor's signature:

[INSERT LIST OF ZIP CODES]
5. If Franchisee is an entity, list the full name and mailing address of each person or other entity who is an Owner of Franchisee, and describe the nature of the interests owned.

[OWNER'S NAME AND ADDRESS]	Nature of Ownership Interest: Number of Shares or Ownership Units Owned: _____ % of Total Shares or Ownership Units Owned: ____%
[OWNER'S NAME AND ADDRESS]	Nature of Ownership Interest: Number of Shares or Ownership Units Owned: _____ % of Total Shares or Ownership Units Owned: ____%
6. The Operating Principal is: _____

[signature page follows]

FRANCHISOR:

HomeCare Advocacy Network Inc.

Mark Goetz

President

Effective Date:_____

FRANCHISEE:

By:_____*

Printed Name: _____

Title if an entity:_____

Date Signed: _____

* The Operating Principal

EXHIBIT B TO THE FRANCHISE AGREEMENT GUARANTY
AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (“**Guaranty**”) is given on the date last below written next to the signature(s) of the undersigned.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement made _____ (“**Agreement**”) by HomeCare Advocacy Network Inc. (“**Franchisor**”), each of the undersigned hereby irrevocably personally and unconditionally guarantees to Franchisor, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement and until such time as all indebtedness and performances created in connection with the Agreement are paid and fulfilled, that _____ (“**Franchisee**”) and each of the undersigned: (1) will punctually pay, perform and abide by each and every monetary and other obligation, undertaking, agreement and covenant set forth in the Agreement; (2) will take or refrain from taking the specific actions described and referenced in Sections 15.3 and 15.4 of the Agreement; and (3) will comply with each provision of the Agreement and be bound thereby in the same manner as the Franchisee is so bound. Each of the undersigned has fully read the Agreement, knows the contents of it, and understands its meaning. Each of the undersigned waives: any and all defenses of Franchisee, including waiver and release; acceptance and notice of acceptance by Franchisor of the foregoing undertakings; notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; protest and notice of default with respect to the indebtedness or non-performance of any obligations hereby guaranteed; any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and any and all other notices and legal or equitable defenses to which the undersigned may be entitled. This Guaranty is continuing, absolute, unconditional, and irrevocable.

Each of the undersigned also consents and agrees that: (1) their direct and immediate liability under this Guaranty will be joint and several; (2) they will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) their liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; (4) their liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty; (5) this Guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee, transferee, or successor franchisee and by any abandonment of the Franchise Agreement by a Trustee of Franchisee; (6) Franchisor may amend, extend or terminate the Agreement or release Franchisee or any other person from its obligations under the Agreement, without notice to the undersigned, and such act or actions will not affect the liability of the undersigned; and (7) the percentage of ownership interest in the Franchisee indicated under their respective signature is for informational purposes only and does not in any way limit the obligations of the undersigned.

If Franchisor presently holds one or more guaranties from any one or more of the undersigned as a guarantor, or hereafter receives one or more additional guaranties from any one or more of the undersigned as a guarantor, Franchisor’s rights under all such guaranties will be cumulative and in the aggregate under the terms of this Guaranty and any such other guaranties. This Guaranty will not (unless specifically provided below to the contrary) affect, lessen the obligation in, narrow the scope of or invalidate any such other guaranties. To the extent of any conflict between this Guaranty and any prior guaranties concerning the subject matter of this Guaranty, the terms of this Guaranty will prevail.

Each of the undersigned irrevocably waives trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either the Franchisor or any one or more of the undersigned.

This Guaranty will be governed by and construed according to the laws of the State of Nebraska, excluding any conflict of laws or provisions that would result in the application of the laws of another jurisdiction, except to the extent governed by federal law. Each of the undersigned irrevocably agrees that the United States District Court of the District of Nebraska and the Courts of Nebraska sitting in Douglas County, Nebraska will have exclusive jurisdiction to hear and determine any action on a controversy on or under this Guaranty, including any action for injunctive relief and for specific performance and other equitable relief, irrevocably submits to the jurisdiction of such Courts and irrevocably waives any objection which any of them might have to such Courts being nominated as the forum to hear and determine any such action on a controversy relating to this Guaranty and agree not to claim that any such Court is not a convenient or appropriate forum. Not only must any such action be brought in such Courts but any such action must also be continually maintained in such Courts. Each of the undersigned agrees that such Courts have power under the law of Nebraska to entertain any such action, that Nebraska is a reasonably convenient place for the trial of any such action, and that this choice of forum agreement was not obtained by misrepresentation, duress, the abuse of economic power, or other unconscionable means.

Except as provided in Section 29.3 of the Franchise Agreement, any Dispute (as defined in the Franchise Agreement) not resolved pursuant to Section 29.1 of the Franchise Agreement must be submitted to binding arbitration in accordance with Section 29.2 of the Franchise Agreement:

The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Guaranty will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrators' fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in connection with the claims on which it prevailed. For the purposes of this Agreement in general and this Section specifically, the "**Prevailing Party**" will be deemed to be that party which has obtained the greatest net judgment in terms of money or money equivalent. If money or money equivalent has not been awarded, then the Prevailing Party will be that party which has prevailed on a majority of the material issues decided. The "**net judgment**" is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has prevailed over the other party using reasonable business and arbitrator's judgment.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature on

_____.

GUARANTOR(S)

Signature:_____

Signature:_____

Printed Name:_____

Printed Name:_____

Signature:_____

Signature:_____

Printed Name:_____

Printed Name:_____

*The Operating Principal

EXHIBIT C TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

THIS AGREEMENT (“**Agreement**”), made and entered into as of _____, by and between HomeCare Advocacy Network Inc., a Delaware limited liability company (“**Franchisor**”), and [Insert Name of Franchisee and Owner(s), as applicable] (collectively the “**Restricted Party**”). Except as specifically defined in this Agreement all words beginning with a capital letter will have the meaning ascribed to them in the Franchise Agreement.

WITNESSETH:

WHEREAS, Franchisor and _____, a _____ (“**Franchisee**”), entered into a Franchise Agreement dated _____ (the “**Franchise Agreement**”) for Franchisee to conduct a Franchised Business in accordance with Franchisor’s System (the “**Franchised Business**”); and

WHEREAS, throughout the term of the Franchise Agreement Restricted Party will be exposed to valuable knowledge and information at the highest level regarding the Franchised Business, the System, and Confidential Information of Franchisor and Franchisee; and

WHEREAS, Restricted Party, as an owner of Franchisee, will benefit from the operation of the Franchised Business; and

WHEREAS, Franchisor would not enter into the Franchise Agreement with Franchisee unless Franchisor’s goodwill and Confidential Information were protected against unfair competition.

NOW THEREFORE, in consideration of the recitals, and of the mutual covenants hereafter set forth, and of other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, it is agreed between Franchisor and Restricted Party, as follows:

1. Confidentiality.

(a) Franchisor owns and possesses (and may continue to develop and acquire) certain confidential information consisting of and relating to the methods, techniques, formats, specifications, procedures, equipment, information, software, systems, sales and marketing techniques and programs, and knowledge of and experience in the development, operation and franchising of Franchises; advertising, marketing and promotional programs for Franchises; knowledge of, specifications for and suppliers of certain products, materials, equipment and supplies used to operate a Franchise; knowledge of the operating results and financial performance of Franchises other than the Franchised Business; the Operations Manual; passwords, codes and user names to access the Operations Manual in electronic format; and, contracts for clients served by Franchisee, the client lists and details of service (collectively, the “**Confidential Information**”). The term Confidential Information also includes all written or electronic information, computer files, documents, records and data that the Franchisor or any of its representatives furnishes or otherwise discloses to Franchisee or any of its representatives, together with all analyses, compilations, studies, memoranda, translations, notes or other documents, records or data (in whatever form maintained, whether documentary, computer or other electronic storage or otherwise) prepared by Franchisee, Restricted Party or any of Franchisee’s representatives which contain or otherwise reflect or are generated from such information and documents. Franchisor will retain all ownership of, property in, and title to its Confidential Information; and Franchisee and Restricted Party will have no claim to it or right in it except as expressly authorized under the provisions of the Franchise Agreement. Franchisor will disclose certain Confidential Information to Franchisee and Restricted Party in the training program, the Operations Manual, and in

guidance furnished to Franchisee and Restricted Party during the term of the Franchise Agreement. Restricted Party acknowledges that the Confidential Information is proprietary and involves trade secrets of Franchisor, and that Restricted Party will not acquire any interest in the Confidential Information, other than the right to utilize the Confidential Information in the operation of the Franchised Business in compliance with the Franchise Agreement during the term of the Franchise Agreement. Restricted Party further acknowledges and agrees that the Confidential Information is disclosed to Franchisee and Restricted Party only on the condition precedent that Franchisee and Restricted Party agree and Restricted Party hereby does agree to: (1) use the Confidential Information only in operating the Franchised Business and not in any other business or capacity; (2) keep all Confidential Information absolutely confidential during and after the term of this Agreement; (3) make no unauthorized copies of any Confidential Information disclosed via electronic medium, in writing or other tangible form; and (4) adopt and implement all reasonable procedures periodically prescribed by Franchisor to prevent unauthorized use or disclosure of Confidential Information including restrictions on disclosures to Franchisee's principals and employees. Restricted Party will divulge Confidential Information only to Franchisee's employees who must have access to it in order to operate the Franchised Business. Restricted Party does, by entering into this Agreement, acknowledge that all Confidential Information is owned by Franchisor alone and during the term of this Agreement and at the end of the Franchise Agreement all Confidential Information will be returned to Franchisor.

(b) Restricted Party acknowledges and agrees that the Franchised Business' clients, client lists, details of service, and contracts are also trade secrets and are derived and result from the operation of the Franchised Business in accordance with the Franchise Agreement and Franchisor's System standards, specifications and operating procedures. Restricted Party acknowledges and agrees that such clients, client lists, details of service to clients, and contracts are deemed Confidential Information (as defined above) owned by Franchisor and are subject to the restrictions set forth above, including, without limitation, restrictions on the use, sale or transfer of such client lists and contracts to a third party.

(c) All ideas, concepts, techniques or other materials relating to the Franchised Business, whether or not protectable intellectual property and whether created by or for Franchisee or its employees, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of its franchise System and works made-for-hire. To the extent that any item does not qualify as a work made-for-hire, Restricted Party hereby assigns ownership of that item, and all related rights to that item, to Franchisor and agrees to sign any assignments or other documents as Franchisor reasonably requests to evidence its ownership of or to otherwise assist Franchisor in obtaining intellectual property rights in the item.

(d) Confidential Information does not include any information, knowledge or know-how which Franchisee or Restricted Party obtained prior to its being provided to Franchisee or Restricted Party directly or indirectly by Franchisor or any of its current, former or future affiliates (including, without limitation, pursuant to any license agreement or similar agreement between Franchisee and any such party). Franchisee and Restricted Party have the burden of proving that the elements of this Section apply to any information, knowledge or know-how.

2. Non-Competition.

(a) Restricted Party, including successors and assigns of Franchisee, will not, for a period of one and one-half (1.5) years after the first to occur of the termination or expiration or transfer of the Franchise Agreement, regardless of the cause of termination, whether as an agent, consultant, independent contractor, owner, stockholder, partner, director, officer, manager or otherwise, engage or become interested in, own, organize, finance, lease, operate, or invest in any business which engages in the services and business of the Franchise or the Franchised Business anywhere within a radius of ten (10) miles from the outer boundaries of Franchisee's Designated Area.

(b) Restricted Party will not, for a period of one and one-half (1.5) years after the first to occur of the termination or expiration or transfer of the Franchise Agreement, regardless of the cause of termination, become an employee of any business which engages in the services and business of the Franchise or the Franchised Business anywhere within a radius of ten (10) miles from the outer boundaries of Franchisee's Designated Area.

(c) For a period of one and one-half (1.5) years after the first to occur of the termination or expiration of the Franchise Agreement, Restricted Party will not, directly or indirectly, solicit, call on or attempt to solicit or call on any of the then current or past customers, accounts or clients served by the Franchised Business, or other franchisee's Franchised Business, for the purpose of inducing such customers, accounts or clients to become a customer, client or account of any party in competition with the business of the Franchisor, Franchise or the Franchised Business.

(d) For a period of one and one-half (1.5) years after the first to occur of the termination or expiration of the Franchise Agreement, Restricted Party will not, directly or indirectly, solicit, call on or attempt to solicit or call on any of the then current or past referral sources and contacts utilized by the Franchised Business during the Restricted Party's affiliation with the Franchised Business, for the purpose of obtaining referral of customers or business from such referral sources and contacts in competition with the business of the Franchisor, Franchise or the Franchised Business.

(e) For a period of one and one-half (1.5) years after the first to occur of the termination or expiration of the Franchise Agreement, Restricted Party will not, directly or indirectly provide services or products, materials or equipment that are the same as, or similar to a component to the operation of the Franchised Business or System to any party, including but not limited to other franchisees and competitors.

3. Enforcement of Franchisee and Restrictions.

Restricted Party has, with the assistance of legal counsel, carefully read and considered the provisions of this Agreement and, having done so, agrees that the applicable restrictions set forth in this Agreement in Section 1 (including, but not limited to, the period of restriction and the geographic area of the restriction set forth) are fair and reasonable and are necessarily required for the protection of the interests of Franchisor. Restricted Party further acknowledges that due to the nature of the business, a more limited geographical restriction would not be reasonable or appropriate. Restricted Party covenants and agrees with the Franchisor that if Restricted Party will violate any of the covenants or agreements contained in this Agreement, then Franchisor will be entitled to injunctive relief; such remedy to be in addition to and not in limitation of any other rights or remedies to which Franchisor is or may be entitled to at law or in equity. In the event that despite the foregoing, any part of the covenants set forth in this Agreement will be held to be invalid or unenforceable, the remaining parts thereof will nevertheless continue to be valid and enforceable as though the invalid and unenforceable part had not been included herein. In the event that any provisions of this Agreement relating to the time period and/or area of restriction will be declared by a court of competent jurisdiction to exceed the maximum time periods or areas which such court deems reasonable and enforceable, such time period and/or area of restriction will be deemed to become and thereafter be the maximum time period and/or area which such court deems reasonable and enforceable.

[remainder of page blank]

4. Notices.

All notices required or permitted hereunder will be in writing and will be delivered personally or sent by United States registered or certified mail postage prepaid or sent by priority overnight mail, addressed to Restricted Party at:

Attention: _____

or addressed to Franchisor at:

HomeCare Advocacy Network Inc.
440 Regency Pkwy Dr, #222
Omaha, NE 68114
Attention: President

or at such changed addresses as the parties may designate in writing. Franchisee must notify Franchisor of address change. Any such notice will be deemed given and effective when mailed.

5. Miscellaneous.

(a) Headings. Headings, titles and captions contained in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

(b) Entire Agreement. This writing, together with the Franchise Agreement, constitutes the entire agreement between the parties hereto and supersedes any prior understanding or agreements among them respecting the subject matter. There are no extraneous representations, arrangements, understandings, or agreements, oral or written, among the parties hereto, except those fully expressed herein.

(c) Amendments. No amendments, changes, alterations, modifications, additions or qualifications to the terms of this Agreement will be made or binding unless made in writing and signed by all the parties hereto.

(d) Waiver. The failure of either party to enforce at any time any of the provisions of this Agreement will not be construed as a waiver of such provisions or of the right of such party thereafter to enforce any such provisions.

(e) Invalidity. The invalidity or unenforceability of any particular provision of this Agreement will not affect the other provisions hereof, and this Agreement will be construed in all respects as if such invalid or unenforceable provisions were omitted.

(f) Governing Law. This Agreement will be construed and governed in accordance with the laws of the State of **[Insert State of Franchise]**.

(i) EXCEPT TO THE EXTENT GOVERNED BY FEDERAL LAW INCLUDING, WITHOUT LIMITATION, THE UNITED STATES TRADEMARK ACT OF 1946, AS AMENDED (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.). Franchisor and Restricted Party irrevocably agree that the United States District Court of the District of Nebraska and the Courts of Nebraska sitting in Douglas County, Nebraska will have exclusive jurisdiction to hear and

determine any action on a controversy on or under this Agreement, including any action for injunctive relief and for specific performance and other equitable relief, irrevocably submit to the jurisdiction of such Courts and irrevocably waive any objection which either of them might have to such Courts being nominated as the forum to hear and determine any such action on a controversy relating to this Agreement and agree not to claim that any such Court is not a convenient or appropriate forum. Not only must any such action be brought in such Courts but any such action must also be continually maintained in such Courts. The parties agree that such Courts have power under the law of Nebraska to entertain any such action, that Nebraska is a reasonably convenient place for the trial of any such action, and that this choice of forum agreement was not obtained by misrepresentation, duress, the abuse of economic power or other unconscionable means.

(ii) RESTRICTED PARTY ACKNOWLEDGES THAT THIS AGREEMENT IS ENTERED INTO IN DOUGLAS COUNTY, NEBRASKA.

(iii) NO RIGHT OR REMEDY CONFERRED UPON OR RESERVED TO FRANCHISOR OR RESTRICTED PARTY BY THIS AGREEMENT IS INTENDED TO BE, NOR WILL BE DEEMED, EXCLUSIVE OF ANY OTHER RIGHT OR REMEDY HEREIN OR BY LAW OR EQUITY PROVIDED OR PERMITTED, BUT EACH WILL BE CUMULATIVE OF EVERY OTHER RIGHT OR REMEDY.

(iv) NOTHING HEREIN CONTAINED WILL BAR FRANCHISOR'S RIGHT TO OBTAIN INJUNCTIVE RELIEF AGAINST THREATENED CONDUCT UNDER GENERAL PRINCIPLES OF EQUITY, INCLUDING THE APPLICABLE PRINCIPLES FOR OBTAINING RESTRAINING ORDERS, PERMANENT AND PRELIMINARY INJUNCTIONS.

(g) Binding Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

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

(i) Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing, and is signed by Franchisee and Related Persons and by an executive officer of the Franchisor. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by any party that is not set forth expressly in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

FRANCHISOR:

HomeCare Advocacy Network Inc.

Mark Goetz

President

Effective Date: _____

RESTRICTED PARTY:

By: _____ *

Printed Name: _____

Title if an entity: _____

Date Signed: _____

* The Operating Principal

EXHIBIT D TO THE FRANCHISE AGREEMENT

RENEWAL ADDENDUM

This Addendum, to the Franchise Agreement, is made by and between HomeCare Advocacy Network Inc., a limited liability company formed under the laws of the State of Delaware and having its principal place of business at 440 Regency Pkwy Dr, #222, Omaha, NE 68114 (“**Franchisor**”), and _____, whose principal address is _____, an individual/partnership/corporation/limited liability company resident/established in the State of _____ (“**Franchisee**”).

RECITALS

A. On or about _____, Franchisee entered into a Franchise Agreement (the “**Original Franchise Agreement**”) with Franchisor pursuant to which Franchisee has operated a HomeCare Advocacy Network Business in the Designated Area described in the Original Franchise Agreement.

B. Franchisee has notified Franchisor of its desire to obtain an additional term granted pursuant to the Original Franchise Agreement to continue to use the System and Marks in the operation of a Franchised Business.

C. Pursuant to the rights granted in the Original Franchise Agreement, Franchisee is willing to enter into a new franchise agreement with Franchisor on the terms and conditions of Franchisor’s current form of franchise agreement, as modified by this Addendum (the “**Successor Franchise Agreement**”).

D. Franchisee has had a full and adequate opportunity to be advised thoroughly of the terms and conditions of the Successor Franchise Agreement, including this Addendum, by legal counsel or other advisors, and has had sufficient opportunity to evaluate and investigate the System, the financial investment requirements and the business risks associated with owning and operating a HomeCare Advocacy Network Business.

In consideration of the foregoing and the covenants and consideration below, Franchisee and Franchisor agree to amend the Renewal Franchise Agreement as follows:

1. Successor Franchise Fee. Section 1.5 of the Successor Franchise Agreement is deleted and replaced with the following:

1.5 In consideration of the Franchise granted in this Agreement, Franchisee will pay to Franchisor, upon execution of this Agreement, a successor franchise fee (“**Successor Franchise Fee**”) in the amount set forth on Exhibit A. When paid, the Successor Franchise Fee is fully earned and non-refundable as consideration for expenses incurred by Franchisor, including marketing, researching, awarding, furnishing assistance and services to Franchisee and for Franchisor’s lost or deferred opportunity to franchise others. Whenever the term “Franchise Fee” is used in the Successor Franchise Agreement, it will be “Successor Franchise Fee”.

2. Term. Section 2.1 of the Successor Franchise Agreement is deleted and replaced with the following:

2.1 This Agreement will be effective and binding from the date of its acceptance by Franchisor (as indicated on the signature page) and expires on the fifth (5th) anniversary

of the date of acceptance by Franchisor (unless sooner terminated in accordance with the terms of this Agreement), with three (3) separate options intended to renew this Agreement for the period of five (5) years each, as provided in Section 2.2.

3. Successor Terms. The first sentence of **Section 2.2** of the Successor Franchise Agreement is deleted and replaced with the following:

Subject to the notice provisions in Section 2.3, at the expiration of the term set forth in Section 2.1 (as amended), if this Agreement will then be in full force and effect, and the Franchisee will have duly performed all of its terms and conditions, Franchisee will have three (3) separate options to renew this Agreement, subject to the terms and conditions of the then current form of Franchise Agreement, for the period of five (5) years each.

4. Successor Terms. **Section 2.2.2** of the Successor Franchise Agreement is deleted and replaced with the following: **[DELETE IF NOT MULTI-UNIT OPERATOR]**

Franchisee maintains legal and physical possession of the Premises and the Franchised Business is in full compliance with the specifications and standards then applicable for a new or renewing Franchise. Franchisee will also present evidence reasonably satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises for the duration of any successor term or, in the event Franchisee is unable to legally retain possession of the Premises, or, in the judgment of Franchisor, the Franchised Business should be relocated, Franchisee secures substitute premises approved by Franchisor.

5. Business Location. **Section 3.1** of the Successor Franchise Agreement is deleted and replaced with the following: **[DELETE IF NOT MULTI-UNIT OPERATOR]**

Franchisee must operate the Franchised Business only from Premises within the Designated Area of the Agreement or an Additional Franchise Agreement. Franchisee's open office location for the Franchised Business will be at an open office location separate from any personal residence and the open office will exist and be used solely and exclusively for the operation of the Franchised Business under this Agreement and the Additional Franchise Agreements ("**Premises**"). As used in this Agreement, open office has the meaning set forth in Section 12.2.

6. Business Location. **Section 3.2** of the Successor Franchise Agreement is deleted and replaced with the following:

3.2. Franchisee will be solely responsible for purchasing or leasing a suitable site and office for any replacement Premises and for maintaining in the condition and appearance of the Premises consistent with Franchisor's standards. While Franchisor utilized its general experience in providing guidelines and criteria for selection of a Premises location, nothing contained herein will be interpreted as a guarantee of success for said location. Any replacement for the Premises is subject to Franchisor's approval, which Franchisor has the right to grant or deny. Franchisee acknowledges that Franchisor's approval of the Premises or any replacement Premises indicates only that Franchisor believes that the office falls within the acceptable criteria established by Franchisor as of the approval date.

7. Training. **Sections 4.1 and 4.2** of the Successor Franchise Agreement are deleted and replaced with the following:

4.1 If Franchisor determines it is necessary, Franchisee and two (2) additional persons, who must be Franchisee's office manager and the Operating Principal, may be required to successfully re-complete the Initial Training Program. The Initial Training Program will begin on the date designated by Franchisor within approximately ninety (90) days after the Effective Date. The Initial Training Program will include classroom training at Franchisor's headquarters or another location designated by Franchisor. The Initial Training Program will be approximately ten (10) days in duration and will cover administrative, operational, sales and marketing matters. All expenses incurred by Franchisee and its Operating Principal and other representatives in attending such training, including, without limitation, travel costs, room and board expenses, and employees' salaries, will be the sole responsibility of Franchisee.

4.2 If Franchisor determines it is necessary, Franchisee must participate in the Initial Field Training, which will begin on a date designated by Franchisor within six (6) months after the Effective Date. Franchisor will furnish to Franchisee, at the Premises, one (1) of Franchisor's representatives for approximately two (2) days or such longer period of time as Franchisor determines is necessary for the purpose of facilitating the Franchised Business. During this period, such representative will assist Franchisee and Operating Principal in establishing and standardizing current procedures and techniques essential to the operation of the Franchised Business and will assist in training personnel. The first two days of Initial Field Training will be at Franchisor's expense. Should Franchisee request additional assistance from Franchisor to facilitate the Franchised Business, or should Franchisor determine that Franchisee or the Operating Principal needs additional training, Franchisee will reimburse Franchisor for the expense Franchisor incurs in providing such additional assistance at its then-current rate as published in the Operations Manual (defined in Section 6), plus expenses.

8. Release of Claims. Franchisee, its heirs, successors and assigns, affiliates, directors, officers and shareholders, and any other party claiming an interest through them (collectively and individually referred to as the "**Franchisee Parties**"), hereby releases and forever discharges Franchisor, for itself, its predecessors, successors, assigns, affiliates, directors, officers, shareholders, and employees (collectively and individually referred to as the "**Franchisor Parties**") from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which Franchisee may now or in the future own or hold, that in any way relate to the Original Franchise Agreement (collectively, "**Claims**"), including but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Original Franchise Agreement or any other related agreement between Franchisee Parties and Franchisor Parties.

9. Warranties and Representations of Franchisee. Franchisee warrants and represents as follows:

(a) Franchisee has, during the entire initial term of the Original Franchise Agreement, duly performed all provisions of the Original Franchise Agreement;

(b) Franchisee maintains legal and physical possession of the Premises and has presented evidence reasonably satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises for the duration of the Successor Term; or, in the event Franchisee is unable to legally retain possession of the Premises, or, in the judgment of Franchisor, the Franchised Business should be relocated, Franchisee has secured substitute premises approved by Franchisor;

(c) The Franchised Business is in full compliance with the specifications and standards then applicable for a new or renewing Franchise;

(d) Franchisee has given notice of renewal to Franchisor least eight (8) months, but not more than twelve (12) months, prior to the expiration of the term of the Original Franchise Agreement;

(e) Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor and its Related Entities, including the renewal fee, and has timely met these obligations throughout the term of this Agreement;

(f) Franchisee has paid to Franchisor the Successor Franchise Fee in the amount of \$ _____;

(g) Franchisee has executed the Successor Franchise Agreement, with this Addendum attached and incorporated therein by this reference;

(h) Franchisee has complied with Franchisor's then-current qualifications and training requirements; and

(i) Franchisee and its owners have executed a general release, in a form attached to this Addendum as **Attachment A**, of any and all existing claims against Franchisor and its respective officers, directors, agents and employees, except such claims as are not permitted to be waived under applicable law.

10. Capitalized Terms. Capitalized terms not otherwise defined in this Successor Addendum shall have the same meaning as in the Successor Franchise Agreement.

11. Addendum Binding. This Successor Addendum will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

12. No Further Changes. Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Successor Franchise Agreement will remain in full force and effect as originally written and signed.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Renewal Franchise Agreement as of the Effective Date.

FRANCHISOR:

HomeCare Advocacy Network Inc.

Mark Goetz

President

Effective Date:_____

FRANCHISEE:

By:_____*

Printed Name: _____

Title if an entity:_____

Date Signed: _____

* The Operating Principal

If Franchisee is an Entity:

GUARANTOR(S)

Signature:_____

Printed Name:_____*

Signature:_____

Printed Name:_____

Signature:_____

Printed Name:_____

EXHIBIT E TO THE FRANCHISE AGREEMENT FORM
OF BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (this “**Agreement**”) is entered into by and between [Insert Name of Franchisee and Owner(s), as applicable] (“**Covered Entity**”) and HomeCare Advocacy Network Inc. (“**HomeCare Advocacy Network**” or “**Business Associate**”) in order to comply with privacy and security provisions of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as amended from time to time (statute and regulations collectively referred to as “**HIPAA**”).

RECITALS

HomeCare Advocacy Network provides services (“**Services**”) to Covered Entity that involve the creation, use, or disclosure of protected health information (“**PHI**”) under one or more agreements (each an “**Underlying Agreement**”) and that are defined under HIPAA as business associate services.

Covered Entity and HomeCare Advocacy Network are required by HIPAA to enter into a Business Associate Agreement with respect to the Services.

STATEMENT OF AGREEMENT

1. Definitions. Terms used, but not otherwise defined, in this Agreement will have the same meaning as those terms in HIPAA; provided that PHI refers only to protected health information of the Covered Entity unless otherwise stated.

2. Compliance and Agents. HomeCare Advocacy Network agrees that when using or disclosing PHI, HomeCare Advocacy Network will comply with the requirements of this Agreement with respect to such PHI. HomeCare Advocacy Network will ensure that every agent, including a subcontractor, to whom HomeCare Advocacy Network provides PHI received from, or created or received by Covered Entity will enter into a written business associate agreement with HomeCare Advocacy Network that includes the same restrictions and conditions as set forth in this Agreement. If HomeCare Advocacy Network is required to carry out an obligation of Covered Entity under HIPAA, HomeCare Advocacy Network will comply with applicable requirements of HIPAA that apply to Covered Entity in the performance of that obligation.

3. Use and Disclosure; Rights. HomeCare Advocacy Network agrees that it shall not use or disclose PHI except as permitted under this Agreement or as required by law. HomeCare Advocacy Network’s use and disclosure of PHI shall comply with the provisions of HIPAA applicable to business associates. HomeCare Advocacy Network may use or disclose the PHI received or created by it (a) to perform its obligations under this Agreement, (b) to provide Services for, or on behalf of, Covered Entity as specified in the Underlying Agreement, and (c) to provide data aggregation functions to or for the benefit of Covered Entity. HomeCare Advocacy Network may use the PHI received by it, if necessary, to manage and administer its business or to carry out its legal responsibilities. HomeCare Advocacy Network may disclose the PHI received by it to manage and administer its business or to carry out its legal responsibilities if: (a) the disclosure is required by law, or (b) HomeCare Advocacy Network obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it is disclosed to the person, and the person agrees to notify HomeCare Advocacy Network of any instances of which the person is aware that the confidentiality of the PHI has been breached. Covered Entity shall not ask HomeCare Advocacy Network to use or disclose PHI in any manner that would not be permissible under HIPAA if done by Covered Entity.

4. Safeguards. HomeCare Advocacy Network agrees to implement appropriate physical, administrative, and technical safeguards as required by 45 CFR §§164.308-164.316, to prevent any use or disclosure of electronic PHI other than as permitted or required by this Agreement.

5. Minimum Necessary. To the extent required by HIPAA, HomeCare Advocacy Network will limit any use, disclosure, or request for use or disclosure of PHI to the minimum necessary to accomplish the intended purpose of the use, disclosure, or request.

6. Report of Improper Use or Disclosure. HomeCare Advocacy Network will report to Covered Entity any information of which it becomes aware concerning any use or disclosure of PHI that is not permitted by this Agreement and any security incident of which it becomes aware.

7. Individual Access. In accordance with an individual's right to access to his or her own PHI in a designated record set under 45 CFR §164.524 and the individual's right to copy or amend such records under 45 CFR §164.524 and §164.526, HomeCare Advocacy Network will make available all PHI in a designated record set to Covered Entity to enable the Covered Entity to provide access to the individual to whom that information pertains or such individual's representative.

8. Amendment of PHI. HomeCare Advocacy Network will make available for amendment PHI in a designated record set and will incorporate any amendments to PHI in a designated record set in accordance with 45 CFR §164.526 and in accordance with any process mutually agreed to by the parties.

9. Accounting. HomeCare Advocacy Network agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to an individual's request for an accounting of disclosures of their PHI in accordance with 45 CFR §164.528. HomeCare Advocacy Network agrees to make available to Covered Entity the information needed to enable Covered Entity to provide the individual with an accounting of disclosures as set forth in 45 CFR §164.528.

10. DHHS Access to Books, Records, and Other Information. HomeCare Advocacy Network will make available to the U.S. Department of Health and Human Services ("DHHS") its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by HomeCare Advocacy Network on behalf of, Covered Entity for purposes of determining the Covered Entity's compliance with HIPAA.

11. Individual Authorizations; Restrictions. Covered Entity will notify HomeCare Advocacy Network of any limitation in Covered Entity's notice of privacy practices, any restriction on the use or disclosure of PHI that Covered Entity has agreed to with an individual, and any changes to or revocation of an authorization or other permission by an individual, to the extent that such limitation, restriction, change, or revocation may affect HomeCare Advocacy Network's use or disclosure of PHI.

12. Security Breach Notification. HomeCare Advocacy Network will, following the discovery of a breach of unsecured protected health information, as defined in 45 CFR §164.402, notify Covered Entity of such breach within 15 business days. The notice will include the identification of each individual whose unsecured protected health information has been or is reasonably believed by HomeCare Advocacy Network to have been, accessed, acquired, or disclosed during such breach and other information required by HIPAA.

13. Term. This Agreement takes effect on the effective date of the Underlying Agreement and continues in effect unless and until either party terminates the Underlying Agreement.

14. Breach; Termination; Mitigation. If Covered Entity knows of a pattern of activity or practice of HomeCare Advocacy Network that constitutes a material breach or violation of HomeCare Advocacy Network's obligations under this Agreement, HomeCare Advocacy Network and Covered Entity will take any steps reasonably necessary to cure such breach and make HomeCare Advocacy Network comply, and, if such steps are unsuccessful, Covered Entity may terminate this Agreement. HomeCare Advocacy Network will take reasonable actions available to it to mitigate any detrimental effects of such violation or failure to comply.

15. Return of PHI. HomeCare Advocacy Network agrees that upon termination of this Agreement, and if feasible, HomeCare Advocacy Network will (a) return or destroy all PHI received from Covered Entity, or created or received by HomeCare Advocacy Network on behalf of Covered Entity, that HomeCare Advocacy Network or any subcontractor maintains in any form or manner and retain no copies of such information or, (b) if such return or destruction is not feasible, immediately notify Covered Entity of the reasons return or destruction are not feasible, and extend indefinitely the protection of this Agreement to such PHI and limit further uses and disclosures to those purposes that make the return or destruction of the PHI not feasible.

16. Conflicts. The terms and conditions of this Agreement will override and control any conflicting term or condition of the Underlying Agreement. All non-conflicting terms and conditions of the Underlying Agreement will remain in full force and effect. Any ambiguity in this Agreement with respect to the Underlying Agreement will be resolved in a manner that will permit Covered Entity to comply with HIPAA.

IN WITNESS WHEREOF, Covered Entity and HomeCare Advocacy Network execute this Agreement as of the Effective Date stated below.

FRANCHISOR:

COVERED ENTITY:

HomeCare Advocacy Network Inc.

Mark Goetz

President

Effective Date:_____

By:_____

Printed Name: _____

Title if an entity:_____

Date Signed:_____

EXHIBIT F TO THE FRANCHISE AGREEMENT

MULTIPLE UNIT AMENDMENT

THIS MULTIPLE UNIT AMENDMENT to the Franchise Agreement (“**Agreement**”) between **HomeCare Advocacy Network Inc.**, (“**Franchisor**”) and _____, (“**Franchisee**”), is executed on the same date as the Agreement and is effective as of the Effective Date of the Agreement. Franchisor and Franchisee may sometimes be referred to in the singular as a “Party” or jointly as the “Parties.”

BACKGROUND

A. Franchisor and Franchisee entered into the Agreement contemporaneously with the execution of this Amendment on _____, 20____, pursuant to which Franchisee acquired the exclusive right to open and operate a Franchised Business within the Designated Area defined in the Agreement.

B. Simultaneously with the execution of this Agreement, Franchisee also entered into one or more other Franchise Agreements (each an “**Additional Franchise Agreement**”), pursuant to which Franchisee acquired the exclusive right to open and operate a Franchised Business within the Designated Area defined in each Additional Franchise Agreement, which Designated Area is contiguous to the Designated Area in this Agreement.

C. Franchisee desires to acquire and operate the Franchised Business pursuant to this Agreement and any the Additional Franchise Agreement(s) from the same Premises; and, therefore, Franchisee desires to be relieved of the obligation to open additional Premises for the operation of the Franchised Businesses represented by each Additional Franchise Agreement.

D. Franchisor is willing to grant such right, subject to the terms of this Amendment.

AGREEMENT

So long as Franchisee otherwise satisfies all of its obligations in the Agreement, the Additional Franchise Agreements and any other agreement entered into with Franchisor or its affiliates, including specifically the minimum requirements set forth in Section 12.12 of the Agreement and each Additional Franchise Agreement; then, the Agreement is amended as follows:

1. **Term and Renewal.** Section 2.2.2 is deleted and replaced with the following:

Franchisee maintains legal and physical possession of the Premises and the Franchised Business is in full compliance with the specifications and standards then applicable for a new or renewing Franchise. Franchisee will also present evidence reasonably satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises for the duration of any successor term; or, in the event Franchisee is unable to legally retain possession of the Premises, or, in the judgment of Franchisor, the Franchised Business should be relocated, Franchisee secures substitute premises approved by Franchisor.

2. **Business Location.** Section 3.1 is deleted and replaced with the following:

Franchisee must operate the Franchised Business only from Premises within the Designated Area of the Agreement or an Additional Franchise Agreement. Franchisee’s open office location for the Franchised Business will be at an open office location separate

from any personal residence and the open office will exist and be used solely and exclusively for the operation of the Franchised Business under this Agreement and the Additional Franchise Agreements (“**Premises**”). As used in this Agreement, open office has the meaning set forth in Section 12.2.

3. Standards of Quality and Performance. The first sentence of Section 12.2 is deleted and replaced with the following:

Franchisee, the Operating Principal and Franchisee’s office manager, must successfully complete the Initial Training Program prior to opening the office at the Premises and Franchisee must commence operations of the Franchised Business not later than the earlier of six (6) months after execution of this Agreement or thirty (30) days after completion of the Initial Training Program, unless otherwise agreed upon in writing by Franchisor.

4. Capitalized Terms. All capitalized terms not defined in this Amendment will have the same meaning as in the Agreement.

5. Amendment Binding. This Amendment will be binding upon and inure to the benefit of each party and to each party’s respective successors and assigns.

6. No Further Changes. Except as specifically provided in this Amendment, all of the terms, conditions and provisions of the Agreement will remain in full force and effect as originally written and signed.

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Amendment in 2 or more counterparts as of the Effective Date.

FRANCHISOR:

HomeCare Advocacy Network Inc.

Mark Goetz

President

Effective Date:_____

FRANCHISEE:

By:_____*

Printed Name: _____

Title if an entity:_____

Date Signed: _____

* The Operating Principal

EXHIBIT G TO THE FRANCHISE AGREEMENT HOME

HEALTH SERVICES AMENDMENT

THIS HOME HEALTH AMENDMENT to the Franchise Agreement (“**Agreement**”) is entered into on _____ (“**Amendment Effective Date**”) by and between **HomeCare Advocacy Network Inc.**, (“**Franchisor**”) and _____, (“**Franchisee**”). Franchisor and Franchisee may sometimes be referred to in the singular as a “Party” or jointly as the “Parties.”

BACKGROUND

A. Franchisor and Franchisee entered into the Agreement on _____, pursuant to which Franchisee acquired the exclusive right to open and operate a Franchised Business within the Designated Area defined in the Agreement.

B. Franchisee desires to offer to its clients Ancillary Services relating to home health services, as defined below (“**Home Health**”) in addition to Primary Services in connection with the operation of the Franchised Business.

C. Franchisee acknowledges that performing Home Health requires special skills, training and accreditation by the Joint Commission or other agency, recognized in the state where the Franchise Business is located, that provides accreditation for health care facilities and services (“**Accrediting Agency**”).

D. Franchisor is willing to grant such right, subject to the terms of this Amendment.

AGREEMENT

So long as Franchisee otherwise satisfies all of its obligations in the Agreement and any Additional Franchise Agreement or other agreement entered into with Franchisor or its affiliates, including specifically the average Gross Revenue requirements set forth in Section 12.12 of each Additional Franchise Agreement; then, the Agreement is amended as follows:

1. **Home Health Defined.** For purposes of this Amendment and the Agreement, “**Home Health**” means a comprehensive clinical-based model of care for clients, ordered by a physician and provided by licensed professional care staff. Examples of Home Health in the home include, but are not limited to, case management, monitoring of vital signs, medication management, wound care, enteral nutrition, continence care, lab draws, geriatric assessments, hospice support, infusion therapy, chemotherapy and ventilator support.

2. **Franchisor Approval.** Upon satisfaction of the requirements in Section 4, Franchisor hereby grants Franchisee the right to offer Home Health in connection with the operation of the Franchised Business, subject to the terms and conditions herein. Franchisee acknowledges and understands that Franchisor reserves the right to revoke such approval for any reason at any time during the term of this Agreement by providing Franchisee with thirty (30) days’ written notice.

3. **Franchisee Representations.** Franchisee represents that, as of the Amendment Effective Date, Franchisee or its Owners:

- (a) Has completed the Initial Field Training;
- (b) Does not have any uncured defaults under this Agreement; and

(c) Is in full compliance with all federal, state, and local laws and regulations and has obtained all applicable licenses and permits, including all requirements under the applicable Nurse Practice Act.

4. Requirements to Begin Providing Home Health. To have the right to begin to offer Home Health subject to this Amendment and the Agreement, Franchisee must provide Franchisor with written proof of all of the following:

(a) Franchisee or an Owner of Franchisee and another qualified person designated by Franchisee has successfully completed Franchisor's training program relating to Home Health;

(b) Franchisee is in full compliance with the Agreement;

(c) Franchisee has obtained all applicable licenses and permits and is in full compliance with all federal, state, and local laws and regulations, including as required by the applicable Nurse Practice Act;

(d) Franchisee has obtained and continues to maintain in full force and effect all insurance policies required by the Agreement and the HomeCare Advocacy Network Private Duty Policy and Procedure Manual to provide Home Health; and

(e) Within six (6) months after the Amendment Effective Date, the Franchised Business must have completed all requirements of the Accrediting Agency for accreditation of its home health services and Franchisee must continue to maintain such accreditation during the term of this Agreement.

If Franchisee, at any time, fails to continue to satisfy the requirements of this Section, Franchisor will have the right to terminate the approval granted to Franchisee to provide Home Health, as provided in Section 1 of this Amendment.

5. Requirements Applicable to Resales. If the Franchised Business operated pursuant to the Agreement was acquired from an existing franchisee who was already approved to provide Home Health (formerly referred to as "**Skilled Nursing Care**"); then, the requirements in Sections 3 and 4 are revised as follows to have the right to continue to provide Home Health if, within six (6) months after acquiring the Franchised Business:

(a) Franchisee or an Owner of Franchisee and another completes the Home Health Training Program; and

(b) The Franchised Business must have completed all requirements of the Accrediting Agency for accreditation of its home health services as of the date that Franchisee acquired the Franchised Business and Franchisee must continue to maintain such accreditation during the term of this Agreement.

If Franchisee fails to comply with the foregoing requirements, upon delivery of written notice to Franchisee, Franchisor has the right to revoke its approval of the right to provide Home Health.

6. Ancillary Services; Continuation of Franchised Business. Franchisee acknowledges and agrees that the provision of Home Health constitutes Ancillary Services, and that the provision of Primary Services will remain the primary focus of the Franchised Business during the term of this Agreement. As such, in the event the Franchised Business's ability to offer Home Health is in any way suspended, revoked, or terminated by any federal, state, or local governmental agency or Franchisor, the

Franchised Business will continue to provide Primary Services throughout the remainder of the term of this Agreement; further, pursuant to Section 3.5.2 of this Agreement, Operating Principal will continue to exert its best efforts to the supervision and conduct of the Franchised Business.

7. **Gross Revenue.** Franchisee acknowledges and agrees that any revenues generated by the Franchised Business involving the provision of Home Health are included in the term “**Gross Revenue**,” as defined in Section 10.1 of this Agreement and used throughout this Agreement; and, will be reported to Franchisor separately from Net Revenues from other services, in the manner and at the time specified in the Operations Manual, or as Franchisor will otherwise require in writing from time to time.

8. **Compliance with System.** Franchisee agrees to purchase a copy of the HomeCare Advocacy Network Private Duty Policy and Procedure Manual from a supplier approved by Franchisor and to satisfy any other requirements established from time to time by Franchisor that Franchisor believes are necessary for a Franchised Business to continue offering Home Health, including but not limited to attending additional training related to Home Health as directed by Franchisor and acquiring Cyber Liability insurance described in Section 14.2.10.

9. **Capitalized Terms.** All capitalized terms not defined in this Amendment have the same meaning as in the Agreement.

10. **Not Transferrable by Franchisee.** The terms of this Amendment are personal to Franchisee and are not transferrable by Franchisee.

11. **No Further Changes.** Except as specifically provided in this Amendment, all of the terms, conditions and provisions of the Agreement will remain in full force and effect as originally written and signed.

FRANCHISOR:

HomeCare Advocacy Network Inc.

Mark Goetz

President

Effective Date:_____

FRANCHISEE:

By:_____*

Printed Name: _____

Title if an entity:_____

Date Signed: _____

* The Operating Principal

EXHIBIT H TO THE FRANCHISE AGREEMENT

SECONDARY BRANDING POSITION AMENDMENT

This Addendum, to the Franchise Agreement, is made by and between HomeCare Advocacy Network Inc., a limited liability company formed under the laws of the State of Delaware and having its principal place of business at 440 Regency Pkwy Dr, #222, Omaha, NE 68114 (“**Franchisor**”), and _____, whose principal address is _____, an individual/partnership/corporation/limited liability company resident/established in the State of _____ (“**Franchisee**”).

RECITALS

A. Prior to the Effective Date of the Franchise Agreement, Franchisee operated an independent in home care and assistance business that may have included hands-on personal care, non-medical care, in-home care assistance, home health and companionship care services to seniors and other adults (“**Existing Business**”). Please attach to this Addendum a detailed description of your Existing Business, including, but not limited to the location, services you provide in primary position, HCAN services you wish to add to your Existing Business, and any other information that the Franchisor requests in order to determine if you can be a Secondary Branding Position Franchisee.

B. Franchisee desires to continue to operate the Existing Business and, in addition, operate some or all of HCAN Services with HCAN branding and trademarks in a secondary position to the Existing Business.

C. In consideration of the foregoing and the covenants and consideration below, Franchisee and Franchisor agree to amend the Franchise Agreement as follows:

1. **Appointment and Franchise Fee.** Section 1.2, is amended to add the following:

Notwithstanding the foregoing, your Designated Area may have more or less population than set out in this Section 1.2 depending on factors that include, but are not limited to, the location of Franchisee’s Existing Business, Franchisor’s Designated Area criteria, and Franchisee’s trade area for its Existing Business.

2. **Appointment and Franchise Fee.** Section 1.4 is amended to add the following:

Notwithstanding anything to the contrary, Franchisee acknowledges that it is prohibited from providing HCAN Services to clients located in any other franchisee’s Designated Area, including those clients that received such Services from the Existing Business prior to the Effective Date of the Franchise Agreement.

3. **Independent Contractor and Indemnification.** Section 22.4 is amended to add the following:

Franchisee will also defend, at its own cost, and indemnify and hold harmless Franchisor, its shareholders, directors, officers, employees and agents, from and against any and all losses, costs, claims, expenses (including, without limitation, reasonable accountant, attorney and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses), damages and liabilities, however caused, resulting directly or indirectly, from or pertaining to the operation of the Existing Business, including the sale of any service or product sold from the Existing Business prior to the Effective Date of the Agreement. The indemnification and hold harmless will survive termination of this Agreement.

4. **Franchisee's Representations.** Franchisee represents and warrants to Franchisor that all information regarding the Existing Business, including but not limited to, Gross Revenue for the Existing Business, balance sheets, income statements and other financial information, information regarding the Premises and information regarding clients and services of the Existing Business, furnished to Franchisor are accurate in all material respects. Franchisee acknowledges that Franchisor relied on such information to determine Franchisee's qualifications to convert its Existing Business to a Conversion Franchised Business.

5. **Capitalized Terms.** All capitalized terms not defined in this Addendum have the same meaning as in the Agreement.

6. **Not Transferrable by Franchisee.** The terms of this Addendum are personal to Franchisee and are not transferrable by Franchisee.

7. **No Further Changes.** Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Agreement will remain in full force and effect as originally written and signed. In the event of a conflict between the Agreement and terms of this Addendum, the terms of this Addendum will control.

FRANCHISOR:

HomeCare Advocacy Network Inc.

Mark Goetz President

Effective Date: _____

FRANCHISEE:

By: _____ *

Printed Name: _____

Title if an entity: _____

Date Signed: _____

* The Operating Principal

EXHIBIT I TO THE FRANCHISE AGREEMENT
ACH AUTHORIZATION



ACH Payment Authorization

You authorize regularly scheduled charges to your checking/savings account. You will be charged the amount shown on your invoice, each billing period. A receipt for each payment will be provided to you and the charge will appear on your bank statement.

I, _____, authorize HomeCare Advocacy Network to charge my account upon creation of each invoice for payment.

Billing Information:

Billing Address _____ Phone # _____

City, State, Zip _____ Email _____

Bank Details:

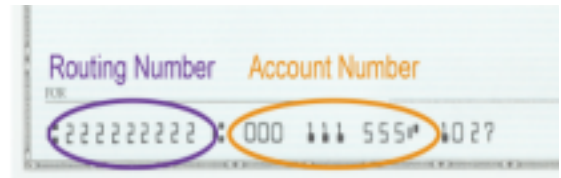
☐ Checking ☐ Savings

Account Name _____

Bank Name _____

Account Number _____

Routing Number _____



**Please attach a voided check*

I understand that this authorization will remain in effect until I cancel it in writing, and I agree to notify HomeCare Advocacy Network in writing of any changes in my account information or termination of this authorization at least 15 days prior to the next billing date. If the above-noted payment dates fall on a weekend or holiday, I understand that the payments may be executed on the next business day. For ACH debits to my checking/savings account, I understand that because these are electronic transactions, these funds may be withdrawn from my account as soon as the above noted periodic transaction dates. In the case of an ACH Transaction being rejected for Non-Sufficient Funds (NSF) I understand that HomeCare Advocacy Network may at its discretion attempt to process the charge again within 30 days, and agree to an additional late charge for each attempt returned NSF which will be initiated as a separate transaction from the authorized recurring payment. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. I certify that I am an authorized user of this bank account and will not dispute these scheduled transactions with my bank; so long as the transactions correspond to the terms indicated in this authorization form.

SIGNATURE _____ DATE _____
(Account Holder's Signature)

HCANthrive.com

Each HomeCare Advocacy Network office is independently owned and operated.

EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF OPERATIONS MANUAL

HCAN Operations Manual

Table of Contents

<u>Chapter 1. Introduction</u>	1
<u>Manual Purpose and Organization</u>	13
<u>Legal and Regulatory</u>	14
<u>Importance of Confidentiality</u>	14
<u>Definition of Trade Secrets and Confidential Information</u>	15
<u>Content Updates</u>	17
<u>Correspondence and Communication</u>	17
<u>Manual Terminology</u>	17
<u>Conclusion</u>	18
<u>Chapter 2. Welcome to HCAN SERVICES</u>	19
<u>History</u>	19
<u>About Our Founders/Team</u>	20
<u>Brand Statements</u>	20
<u>Mission</u>	21
<u>Positioning</u>	21
<u>Vision Statement</u>	21
<u>Core Values</u>	21
<u>Guiding Principles</u>	22
<u>Concept Identity Levels</u>	24
<u>Brand Ambassadors</u>	26
<u>Conclusion</u>	26
<u>Chapter 3. Administrative</u>	28
<u>Independently Owned & Operated</u>	28
<u>System Compliance</u>	28
<u>Franchise Disclosure Document (FDD) and Franchise Agreement</u>	29
<u>Initial Franchisee Training</u>	29
<u>Pre- and Post-Opening Assistance</u>	29
<u>Visits</u>	30
<u>Conferences</u>	31
<u>Variation Requests</u>	31
<u>Franchise Advisory Council (FAC)</u>	32
<u>Validation Process</u>	32
<u>What Franchisees Can Expect from Corporate</u>	33
<u>What Corporate Expects from Franchisees</u>	33
<u>Ethical Standards</u>	35
<u>Conclusion</u>	35

Chapter 4. Operations 36

<u>Hours of Operation</u>	36
<u>Booking Appointments</u>	37
<u>Atmosphere Standards</u>	38
<u>Environment Checklists</u>	38
<u>The Daily Checklist</u>	39
<u>The Franchise Environment Checklist</u>	38
<u>Music</u>	39
<u>HCAN Offering</u>	39
<u>Approved Products</u>	40
<u>How to Order</u>	46
<u>Inventory Levels</u>	46
<u>Vendor Information</u>	46
<u>Preferred Vendors</u>	46
<u>Mandatory Product Vendors</u>	47
<u>Accepting a Delivery</u>	47
<u>Loyalty Program</u>	48
<u>HCAN Franchise Visibility</u>	49
<u>Brand Identity, Trademarks, & Copyrights</u>	49
<u>Logo and Icon Usage</u>	50
<u>Professional Attire</u>	50
<u>Grooming and Hygiene</u>	51
<u>Franchise Environmental Standards</u>	51
<u>Cleaning & Maintenance</u>	54
<u>Daily Cleaning & Maintenance</u>	54
<u>Weekly Cleaning & Maintenance</u>	55
<u>Monthly Cleaning & Maintenance</u>	55
<u>Conclusion</u>	55

Chapter 5. Service Procedures 56

Chapter 6. Services and Procedures 60

<u>The HCAN Experience</u>	60
<u>Welcome the Client</u>	60
<u>Deliver a Memorable Service Experience</u>	61
<u>Thank Your Client</u>	61
<u>Professionalism</u>	62
<u>Client Greeting</u>	62
<u>Answering the Phone</u>	62
<u>Walk-in Client</u>	63
<u>Thank You</u>	63
<u>Phone Etiquette</u>	63
<u>Handling Complaints</u>	64
<u>Follow up & Investigate Complaints</u>	64
<u>LAST Strategy</u>	65

<u>Handling Refund Requests</u>	66
<u>Conclusion</u>	67
Chapter 7. Startup	68
<u>Best Practice Guidelines</u>	68
<u>Pre-Opening Checklist</u>	68
<u>Different Types of Business Entities</u>	69
<u>Sole Proprietors</u>	69
<u>C Corporations</u>	69
<u>S Corporations</u>	70
<u>Limited Liability Company (LLC)</u>	70
<u>Form the Business</u>	70
<u>Obtain Business Licenses and Forms</u>	71
<u>Business Accounting Records</u>	71
<u>Insurance</u>	72
<u>Required Insurance</u>	73
<u>Additional Named Insured</u>	73
<u>Property Replacement</u>	74
<u>Hire a Lawyer or CPA</u>	74
<u>Initial Equipment Package</u>	74
<u>Location-Based Franchise System</u>	75
<u>Site Selection Services</u>	76
<u>Guidance Through the Start-up Phase</u>	76
<u>Construction Oversight Services</u>	76
<u>Pre-Lease Tasks</u>	76
<u>Americans with Disability Act (ADA)</u>	77
<u>CLIENT Area Requirements</u>	78
<u>Front Entry and Exit</u>	79
<u>Reception Counter</u>	79
<u>Take Home Area</u>	80
<u>Work Stations</u>	80
<u>Table and Chairs</u>	80
<u>Ceiling</u>	80
<u>Lighting</u>	80
<u>Walls</u>	81
<u>Music System</u>	81
<u>TV Monitor</u>	81
<u>Flooring</u>	81
<u>Telephones</u>	81
<u>Restrooms</u>	82
<u>Safe</u>	82
<u>The Décor</u>	82
<u>Paint Colors</u>	83
<u>Design Elements</u>	83
<u>Signage</u>	83

<u>Signage Criteria</u>	83
<u>Signage Application Procedure</u>	84
<u>Awning Covers</u>	84
<u>Supplemental Signage</u>	84
<u>Restricted Signage</u>	85
<u>Highway Signage</u>	85
<u>Other Lighting</u>	85
<u>The Remodel</u>	86
<u>Computer Hardware & Software</u>	88
<u>System Backup</u>	88
<u>System Maintenance</u>	88
<u>Technology Services</u>	88
<u>Additional Office Equipment</u>	88
<u>The THRIVE Business Number</u>	89
<u>Training Requirements</u>	89
<u>Training New Team Members</u>	89
<u>Annual Franchise Meeting (AFM)</u>	90
<u>Code of Conduct While Attending Training or Seminars</u>	90
<u>Grand Opening</u>	91
<u>Grand Opening Countdown & Checklist</u>	93
<u>14 Weeks</u>	94
<u>13 Weeks</u>	94
<u>12 Weeks</u>	94
<u>11 to 9 Weeks</u>	94
<u>8 to 7 Weeks</u>	94
<u>6 Weeks</u>	94
<u>5 to 4 Weeks</u>	94
<u>3 Weeks</u>	94
<u>2 Weeks</u>	95
<u>1 Week: Grand Opening Week</u>	96
<u>Promoting the Grand Opening</u>	97
<u>Grand Opening Invitation List</u>	97
<u>During the Grand Opening</u>	98
<u>After the Grand Opening</u>	98
<u>Conclusion</u>	99
<u>Chapter 8. Accounting</u>	100
<u>Financial Privacy & Confidentiality</u>	100
<u>Roles and Responsibilities</u>	100
<u>Franchise Owner Obligations and Opportunities</u>	100
<u>Financial Support Roles and Responsibilities</u>	100
<u>Benefits of Financial Management</u>	101
<u>Financial Management Terminology</u>	101
<u>Break-Even Point</u>	102
<u>Analyzing a Break-Even Point</u>	102

<u>Generally Accepted Accounting Practices (GAAP)</u>	102
<u>Benchmarks</u>	103
<u>Gross Profit Margin</u>	103
<u>Cost of Goods Sold</u>	103
<u>Expenses as a Percentage of Sales</u>	103
<u>Net Profit Margin</u>	103
<u>Hiring an Accountant</u>	103
<u>Accounting & Bookkeeping Methods</u>	104
<u>Cash Method Accounting</u>	104
<u>Accrual Method Accounting</u>	105
<u>Chart of Accounts</u>	105
<u>Reports</u>	105
<u>Profit & Loss/Income Statement</u>	106
<u>Balance Sheet</u>	106
<u>Statement of Cash Flows</u>	106
<u>Payments to Corporate</u>	107
<u>Royalties</u>	108
<u>National Marketing Fund</u>	108
<u>Technology Services Fee</u>	108
<u>Taxes</u>	108
<u>Retaining and Storing Records</u>	109
<u>Bookkeeping</u>	109
<u>General Accounting Procedures</u>	110
<u>Daily Accounting</u>	111
<u>Weekly Accounting</u>	111
<u>Bi-Weekly</u>	112
<u>Monthly Accounting</u>	112
<u>Quarterly Accounting</u>	113
<u>Annual Accounting</u>	113
<u>Payment Transactions</u>	114
<u>Cash</u>	114
<u>Credit Card Processing</u>	114
<u>Payroll</u>	114
<u>Taxes</u>	114
<u>Federal Income Tax</u>	115
<u>Federal Unemployment Tax FUTA</u>	115
<u>Sales Tax</u>	115
<u>Payroll Taxes</u>	115
<u>Payroll Reporting and Payment</u>	116
<u>Electronic Federal Tax Payment System (EFTPS)</u>	117
<u>Filing Dates</u>	117
<u>Independent Contractors vs. Team Members</u>	117
<u>Charitable Donations</u>	118
<u>Conclusion</u>	118

Chapter 9. Team Management.....	119
<u>Labor Law Compliance</u>	119
<u>General Guidelines to Laws & Regulations</u>	120
<u>Equal Employment Opportunity Commission (EEOC).....</u>	120
<u>Immigration & Control Act</u>	122
<u>List of Federal Laws Governing Employment.....</u>	122
<u>Fair Wages</u>	123
<u>Workplace Safety</u>	123
<u>Workers' Compensation.....</u>	124
<u>Employee Benefits Security Act</u>	124
<u>Employee Protection Act.....</u>	124
<u>Team Member Polygraph Protection Act (EPPA).....</u>	124
<u>Garnishment of Wages</u>	125
<u>Family and Medical Leave Act</u>	125
<u>The Veterans' Preference Act.....</u>	126
<u>Required Postings</u>	127
<u>Statutory Benefits</u>	127
<u>Social Security</u>	127
<u>Workers' Compensation</u>	127
<u>Unemployment Insurance.....</u>	127
<u>Family and Medical Leave Act (FMLA)</u>	128
<u>Jury Duty</u>	128
<u>Military Leave</u>	128
<u>Voting Leave</u>	128
<u>Bereavement Leave</u>	128
<u>Personal Leave</u>	129
<u>Rest and Lunch Breaks</u>	129
<u>Possible Other Benefits</u>	129
<u>Employment Policies to Consider</u>	130
<u>Team Member Handbooks</u>	130
<u>Team Member Meetings Policy</u>	131
<u>Team Member Files Policy</u>	131
<u>Team Member Safety and Security Policy.....</u>	132
<u>Harassment Policy</u>	132
<u>Hours of Work and Paydays Policy</u>	133
<u>Contractors/1099 Team Members Policies</u>	133
<u>Smoking Policy.....</u>	133
<u>Substance Abuse Policy.....</u>	133
<u>Workplace Search Policy</u>	134
<u>Overtime Policy</u>	134
<u>Attendance and Schedule Adherence Policy</u>	134
<u>Performance Review Policy.....</u>	135
<u>Team Member Standards of Conduct Policies.....</u>	135
<u>Discipline and Termination Policy.....</u>	137

<u>Considerations When Hiring a Team Member</u>	138
<u>Recruiting</u>	138
<u>Recruiting Considerations: What Positions Need to be Hired?</u>	139
<u>Job Descriptions</u>	139
<u>Sourcing</u>	140
<u>Applications</u>	141
<u>Collecting Applications & Resumes</u>	141
<u>Sorting Applications & Resumes</u>	141
<u>Selecting Interview Candidates</u>	142
<u>Best Practices</u>	142
<u>Interview Process</u>	143
<u>Basic Interview Suggestions</u>	143
<u>Interview Guidelines</u>	144
<u>Topics to Avoid</u>	144
<u>The Post Interview Process</u>	145
<u>References</u>	146
<u>Background Information</u>	146
<u>Offering the Position</u>	146
<u>On-Boarding</u>	147
<u>New Hire Paperwork</u>	147
<u>New Team Member Orientation</u>	147
<u>Training New Team Members</u>	149
<u>Termination</u>	149
<u>Involuntary Termination</u>	149
<u>Resignation</u>	150
<u>Separation Dates</u>	150
<u>Rehire</u>	150
<u>Referrals & References</u>	150
<u>Verification of Employment</u>	151
<u>Conclusion</u>	151
<u>Chapter 10. Safety & Security</u>	152
<u>OSHA Safety Requirements</u>	152
<u>Emergency Preparedness</u>	153
<u>Crisis Situations</u>	154
<u>Crisis Definitions</u>	154
<u>Handling a Crisis</u>	155
<u>Gathering Crisis Information</u>	155
<u>Notify the Authorities</u>	156
<u>Working with Authorities/Outside Agencies</u>	156
<u>Media Relations</u>	157
<u>How to Handle a General Request for an Interview</u>	157
<u>How to Handle a Request to Talk About Your “Personal Experience”</u>	158
<u>Job Site Safety</u>	158
<u>Common Causes of Job Site Accidents</u>	158

<u>Factors that Cause Accidents</u>	159
<u>Team Member Safety & Security Training</u>	159
<u>Safe Equipment Operations & Maintenance</u>	160
<u>Medical Emergencies</u>	161
<u>Electrical Safety</u>	161
<u>Basics of Electricity</u>	162
<u>Electrical Injuries</u>	162
<u>Responding to Electrical Emergencies</u>	162
<u>Chemical Safety</u>	163
<u>Powdered Detergent</u>	164
<u>Calcium, Lime, & Rust Remover</u>	164
<u>Graffiti Paint Removers</u>	165
<u>Material Safety Data Sheet (MSDS)</u>	165
<u>Information Required on an MSDS</u>	165
<u>Who Must Supply an MSDS</u>	166
<u>How to Read an MSDS</u>	166
<u>Crime Prevention</u>	170
<u>Robbery or Hijacking</u>	170
<u>If You Are Robbed</u>	170
<u>Conclusion</u>	171
<u>Chapter 11. Marketing</u>.....	172
<u>What is Marketing?</u>	172
<u>The THRIVE Marketing Philosophy & Values</u>	172
<u>National Marketing Fund</u>	172
<u>Marketing Materials</u>	173
<u>Guidelines for Using theTHRIVE HOME SERVICES Marks</u>	173
<u>Obtain Advertising Approval</u>	174
<u>Develop a Local Marketing Plan</u>	174
<u>Local and Advertising Budget</u>	175
<u>How to Create a Marketing Budget</u>	175
<u>Advertising</u>	176
<u>Seasonal Advertising</u>	176
<u>Market to Your Community</u>	176
<u>Event Marketing</u>	177
<u>In-store TV</u>	178
<u>Social Media Marketing</u>	178
<u>Social Media Platforms</u>	179
<u>Social Media Policy</u>	180
<u>The Choice to Participate</u>	180
<u>Legal Requirements</u>	181
<u>Social Media Best Practices</u>	181
<u>Affiliations</u>	182
<u>Cross-Promotion Marketing</u>	182
<u>Understand Your Competition</u>	183

Conclusion.....	183
Chapter 12. Forms.....	185
MUTUAL NON-DISCLOSURE AND NON-CIRCUMVENTION AGREEMENT.....	187
FRANCHISE OPERATIONS MANUAL RECEIPT FORM	188

EXHIBIT D TO THE FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

HECARE ADVOCARY NETWORK, INC.

FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED AUGUST 31, 2024, 2023, AND 2022

TABLE OF CONTENTS

	Pages
Independent Auditor's Report	1 - 2
Financial Statements	
Balance Sheets	3
Statement of Operations	4
Statement of Members' Deficit	5
Statement of Cash flows	6
Notes to Financial Statements	7 – 11

DNJ & ASSOCIATES

Certified Public Accountants
601 Las Tunas Drive, #108,
Arcadia, CA 91007
310-989-8507
www.dnjassociates.com

Independent Auditor's Report

To the Stockholders
Homecare Advocacy Network, Inc.
Omaha, NE

Opinion

We have audited the accompanying financial statements of Homecare Advocacy Network, Inc. (the "Company") (a Nebraska corporation), which comprise the balance sheet as of August 31, 2024, and the related statements of operations and changes in stockholders' equity (deficit), and cash flows for the year then ended, and the related notes to 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 August 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Homecare Advocacy Network, Inc. as of August 31, 2023 and 2022 were audited by other auditors whose report dated October 18, 2023 expressed an unmodified opinion on those statements.

Responsibility of Management for the Financial Statements

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

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

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

DNJ & ASSOCIATES

Arcadia, California
October 8, 2024

HOMECARE ADVOCACY NETWORK, INC.

Balance Sheets

May 31, 2024, 2023 and 2022

	2024	2023	2022
Assets			
Current assets			
Cash	\$ 429,138	\$ 468,813	\$ 63,010
Accounts receivable	42,259	16,325	31,751
Prepaid expenses	11,110	-	-
Notes receivable	51,441	87,083	250,000
Deferred commissions, current portion	<u>23,407</u>	<u>21,715</u>	<u>20,107</u>
Total current assets	557,355	593,936	364,868
Deferred commissions, net of current portion	132,284	154,506	157,693
Property and equipment	<u>13,956</u>	<u>40,483</u>	<u>50,117</u>
Total assets	<u><u>\$ 703,595</u></u>	<u><u>\$ 788,925</u></u>	<u><u>\$ 572,678</u></u>
Liabilities and Stockholders' Equity (Deficit)			
Current liabilities:			
Notes payable, current portion	\$ 254,747	\$ 8,307	\$ 9,084
Deferred franchise fees, current portion	36,613	36,734	24,243
Accounts payable and accrued expenses	<u>5,856</u>	<u>8,787</u>	<u>26,834</u>
Total current liabilities	297,216	53,828	60,161
Notes payable, net of current portion	4,890	273,311	279,215
Deferred franchise fees, net of current portion	<u>473,184</u>	<u>314,948</u>	<u>317,507</u>
Total liabilities	<u>775,290</u>	<u>642,087</u>	<u>656,883</u>
Commitments and contingencies (Note 6 and 7)			
Stockholders' equity (deficit)			
Common stock, \$0.0001 par value, 15 million shares authorized, 10 million issued and outstanding	1,000	1,000	1,000
Preferred stock, \$0.0001 par value, 5 million shares authorized, 4,628,750 shares issued and outstanding	464	385	297
Additional paid-in-capital	5,048,536	4,802,615	4,149,703
Less stock subscription receivable	(3,035,727)	(3,035,727)	(3,043,727)
Accumulated deficit	<u>(2,085,968)</u>	<u>(1,621,435)</u>	<u>(1,191,478)</u>
Total stockholders' equity (deficit)	<u>(71,695)</u>	<u>146,838</u>	<u>(84,205)</u>
Total liabilities and stockholder's equity (deficit)	<u><u>\$ 703,595</u></u>	<u><u>\$ 788,925</u></u>	<u><u>\$ 572,678</u></u>

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

HEMOCARE ADVOCACY NETWORK, INC.
Statement of Operations
For the Years Ended May 31, 2024, 2023, and 2022

	2024	2023	2022
Revenues			
Royalties	\$ 285,077	\$ 167,815	\$ 61,077
Franchise fees	78,405	35,068	14,538
Consulting revenue	58,909	165,738	26,700
	<u>422,391</u>	<u>368,621</u>	<u>102,315</u>
Operating expenses:			
Sales and Marketing	615,474	375,689	172,577
General and administrative	259,900	392,421	573,366
Total operating expenses	<u>875,374</u>	<u>768,110</u>	<u>745,943</u>
Loss from operations	<u>(452,983)</u>	<u>(399,489)</u>	<u>(643,628)</u>
Other income (expenses)			
Interest income	5,208	1,307	-
Rental income	9,450	-	-
Interest expense	(30,200)	(31,775)	(3,127)
Gain on disposition of property and equipment	3,992	-	(3,581)
Total other income (expenses)	<u>(11,550)</u>	<u>(30,468)</u>	<u>(6,708)</u>
Net loss	(464,533)	(429,957)	(650,336)
Accumulated deficit, beginning of year	<u>(1,621,435)</u>	<u>(1,191,478)</u>	<u>(541,142)</u>
Accumulated deficit, end of year	<u><u>\$ (2,085,968)</u></u>	<u><u>\$ (1,621,435)</u></u>	<u><u>\$ (1,191,478)</u></u>

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

HEMOCARE ADVOCACY NETWORK, INC.
Statement of Changes in Shareholders' Equity (Liabilities)
For the Years Ended May 31, 2024, 2023, and 2022

	Common Stock		Preferred Stock		Additional paid-in Capital	Stock Subscription Receivable	Accumulated Deficit	Total Equity
	Shares	Amount	Shares	Amount				
Balance, May 31, 2021	10,000,000	\$ 1,000	2,971,875	\$ 297	\$ 4,149,703	\$ (3,160,000)	\$ (541,142)	\$ 449,858
Net loss	-	-	-	-	-	-	(650,336)	(650,336)
Repayment of shareholder loans	-	-	-	-	-	116,273	-	116,273
Balance, May 31, 2022	10,000,000	\$ 1,000	2,971,875	\$ 297	\$ 4,149,703	\$ (3,043,727)	\$ (1,191,478)	\$ (84,205)
Net loss	-	-	-	-	-	-	(429,957)	(429,957)
Issuance of preferred stock	-	-	888,125	88	652,912	-	-	653,000
Repayment of shareholder loans	-	-	-	-	-	8,000	-	8,000
Balance, May 31, 2023	10,000,000	\$ 1,000	3,860,000	\$ 385	\$ 4,802,615	\$ (3,035,727)	\$ (1,621,435)	\$ 146,838
Net loss	-	-	-	-	-	-	(464,533)	(464,533)
Issuance of preferred stock	-	-	768,750	79	245,921	-	-	246,000
Balance, May 31, 2024	<u>10,000,000</u>	<u>\$ 1,000</u>	<u>4,628,750</u>	<u>\$ 464</u>	<u>\$ 5,048,536</u>	<u>\$ (3,035,727)</u>	<u>\$ (2,085,968)</u>	<u>\$ (71,695)</u>

The accompany notes are an integral part of these financial statements.

HEMOCARE ADVOCACY NETWORK, INC.
Statement of Cash Flows
For the Years Ended May 31, 2024, 2023, and 2022

	2024	2023	2022
Cash flows from operating activities			
Net loss	\$ (464,533)	\$ (429,957)	\$ (650,762)
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation and amortization expense	8,709	12,369	11,728
Gain on disposition of property and equipment	(3,992)	-	-
(Increase) decrease in operating assets			
Accounts receivable	(25,934)	15,426	(31,751)
Prepaid expense and other current assets	(11,110)	-	-
Note receivable	35,642	162,917	160,000
Deferred commissions	20,530	1,579	(24,900)
Other assets	-	-	7,300
Increase (decrease) in operating liabilities			
Accounts payable and accrued expenses	(2,931)	(18,473)	27,260
Accrued commissions	-	-	(67,200)
Deferred franchise fees	158,115	9,932	105,462
Net cash used in operating activities	<u>(285,504)</u>	<u>(246,207)</u>	<u>(462,863)</u>
Cash flows from investing activities			
Acquisition of property and equipment	(482)	8,791	(61,845)
Proceeds for disposition of property and equipment	22,292	-	-
Net cash Provided by (used in) investing activities	<u>21,810</u>	<u>8,791</u>	<u>(61,845)</u>
Cash flows from financing activities			
Proceeds from long-term debt	-	5,899	45,143
Repayments of long-term debt	(21,981)	(7,681)	(6,844)
Capital contribution	-	653,001	-
Proceeds from issuance of Preferred Stock Seed II	246,000	-	-
Repayments of subscriptions receivable	-	(8,000)	116,273
Net cash provided by financing activities	<u>224,019</u>	<u>643,219</u>	<u>154,572</u>
Net increase (decrease) in cash	(39,675)	405,803	(370,136)
Cash, beginning of period	468,813	63,010	433,146
Cash, end of period	<u>\$ 429,138</u>	<u>\$ 468,813</u>	<u>\$ 63,010</u>
Supplemental Disclosure of Cash Flow Information:			
Cash paid during the year for:			
Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

HEMOCARE ADVOCACY NETWORK, INC.
Notes to Financial Statements
For the Years Ended May 31, 2024, 2023, and 2022

1. Nature of Organization

Homecare Advocacy Network, Inc. (the "Company" or "HCAN"), a Delaware corporation, was formed on April 21, 2020 ("Inception"), for the purpose of selling HCAN franchises. The nationally recognized healthcare services is what makes HCAN the premiere provider of home care related benefits and services. As franchisor, the Company enables local franchise owners to leverage the HCAN brand. Through May 31, 2024, the Company has sold franchises comprising a total of 16 units, 11 of which were opened as of May 31, 2024.

2. Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Fiscal Year

The Company's fiscal year is May 31.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements as well as related disclosures. On an ongoing basis, the Company evaluates its estimates and assumptions based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Concentrations

The Company holds cash and cash equivalents at times may exceed federal insurance limits; however, the Company does not anticipate any losses related to this balance.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents. There were no cash equivalents at May 31, 2024, 2023, and 2022, respectively.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable for royalty and marketing fees from franchisees are due on or before Wednesday of each week for the sales during the preceding week.

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

HEMOCARE ADVOCACY NETWORK, INC.
Notes to Financial Statements
For the Years Ended May 31, 2024, 2023, and 2022

2. Summary of Significant Accounting Policies (Continued)

Accounts Receivable and Allowance for Credit Losses (Continued)

Financial assets held by the Company that are subject to the guidance in FASB ASC 326 are trade accounts receivable. The Company adopted the standard effective June 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

The Company's allowance for expected credit losses, is Management's best estimate of the amount of probable credit losses in its existing accounts receivable. The Company reviews its allowance for expected credit losses periodically. Management determines an allowance based on historical experience and then analyzes individual past due balances for collectability based on current conditions and reasonable and supportable forecasts.

In addition, if Management believes it is probable a receivable will not be recovered, it is charged off against the allowance. For the years ended May 31, 2024, 2023 and 2022, management believes all amounts will be collected, thus no allowance for credit losses for accounts receivable is considered necessary.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives ranging from five years to fifteen years for all categories of depreciable assets. Leasehold improvements are stated at cost and depreciation is computed on the straight-line method over the shorter of the lease term or the estimated lives of the assets. Property and equipment costing more than \$1,000 are capitalized.

The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any gain or loss is included in earnings. Maintenance and repairs are expensed currently while major renewals and betterments are capitalized.

Long-lived assets of the Company are reviewed when circumstances warrant as to whether their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations. Management also re-evaluates the periods of depreciation to determine whether subsequent events and circumstances warrant revised estimates of useful lives. During the period ended December 31, 2023, there was no impairment losses recognized on long-lived assets.

Revenue Recognition

ASU 2014-09 requires entities to assess the products or services promised in contracts with customers at contract inception to determine the appropriate amount at which to record revenue which is referred to as a performance obligation. Revenue is recognized when control of the promised products or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for the products or services.

Revenue from contracts with customers is recognized using the following five steps:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the Company satisfies a performance obligation.

HEMOCARE ADVOCACY NETWORK, INC.
Notes to Financial Statements
For the Years Ended May 31, 2024, 2023, and 2022

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

In accordance with Accounting Standards Update ("ASU") 2014-09, franchise fees are recognized as deferred revenue at the time a franchise agreement is executed or when a location commences operations. The deferred revenue is then recognized as revenue pro-rata over the term of the agreement. For area development agreements, the development fees are recognized as deferred revenue at the time an area development agreement is executed. The deferred revenue is recognized pro-rata over the term of the agreement or when the required number of franchises in the area development agreement are satisfied, whichever occurs earlier.

Deferred commissions for sales of franchises are recorded at the time of sale and recognized as commission expense over the term of the franchise agreement.

Royalty fees are charged up to 7% of gross sales on a monthly basis and recognized as earned.

Advertising

The Company expenses advertising costs as incurred. Advertising expenses are included in sales and marketing expenses for the years ended May 31, 2024, 2023, and 2022 amounted to approximately \$68,000, \$256,000, and \$101,000, respectively.

Income Taxes

The Company accounts for income taxes under ASC 740, *Income Taxes*. This statement requires the recognition of deferred tax assets and liabilities for the future consequences of events that have been recognized in the Company's financial statements or tax returns. The Company measures tax assets and liabilities using the enacted tax rates. The Company provides a valuation allowance against net deferred tax assets unless, based upon the available evidence, it is more likely than not that the deferred tax assets will be realized.

The Company has net operating loss ("NOLs") carryforwards of approximately \$1,620,000 for federal and state tax purposes. The NOLs generated a deferred tax asset of approximately \$502,000 and there are no other significant temporary differences. However, the Company chose to apply a 100% valuation allowance due to the uncertainty of realizing the benefits of the deferred tax assets in the future. For federal tax purposes the NOLs are available to be carried forward indefinitely. It is the Company's accounting policy to record interest and penalties related to income taxes as a component of income tax expense.

As of May 31, 2024, the Company's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

3. Note Receivable

The note receivable of \$51,441 at May 31, 2024 was generated by a franchise sale at the end of May 2021.

HEMOCARE ADVOCACY NETWORK, INC.
Notes to Financial Statements
For the Years Ended May 31, 2024, 2023, and 2022

4. Property and Equipment

As of May 31, 2024, property and equipment consisted of the following:

Vehicles	\$ 28,462
Total	28,462
Less accumulated depreciation	(14,506)
Property and equipment, net	<u>\$ 13,956</u>

Depreciation expense was \$8,709 for the year ended May 31, 2024.

5. Long-Term Debt

Long-term debt is summarized as follows at May 31, 2024:

Vehicle loan, secured by the vehicle, monthly payments of \$284, bearing interest at 8.99% per annum, maturing August 2025	\$ 4,016
Vehicle loan, secured by the vehicle, monthly payments of \$178, bearing interest at 11.50% per annum, maturing July 2027	5,621
Promissory note payable, secured by personal guarantees of the Chief Executive Officer, bearing interest at 10%, interest payments of \$2,083 only, expiring April 2025. This note payable is paid off on July 31, 2024	250,000
	<u>259,637</u>
Less: current portion	(254,747)
	<u>\$ 4,890</u>

Principal repayment requirements on long-term debt consisted of the following as of May 31, 2024:

Year Ending May 31,	Total
2025	\$ 254,745
2026	2,591
2027	1,969
2028	332
	<u>\$ 259,637</u>

6. Commitments and Contingencies

Lease

The Company has one lease for two corporate office locations. The lease expires in November 2024, and has monthly rent of \$5,649. The Company plans to continue the lease on a month-to-month basis after it expires.

Total rent expense under operating leases for May 31, 2024, 2023 and 2022 was \$67,788, \$62,142 and \$65,405, respectively.

HEMOCARE ADVOCACY NETWORK, INC.
Notes to Financial Statements
For the Years Ended May 31, 2024, 2023, and 2022

6. Commitments and Contingencies (Continued)

Leases (Continued)

The Company entered into a month-to-month sublease agreement with three sublessees. The lease calls for monthly rent ranging from \$550 to \$975 per month. The sublease income for the fiscal year ended May 31, 2024, 2023, and 2022 was \$9,450, \$6,600, and \$2,750, respectively.

Legal

From time to time, the Company is party to legal actions arising out of the ordinary course of business. The Company does not believe that these legal actions will have a material adverse effect on the Company's financial position, results of operations or cash flows.

Risks and Uncertainties

The Company's operations are subject to certain risks and uncertainties including changes in the Company's position in the marketplace due to competition. The Company's future operations are ultimately dependent upon the market acceptance of the Company's current and future franchise offerings and related cash flow generated in order to meet its obligations.

7. Future Operations of the Company

The accompanying financial statements have been prepared on the going concern basis, which assumes that the Company will continue to operate as a going concern and which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has sustained substantial losses of \$464,533, \$429,957 and \$650,336, accumulated deficit of \$2,085,968, \$1,621,435 and \$1,191,478 for the years ended May 31, 2024, 2023 and 2022, respectively. Based on the Company's current rate of cash consumption, the Company estimates it will need additional capital prior to the end of 2025. The Company also anticipates that it will continue to receiving funding from its stockholders. Management believes it has adequate and willing capital through its stockholders, to fund operations. As a result of this continued funding and because of anticipated future income streams from sales and service of franchisees, management believes that the Company can continue as a going concern.

8. Subsequent Events

The Company has evaluated events through October 8, 2024, to assess the need for additional recognition or disclosure in these financial statements. Based upon this evaluation, except as mentioned in Note 5, it was determined that no events occurred that require recognition or additional disclosure in these financial statements.

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

HOME CARE ADVOCACY NETWORK, INC

Balance Sheet

As of December 31, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1010 FIRST NATIONAL BANK	98,982.99
1015 ARBOR BANK	26,941.30
1016 ARBOR BANK MONEY MARKET 3300	258,029.64
1017 Arbor Bank LOC	0.00
1018 Arbor Bank Marketing 1510	200.00
Total Bank Accounts	\$384,153.93
Accounts Receivable	
1200 ACCOUNTS RECEIVABLE	44,040.86
Total Accounts Receivable	\$44,040.86
Other Current Assets	
1201 NOTES RECEIVABLE	0.00
1205 CURRENT PORTION OF DEFERRED COMMISSION	21,715.00
1300 UNDEPOSITED FUNDS	0.00
1311 CAREGIVER FUND ADVANCES	2,108.16
1503 PREPAID ASSET	8,250.00
Total Other Current Assets	\$32,073.16
Total Current Assets	\$460,267.95
Fixed Assets	
1410 OFFICE FURNITURE AND EQUIPMENT	3,216.54
1420 VEHICLES	
1422 LEXUS	11,999.75
1423 BUICK	13,245.00
Total 1420 VEHICLES	25,244.75
1490 ACCUMULATED DEPRECIATION	-17,451.03
Total Fixed Assets	\$11,010.26
Other Assets	
1500 OTHER ASSETS	
1505 NOTE RECEIVABLE	32,968.70
Total 1500 OTHER ASSETS	32,968.70
1501 DEFERRED COMMISSIONS, NET OF CURRENT PORTION	122,405.00
1510 FRANCHISE FEE	0.00
Total Other Assets	\$155,373.70
TOTAL ASSETS	\$626,651.91

HOME CARE ADVOCACY NETWORK, INC

Balance Sheet

As of December 31, 2024

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 ACCOUNTS PAYABLE	20.00
Total Accounts Payable	\$20.00
Credit Cards	
2200 CREDIT CARDS PAYABLE	
2200 - 2 Mark's Credit Card	1,083.62
2200 - 3 Sierra's Credit Card	1,137.45
2200 - 4 Brad Albrecht Credit Card	456.00
2200 - 5 Thomas McCulley Credit Card	1,310.71
Total 2200 CREDIT CARDS PAYABLE	3,987.78
Total Credit Cards	\$3,987.78
Other Current Liabilities	
2010 ACCRUED COMMISSIONS	0.00
2011 ACCRUED INTEREST EXPENSE	0.00
2015 CURRENT PORTION OF DEFERRED FRANCHISE FEE	39,109.00
2300 LOAN PAYABLE-CURRENT	0.00
2305 Accrued Legal and Accounting Expenses	3,500.00
2390 CURRENT PORTION LONG TERM DEBT	
2301 ALLY FINANCIAL (NISSAN)	0.00
2302 LEXUS FINANCIAL (LEXUS)	3,180.65
2303 CENTRIS FCU (BUICK)	1,565.83
Total 2390 CURRENT PORTION LONG TERM DEBT	4,746.48
Loan Payable	0.00
Total Other Current Liabilities	\$47,355.48
Total Current Liabilities	\$51,363.26
Long-Term Liabilities	
2050 DEFERRED FRANCHISE FEES, NET OF CURRENT PORTION	446,825.00
2420 VEHICLE LOAN PAYABLE	
2421 ALLY FINANCIAL (NISSAN)	0.00
2422 LEXUS FINANCIAL (LEXUS)	-986.48
2423 CENTRIS FCU (BUICK)	3,161.42
Total 2420 VEHICLE LOAN PAYABLE	2,174.94
Total Long-Term Liabilities	\$448,999.94
Total Liabilities	\$500,363.20

HEMOCARE ADVOCACY NETWORK, INC

Balance Sheet

As of December 31, 2024

	TOTAL
Equity	
3000 OPENING BALANCE EQUITY	-2,083.33
3100 COMMON STOCK	1,000.00
3105 PREFERRED STOCK	580.00
3110 ADDITIONAL PAID IN CAPITAL	5,548,420.00
3115 STOCK SUBSCRIPTION RECEIVABLE	-3,035,726.98
3210 OWNER CONTRIBUTIONS	0.00
3300 Retained Earnings	-1,905,203.75
Net Income	-480,697.23
Total Equity	\$126,288.71
TOTAL LIABILITIES AND EQUITY	\$626,651.91

HOME CARE ADVOCACY NETWORK, INC

Profit and Loss by Month
January - December 2024

	JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024	JUN 2024	JUL 2024	AUG 2024	SEP 2024	OCT 2024	NOV 2024	DEC 2024	TOTAL
Income													
4101 ROYALTY FEE													\$0.00
4103 ROYALTY INCOME FRANCHISES	15,376.38	12,790.65	13,175.37	16,052.33	14,204.69	14,852.13	16,708.77	15,233.27	18,480.33	19,432.83	18,557.92	19,799.57	\$194,664.24
4104 ROYALTY INCOME WHITE LABEL FRANCHISE	7,115.60	6,974.97	8,723.92	9,789.22	9,827.77	10,455.39	12,949.36	12,826.19	12,677.95	13,010.88	12,089.20	12,432.72	\$128,873.17
Total 4101 ROYALTY FEE	22,491.98	19,765.62	21,899.29	25,841.55	24,032.46	25,307.52	29,658.13	28,059.46	31,158.28	32,443.71	30,647.12	32,232.29	\$323,537.41
4102 FRANCHISE FEE INCOME	0.00	0.00	0.00	0.00							0.00		\$0.00
4105 Social Media Marketing & Development Services	4,650.00	4,800.00	5,400.00	4,950.00	4,950.00	4,950.00	4,950.00	4,950.00	4,500.00	3,900.00	3,900.00	3,900.00	\$55,800.00
4106 Email Services	108.00												\$108.00
4107 Deferred Franchise Fee Income	3,190.00	25,564.00	3,061.00	3,061.00	21,844.00	3,061.00	3,467.00	3,467.00	3,467.00	3,467.00	3,467.00	3,467.00	\$80,583.00
4110 Consulting	-450.00												\$ -450.00
Total Income	\$29,989.98	\$50,129.62	\$30,360.29	\$33,852.55	\$50,826.46	\$33,318.52	\$38,075.13	\$36,476.46	\$39,125.28	\$39,810.71	\$38,014.12	\$39,599.29	\$459,578.41
Cost of Goods Sold													
5126 SALES COMMISSIONS	1,810.00	19,282.00	1,653.00	1,653.00	1,653.00	1,653.00	1,653.00	1,653.00	1,653.00	1,653.00	1,653.00	1,653.00	\$37,622.00
Total Cost of Goods Sold	\$1,810.00	\$19,282.00	\$1,653.00	\$1,653.00	\$1,653.00	\$1,653.00	\$1,653.00	\$1,653.00	\$1,653.00	\$1,653.00	\$1,653.00	\$1,653.00	\$37,622.00
GROSS PROFIT	\$28,179.98	\$30,847.62	\$28,707.29	\$32,199.55	\$49,173.46	\$31,665.52	\$36,422.13	\$34,823.46	\$37,472.28	\$38,157.71	\$36,361.12	\$37,946.29	\$421,956.41
Expenses													
5000 AUTOMOBILE EXPENSES								10.69					\$10.69
5011 LEASE\LOAN PYMT	1,327.27	1,619.15		1,308.70	763.70	241.35	270.52	240.17	274.82	231.07	306.62	298.34	\$6,881.71
5012 TAXES AND LICENSING						383.06	140.76						\$523.82
5013 INSURANCE	1,348.50	1,348.50	1,348.50	1,831.50	369.31	369.31	369.31	2,931.79	639.31	730.31	322.31	322.31	\$11,930.96
5013-1 LIFE INSURANCE	765.05	694.82	694.82	694.82	694.82	694.82	694.82	694.82	694.82	694.82	694.82	694.82	\$8,408.07
5013-2 INSURANCE- VEHICLE	702.10	774.55	774.55	774.55	774.55	774.55	774.55	774.55	774.55	774.47	-469.00	754.93	\$7,958.90
5013-3 Health Insurance	438.00	438.00	438.00	438.00	438.00	438.00	438.00	1,476.00		2,238.00	1,038.00	2,238.00	\$10,056.00
5122 GENERAL LIABILITY									766.37	766.37	766.37	766.37	\$3,065.48
Total 5013 INSURANCE	3,253.65	3,255.87	3,255.87	3,738.87	2,276.68	2,276.68	2,276.68	5,877.16	2,875.05	5,203.97	2,352.50	4,776.43	\$41,419.41
5014 FUEL, REPAIRS, AND MAINTENANCE	549.00	1,161.64	595.67	550.54	534.39	1,487.33	385.11	2,224.63	250.46	59.05	39.33	92.80	\$7,929.95
5021 ALLOWANCE REIMBURSEMENT											84.25	107.49	\$191.74
5023 ADDITIONAL FUEL, REPAIRS AND MAINTENANCE			88.86		20.96	778.32	250.00						\$1,138.14
5030 PARKING AND TOLL FEES	141.75					6.00							\$147.75
5102 BANK FEES	91.55	102.06	115.26	116.24	115.78	116.85	120.70	110.70	118.45	167.41	119.72	135.59	\$1,430.31
5111 LEGAL AND ACCOUNTING FEES	3,500.00	1,749.50		2,523.50		3,500.00		6,014.72	2,000.00	2,000.00	13,500.00		\$34,787.72
5113 PAYROLL SERVICE FEES	61.93					69.41		143.15	199.72	208.61	408.51	128.19	\$1,219.52
5114 SUBSCRIPTIONS, DUES AND LICENSES	489.36	175.60	406.23	332.97	254.99	625.65	113.49	46.76	827.82	142.76	100.14	118.85	\$3,634.62
5115 SOFTWARE EXP.	515.26										20.00		\$535.26
5141 MEALS AND ENTERTAINMENT		129.32	262.75	107.32	661.21	345.27	173.45		169.95		84.90	32.75	\$1,966.92
5142 TRAVEL EXPENSES		33.88				25.10				59.53			\$118.51
5161 INTERNET SERVICES	534.91	199.90	185.83	285.78	306.12	295.78	295.78	295.78	468.35	410.83	410.83	410.83	\$4,100.72
5163 MOBILE PHONE\PAGER(S)	538.81	887.63	544.33	415.30	418.31	508.62	341.14	200.00		100.00	100.00	100.00	\$4,154.14
5300 MARKETING/NETWORKING EXPENSES	1,844.18	1,103.13	663.53	554.66	1,133.96	8,889.06	1,129.53	624.01	1,064.10	590.26	652.72	484.32	\$18,733.46
5300-1 MARKETING CONTRACT LABOR	3,881.50	8,852.08	10,840.50	9,067.50	8,534.00	2,712.50	2,096.00	2,824.50	1,562.50	1,612.50	1,450.00	1,462.50	\$54,896.08
5300-2 Social Media Marketing & Development	12.99	411.99	987.70	1,284.70	735.95	773.45	1,099.20	718.25	1,187.51	664.71	720.01	3,308.01	\$11,904.47
5300-3 Marketing/Networking Meetings & Meals												340.47	\$340.47
Total 5300 MARKETING/NETWORKING EXPENSES	5,738.67	10,367.20	12,491.73	10,906.86	10,403.91	12,375.01	4,324.73	4,166.76	3,814.11	2,867.47	2,822.73	5,595.30	\$85,874.48
5301 Franchise Development	4,911.89	2,173.51	3,895.87	1,996.62	3,559.43	4,414.99	6,892.18	6,829.48	3,852.14	10,724.89	8,856.32	3,207.57	\$61,314.89
5301-1 Lead Generation		3,045.53	4,251.74	7,958.15	6,325.58	1,729.97	637.26	1,938.00	1,630.00	418.00	266.00	1,706.00	\$29,906.23
5301-2 Retainer	17,000.00	750.00	9,399.00	9,399.00	9,399.00	9,399.00	149.00	149.00	149.00	149.00	149.00	149.00	\$56,240.00
5301-4 Travel											436.84	1,094.63	\$1,531.47
5301-5 Meals											335.75		\$335.75
Total 5301 Franchise Development	21,911.89	5,969.04	17,546.61	19,353.77	19,284.01	15,543.96	7,678.44	8,916.48	5,631.14	11,291.89	9,708.16	6,492.95	\$149,328.34
5304 GIFTS AND RECOGNITION				92.53		12.81							\$105.34
5400 OFFICE EXPENSES	26.00		60.95		47.08	57.78			57.78	46.20			\$295.79

HOMECARE ADVOCACY NETWORK, INC

Profit and Loss by Month
 January - December 2024

	JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024	JUN 2024	JUL 2024	AUG 2024	SEP 2024	OCT 2024	NOV 2024	DEC 2024	TOTAL
5405 MAINTENANCE AND REPAIRS	896.20	245.60	245.60	595.50	236.36	237.00	237.04	237.04	237.04	236.03	236.03	236.03	\$3,875.47
5407 OFFICE SUPPLIES	40.64	458.18	584.08	228.99	193.14	670.21	-235.51	589.13	247.67	326.82	143.04	500.15	\$3,746.54
5408 POSTAGE AND DELIVERY					21.92	86.67	19.99	7.09		14.60			\$150.27
5411 RENT	4,074.33	4,074.33	4,074.33	4,074.33	4,074.33	4,074.33	4,074.33	4,074.33	4,074.33	4,074.33	4,074.33	4,427.42	\$49,245.05
5421 DEPRECIATION EXPENSE	420.75	420.75	420.75	420.75	420.75	420.75	420.75	420.75	420.75	420.75	420.75	420.75	\$5,049.00
5501 ADMIN SALARIES\WAGES	18,007.32	14,676.33	24,813.10	19,167.38	26,698.94	21,488.10	19,014.17	29,191.72	25,568.56	24,459.09	26,877.73	27,243.23	\$277,205.67
5501-1 CONTRACT LABOR			135.00										\$135.00
Total 5501 ADMIN SALARIES\WAGES	18,007.32	14,676.33	24,948.10	19,167.38	26,698.94	21,488.10	19,014.17	29,191.72	25,568.56	24,459.09	26,877.73	27,243.23	\$277,340.67
5511 ADMIN INCENTIVES												500.00	\$500.00
5550 PAYROLL TAX EXPENSE	1,225.76	1,169.10	1,976.79	1,557.08	1,353.95	1,699.99	1,889.31	3,804.37	2,939.73	2,876.75	3,063.33	3,144.56	\$26,700.72
5563 ADMIN TRAINING\EDUCATUION	3,447.64	2,419.69	3,030.29	850.97	812.75	970.30	2,143.25	1,882.27	1,618.71	2,045.58	1,017.89	96.00	\$20,335.34
5564 ADMIN MEETINGS AND MEALS	64.70			11.98		126.50			423.91		146.13	579.24	\$1,352.46
5565 ADMIN GIFTS AND RECOGNITION	95.48	35.06	242.87						58.83		100.00	9.45	\$541.69
5600 Franchise Support													\$0.00
5600-1 Travel												85.56	\$85.56
5600-2 Meals												74.81	\$74.81
5600-3 Gifts & Recognition											115.56		\$115.56
5600-5 Technology												720.80	\$720.80
Total 5600 Franchise Support											115.56	881.17	\$996.73
5701 EXEC SALARIES				12,950.00		13,500.00	13,537.77	23,962.23	16,500.00	21,980.40	12,980.40	22,165.40	\$137,576.20
5702 EXEC INCENTIVES												1,000.00	\$1,000.00
7250 Investment in Subsidiary								8,545.44	6,521.17	48.43	24.47		\$15,139.51
7250-1 Council Bluffs												119.79	\$119.79
7250-2 Des Moines												368.23	\$368.23
Total 7250 Investment in Subsidiary								8,545.44	6,521.17	48.43	24.47	488.02	\$15,627.53
9997 Uncategorized Expense			33.69	197.53		318.64	255.23	-7.37	141.94	25.13		224.96	\$1,189.75
QuickBooks Payments Fees	186.44	222.40	6,501.69	277.93	263.22	228.09	252.61	288.68	262.91	247.52	248.00	313.60	\$9,293.09
Total Expenses	\$67,139.31	\$49,372.23	\$77,612.28	\$80,064.82	\$69,162.50	\$82,469.56	\$57,979.74	\$101,242.68	\$75,703.20	\$79,544.22	\$79,505.35	\$80,519.50	\$900,315.39
NET OPERATING INCOME	\$ -38,959.33	\$ -18,524.61	\$ -48,904.99	\$ -47,865.27	\$ -19,989.04	\$ -50,804.04	\$ -21,557.61	\$ -66,419.22	\$ -38,230.92	\$ -41,386.51	\$ -43,144.23	\$ -42,573.21	\$ -478,358.98
Other Income													
7010 INTEREST INCOME	195.00	182.62	929.49	1,349.84	1,256.64	1,062.02	1,439.38	792.09	825.66	1,196.35	896.05	809.75	\$10,934.89
9999 NOT USED			0.00									0.00	\$0.00
Total Other Income	\$195.00	\$182.62	\$929.49	\$1,349.84	\$1,256.64	\$1,062.02	\$1,439.38	\$792.09	\$825.66	\$1,196.35	\$896.05	\$809.75	\$10,934.89
Other Expenses													
8100 INTEREST EXPENSE	2,228.34	2,179.46	2,176.47	2,175.34	1,674.98	2,167.36	80.86	79.62	76.47	118.22	106.21	66.89	\$13,130.22
9022 PROPERTY TAX EXPENSE									142.92				\$142.92
Total Other Expenses	\$2,228.34	\$2,179.46	\$2,176.47	\$2,175.34	\$1,674.98	\$2,167.36	\$80.86	\$79.62	\$219.39	\$118.22	\$106.21	\$66.89	\$13,273.14
NET OTHER INCOME	\$ -2,033.34	\$ -1,996.84	\$ -1,246.98	\$ -825.50	\$ -418.34	\$ -1,105.34	\$1,358.52	\$712.47	\$606.27	\$1,078.13	\$789.84	\$742.86	\$ -2,338.25
NET INCOME	\$ -40,992.67	\$ -20,521.45	\$ -50,151.97	\$ -48,690.77	\$ -20,407.38	\$ -51,909.38	\$ -20,199.09	\$ -65,706.75	\$ -37,624.65	\$ -40,308.38	\$ -42,354.39	\$ -41,830.35	\$ -480,697.23

EXHIBIT E TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

EXHIBIT E TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin franchisees should not complete this Statement of Franchisee. If a franchisee in one of these states does so, we will disregard and not rely on the Statement of Franchisee.

As you know, HomeCare Advocacy Network Inc. and you are preparing to enter into a Franchise Agreement for the operation of a HCAN Services Business Franchised Business. In this Franchisee Disclosure Questionnaire, HomeCare Advocacy Network Inc. will be referred to as “we” or “us.” The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the HomeCare Advocacy Network Inc. Franchise Agreement and each exhibit and addendum schedule attached to it?

Yes _____ No _____

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

Yes _____ No _____

If “No”, what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

3. Have you received and personally reviewed our Franchise Disclosure Document dated _____ that we provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Disclosure Document?

Yes _____ No _____

If “No”, what parts of the Franchise Disclosure Document do you not understand? (Attach additional pages, if necessary.)

5. a. Have you discussed the benefits and risks of operating a HCAN Services Business Franchised Business with an attorney, accountant or other professional advisor?
- Yes _____ No _____
- b. Do you understand those risks?
- Yes _____ No _____
6. Do you understand that the success or failure of your business will depend in large part upon your personal skills and abilities, your use of those abilities, your chosen market, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?
- Yes _____ No _____
7. Has any employee or other person speaking on our behalf made, orally or in writing, any statement or promise concerning the revenues or profits of a HCAN Services Business Franchised Business that we, our affiliates, or our franchisees operate that is different from the information in the Franchise Disclosure Document?
- Yes _____ No _____
8. Has any employee or other person speaking on our behalf made, orally or in writing, any statement or promise concerning a HCAN Services Business Franchised Business that is contrary to, or inconsistent with, the information contained in the Franchise Disclosure Document?
- Yes _____ No _____
9. Has any employee or other person speaking on our behalf made, orally or in writing, any statement or promise regarding the amount of money you may earn in operating a HCAN Services Business Franchised Business?
- Yes _____ No _____
10. Has any employee or other person speaking on our behalf made, orally or in writing, any statement or promise concerning the total amount of revenue a HCAN Services Business Franchised Business will generate that is contrary to, or inconsistent with, the information contained in the Franchise Disclosure Document?
- Yes _____ No _____
11. Has any employee or other person speaking on our behalf made, orally or in writing, any statement or promise regarding the costs you may incur in operating a HCAN Services Business Franchised Business that is contrary to, or inconsistent with, the information contained in the Franchise Disclosure Document?
- Yes _____ No _____
12. Has any employee or other person speaking on our behalf made, orally or in writing, any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a HCAN Services Business Franchised Business?
- Yes _____ No _____
13. Has any employee or other person speaking on our behalf made, orally or in writing, any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or inconsistent with, the information

contained in the Franchise Disclosure Document?

Yes _____ No _____

14. If you have answered “Yes” to any of questions seven (7) through thirteen (13), please provide in writing and in detail the identity of the employee or other person speaking on our behalf and to the extent you can remember set forth exactly what was stated or promised, and also give us a further explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered “No” to each of such questions, please leave the following lines blank.

15. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and us?

Yes _____ No _____

You understand that your answers are important to us and that we will rely on them.

(Remainder of page intentionally left blank)

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

PROSPECTIVE FRANCHISEE:

If a business entity:

If an Individual:

(Name of Business Entity)

By: _____

Print Name: _____

Print Name: _____

Title: _____

DATE: _____

Each person who signs or guarantees the Franchise Agreement must sign and date a copy of this Franchisee Disclosure Questionnaire and return it to HomeCare Advocacy Network Inc., 440 Regency Pkwy Dr, #222, Omaha, NE 68114 prior to signing the Franchise Agreement.

EXHIBIT F TO THE FRANCHISE DISCLOSURE DOCUMENT
MULTI-STATE ADDENDUM
TO THIS FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT

**MULTI-STATE ADDENDUM
TO THIS FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT AND MULTI-UNIT AGREEMENT**

ADDITIONAL STATE DISCLOSURES

If the franchise is located in or if franchisee is a resident of any of the following states, then the designated provision in the Franchise Disclosure Document (“**FDD**”)¹ will be amended as follows:

(remainder of page intentionally left blank)

¹Addenda provisions to the Franchise Disclosure Document (“FDD”) also are amendments to all Exhibits attached as listed in the FDD Table of Contents and Receipt Pages.

CALIFORNIA

California Corporations Code, Section 31125 requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Neither HomeCare Advocacy Network Inc. nor any person identified in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or nation 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.

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.

1. Item 6 is supplemented by the following language to the “Late Fee”: the highest interest rate allowed in California is 10% annually.
2. Item 6 is amended by the addition of the following language to the original language in note 6 (“**Continuing Education**”):

For franchisees with offices located in California, the State of California requires all management staff to complete every two years a harassment training course. To help franchisees keep the cost for the training down, HCAN Services Business may purchase a set number of licenses at a discounted rate and make those licenses available to California franchisees to purchase a license for each user that is required by the state to take the training. Licenses may become available to franchisees in other states for additional types of training.

3. Item 17 is amended by the addition of the following language to the original language:

A. The following language is added as a 2nd Section before the chart/columns.

THE FRANCHISE AGREEMENT REQUIRES FRANCHISEE TO EXECUTE A GENERAL RELEASE OF CLAIMS UPON RENEWAL OR TRANSFER OF THE FRANCHISE AGREEMENT. CALIFORNIA CORPORATIONS CODE SECTION 31512 PROVIDES THAT ANY CONDITION, STIPULATION OR PROVISION PURPORTING TO BIND ANY PERSON ACQUIRING ANY FRANCHISE TO WAIVE COMPLIANCE WITH ANY PROVISION OF THAT LAW OR ANY RULE OR ORDER THEREUNDER IS VOID.

B. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning transfer, termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

C. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

D. The Franchise Agreement contains a covenant not to compete which extends beyond the transfer or termination of the franchise. This provision may not be enforceable under California law.

E. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

F. The Franchise Agreement requires arbitration. Any proceedings will be conducted at the AAA's Omaha, Nebraska office with the costs being borne by each party. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

G. The Franchise Agreement requires application of the laws of Nebraska. This provision may not be enforceable under California law.

H. You must sign a general release if you renew or transfer your franchise. California Corporations Code § 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§ 31000 through 31516). Business and Professions Code §§ 20000 through 20043).

4. Item 19 is amended by the addition of the following language to the original language under the "CAUTION" section:

The financial performance claims figures (i.e., Gross Revenue) do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or form franchisees, listed in the disclosure document, may be one source of this information.

5. The RECEIPT Pages ("**LAST PAGE**"), are amended to add the following language:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

6. The Franchise Disclosure Document, Franchise Agreement is amended to add the following language: "Franchisee cannot provide Home Health or other in-home medical care in California."

7. Section 10.2 of the Franchise Agreement is amended to delete the second sentence of said section and replace it with the following: "All Royalty Fees, amounts due for purchases by Franchisee from Franchisor, and other amounts which Franchisee owes to Franchisor, will also bear interest after due and payable date at the highest applicable legal rate for open account business credit, not to exceed ten percent (10%) annually."

8. Exhibit G of the Franchise Agreement (Home Health Amendment to Franchise Agreement) is hereby deleted.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this California-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20____.

FRANCHISOR:

FRANCHISEE:

HomeCare Advocacy Network Inc.

By:_____

By:_____*

Printed Name: _____

Printed Name: _____

Title:_____

Title if an entity:_____

Effective Date:_____

Date Signed: _____

* The Operating Principal

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

The following list reflects the status of the franchise registrations of the Franchisor in the states which require registration:

1. This proposed registration is effective in the following states:
None
2. This proposed registration is or will shortly be on file in the following states:
None
3. States which have refused, by order or otherwise, to register these franchises are:
None
4. States which have revoked or suspended the right to offer the franchises are:
None
5. States in which the proposed registration of these franchises has been withdrawn are:
None

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Hawaii-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20____.

FRANCHISOR:

FRANCHISEE:

HomeCare Advocacy Network Inc.

By: _____

By: _____ *

Printed Name: _____

Printed Name: _____

Title: _____

Title if an entity: _____

Effective Date: _____

Date Signed: _____

* The Operating Principal

**ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT,
AND MULTI-UNIT DEVELOPMENT AGREEMENT**

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

The payment of initial franchise fees will be deferred until franchisor has satisfied its preopening obligations to franchise and franchisee has commenced doing business. The Illinois Attorney General's Office imposed this deferral requirement due to franchisor's financial condition.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Illinois-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20____.

FRANCHISOR:

FRANCHISEE:

HomeCare Advocacy Network Inc.

By: _____

By: _____ *

Printed Name: _____

Printed Name: _____

Title: _____

Title if an entity: _____

Effective Date: _____

Date Signed: _____

* The Operating Principal

INDIANA

1. The first sentence of the first Risk Factor is amended to read as follows: “INDIANA LAW IS CONTROLLING FOR INDIANA FRANCHISEES.”
2. Item 3 is amended by the addition of the following language to the original language that appears: “Company is not involved in any pending arbitration and has not, during the ten (10) year period before the date of this Franchise Disclosure Document, been a party to any arbitration proceeding.”
3. Item 5 is amended by the addition of the following language to the original language that appears: “Indiana law prohibits franchisors from requiring their franchisees to prospectively agree to a release, assignment, novation, waiver or estoppel that attempts to relieve any person from liability.”
4. Item 6 (“indemnification” reference) is amended by the addition of the following language to the original language as follows: “(Indiana Code 23-2-2.7-1[5] prohibits this provision)”
5. Item 8 is amended by the addition of the following language to the original language that appears: “Company retaining any rebates, commissions or other consideration paid by suppliers will not apply to any Indiana franchisee as stated in Indiana Code, Title 23, Article 2, Chapter 2.7-1(4).”
6. Item 14 is amended by the addition of the following language to the original language that appears: “If there is an alleged breach of Section 15, Company may be entitled to seek immediate equitable remedies, including, restraining orders and injunctive relief to safeguard the proprietary and confidential information.”
7. Item 17(c) is amended by the addition of the following language to the original language that appears: “(Indiana Code Title 23-2-2.7-(5) prohibits this provision)”
8. Item 17(m) is amended by the addition of the following language to the original language that appears: “(Indiana Code Title 23-2-2.7-(5) prohibits this provision)”
9. Item 17(t) is amended by the addition of the following language to the original language that appears: “(subject to Indiana law)”
10. Item 17(v) is amended by the addition of the following language to the original language that appears: “(Indiana Code Title 23-2-2.7-1(10) prohibits this provision)”
11. Item 17(w) is amended by the addition of the following language to the original language that appears: “(subject to Indiana law)”
12. Item 17 is further amended by the addition of the following language to the original language that appears:

Indiana law prohibits franchisors from requiring their franchisees to prospectively agree to a release, assignment, novation, waiver or estoppel that attempts to relieve any person from liability.

Company will not permit a franchise to sell or renew without good cause or in bad faith. However, Indiana law does not prohibit a Franchise Agreement from providing that the agreement is not renewable on expiration or that the agreement is renewable if you meet certain conditions specified in the agreement.

Unilateral termination of the franchise is not permitted under Indiana law if the termination is without good cause or in bad faith. Good cause within the meaning of Indiana law includes any material violation of the Franchise Agreement.

Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.

You are not responsible for tortious claims from Company's gross negligence or willful misconduct in the making of or causing of the changes necessary in Company's protection of its Marks.

Indiana prohibits covenants not to compete in an area greater than the Area of Primary Responsibility; therefore, you agree to abide by the covenants not to compete terms within the Designated Area as defined in this Franchise Agreement.

If there is an alleged breach of Sections 6 or 7 of the Franchise Agreement, Company may be entitled to seek immediate equitable remedies, including, restraining orders and injunctive relief to safeguard the proprietary and confidential information.

Indiana prohibits the limitation of litigation brought for breach of the Franchise Agreement in any matter. Any terms, which designate jurisdiction or venue or require you to agree to jurisdiction or venue in a forum outside of Indiana is void concerning any cause of action, which is otherwise enforceable in Indiana. The Franchise Agreement and all related agreements will be interpreted and construed under the Indiana Franchise Laws, except to the extent governed by the United States Trademark Act of 1946.

If there is an alleged breach of Section 15, Company may be entitled to seek immediate equitable remedies, including, restraining orders and injunctive relief to safeguard the proprietary and confidential information.

Despite anything to the contrary in this provision, the franchisee does not waive any right under the Indiana statutes with regard to prior representations made in the Indiana Uniform Franchise Offering Circular.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Indiana-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20__.

FRANCHISOR:

FRANCHISEE:

HomeCare Advocacy Network Inc.

By:_____

By:_____*

Printed Name: _____

Printed Name: _____

Title:_____

Title if an entity:_____

Effective Date:_____

Date Signed: _____

* The Operating Principal

ADDENDUM
TO THE FRANCHISE AGREEMENT FOR THE STATE OF MARYLAND
STATE OF MARYLAND

This Addendum pertains to franchises sold in the State of Maryland, residents of the State of Maryland, and franchises to be located in the State of Maryland, regardless of the franchisee's residency, and is for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Disclosure Law.
2. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Franchise Registration and Disclosure Law.
3. 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.
4. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years from the date of the grant of the Franchised Business."
5. Exhibit E of the Franchise Disclosure Document, the Franchisee Disclosure Questionnaire, is amended to state: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Disclosure Law."

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

FRANCHISOR:

FRANCHISEE:

HomeCare Advocacy Network Inc.

By: _____

By: _____ *

Printed Name: _____

Printed Name: _____

Title: _____

Title if an entity: _____

Effective Date: _____

Date Signed: _____

* The Operating Principal

MICHIGAN

The following disclosures are required by the State of Michigan:

1. “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 related to a franchise:

- A. A prohibition on the right of a franchisee to join an association of franchisees.
- B. A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This will 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 this term except for good cause. Good cause includes the failure of the franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- D. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee’s inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor’s intent not to renew the franchise.
- E. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- F. A provision requiring that arbitration or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of arbitration or litigation, to conduct arbitration or litigation 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. The subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause includes, but is not limited to:

- 1) The failure of the proposed transferee to meet the franchisor’s then-current reasonable qualifications or standards.
- 2) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
- 3) The unwillingness of the proposed transferee to agree in writing to comply with all

lawful obligations.

4) 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 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 a provision has been made for providing the required contractual services.

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

3. THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

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

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Michigan-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20____.

FRANCHISOR:

HomeCare Advocacy Network Inc.

By:_____

Printed Name: _____

Title:_____

FRANCHISEE:

By:_____*

Printed Name: _____

Title if an entity:_____

* The Operating Principal

MINNESOTA

1. Risk Factors: The second Risk Factor is amended by the addition of the following language at the end thereof:

MINNESOTA STATUTE SECTION 80C.21 AND MINNESOTA RULE PART 2860.4400J PROHIBIT FRANCHISOR FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE FRANCHISE DISCLOSURE DOCUMENT OR AGREEMENTS CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM OR REMEDY PROVIDED FOR BY THE LAWS OF THE JURISDICTION.

2. The following Section is added to Item 11:

Company will provide you with password protected electronic access to the Business Operations Manual and the Service Operations Manual, which contains mandatory and suggested specifications, standards and procedures. The Business Operations Manual and the Service Operations Manual are confidential and remains the property of Company. Company may modify the Business Operations Manual and the Service Operations Manual. The Table of Contents of the Business Operations Manual and the Service Operations Manual, including pages devoted to each subject, are attached to this Franchise Disclosure Document as Exhibit C. (See Section 6)

3. The following Section is added at the end of Item 12:

“The minimum requirements are not a financial performance representation.”

4. The following Sections are added at the end of Item 13:

The Minnesota Department of Commerce requires that the Company indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee’s use of the Company’s trademark infringes trademark rights of the third party. The Company does not indemnify against the consequences of the franchisee’s use of the Company’s trademark except in accordance with the requirements of the franchise, and, as a condition to indemnification, the franchisee must provide notice to the Company of any claim within ten (10) days and tender the defense of the claim to the Company. If the Company accepts the tender of defense, the Company has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

By not having a Principal Register Federal Registration for either “HCAN Services Business” or “RAH Staffing Services”, Company does not have certain presumptive legal rights granted by a registration.

5. The first sentence of the “Summary” section of Item 17(c) entitled Requirements for you to Renew or Extend is deleted in its entirety and the following is substituted in its place:

You must have complied, and continue to comply, with all provisions of all agreements and must execute our then-current form of Franchise Agreement and sign general releases of all claims against us, provided however, that such general releases will not apply to any claims arising under the Minnesota Franchise Law.

6. All franchise contracts or agreements, and any other device or practice of a Company other than those classifications of franchises specifically recognized by the Commissioner will conform to the following provisions. It is an unfair and inequitable practice for any Company to:

A. Terminate or cancel a franchise without first giving written notice setting forth all the reasons for the termination or cancellation to the franchisee at least ninety (90) days in advance of termination or cancellation, and the franchisee fails to correct the reasons stated for termination or cancellation in the notice within sixty (60) days of receipt of the notice. However, the notice will be effective immediately upon receipt where the alleged grounds for termination or cancellation are:

(i) Voluntary abandonment of the franchise relationship by the franchisee;

(ii) The conviction of the franchisee of an offense directly related to the business conducted pursuant to the franchise; or

(iii) Failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the Company's trade name, trademark, service mark, logotype or other commercial symbol after the franchisee has received written notice to cure at least twenty-four (24) hours in advance thereof;

B. Terminate or cancel a franchise except for good cause. "Good cause" means failure by the franchisee to substantially comply with the material and reasonable franchise requirements imposed upon him by the Company including, but not limited to:

(i) The bankruptcy or insolvency of the franchisee;

(ii) Assignment for the benefit of creditors or similar disposition of the assets of the franchised business;

(iii) Voluntary abandonment of the franchised business;

(iv) Conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchised business; or

(v) Any act by or conduct of the franchisee which materially impairs the goodwill associated with the Company's trademark, trade name, service mark, logotype or other commercial symbol; or

C. Except for failure to renew a franchise for good cause as defined in Section 2 above, and the franchisee has failed to correct reasons for termination as stated in Section 1 above, no person may fail to renew a franchise unless:

(i) The franchisee has been given written notice of the intention not to renew at least one hundred eighty (180) days in advance of the expiration of the franchise; and

(ii) The franchisee has been given an opportunity to operate the franchise over a sufficient period of time to enable the franchisee to recover the fair market value of the franchise as a growing concern, as determined and measured from the date of the failure to renew. No Company may refuse to renew a franchise if the refusal is for the purpose of converting the franchisee's business premises to an operation that will be owned by the Company for its own account.

D. Unreasonably withhold consent to an assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular Company.

7. Requirements for you to renew or extend: "Minnesota Rules, 1989, Department of Commerce, Chapter 2860, Section 4400D prohibits a Company from requiring a Franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes 1973 Supplement, section 80C.01 to 80C.22; provided, that this part will not bar the voluntary settlement of disputes."

8. Minn. Rule 2860.4400J. states that it is unfair and inequitable for a franchisor to require a franchisee to waive his rights to any forum provided for by the laws of jurisdiction. Any language found in the Franchise Disclosure Document contrary to this rule is amended so that it does not apply to Minnesota franchisees.

9. Franchisee cannot consent to the Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Minnesota-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20____.

FRANCHISOR:

HomeCare Advocacy Network Inc.

By: _____

Printed Name: _____

Title: _____

FRANCHISEE:

By: _____ *

Printed Name: _____

Title if an entity: _____

* The Operating Principal

NEW YORK

The Franchise Disclosure Document is amended as follows:

1. All references made herein to a Franchise Disclosure Document are amended to Offering Prospectus.

The Franchise Disclosure Document Cover Page is amended as follows:

REGISTRATION OF THIS FRANCHISE WITH THE STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, 120 BROADWAY, NEW YORK, NEW YORK, 10271-0332.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

2. Item 3 is amended by the addition of the following language:

Neither Company, its predecessors, nor any person identified in Item 2 has any administrative, criminal or civil action pending against them alleging: a felony; a violation of franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. In addition, neither Company, its predecessors, nor any person identified in Item 2 has any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

Neither Company, its predecessors, nor any other person identified in Item 2 has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Neither Company, its predecessors, nor any person identified in Item 2 is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate

broker or sales agent.

3. Item 4 is amended to read as follows:

During the 10 year period immediately before the date of the Franchise Disclosure Document neither Company nor Affiliate, its predecessors or current officer or general partner of Company, has (a) filed as debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that ever filed as a debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code, or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

4. Item 5 is amended by the addition of the following language at the end of the time:

The Franchise Fee will be used to compensate Company for its costs in providing training materials, evaluating the site, and other services Company provides to you prior to and as you begin operating your business.

5. Item 7 is amended by the addition of the following language: “There are no other direct or indirect payments to Company in conjunction with the purchase of the Franchise.”
6. Item 12, to clarify the minimum number of people age 65 or older in the Designated Area, the second sentence of the first Section is replaced with the following:

Your Designated Area will be determined by zip codes, listed in Exhibit A attached to the Franchise Agreement, and will include a population of approximately 15,000 to 30,000 people who are age 65 and older.

Section 1.2 of the Franchise Agreement second sentence, is replaced with the following:

The Designated Area will be defined by zip codes and include a population of approximately fifteen thousand (15,000) to thirty (30,000) people, who are age sixty-five (65) and older (“Potential Clients”).

7. Item 17 is amended as follows:

(the following Section replaces/becomes the only Section before the table):

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS OFFERING PROSPECTUS.

8. Item 17, “Renewal, Termination, Transfer and Dispute Resolution” the subsection entitled “Assignment of Contract by Company” will be amended to include the following language: “However, no assignment will be made except to an assignee who, in the good faith judgment of Company, is able to assume Company’s obligations under the Agreement.”
9. Item 17(w), “Choice of Law” subsection is be amended to include the following language: “Choice of law should not be considered a waiver of any right conferred upon the Franchisee by the General Business Law (“GBL”) of the State of New York, Article 33.”

10. Franchisor has the right to modify or revise lists of specifications, the Confidential Business Operations Manual and the Service Operations Manual, or any part of the System, provided that any revisions or modifications will not unreasonably increase Franchisee's obligation or place an excessive and unreasonable economic burden on the Franchisee's operations.

11. New York franchisees must attend all training programs at Franchisor's headquarters in Omaha, Nebraska.

12. Each provision for general releases to be executed by Franchisee is subject to the following:

All rights enjoyed by the Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the GBL of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this provision that the non-waiver provisions of GBL Section 687.4 and 687.5 be satisfied.

13. Franchisee is required to indemnify Franchisor from all claims arising out of Franchisee's operation of the Franchised Business, except that Franchisee is not required to indemnify Franchisor for claims arising from Franchisor's negligence or misconduct.

14. Franchisee's agreement to Franchisor's right to obtain injunctive and other relief in the event of Franchisee's breach of covenants not to compete and non-disclosure covenants contemplates only Franchisor's right to obtain injunctive and other relief only after the proper proofs are made and the appropriate judicial or arbitral authority grants such relief. Nothing within said provisions will constitute a waiver by Franchisee of Franchisee's right to defend any action.

15. Each provision for applicable law is subject to the following:

The foregoing choice of law will not be considered a waiver of any right conferred upon the Franchisee by the provisions of Art. 33 of the General Business Law of the State of New York.

THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.

16. The following sentence is added to the end of Section 4.2 of the Franchise Agreement:

The responsibilities of the Franchisee are in no way lessened by entering into this Agreement, and the Franchisee retains the right and authority to independently adopt, amend and implement policies and procedures, that are in addition to and more stringent and restrictive than those prescribed by Franchisor, regarding the operation of the Franchised Business in order to insure the provision of quality home care services in accordance with the System and in compliance with all applicable statutes and regulations, and Franchisee warrants that it will provide its services accordingly.

17. The following provision, as Section 6.4, is added to Section 6 of the Franchise Agreement:

6.4 The policies, standards, procedures, Operations Manual, Confidential Information, and other documents developed by the Franchisor, which relate to the operating standards, policies and procedures for the Franchised Business will be available for inspection and copying by the State of New York Department of Health in accordance with such Department's applicable statutory and regulatory authority.

18. The following provision, as Section 7.6, is added to Section 7 of the Franchise Agreement:

7.6. The policies, standards, procedures, Operations Manual, Confidential Information, and other documents developed by the Franchisor which relate to the operating standards, policies and procedures for the Franchised Business will be available for inspection and copying by the State of New York Department of Health in accordance with such Department's applicable statutory and regulatory authority. Such documents, when received by the State of New York Department of Health, will be subject to the relevant provisions of the Freedom of Information Law, including provisions relating to excepting from disclosure any documents which are trade secrets or are maintained for the regulation of commercial enterprise which if disclosed would cause substantial injury to the competitive position of the Franchisor or the Franchisee.

19. The following sentence is added to the end of Section 11.1 of the Franchise Agreement:

In addition, the policies, standards, procedures, Operations Manual, Confidential Information, and other documents developed by the Franchisor which relate to the operating standards, policies and procedures for the Franchised Business will be available for inspection and copying by the State of New York Department of Health in accordance with such Department's applicable statutory and regulatory authority. Such documents, when received by the State of New York Department of Health, will be subject to the relevant provisions of the Freedom of Information Law, including provisions relating to excepting from disclosure any documents which are trade secrets or are maintained for the regulation of commercial enterprise which if disclosed would cause substantial injury to the competitive position of the Franchisor or the Franchisee.

20. Section 12.2 of the Franchise Agreement is amended in its entirety to state as follows:

12.2 Franchisee will commence operation of the Franchised Business at the Premises providing companion and homemaker services that are not subject to State licensure regulations, which includes establishing and continuously maintaining an open office located within the Designated Area; (i) if this Agreement is for Franchisee's first Franchised Business, the earlier of six (6) months after execution of this Agreement, unless otherwise agreed upon in writing by Franchisor or due to licensing requirements imposed by applicable law in the Designated Area; or, (ii) if this Agreement includes a Multiple Unit Amendment and is for an additional Franchised Business, on the date contemporaneously or within thirty (30) days after execution of this Agreement. As used in this Agreement, an open office means: a Premises, and such Premises will continuously (i) have at least two (2) full-time equivalent staff members, one of which may be the Operating Principal, who have the authority to and are hiring and managing employees and actively marketing and selling the services and products, materials and equipment of the Franchised Business, and (ii) provide and supervise home care and/or staffing services, and (iii) produce and deliver all Weekly Reports and others required under this Agreement. As used in this agreement, "continuously" means uninterrupted at least during normal day to day business hours at least Monday through Friday, plus providing a service to handle calls from and respond to the public 24 hours each day, 7 days per week. Prior to such opening, Franchisee will have complied with all of Franchisor's pre-opening standards and specifications. Franchisee acknowledges and

agrees that the hours of operation and the staffing requirements of this Agreement are integral to maintaining the value of the System and the Marks; and, that Franchisee's failure to operate during the designated hours or staff as required by this Agreement is detrimental to the value of the System and the Marks. Franchisee further acknowledges and agrees that the day-to-day operational decision relating to the opening and closing procedures of the Franchised Business, including any security, staffing beyond the staffing of at least two full time equivalent staff

members, and other similar matters, will be made solely by Franchisee. If Franchisee for any reason fails to commence and/or continue such operations as herein provided, such failure will be a default of this Agreement and Franchisor may, in addition to all other remedies provided for under this Agreement, terminate this Agreement.

21. Section 12.8 of the Franchise Agreement is amended in its entirety to state as follows:

12.8 Franchisee will maintain an electronic database of the names and addresses and contact notes of all current and past clients, client family and responsible party, current and past prospects, referral sources and vendors of the Franchised Business. Franchisee will supply said database to Franchisee by electronic transmission in the time and manner prescribed from time to time by the Franchisor. Franchisee will maintain the confidentiality of said information and will not disclose, provide, or sell all or any part of the client list or contents thereof to any person or entity other than Franchisor, or as required by applicable law, in accordance with Section 7 of this Agreement.

22. The following proviso will be added to the end of Section 12.12 of the Franchise Agreement:

provided, termination of this Agreement or any services being provided by the Franchised Business will be done in a manner consistent with applicable state regulations to ensure client safety.

23. Section 15.2 of the Franchise Agreement is amended in its entirety to state as follows:

15.2 Franchisee covenants to Franchisor that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee or the Operating Principal will devote his or her full-time energy and best efforts to the management and operation of the Franchised Business, and that Franchisee will retain legal authority over and responsibility for the operation and management of the Franchised Business, and will comply with all statutory and regulatory requirements applicable to the Franchised Business.

24. The following language will be added at the end of Section 21.1 of the Franchise Agreement:

Notwithstanding the foregoing, Franchisor's right to operate the Franchised Business pursuant to this Section 21.1 is conditioned upon Franchisor applying for and receiving approval from the Department of Health pursuant to 10 NYCRR § 765-1.12 or any other law of similar effect.

25. The Franchise Agreement is amended to add the following language as Section 35:

Despite anything to the contrary contained in the Franchise Agreement, Franchisee will comply with all applicable laws, ordinances and regulations in connection with the Franchised Business, including, but not limited to, laws, ordinances and regulations pertaining to the termination or amendment of the Franchise Agreement, transfer of the Franchised Business, or the transfer of any ownership interest in Franchisee. Subject to the provisions of the Franchise Agreement, the Operations Manual pertaining to Franchisee's rights, Franchisee will retain authority over, and will not delegate to Franchisor, (i) the authority to hire or fire staff of the Franchised Business, (ii) the maintenance, control and preservation of the Franchisee's books and records, (iii) the authority over the disposition of assets of the Franchised Business, (iv) the authority to incur liabilities on behalf of the Franchised Business, or (v) the authority to adopt additional more stringent and more restrictive policies and procedures affecting the delivery of health care services. The franchise agreement approved by the State of New York Department of

Health is the sole franchise agreement between Franchisor and Franchisee for the Franchised Business, or any portion thereof, relating to the Designated Area.

28. Item 23 Receipts at Exhibit K are modified by adding the following language to the end of the second Section:

New York State law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this New York-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20____.

FRANCHISOR:

HomeCare Advocacy Network Inc.

By:_____

Printed Name: _____

Title:_____

FRANCHISEE:

By:_____*

Printed Name: _____

Title if an entity:_____

* The Operating Principal

NORTH DAKOTA

1. Item 5 is amended by the addition of the following language to the original language:

Refund and cancellation provisions will be inapplicable to franchises operating under the North Dakota Franchise Investment Law. If Company elects to cancel this Agreement, Company will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. Item 17 of the Franchise Disclosure Document and corresponding Sections of the Franchise Agreement are amended by the addition of the following language to the original language or deleted as indicated:

A. Requirements for you to renew or extend” (Item 17(c) of the Franchise Disclosure Document, Sections 2.2 and 2.3 of the Franchise Agreement). “The execution of a general release upon renewal, assignment or termination will be inapplicable to franchises operating under the North Dakota Franchise Investment Law.

B. Your obligations on termination/non-renewal” (Item 17(i) and Section 17.8 of the Franchise Agreement) are amended to delete any reference to a North Dakota franchisee consenting to liquidated damages.

C. Your obligations on termination/non-renewal” (Item 17(i) and Section 17 of the Franchise Agreement) are amended to read: “the prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney fees.”

D. Covenants not to compete upon termination or expiration of the Franchise Agreement is generally unenforceable in the State of North Dakota except in limited instances as provided by law.

E. Item 17(u) of the franchise disclosure document and Section 29 of the Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law. The site of arbitration or mediation must be agreeable to all parties.

F. Choice of Forum” (Item 17(v) of the Franchise Disclosure Document, Section 28 of the Franchise Agreement) is amended with the following language: “Any action will be brought in the appropriate state of federal court in North Dakota.”

G. The “Choice of Law” (Item 17(w) of the Franchise Disclosure Document, Section 28.1 of the Franchise Agreement) is amended to read as follows: “This Agreement takes effect upon its acceptance and execution by Company in North Dakota.”

H. Item 17(u) of the franchise disclosure document and Section 29 of the Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law. The site of arbitration or mediation must be agreeable to all parties.

I. Section 33.7 of the Franchise Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

J. Item 17 of the franchise disclosure document, Sections 34.1 of the Franchise Agreement requiring the franchisee to consent to a waiver of exemplary and punitive damages may not be

enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

3. "Applicable Law" (Section 28 of the Franchise Agreement) is amended to read as follows:

A. 28.1 is deleted and amended to read as follows: "This Agreement takes effect upon its acceptance and execution by Franchisor in North Dakota."

B. 28.1 is deleted in its entirety.

4. "Acknowledgement" (Section 33 of the Franchise Agreement) is amended by the addition of the following language to the original language that appears therein to read as follows:

Franchisee acknowledges that Franchisee received a copy of this Agreement, the attachments hereto, if any, and agreements relating thereto, if any, at least seven (7) days prior to the date on which this Agreement was executed.

5. "Covenants" (Section 15 of the Franchise Agreement) is amended by the addition of the following language to the original language that appears therein: "Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this North Dakota-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20____.

FRANCHISOR:

HomeCare Advocacy Network Inc.

By:_____

Printed Name: _____

Title:_____

FRANCHISEE:

By:_____*

Printed Name: _____

Title if an entity:_____

* The Operating Principal

RHODE ISLAND

1. The “Renewal, Termination, and Dispute Resolution” (Item 17) is amended by the addition of the following language to the original language:

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that [A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.]

2. Item 17(v) is amended as follows: “This Section is invalid under Rhode Island General Law Section (19.28.1-4)”
3. Item 17(w) is amended as follows: “This Section is invalid under Rhode Island General Law Section (19-28.1-14)”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Rhode Island-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20____.

FRANCHISOR:

HomeCare Advocacy Network Inc.

By:_____

Printed Name: _____

Title:_____

FRANCHISEE:

By:_____*

Printed Name: _____

Title if an entity:_____

* The Operating Principal

SOUTH DAKOTA

1. Item 5 is amended by the addition of the following language to the original language that appears therein:

Liquidated damages provisions will be inapplicable to franchises operating under the laws of South Dakota.” If Franchisor seeks to terminate the contract after Franchisee has submitted two acceptable sites, franchisee will be required to pay Franchisor for its actual expenses in site evaluation and selection activities.

2. The “Summary” section of Item 17(g) entitled “Cause” Defined - Defaults Which Can Be Cured, is deleted in its entirety and the following is substituted in its place: “If you fail to pay any amounts due to us or our affiliates and do not cure the breach within 30 days’ notice from us, you have 30 days to cure any other default (except those defaults listed in (h).”
3. The “Summary” section of Item 17(r) of the Franchise Disclosure Document chart entitled Non-Competition Covenants and Section 15.4 of the Franchise Agreement is amended as follows: “Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota.”
4. The “Summary” sections of Items 17(v) and 17(w) entitled Choice of Forum and Choice of Law, respectively, are amended by the addition of the following language:

Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of South Dakota or requiring the application of the laws of any other state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.

Pursuant to SDCL 37-5B-21, any condition, stipulation or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by or a right provided by this chapter or a rule or order under this chapter is void.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this South Dakota-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20____.

FRANCHISOR:

HomeCare Advocacy Network Inc.

By: _____

Printed Name: _____

Title: _____

FRANCHISEE:

By: _____ *

Printed Name: _____

Title if an entity: _____

* The Operating Principal

VIRGINIA

The Franchise Disclosure Document is amended as follows:

1. Pursuant to the Virginia Retail Franchising Act (“VRFA”), the FTC cover page is modified by adding the words “or grant” at the end of the third sentence in the third Section so it reads as follows:

You must receive this disclosure document at least fourteen (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 or grant.

2. Item 5 is amended by the addition of the following language:

“The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

3. Item 8 is amended by the addition of the following language:

A. “Company provides no material benefits to you based on your use of designated or required suppliers unless otherwise stated.”

B. “Rebates will be divided among System franchisees and Company and Affiliate-owned stores on a pro-rata basis linked to the amount of purchases made.”

4. Item 17 is amended by striking the first Section and replacing it with the following language:

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.”

4. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for HCAN Services Business for use in the Commonwealth of Virginia is amended as follows:

Item 17(h) is amended by the addition of the following language:

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.

5. Item 19 is amended by striking the last Section and replacing it with the following language:

Other than the preceding financial performance representation, HomeCare Advocacy Network Inc. does 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 Allen Hager, HomeCare Advocacy Network Inc., 6464 Center

Street, Suite 150, Omaha, Nebraska 68106, (402) 697-7537, the Federal Trade Commission, and the appropriate State regulatory agencies.

6. Pursuant to the VRFA, the Item 23 Receipts at Exhibit K are modified by adding the word “calendar” between the words “14” and “days” and the words “or grant” at the end of the second Section so each reads as follows:

If HomeCare Advocacy Network Inc. offers you a franchise, HomeCare Advocacy Network Inc. must provide the Franchise Disclosure Document to you 14 calendar days (commencing the day after delivery of this Franchise Disclosure Document) before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale or grant.

7. Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$132,216 to \$216,600. This amount exceeds the franchisor's stockholder's equity as of August 31, 2024, which is -\$71,695.
8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The Franchise Agreement is amended as follows:

1. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The Multi-Unit Development Agreement is amended as follows:

1. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Virginia-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20____.

FRANCHISOR:

HomeCare Advocacy Network Inc.

By: _____

Printed Name: _____

Title: _____

FRANCHISEE:

By: _____ *

Printed Name: _____

Title if an entity: _____

* The Operating Principal

WASHINGTON

The state of Washington has a statute, RCW 19.100.180 which 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 the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

If Franchisor exercises its option to purchase the following assets of the Franchisee upon a termination or expiration of this Agreement, Franchisor will purchase any of Franchisee's inventory, supplies, equipment, and furnishings purchased from Franchisor, and good will, exclusive of personalized materials which have no value to Franchisor, and inventory, supplies, equipment and furnishings not reasonably required in the conduct of the Franchised Business for their fair market value, provided, that (a) compensation need not be made to Franchisee for good will if: (i) Franchisee has been given one year's notice of nonrenewal and (ii) Franchisor agrees in writing not to enforce any covenant which restrains Franchisee from competing with Franchisor; and, (b) Franchisor may offset against amounts owed to Franchisee any amounts owed by Franchisee to Franchisor.

A release or waiver of rights executed by a franchisee will not include rights under the Washington Franchise Investment Protection Act 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, 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.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

Item 5 is amended to disclose the following: Persons who receive financial incentives to refer franchise prospects to us may be required to register as franchise brokers under the laws of some states.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Washington-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20____.

FRANCHISOR:

HomeCare Advocacy Network Inc.

By: _____

Printed Name: _____

Title: _____

FRANCHISEE:

By: _____ *

Printed Name: _____

Title if an entity: _____

* The Operating Principal

WISCONSIN

The State of Wisconsin has not reviewed and does not endorse, approve, recommend, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Wisconsin-specific Addendum, understands and consents to be bound by all of its terms, and agrees it becomes effective the _____ day of _____, 20____.

FRANCHISOR:

HomeCare Advocacy Network Inc.

By: _____

Printed Name: _____

Title: _____

FRANCHISEE:

By: _____ *

Printed Name: _____

Title if an entity: _____

* The Operating Principal

EXHIBIT G TO THE FRANCHISE DISCLOSURE DOCUMENT
LIST OF HCAN SERVICES BUSINESS CURRENT FRANCHISEES

EXHIBIT G TO THE FRANCHISE DISCLOSURE DOCUMENT**LIST OF HCAN SERVICES BUSINESS CURRENT FRANCHISEES AS OF MAY 31, 2024**

Name	Address	City	State	Zip	Telephone Number
HCAN Clearwater, LLC	10300 49 th St N#124	Clearwater	Florida	33762	727-788-4226
Bickford Home Care of Northwest Suburbs, LLC	820 E. Terra Cotta Ave Ste.236	Crystal Lake	Illinois	60014	815-477-4200
Bickford Home Care of Northwest Suburbs, LLC	40W304 La Fox Rd Ste A	St. Charles	Illinois	60175	630-425-8619
Sea Bee Care LLC	300 W Broadway Ste 222	Council Bluffs	Iowa	51503	712-318-1992
Bickford Home Care of Northwest Suburbs, LLC	2533 E 53rd St	Davenport	Iowa	52807	563-265-2003
Bickford Home Care of Northwest Suburbs, LLC	1210 S Gilbert	Iowa City	Iowa	52240	319-359-7858
Dez Moines Care LLC	1230 8 th St. Suite 105	West Des Moines	Iowa	50265	515-428-0294
Sarah Pappas	12329 Southport Pkwy, Suite 101	LaVista	Nebraska	68128	402-287-6171
Sarah Pappas	390 N. Cotner Blvd. Suite 200	Lincoln	Nebraska	68505	402-287-6171
Julie Gray	3610 N 163rd Plz #101	Omaha	Nebraska	68116	402-359-1996
American Baptist Homes of the Midwest	3408 West Ralph Rogers Rd	Sioux Falls	South Dakota	57108	414-525-6402
American Baptist Homes of the Midwest	S77 W12929 McShane Dr	Muskego	Wisconsin	53150	414-525-6402

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

**LIST OF HCAN SERVICES BUSINESS FRANCHISES TERMINATED, CANCELLED,
NOT RENEWED OR OTHERWISE CEASED TO DO BUSINESS**

Name	Address	City	State	Zip	Telephone Number
Shane and Janet Buer	175 South Orem Blvd	Orem	Utah	84058	TBD

**LIST OF HCAN SERVICES BUSINESS FRANCHISES TERMINATED, CANCELLED,
NOT RENEWED OR OTHERWISE CEASED TO DO BUSINESS**

None

EXHIBIT I-1 TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED

1. FRANCHISE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED

None

2. INDEPENDENT FRANCHISE ASSOCIATIONS

None

EXHIBIT J TO THE FRANCHISE DISCLOSURE DOCUMENT

MULTI-UNIT DEVELOPMENT AGREEMENT



HEMOCARE ADVOCACY NETWORK, INC.

MULTI-UNIT DEVELOPMENT AGREEMENT

Multi-Unit Developer: _____

Date: _____

Territory:_____

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1. GRANT	2
2. TERM.....	3
3. FRANCHISE AGREEMENT, INITIAL FRANCHISE FEE, AREA DEVELOPMENT FEE AND INITIAL TRAINING	3
4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS	4
5. LOCATION OF HCAN SERVICES BUSINESSES	7
6. FRANCHISE AGREEMENT	7
7. DEFAULT AND TERMINATION.....	7
8. ASSIGNMENT	8
9. FORCE MAJEURE.....	10
10. CONFIDENTIALITY	10
11. NONCOMPETITION	11
12. ENTIRE AGREEMENT	12
13. MONTHLY REPORTS	13
14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION	13
15. COMPLIANCE WITH APPLICABLE LAWS	13
16. CHANGE IN DEVELOPMENT TERRITORY	13
17. SUCCESSORS AND ASSIGNS.....	14
18. APPLICABLE LAW.....	14
19. RECEIPT OF DOCUMENTS	14
20. NOTICE	14
21. ARBITRATION	15
22. MODIFICATION BY FRANCHISOR	15
23. ACKNOWLEDGEMENTS	16

ATTACHMENTS:

Attachment A:	Development Term, Description of Development Territory, and Calculation of Multi-Unit Development Fee
Attachment B:	Development Schedule
Attachment C:	Personal Guaranty
Attachment D:	Statement of Shareholders/Members/Partners

**HEMOCARE ADVOCACY NETWORK, INC.
MULTI-UNIT DEVELOPMENT AGREEMENT**

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, (“**Effective Date**”) by and between HomeCare Advocacy Network, Inc., a Nebraska corporation (“**Franchisor**”), with a business address at 440 Regency Pkwy Dr, #222, Omaha, NE 68114 and _____, with its business address at _____ (“**Multi-Unit Developer**”).

WITNESSETH:

WHEREAS, Franchisor holds the exclusive franchise rights to a proprietary system which has been developed through significant expenditures of time, skill, effort and money (“**System**”) relating to the establishment, development and operation of a business that provides hands-on personal care, non- medical care, in-home care assistance and companionship care services to seniors and other adults, supplemental staffing services for nursing homes, hospitals and other medical institutional settings, home health services and other in-home medical care, and other related products, materials, and equipment (“**HCAN Services Business**” or “**Franchised Business**”); and

WHEREAS, the System features use of the Marks (defined below), a distinctive exterior and interior design, decor, color scheme, fixtures and furnishings for the HCAN Services Business, as well as uniform standards, specifications, methods, policies and procedures for HCAN Services Business operations, proprietary inventory and management control, training and assistance, and advertising and promotional programs (all as further defined in the Operations Manual), all of which may be changed, improved upon, and further developed occasionally by Franchisor;

WHEREAS, Franchisor, through its dedicated operations, marketing methods, and merchandising policies, has developed the reputation, public image and goodwill of its System and established a firm foundation for its franchised operations consisting of the highest standards of training, management, supervision, appearance, and quality of services and products;

WHEREAS, the System is identified by means of certain trademarks, including the marks “HEMOCARE ADVOCACY NETWORK™” and any other trade names, service marks, and trademarks as are now, and may hereafter be, designated for use in connection with the System (“**Marks**”);

WHEREAS, Franchisor continues to develop, expand, use, control and add to the Marks and the System for the benefit of and exclusive use by Franchisor and its franchisees in order to identify for the public the source of the products and services marketed thereunder and to represent the System’s high standards of quality and service;

WHEREAS, Multi-Unit Developer desires to obtain the exclusive right to develop, construct, manage and operate a series of HCAN Services Businesses under the development schedule described in **Attachment B** attached hereto (“**Development Schedule**”) and within the territory described in **Attachment A** attached hereto (“**Development Territory**”), under the System and Marks, as well as to receive the training and other assistance provided by Franchisor in connection therewith;

WHEREAS, the Multi-Unit Developer hereby acknowledges that it has read this Agreement and Franchisor’s Franchise Disclosure Document (“**Disclosure Document**”), and that it has no knowledge of any representations about the HomeCare Advocacy Network franchise or about Franchisor or its franchising program or policies made by Franchisor or by its officers, directors, shareholders, employees or agents which are contrary to the statements in Franchisor’s Disclosure Document or to the terms of this

Agreement, and that it understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's high standards of quality and service and the uniformity of those standards at all HCAN Services Businesses which operate pursuant to the System and thereby to protect and preserve the goodwill of the System and the Marks; and

WHEREAS, Multi-Unit Developer understands and acknowledges the importance of Franchisor's uniformly high standards of quality and service and the necessity of operating the HomeCare Advocacy Network franchises in strict conformity with Franchisor's quality control standards and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

1. GRANT

1.1 Franchisor hereby grants to Multi-Unit Developer the right and license to develop, construct, operate and manage the number of HCAN Services Businesses specified on **Attachment A** in strict accordance with the System and under the Marks within the Development Territory described in **Attachment A**. Each HCAN Services Business shall be operated according to the terms of the individual franchise agreement ("**Franchise Agreement**") with respect thereto.

1.2 If the Multi-Unit Developer is developing HCAN Services Businesses, and complies with the terms of this Agreement, the Development Schedule, and the individual Franchise Agreement for each HCAN Services Business, then Franchisor will not franchise or license others, nor will it itself directly or indirectly develop, own, lease, construct or operate in any manner, any HCAN Services Businesses in the Development Territory during the term hereof; however, Franchisor reserves the right to sell products and services under the Marks or any other marks, through any other retail location or through any other channels of distribution, including through mail order, catalogue sales or over the Internet. Franchisor also reserves the right to (a) establish, operate or license to any other person or entity the right to establish or operate a HCAN Services Business owned or licensed by Franchisor at any location outside the Development Territory; (b) develop, lease and license the use of, at any location side or outside of the Development Territory, trademarks other than the Marks, in connection with the operation of a system which offers products or services which are similar to or different from those offered under the System, on any terms or conditions which Franchisor deems advisable; (c) merge with, or be acquired by any other business, including a business that competes with HCAN Services Businesses operated by Multi-Unit Developer, or to acquire and convert to the System operated by Franchisor any business that provides hands-on personal care, non-medical care, in-home care assistance and companionship care services to seniors and other adults, supplemental staffing services for nursing homes, hospitals and other medical institutional settings, home health services and other in-home medical care, and other related products, materials, and equipment operated by competitors, located inside or outside of the Development Territory or otherwise operated independently as part of, or in association with, any other system or chain, whether franchised or corporately owned; and (d) implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to customers anywhere, and to issue mandatory policies to coordinate these multi-area marketing programs. Upon the expiration or termination of this Agreement, the Multi-Unit Developer will no longer have an exclusive Development Territory and each HCAN Services Business will be limited to operating solely within the designated area ("**Designated Area**") described in the individual Franchise Agreement. Multi-Unit Developer understands, acknowledges and agrees that as a Franchisee, Multi-Unit Developer

will not receive any exclusive or protected territorial rights other than the territory granted with each HCAN Services Business within each Designated Area.

1.3 This Agreement is not a franchise agreement and Multi-Unit Developer has no right to use in any manner the Marks or System by virtue hereof. Each HCAN Services Business will be governed by the individual Franchise Agreement signed by Franchisor and Multi-Unit Developer for each HCAN Services Business.

1.4 The Multi-Unit Developer must contribute some amount of its personal capital to the development of each HCAN Services Business and must own at least a 51% equity interest in each HCAN Services Business developed hereunder. In addition, Multi-Unit Developer shall ensure that a person (“**Designate Business Manager**”) shall at all times devote his or her full time and attention to managing, supervising, and developing each HCAN Services Business and that the person is at all times identified to Franchisor. Multi-Unit Developer shall identify all equity owners of Multi-Unit Developer by completing the Statement of Shareholders/Members/Partners attached to this Agreement as **Attachment D**. Multi-Unit Developer shall provide Franchisor with an updated form of **Attachment D** within 10 business days of any change in the equity ownership of Multi-Unit Developer. The failure of Multi-Unit Developer to provide Franchisor with an updated **Attachment D** within the time frame specified in this Section 1.4 shall constitute a material default of this Agreement.

2. TERM

Unless sooner terminated pursuant to the provisions of Section 7, the term (“**Development Term**”) of this Agreement shall expire upon the earlier of (a) the date set forth on **Attachment A**, or (b) completion of the term of the Development Schedule. Franchisor, in its sole discretion, may permit Multi-Unit Developer to renew this Agreement for an additional term; provided that, without limiting the foregoing, the Multi-Unit Developer has not defaulted in its obligations under this Agreement or any other agreement with Franchisor or any affiliate of Franchisor, and the parties agree in writing to a new Development Schedule.

3. FRANCHISE AGREEMENT, INITIAL FRANCHISE FEE, AREA DEVELOPMENT FEE AND INITIAL TRAINING

3.1 With respect to each HCAN Services Business to be developed under this Agreement:

(a) As soon as Multi-Unit Developer locates a site within the Development Territory that it believes is suitable for operating a business office for the HCAN Services Business in accordance with Franchisor’s site selection criteria, Multi-Unit Developer shall submit to Franchisor the information about the proposed location including, without limitation, lease terms, demographic criteria for the proposed Designated Area and preliminary site plans showing building orientation, proposed unit location, parking layout, and certain other information, as Franchisor may require periodically in Franchisor’s operations manual (“**Operations Manual**”). If Multi-Unit Developer proposes that another entity will own and operate the HCAN Services Business, Multi-Unit Developer must also submit information to Franchisor regarding the proposed franchisee entity. Franchisor reserves the right to request as much additional information regarding the site and the proposed franchisee entity as it deems necessary, in its sole discretion, and Multi-Unit Developer agrees to provide the information immediately upon request.

(b) Should Franchisor grant preliminary authorization to proceed with the site location per Section 3.1(a) above, it will give its written authorization to the Multi-Unit Developer to proceed with architectural drawings and final site plans containing the information as Franchisor requires. The preliminary authorization for the site location shall not constitute final authorization of the office location for the HCAN Services Business or the proposed Designated Area, or of the entity proposed as franchisee. Upon receipt of the site location authorization, Multi-Unit Developer should make an offer to secure the site via purchase or lease, which offer must be contingent upon final approval by Franchisor of the site and of the proposed franchisee entity.

(c) Should Franchisor provide final site authorization and approve of the proposed franchisee entity for a HCAN Services Business, Franchisor and Multi-Unit Developer (or its affiliate) shall promptly enter into an individual Franchise Agreement for this HCAN Services Business, which will include a confirmed Designated Area, before the date Multi-Unit Developer begins construction on the office for the HCAN Services Business, which agreement shall be in the form of Franchisor's then-current form of Franchise Agreement. The terms of the individual Franchise Agreement will then govern the further development and build-out of the HCAN Services Business.

3.2 Multi-Unit Developer shall pay to Franchisor an Initial Franchise Fee for each HCAN Services Business to be developed hereunder. The initial franchise fee ("**Initial Franchise Fee**") for the first and second HCAN Services Business to be developed under this Multi-Unit Development Agreement shall be Forty Nine Thousand Seven Hundred Dollars (\$49,700.00) for each unit. Multi-Unit Developer shall pay a development franchise fee ("**Development Initial Franchise Fee**") equal to Twenty Four Thousand Eight Hundred Fifty Dollars (\$24,850.00) at the time Multi-Unit Developer signs the third and each subsequent Franchise Agreement required under the terms of this Multi-Unit Development Agreement. Multi-Unit Developer shall pay upon execution of this Agreement a multi-unit development fee ("**Multi-Unit Development Fee**") equal to the number of HCAN Services Businesses to be opened under this Agreement (excluding the first and second HCAN Services Business for purposes of this calculation only) multiplied by Twenty Four Thousand Eight Hundred Fifty Dollars (\$24,850.00) for the third and each HCAN Services Business to be opened under the terms of this Agreement. The Multi-Unit Development Fee is set forth in **Attachment A**. The Initial Franchise Fee or the Development Initial Franchise Fee, as the case may be, for each HCAN Services Business is due upon the execution of each single-unit Franchise Agreement. All amounts collected, including the Multi-Unit Development Fee, shall be deemed fully earned immediately upon the signing of this Agreement or an individual Franchise Agreement, as the case may be, and shall be non-refundable, regardless of whether Multi-Unit Developer opens any of the HCAN Services Businesses it is obligated to open in the Development Territory.

3.3 Franchisor shall provide the Multi-Unit Developer with Franchisor's then-current training program and on-site opening assistance for each HCAN Services Business to be developed hereunder pursuant to the applicable Franchise Agreement.

4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

4.1 Multi-Unit Developer shall exercise the development rights granted under this Agreement only by entering into a separate Franchise Agreement with Franchisor for each HCAN Services Business for which a development right is granted. The Franchise Agreement to be executed for the first HCAN Services Business to be developed by Multi-Unit Developer under

this Agreement shall be executed and delivered, and the Initial Franchisee Fee for the first HCAN Services Business shall be paid, to Franchisor concurrently with the execution and delivery of this Agreement. All subsequent HCAN Services Businesses developed under this Agreement shall be established and operated pursuant to the form of Franchise Agreement then being used by Franchisor for a HCAN Services Business. Multi-Unit Developer acknowledges that the then-current form of Franchise Agreement may differ materially from the form attached, and may include materially different economic terms, including, but not limited to, higher royalty rates and advertising contributions.

4.2 Development Schedule.

(a) Acknowledging that time is of the essence, Multi-Unit Developer agrees to exercise its development rights according to Section 3.1 and according to the Development Schedule set forth on **Attachment B**, which schedule designates the number of HCAN Services Businesses in the Development Territory to be established and in operation by Multi-Unit Developer upon the expiration of each of the designated development periods (“**Development Periods**”).

(b) During any Development Period, Multi-Unit Developer may, with Franchisor’s prior written consent, develop more than the number of HCAN Services Businesses that Multi-Unit Developer is required to develop during that Development Period. Any HCAN Services Businesses developed during a Development Period in excess of the minimum number of HCAN Services Businesses required to be developed upon expiration of that Development Period shall be applied to satisfy Multi-Unit Developer’s development obligation during the next succeeding Development Period. Multi-Unit Developer has no right to open more than the cumulative total number of HCAN Services Businesses Multi-Unit Developer is obligated to develop under this Agreement, as set forth above in the Development Schedule; provided, however, that Multi-Unit Developer may be permitted to open HCAN Services Businesses in excess of the number permitted by the Development Schedule if, in Franchisor’s sole discretion, Franchisor determines that the Development Territory can support additional HCAN Services Businesses and Multi-Unit Developer receives Franchisor’s advanced written permission to develop more HCAN Services Businesses. Multi-Unit Developer shall pay Franchisor the then-current Initial Franchise Fee applicable at the time Multi-Unit Developer signs a Franchise Agreement for any additional HCAN Services Businesses.

(c) If during the term of this Agreement, Multi-Unit Developer ceases to operate any HCAN Services Business developed under this Agreement for any reason, Multi-Unit Developer shall develop a replacement HCAN Services Business to fulfill Multi-Unit Developer’s obligation to have open and in operation the required number of HCAN Services Businesses upon the expiration of each Development Period. The replacement HCAN Services Business shall be developed within a reasonable time to be agreed upon by the parties after Multi-Unit Developer ceases to operate the HCAN Services Business to be replaced. If during the term of this Agreement, Multi-Unit Developer, in accordance with the terms of any Franchise Agreement for a HCAN Services Business developed under this Agreement, transfers its interest in such HCAN Services Business, the transferred HCAN Services Business shall continue to be counted in determining whether Multi-Unit Developer has complied with the Development Schedule so long as it continues to be operated as an HCAN Services Business. If the transferred HCAN Services Business ceases to be operated as an HCAN Services Business during the term of this Agreement, Multi-Unit Developer shall develop a replacement HCAN Services Business within a reasonable time, not to exceed twelve months, after the transferred HCAN Services Business ceases to be operated as a HCAN Services Business. In either case, the reasonable time period shall apply to

the development of the replacement HCAN Services Business only and, in Franchisor's sole discretion, extend the term of the applicable Development Period to the end of the mutually agreed upon time period; provided that in no event shall such time period exceed one year.

(d) Opening Schedule.

(i) Multi-Unit Developer shall open each HCAN Services Business and shall commence business in accordance with the Development Schedule set forth on **Attachment B**, unless, subject to Franchisor's approval, Multi-Unit Developer obtains an extension of the Development Period from Franchisor to complete construction and commence operation of a particular HCAN Services Business. Each extension shall be for an additional 30-day period commencing upon the expiration of the applicable Development Period, including any previous extensions thereof ("**Extension Date**"). No more than two extensions of any Development Period will be permitted. If an extension of a Development Period is granted by Franchisor, the Opening Date for the HCAN Services Business (as defined in the Franchise Agreement) shall be extended to the Extension Date. No extension of any Development Period shall affect the duration of any other Development Period or any of Multi-Unit Developer's other development obligations. If an extension is requested in the final Development Period, the term of this Agreement shall be extended to the Extension Date, and thereafter Multi-Unit Developer shall have no further rights under this Agreement except as provided in Section 2. The provisions of this Section 4.2(d)(i) do not apply to the development of a replacement HCAN Services Business under Section 3.2(c). Each extension may be conditioned upon payment of an extension fee ("**Extension Fee**") equal to Five Thousand Dollars (\$5,000.00) as set forth in the Operations Manual.

(ii) Multi-Unit Developer shall notify Franchisor in writing at least 30 days prior to the Projected Opening Date (defined below) for a HCAN Services Business if Multi-Unit Developer will be unable to complete construction and commence operation of the HCAN Services Business by the expiration date of the Development Period in which such HCAN Services Business was to have been opened. In such notice Multi-Unit Developer shall request that the Franchisor consider its request for an extension and shall include a description of the reasons for its failure to develop the HCAN Services Business in a timely manner and the expected date of completion of construction and opening, if the extension were to be granted, along with payment of the Extension Fee if required.

(e) Failure by Multi-Unit Developer to adhere to the Development Schedule (including any extensions approved by Franchisor) or to adhere to any time period for the development of replacement HCAN Services Businesses as set forth in Section 3.2(c) shall constitute a material event of default under this Agreement.

4.3 Multi-Unit Developer acknowledges that the projected opening dates ("**Projected Opening Dates**") for each HCAN Services Business set forth on **Attachment B** are reasonable and consistent with the requirements of the Development Schedule. Multi-Unit Developer shall execute a Franchise Agreement for each HCAN Services Business at or prior to the applicable execution deadline ("**Execution Deadline**") set forth on **Attachment B**. Multi-Unit Developer and Franchisor agree that, except with respect to the Franchise Agreements executed concurrently herewith, the Execution Deadline shall be a date no later than twelve months prior to the Projected Opening Date for each subsequent HCAN Services Business to be developed.

5. LOCATION OF HCAN SERVICES BUSINESSES

The Designated Area of each HCAN Services Business, and the corresponding location of the business office for the HCAN Services Business, shall be proposed by the Multi-Unit Developer in accordance with the terms set forth in each Franchise Agreement signed by Multi-Unit Developer, within the Development Territory, subject to Franchisor's prior authorization as set forth in Section 3 hereof, which authorization shall take into account all relevant demographic information then available to Franchisor. The establishment of any proposed site for the business office to be operated by Multi-Unit Developer before approval of Franchisor shall be the sole risk and responsibility of Multi-Unit Developer and shall not obligate Franchisor in any way to authorize the same. The authorization of a proposed site by Franchisor does not in any way constitute a warranty or representation by Franchisor as to the suitability of the site for location of a HCAN Services Business.

6. FRANCHISE AGREEMENT

Multi-Unit Developer shall not commence construction on, or open any HCAN Services Business until, among other things, the entire Initial Franchise Fee or Development Initial Franchise Fee (as applicable) for said HCAN Services Business has been paid in full and the individual Franchise Agreement for said HCAN Services Business has been signed by both the Multi-Unit Developer and Franchisor.

7. DEFAULT AND TERMINATION

7.1 Multi-Unit Developer shall be in default under this Agreement should Multi-Unit Developer (or its affiliate): (a) fail to comply with the Development Schedule; (b) fail to perform any of its obligations under this Agreement or any individual Franchise Agreement; (c) cease to be a franchisee of Franchisor in good standing; or (d) fail to comply with the provisions on transfer contained herein.

7.2 Upon the default, Franchisor shall have the right, at its option, and in its sole discretion, to do any or all of the following:

- a. terminate this Agreement;
- b. terminate the territorial exclusivity granted to Multi-Unit Developer;
- c. reduce the size of the Multi-Unit Developer's Development Territory or the number of HCAN Services Businesses Multi-Unit Developer may develop in the Development Territory; or
- d. accelerate the Development Schedule on immediate written notice.

7.3 In addition, if any individual Franchise Agreement issued to Multi-Unit Developer or an approved affiliate of Multi-Unit Developer, whether or not issued pursuant to this Agreement, is terminated for any reason, Franchisor shall have the right to terminate this Agreement on immediate written notice to Multi-Unit Developer. Upon termination or expiration of the term of this Agreement, this Agreement shall be of no further effect, and Franchisor shall have the right to itself open, or license others to open, HCAN Services Businesses within the Development Territory. For purposes of this Section 7, any Franchise Agreement issued by Franchisor to Multi-Unit Developer or its approved affiliates, or any corporation, partnership or joint venture, or their affiliates, in which Multi-Unit Developer or any stockholder, partner or joint venturer of Multi-Unit Developer, has any direct or indirect ownership or participation interest, shall be deemed a Franchise Agreement issued to Multi-Unit Developer.

8. ASSIGNMENT

8.1 Franchisor shall have the absolute right to transfer or assign all or any part of its rights or obligations hereunder to any person or legal entity which assumes its obligation under this Agreement and Franchisor shall thereby be released from any and all further liability to Multi-Unit Developer.

8.2 By Multi-Unit Developer.

(a) Multi-Unit Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Multi-Unit Developer and are granted in reliance upon the personal qualifications of Multi-Unit Developer or Multi-Unit Developer's principals. Multi-Unit Developer has represented to Franchisor that Multi-Unit Developer is entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of transferring the development and option rights hereunder.

(b) Neither Multi-Unit Developer nor any partner, member, or shareholder thereof shall, without Franchisor's prior written consent, directly or indirectly assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement or in Multi-Unit Developer. Any proposed assignment occurring by operation of law or otherwise, including any assignment by a trustee in bankruptcy, without Franchisor's prior written consent, shall be a material default of this Agreement.

(c) Any assignment, transfer or other disposition by the Multi-Unit Developer of a single-unit HCAN Services Business within the Development Territory will be governed by the Franchise Agreement to which the single-unit HCAN Services Business is bound.

(d) Subject to the other provisions of Section 8 herein, including Section 8.2(c) above and Section 8.2(e) below, if Multi-Unit Developer wishes to sell, transfer or otherwise assign any portion, or all, of the Development Territory, the Multi-Unit Developer shall notify Franchisor, which may approve or disapprove the same in its sole discretion, and in addition Franchisor may require any or all of the following as conditions of its approval:

(i) All of the Multi-Unit Developer's accrued monetary obligations and all other outstanding obligations to Franchisor, its affiliates and suppliers must be fully paid and satisfied;

(ii) The Multi-Unit Developer must not be in default of any provision of its Franchise Agreements, any amendments thereof or successors thereto, or any other agreement between the Multi-Unit Developer and Franchisor, its subsidiaries or affiliates;

(iii) The Multi-Unit Developer and each of its affiliates, shareholders, members, partners, officers and directors must sign a general release, the consideration for which shall be the approval of the transfer, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances;

(iv) The transferee must enter into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of the Multi-Unit Developer's obligations under this Agreement and the relevant Franchise Agreements and, if deemed necessary by Franchisor, the transferee's principals, individually, shall guarantee the performance of all these obligations in writing in a form satisfactory to Franchisor;

(v) The transferee must demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to open and operate the HCAN Services Businesses (as may be evidenced by prior related experience or otherwise); has at least the same managerial and financial acumen required of new Multi-Unit Developers, and has sufficient equity capital, as determined by Franchisor in Franchisor's sole discretion, to open and operate the HCAN Services Businesses required under the terms of this Multi-Unit Development Agreement;

(vi) At Franchisor's option, the transferee must sign (and, upon Franchisor's request, shall cause all interested parties to sign), for a term ending on the expiration date of the Franchise Agreement(s) and with the successor term as may be provided by the Franchise Agreement(s), the standard form of Franchise Agreement and Multi-Unit Development Agreement then being offered to new Multi-Unit Developers and any other ancillary agreements as Franchisor may require for the HCAN Services Businesses, which agreements shall supersede the Franchise Agreements and the Multi-Unit Development Agreement between the Multi-Unit Developer and Franchisor in all respects and the terms of which agreements may differ from the terms of the Franchise Agreements and Multi-Unit Development Agreement, including, without limitation, the implementation of other fees and different royalty rates;

(vii) The Multi-Unit Developer and its principals must remain liable for all direct and indirect obligations to Franchisor in connection with the HCAN Services Businesses before the effective date of transfer and will continue to remain responsible for their obligations of nondisclosure, noncompetition and indemnification as provided in the Franchise Agreements and Personal Guaranty, attached into this Agreement as **Attachment C**, and shall sign any and all instruments reasonably requested by Franchisor to further evidence this liability; and

(viii) Multi-Unit Developer or its approved transferee shall pay to Franchisor, at the time of said transfer, a transfer fee ("**Development Transfer Fee**") equal to Twenty Five Hundred Dollars (\$2,500.00) for each unopened HCAN Services Business to be transferred, and Twenty Four Thousand Eight Hundred Fifty Dollars (\$24,850.00), or such other amount as required by the terms of each individual Franchise Agreement, for each HCAN Services Business which is open and operating at the time Multi-Unit Developer notifies Franchisor of its intent to transfer or assign this Agreement (which transfer or assignment shall be in compliance with the terms of each open HCAN Services Business's individual Franchise Agreement), to cover Franchisor's administrative and other expenses in connection with the transfer of the HCAN Services Businesses by the Multi-Unit Developer.

(e) If Multi-Unit Developer or its principals shall at any time determine to sell, transfer or otherwise dispose of all or part of the rights under this Agreement or an ownership

interest in Multi-Unit Developer, and Multi-Unit Developer or its principals shall obtain a bona fide, signed written offer from a responsible and fully disclosed purchaser, Multi-Unit Developer shall notify Franchisor in writing of each offer, and Franchisor shall have the right and option, exercisable within a period of 30 days from the date of delivery of this offer, by written notice to Multi-Unit Developer or its owners, to purchase the rights under this Agreement or this ownership interest for the price and on the terms and conditions contained in said purchaser's offer; provided, however, Franchisor has the right to substitute any non-cash consideration included in the purchase offer with the equivalent amount of cash. If Franchisor does not exercise its right of first refusal, Multi-Unit Developer or its principals may complete the sale of Multi-Unit Developer or this ownership interest, subject to Franchisor's approval of the purchaser and all other conditions set forth in this Section 8.2, provided that if this sale is not completed within 120 days after delivery of this offer to Franchisor, Franchisor shall again have the right of first refusal herein provided. In the event that the Multi-Unit Developer wishes to publicly offer its shares in any partnership or corporation which has an ownership interest in the Multi-Unit Developer, said public offering shall be subject to the approval of Franchisor, this approval to not be unreasonably withheld.

8.3 Each shareholder, member, or partner of the corporation, limited liability company, or partnership which is granted the rights to serve as the Multi-Unit Developer hereunder shall be a party to a shareholders' agreement, operating agreement, or partnership agreement which shall provide, inter alia, that upon any dissolution of the corporation, limited liability company, or partnership, or upon any divorce decree among the parties who are also shareholders, members, or partners, that ownership of the shares, membership interest, or partnership interest shall be transferred to the shareholder, member, or partner for agreed upon consideration, which has primary responsibility for sales and marketing activities, typically the President, following any dissolution or decree. The form and content of the shareholders' agreement, operating agreement, or partnership agreement must be approved by Franchisor before execution. Multi-Unit Developer's failure to comply with this Section 8.3 shall constitute a material default of this Agreement.

9. FORCE MAJEURE

In the event that Multi-Unit Developer is unable to comply with the Development Schedule due to strike, riot, civil disorder, war, failure to supply, fire, natural catastrophe or other similar events beyond its control, and upon notice to Franchisor, the Development Schedule and this Agreement shall be extended for a corresponding period, not to exceed 90 days; provided, however, that this Section 9 shall not extend the time for payment of any monetary obligations owed to Franchisor.

10. CONFIDENTIALITY

10.1 Nothing contained in this Agreement shall be construed to require Franchisor to divulge to Multi-Unit Developer any trade secrets, techniques, methods or processes except the material contained in Franchisor's Operations Manual and training materials, and then only pursuant to the terms, conditions and restrictions contained in the applicable Franchise Agreement. Multi-Unit Developer acknowledges that its knowledge of Franchisor's know-how, processes, techniques, information and other proprietary data is derived entirely from information disclosed to it by Franchisor and that the information is proprietary, confidential and a trade secret of Franchisor. Multi-Unit Developer agrees to adhere fully and strictly to the confidentiality of the information and to exercise the highest degree of diligence in safeguarding Franchisor's trade secrets during and after the term of this Agreement. Multi-Unit Developer shall divulge the material only to its employees and agents and only to the extent necessary to permit the efficient operation of the HCAN Services Businesses. It is expressly agreed that the ownership of all the items and property is and shall remain vested solely in Franchisor.

10.2 Multi-Unit Developer agrees that all terms of this Agreement shall remain

confidential and shall not make any public announcement, issue any press release or publicity, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures other than the existence of this Agreement without the prior written consent of Franchisor unless compelled by law or ordered to do so by a court of competent jurisdiction. It is agreed and understood that Multi-Unit Developer may disclose the terms of this Agreement to its professional advisors and lenders. Franchisor shall be free to make the disclosure of the terms of this Agreement as it determines, in its sole discretion, to be in the best interest of Franchisor or the System.

11. NONCOMPETITION

11.1 Multi-Unit Developer has heretofore specifically acknowledged that, pursuant to this Agreement, Multi-Unit Developer will receive valuable specialized Confidential Information and information regarding the business of Franchisor, and its System. Multi-Unit Developer covenants that during the term of this Agreement and subject to the post-term provisions contained herein, except as otherwise approved in writing by Franchisor, Multi-Unit Developer shall not, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partners or corporations:

(a) Divert or attempt to divert any business or customer of the HCAN Services 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 Franchisor's Marks or the System; or

(b) Own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any interest in any business which is the same as or substantially similar to the HCAN Services Businesses.

11.2 Multi-Unit Developer covenants that, except as otherwise approved in writing by Franchisor, Multi-Unit Developer shall not, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for two years thereafter, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any business which is the same as or substantially similar to the HCAN Services Business and which is located within a radius of 100 miles of the Development Territory hereunder or within a radius of a 100 miles of the location of any Multi-Unit Developer, company-owned HCAN Services Business, affiliate owned HCAN Services Business, or franchisee-owned HCAN Services Business under the System which is in existence on the date of expiration or termination of this Agreement.

11.3 Sections 11.1 and 11.2 shall not apply to ownership by Multi-Unit Developer of less than a 5% beneficial interest in the outstanding equity securities of any publicly-held corporation provided that Multi-Unit Developer has no management responsibility or advisory responsibility with such publicly-traded company.

11.4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If any or all portions of the covenants in this Section 11 are held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Multi-Unit Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of this covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 11.

11.5 Multi-Unit Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 11.1 and 11.2 in this Agreement, or any portion thereof, without Multi-Unit Developer's consent, effective immediately upon receipt by Multi-Unit Developer of written notice thereof, and Multi-Unit Developer agrees that it shall forthwith comply with any covenant as so modified, which shall be fully enforceable.

11.6 Multi-Unit Developer expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 11. Multi-Unit Developer agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 11 provided Franchisor prevails in any or all of its claims against Multi-Unit Developer.

11.7 Multi-Unit Developer acknowledges that Multi-Unit Developer's violation of the terms of this Section 11 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Multi-Unit Developer accordingly consents to the issuance of an injunction by any court of competent jurisdiction or arbitrator having jurisdiction over the Agreement prohibiting any conduct by Multi-Unit Developer in violation of the terms of this Section 11.

11.8 At Franchisor's request, Multi-Unit Developer shall require and obtain execution of covenants similar to those set forth in this Section 11 (including covenants applicable upon the termination of a person's relationship with Multi-Unit Developer) from any or all of the following persons: (a) all directors and managers of each HCAN Services Business; (b) all officers, directors and holders of a beneficial interest of 5% or more of the securities of Multi-Unit Developer and of any corporation directly or indirectly controlling Multi-Unit Developer if Multi-Unit Developer is a corporation; and (c) the members or general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of 5% or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner) if Multi-Unit Developer is a limited liability company or partnership. All covenants required by this Section 11 shall be in forms satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary of these covenants with the independent right to enforce them. Failure by Multi-Unit Developer to obtain execution of a covenant required by this Section 11 shall constitute a material default under Section 7 hereunder.

12. ENTIRE AGREEMENT

This Agreement, along with the Franchise Disclosure Document, constitutes the entire understanding of the parties with respect to the development of the Development Territory, and shall not be modified except by a written agreement signed by the parties hereto. Nothing in the Multi-Unit Development Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. Where this Agreement and any Franchise Agreement between the parties conflict with respect to initial training, the amount or payment terms of Initial Franchise Fees or equity interests held by the franchisee or operating partners and unit managers, the terms of this Agreement

shall govern. Under no circumstances do the parties intend that this Agreement be interpreted in a way as to grant Multi-Unit Developer any rights to grant sub-franchises in the Development Territory.

13. MONTHLY REPORTS

Multi-Unit Developer agrees that it shall provide to Franchisor a monthly report of its activities and progress in developing and establishing HCAN Services Businesses as provided herein. The monthly reports shall be submitted no later than the 5th day following the end of the preceding month during the term of this Agreement.

14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 It is acknowledged and agreed that Multi-Unit Developer and Franchisor are independent contractors and nothing contained herein shall be construed as constituting Multi-Unit Developer as the agent, partner or legal representative of Franchisor for any purpose whatsoever. Multi-Unit Developer shall enter into contracts for the development of the Development Territory contemplated by this Agreement at its sole risk and expense and shall be solely responsible for the direction, control and management of its agents and employees. Multi-Unit Developer acknowledges that it does not have authority to incur any obligations, responsibilities or liabilities on behalf of Franchisor, or to bind Franchisor by any representations or warranties, and agrees not to hold itself out as having this authority.

14.2 Multi-Unit Developer agrees to protect, defend, indemnify and hold Franchisor harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, directly or indirectly incurred as a result of, arising from, out of, or in connection with Multi-Unit Developer's carrying out its obligations hereunder.

15. COMPLIANCE WITH APPLICABLE LAWS

Multi-Unit Developer shall develop all HCAN Services Businesses in the Development Territory in accordance and compliance with all applicable federal, state and local statutes, laws, including all laws related to the operation of a business offering in-home care assistance, companionship care services, supplemental staffing services, and other in-home medical care, ordinances and regulations (where applicable) and agrees to promptly pay all financial obligations incurred in connection therewith. Multi-Unit Developer must obtain all business licenses and permits required for the operation of a HCAN Services Business by federal, state, and local laws, ordinances, rules and regulations before operating any HCAN Services Business.

16. CHANGE IN DEVELOPMENT TERRITORY

The parties acknowledge that the development of the Development Territory as anticipated hereunder has been determined according to the needs of the Multi-Unit Developer's targeted market in the Development Territory, as determined by Franchisor, as of the date of execution of this Agreement. The Multi-Unit Developer understands that, if there is an increased public demand for the products and services offered by Franchisor due to an increase in the number of individuals or families in the Development Territory, Franchisor will expect the Multi-Unit Developer to establish additional HCAN Services Businesses within the Development Territory. While Franchisor will not require the Multi-Unit Developer to establish the additional HCAN Services Businesses, Franchisor will strongly encourage Multi-Unit Developer to do so. Any additional HCAN Services Business shall be governed by Franchisor's then-current form of individual Franchise Agreement.

17. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their heirs, successors, permitted assigns and personal representatives.

18. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska which laws shall govern in the event of any conflict of laws, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et. seq.). The parties expressly consent to personal jurisdiction in the State of Nebraska and agree that, except as set forth in Section 21, the state and federal court(s) located in Omaha, Nebraska will have exclusive jurisdiction for the purposes of carrying out this provision.

19. RECEIPT OF DOCUMENTS

Multi-Unit Developer acknowledges receipt of the Disclosure Document, Multi-Unit Development Agreement, Franchise Agreement, and other contracts for the HCAN Services Business at least 14 calendar days before execution hereof or payment of any monies.

20. NOTICE

Whenever this Agreement requires notice, it shall be in writing and shall be sent by registered or certified mail, return receipt requested, to the other party at the addresses set forth below, unless written notice is given of a change of address.

All notices to Multi-Unit Developer shall be conclusively deemed to have been received by Multi-Unit Developer upon the delivery or attempted delivery of this notice to Multi-Unit Developer's address listed herein, or the changed address.

To Franchisor:

HEMOCARE ADVOCACY NETWORK, INC.
440 Regency Pkwy Dr
#222
Omaha, NE 68114
Attention: Mark Goetz

Notice to Multi-Unit Developer:

21. ARBITRATION

21.1 The parties agree that all controversies, claims and disputes between them arising out of or relating to this Agreement, the rights and obligations of the parties hereto, or any other claims or causes of action relating to the performance of either party, and/or the purchase of the development rights by Multi-Unit Developer shall be finally resolved by submitting this matter to binding arbitration under the auspices of, and using the commercial arbitration rules of, the American Arbitration Association as such rules are in effect as of the date the demand for arbitration is filed. Each party shall agree on one arbitrator selected from a panel of neutral arbitrators provided by the American Arbitration Association or such other arbitration body as the parties mutually agree upon, and the arbitrator shall be chosen by the striking method. In accordance with the terms of the Federal Arbitration Act, the Arbitrator shall hear the dispute in the American Arbitration Association offices in Omaha, Nebraska. Each party shall bear its own costs and attorney fees and one-half of the arbitrator's expenses. The arbitrator shall have no authority to amend or modify the terms of this Agreement. Each party further agrees that, unless a limitation is prohibited by applicable law, the other party shall not be liable for punitive or exemplary damages and the arbitrator shall have no authority to award the same. The decision of the arbitrator shall be final and binding. The Multi-Unit Developer knows, understands, and agrees that it is the intent of the parties that any arbitration between Franchisor and the Multi-Unit Developer shall be of the Multi-Unit Developer's individual claims and that the claims subject to arbitration shall not be arbitrated in conjunction with the claims of other Multi-Unit Developers or franchisees or on a class-wide basis, and Multi-Unit Developer hereby waives any right it may assert to have its claims arbitrated in conjunction with the claims of other Multi-Unit Developers or franchisees or on a class-wide basis.

21.2 Notwithstanding any provision contained in this Section 21, Franchisor may, at its sole option, institute an action or actions for temporary or preliminary injunctive relief or seeking any other temporary or permanent equitable relief against the Multi-Unit Developer that may be necessary to protect Franchisor's trademarks or other rights or property. However, in Franchisor's sole discretion, the final right of determination of the ultimate controversy, claim or dispute shall be decided by arbitration as aforesaid and recourse to the courts shall thereafter be limited to seeking an order to enforce an arbitral award. In no event shall the Multi-Unit Developer be entitled to make, the Multi-Unit Developer shall not make, and the Multi-Unit Developer hereby waives, any claim for money damages by way of set-off, counterclaim, defense or otherwise based upon any claim or assertion by the Multi-Unit Developer that Franchisor has unreasonably withheld or unreasonably conditioned or delayed any consent or approval to a proposed act by the Multi-Unit Developer under any of the terms of this Agreement. The Multi-Unit Developer's sole remedy for any claim shall be an action or proceeding to enforce any provisions, for specific performance or declaratory judgment.

22. MODIFICATION BY FRANCHISOR

Franchisor may modify and update its Operations Manual, the Marks and the System unilaterally under any conditions and to any extent which Franchisor, in the exercise of its sole discretion, deems necessary to meet competition, protect trademarks or trade name, or improve the quality of the products or services provided through the HCAN Services Businesses, and Multi-Unit Developer shall exclusively incur the costs of any change in the HCAN Services Business or the System which has been caused by this modification. In the event that any improvement or addition to the Operations Manual, the System or the Marks is developed by Multi-Unit Developer, then Multi-Unit Developer agrees to assign all right, title, and interest to such improvement or addition or, if such assignment is prohibited by law, to grant to Franchisor an irrevocable, world-wide, exclusive, royalty-free license, with the right to sub-license the improvement or addition.

23. ACKNOWLEDGEMENTS

23.1 Multi-Unit Developer acknowledges and recognizes that different terms and conditions, including different fee structures, may pertain to different Multi-Unit Development Agreements and franchise agreements offered in the past, contemporaneously herewith, or in the future, and that Franchisor does not represent that all Multi-Unit Development Agreements or franchise agreements are or will be identical.

23.2 Multi-Unit Developer acknowledges that it is not, nor is it intended to be, a third-party beneficiary of this Agreement or any other agreement to which Franchisor is a party.

23.3 Multi-Unit Developer represents to Franchisor that it has the business acumen, corporate authority, and financial wherewithal to enter into this Agreement and to perform all of its obligations hereunder and furthermore that the execution of this Agreement is not in contravention of any other written or oral obligation of the Multi-Unit Developer.

23.4 Multi-Unit Developer acknowledges that whenever Franchisor reserves discretion in a particular area or where Franchisor agrees to exercise Franchisor's rights reasonably or in good faith, Franchisor will satisfy Franchisor's obligations whenever Franchisor exercises reasonable business judgment ("**Reasonable Business Judgment**") in making Franchisor's decision or exercising Franchisor's rights. Franchisor's decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes Franchisor's financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

23.5 Multi-Unit Developer acknowledges that it received from Franchisor this Agreement with all blanks filled in at least seven calendar days before the execution of this Agreement.

23.6 Multi-Unit Developer acknowledges and accepts the following:

THE SUCCESS OF THE MULTI-UNIT DEVELOPER IN MANAGING AND OPERATING MULTIPLE HCAN SERVICES BUSINESSES IS SPECULATIVE AND WILL DEPEND ON MANY FACTORS INCLUDING, TO A LARGE EXTENT, MULTI-UNIT DEVELOPER'S INDEPENDENT BUSINESS ABILITY. MULTI-UNIT DEVELOPER HAS BEEN GIVEN THE OPPORTUNITY AND BEEN ENCOURAGED TO OBTAIN INDEPENDENT ADVICE FROM LEGAL AND OTHER PROFESSIONALS BEFORE ENTERING INTO THIS AGREEMENT. THIS OFFERING IS NOT A SECURITY AS THAT TERM IS DEFINED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS. THE OBLIGATION TO TRAIN, MANAGE, PAY, RECRUIT AND SUPERVISE EMPLOYEES OF THE HCAN SERVICES BUSINESSES RESTS SOLELY WITH MULTI- UNIT DEVELOPER. MULTI-UNIT DEVELOPER HAS NOT RELIED ON ANY WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL SUCCESS OR PROJECTED INCOME OF THE BUSINESS VENTURE CONTEMPLATED HEREBY. NO REPRESENTATIONS OR PROMISES HAVE BEEN MADE BY FRANCHISOR TO INDUCE MULTI-UNIT DEVELOPER TO ENTER INTO THIS AGREEMENT EXCEPT AS SPECIFICALLY INCLUDED HEREIN. FRANCHISOR HAS NOT MADE ANY REPRESENTATION, WARRANTY OR GUARANTY, EXPRESS OR IMPLIED, AS TO THE POTENTIAL REVENUES, PROFITS OR SERVICES OF THE BUSINESS VENTURE TO

MULTI-UNIT DEVELOPER AND CANNOT, EXCEPT IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT, EXERCISE CONTROL OVER MULTI-UNIT DEVELOPER'S BUSINESS. MULTI-UNIT DEVELOPER ACKNOWLEDGES AND AGREES THAT IT HAS NO KNOWLEDGE OF ANY REPRESENTATION MADE BY FRANCHISOR OR ITS REPRESENTATIVES OF ANY INFORMATION THAT IS CONTRARY TO THE TERMS CONTAINED HEREIN.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement on the day and year first written above.

FRANCHISOR:

**HEMOCARE ADVOCACY NETWORK, INC.,
a Nebraska corporation**

By: _____
President

MULTI-UNIT DEVELOPER:

a(n) _____

By: _____
Name: _____
Title: _____

MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT A

**DEVELOPMENT TERM, DESCRIPTION OF DEVELOPMENT TERRITORY AND
CALCULATION OF MULTI-UNIT DEVELOPMENT FEE**

ATTACHMENT A

**DEVELOPMENT TERM, DESCRIPTION OF DEVELOPMENT TERRITORY AND
CALCULATION OF MULTI-UNIT DEVELOPMENT FEE**

DEVELOPMENT TERM:

This Agreement expires on the earlier of (a) _____ years from the Effective Date or or (b) completion of the term of the Development Schedule.

DESCRIPTION OF THE DEVELOPMENT TERRITORY

MULTI-UNIT DEVELOPMENT FEE

Total Number of HCAN Services Businesses _____

Number of HCAN Services Businesses subject to Multi-Unit Development Fee calculation:

multiplied by \$24,850.00:

Total Multi-Unit Development Fee: \$_____

MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT B

DEVELOPMENT SCHEDULE

ATTACHMENT B

DEVELOPMENT SCHEDULE

HCAN Services Business	Development Period	Execution Deadline	Projected Opening Date
1	_____to _____		
2	_____to _____		
3	_____to _____		
4	_____to _____		
5	_____to _____		

MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT C

PERSONAL GUARANTY

ATTACHMENT C

PERSONAL GUARANTY

In consideration of, and as an inducement to, the execution of that certain Multi-Unit Development Agreement, and any revisions, modifications, addenda and amendments thereto, (hereinafter collectively the “**Agreement**”) dated _____, 20__, by and between **HomeCare Advocacy Network, Inc.**, a Nebraska corporation (“**Franchisor**”) and (“**Multi-Unit Developer**”), each of the undersigned Personal Guarantors agrees as follows:

1. The Personal Guarantors do hereby jointly and severally unconditionally guaranty the full, prompt and complete performance of the Multi-Unit Developer under the terms, covenants and conditions of the Agreement, including without limitation, compliance with all confidentiality requirements, protection and preservation of confidential information, compliance with all non-compete provisions, compliance with the terms of any and all other agreements signed by Multi-Unit Developer in order to open and operate the HCAN Services Businesses (as defined in the Agreement), and the complete and prompt payment of all indebtedness to Franchisor under the Agreement. The word “**indebtedness**” is used herein in its most comprehensive sense and includes, without limitation, any and all advances, debts, obligations and liabilities of the Multi-Unit Developer, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.

2. The obligations of the Personal Guarantors are independent of the obligations of the Multi-Unit Developer and a separate action or actions may be brought and prosecuted against any or all of the Personal Guarantors, whether or not actions are brought against the Multi-Unit Developer or whether the Multi-Unit Developer is joined in any action.

3. Franchisor shall not be obligated to inquire into the power or authority of the Multi-Unit Developer or its partners or the officers, directors, agents, members or managers acting or purporting to act on the Multi-Unit Developer’s behalf and any obligation or indebtedness made or created in reliance upon the exercise of this power and authority shall be guaranteed hereunder. Where the Personal Guarantors are corporations, limited liability companies, or partnerships it shall be conclusively presumed that the Personal Guarantors and the shareholders, members, partners, agents, officers and directors acting on their behalf have the express authority to bind these corporations, limited liability companies, or partnerships and that these corporations, limited liability companies, or partnerships have the express power to act as the Personal Guarantors pursuant to this Personal Guaranty and that this action directly promotes the business and is in the interest of these corporations, limited liability companies, or partnerships.

4. Franchisor, its successors and assigns, may occasionally, without notice to the undersigned: (a) resort to the undersigned for payment of any of the indebtedness, whether or not it or its successors have resorted to any property securing any of the indebtedness or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the indebtedness; (b) release or compromise any indebtedness of any of the undersigned hereunder or any indebtedness of any party or parties primarily or secondarily liable on any of the indebtedness; (c) extend, renew or credit any of the indebtedness for any period (whether or not longer than the original period); (d) alter, amend or exchange any of the indebtedness; or (e) give any other form of indulgence, whether under the Agreement or otherwise.

5. The undersigned further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between the Multi-Unit Developer and Franchisor resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof.

6. This Personal Guaranty shall be enforceable by and against the respective administrators, executors, successors and assigns of the Personal Guarantors and the death of any Personal Guarantor shall not terminate the liability of the Personal Guarantor or limit the liability of the other Personal Guarantors hereunder.

7. If more than one person has signed this Personal Guaranty, the term “**the undersigned,**” as used herein shall refer to each person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

IN WITNESS WHEREOF, each of the undersigned has signed this Personal Guaranty under seal effective as of the ____ day of _____, 20__.

_____ [Signature]	_____ [Signature]
_____ [Printed Name]	_____ [Printed Name]
_____ _____	_____ _____
_____ Home Address	_____ Home Address
_____ Home Telephone	_____ Home Telephone
_____ Business Telephone	_____ Business Telephone
_____ Date	_____ Date

[Signature]	[Signature]
[Printed Name]	[Printed Name]
Home Address	Home Address
Home Telephone	Home Telephone
Business Telephone	Business Telephone
Date	Date

MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT D

**STATEMENT OF SHAREHOLDERS/
MEMBERS/PARTNERS**

ATTACHMENT D

STATEMENT OF SHAREHOLDERS/MEMBERS/PARTNERS

The shareholders, members, or partners (collectively the “**Shareholders**”) of the Multi-Unit Developer and their respective shareholdings are as follows:

NAME OF SHAREHOLDER	NUMBER AND DESIGNATION OF SHARES	OWNERSHIP PERCENTAGE
----------------------------	---	-----------------------------

EXHIBIT K TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES AND RECEIPTS

FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

The following states require that the 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 Franchise Disclosure Document is registered, on file, exempt from registration, or otherwise effective in the following states with franchise registration and disclosure laws as of the dates listed:

California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	January 17, 2025

In all other states, the effective date of this Franchise Disclosure Document is October 23, 2024.

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale or grant. If applicable: Under Iowa, Michigan, or Oklahoma law, we must provide this disclosure document to you at least 10 business days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale or grant; under Maine or Nebraska law, we must provide this disclosure document to you at your first personal meeting to discuss the franchise; or under New York or Rhode Island law, we must provide this disclosure document to you at the earlier of your first personal meeting or at least 10 business days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale or grant.

If we do not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in **Exhibit A**.

The name, principal business address and telephone number of each Franchise Seller offering the franchise (attach additional pages if necessary): Mark Goetz (403) 965-0737 and _____.

Date of Issuance: October 23, 2024

See **Exhibit A** for our registered agents authorized to receive service of process.

I (the undersigned) received a Franchise Disclosure Document dated October 23, 2024 that included the following exhibits:

- A. LIST OF STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS
- B. FRANCHISE AGREEMENT AND RELATED MATERIALS
- TABLE OF CONTENTS OF OPERATIONS MANUAL
- C. FINANCIAL STATEMENTS AND GUARANTY OF PERFORMANCE
- D. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- E. MULTI-STATE ADDENDUM
- F. LIST OF HCAN SERVICES BUSINESS CURRENT FRANCHISEES
- G. LIST OF HCAN SERVICES BUSINESS FRANCHISES TERMINATED, CANCELLED, NOT RENEWED OR OTHERWISE CEASED TO DO BUSINESS
- H. 1-FRANCHISEE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED
- 2-INDEPENDENT FRANCHISEE ASSOCIATIONS
- I. 1-FRANCHISEE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED
- 2-INDEPENDENT FRANCHISEE ASSOCIATIONS
- J. MULTI-UNIT DEVELOPMENT AGREEMENT
- K. STATE EFFECTIVE DATES AND RECEIPTS

_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name

Please date and sign this copy of the Receipt and keep for your records.

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If HomeCare Advocacy Network Inc. offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale. If applicable: Under Iowa, Michigan, or Oklahoma law, we must provide this disclosure document to you at least 10 business days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale or grant; under Maine or Nebraska law, we must provide this disclosure document to you at your first personal meeting to discuss the franchise; or under New York or Rhode Island law, we must provide this disclosure document to you at the earlier of your first personal meeting or at least 10 business days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale or grant.

If HomeCare Advocacy Network Inc. does not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in **Exhibit A**.

The name, principal business address and telephone number of each Franchise Seller offering the franchise (attach additional pages if necessary): Mark Goetz (403) 965-0737 and _____.

Date of Issuance: October 23, 2024

See **Exhibit A** for our registered agents authorized to receive service of process.

I (the undersigned) received a Franchise Disclosure Document dated October 23, 2024 that included the following exhibits:

- A. LIST OF STATE AGENTS FOR SERVICE OF PROCESS AND STATE ADMINISTRATORS
- B. FRANCHISE AGREEMENT AND RELATED MATERIALS
TABLE OF CONTENTS OF OPERATIONS MANUAL
- C. FINANCIAL STATEMENTS AND GUARANTY OF PERFORMANCE
- D. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- E. MULTI-STATE ADDENDUM
- F. LIST OF HCAN SERVICES BUSINESS CURRENT FRANCHISEES
- G. LIST OF HCAN SERVICES BUSINESS FRANCHISES TERMINATED, CANCELLED, NOT RENEWED OR OTHERWISE CEASED TO DO BUSINESS
- H. 1-FRANCHISEE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED
2-INDEPENDENT FRANCHISEE ASSOCIATIONS
- I. 1-FRANCHISEE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED
2-INDEPENDENT FRANCHISEE ASSOCIATIONS
- J. MULTI-UNIT DEVELOPMENT AGREEMENT
- K. STATE EFFECTIVE DATES AND RECEIPTS

_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name

Please date and sign this copy of the Receipt and return it to
HomeCare Advocacy Network Inc., 440 Regency Pkwy Dr, #222, Omaha, NE 68114.