

Doctors®

FRANCHISE DISCLOSURE DOCUMENT

SALTIRE BRANDS LLC
an Ohio limited liability company
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Handyman Professionals Home Improvements

A House Doctors franchise sells residential and commercial property maintenance, repair, and remodeling services.

The estimated initial investment necessary to begin operation of a House Doctors franchise ranges from \$98,900 to \$129,550. This includes \$59,800 that must be paid to the franchisor or an affiliate of 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 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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact House Doctors at (513) 831-0100; 400 Techne Center Drive, Suite 101, Milford, OH 45150.

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

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

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

ISSUANCE DATE: April 1, 2020

STATE COVER PAGES

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 Exhibits K and L.
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?	Exhibit J 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 House Doctor business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can complete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a House Doctor franchisee?	Exhibits K and L 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 I.

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 risks be highlighted:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH THE FRANCHISOR BY MEDIATION, ARBITRATION AND/OR LITIGATION ONLY IN OHIO. 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 OHIO THAN IN YOUR OWN STATE.
2. A FRANCHISEE WILL BE REQUIRED TO ACHIEVE A MINIMUM SALES VOLUME EACH QUARTER. IF YOU FAIL TO ACHIEVE THE MINIMUM QUARTERLY GROSS SALES FOR TWO CONSECUTIVE QUARTERS THE FRANCHISOR HAS THE RIGHT TO TERMINATE THE FRANCHISE AGREEMENT OR REDUCE THE GEOGRAPHIC SIZE OF YOUR TERRITORY. REFER TO ITEM 12 FOR COMPLETE DETAILS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.
4. SO LONG AS YOU ARE NOT IN BREACH, WE WILL NOT OPERATE OR LICENSE ANOTHER PERSON TO OPERATE ANOTHER HOUSE DOCTORS FRANCHISE IN YOUR TERRITORY. HOWEVER, THE TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.

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.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.

DISCLOSURE APPLICABLE TO FRANCHISEES
COVERED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

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

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

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any question regarding the notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Franchise Section, P.O. Box 30213, Lansing, Michigan, 48909; Telephone (517) 373-7117.

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EXHIBITS

A Franchise Agreement	J Financial Statements
B Irrevocable Power of Attorney	K Franchisee List
C Guaranty and Assumption of Obligations	L Franchisees Who Have Left the System
D Nondisclosure and Noncompetition Agreement	M Table of Contents of Operations Manual
E Intranet Terms of Use Agreement	N State-Specific Addendum
F Franchisee Disclosure Questionnaire	O Previously Franchised Outlets for Sale
G Addendum for Successor Franchise Agreement	P Promissory Note
H Agents for Service of Process	Q Assignment and Assumption Agreement
I State Franchise Regulators	R SBA Form Addendum

SALTIRE BRANDS LLC

Item 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor, Business Form, Names, Address. In order to make this disclosure document easier to understand, “House Doctors”, “we” or “Saltire Brands” means the franchisor, Saltire Brands LLC. “You” means the person, corporation, partnership, or other entity that buys the franchise. If the franchise is purchased by a corporation, partnership or limited liability company, certain provisions of the franchise agreement will also apply to the owners and will be noted.

House Doctors is an Ohio limited liability company that was organized on May 25, 2012 as H.D. Acquisition Enterprises LLC. On June 29, 2012, we changed our name from H.D. Acquisition Enterprises LLC to Saltire Brands LLC. Our principal business address is 400 Techne Center Drive, Suite 400, Milford, Ohio 45150. We do business under the name HOUSE DOCTORS. Our agents for service of process are listed in Exhibit H.

Our Business Activities and the Franchises to be Offered in this State. We offer franchises to operate a business under the trade name HOUSE DOCTORS (or HOUSE MEDIC in certain markets) in a specified territory (“Territory”). As a House Doctors franchisee, you will provide residential and commercial property maintenance, repair, and remodeling services. You will offer services such as carpentry, painting, drywall installation and repair, wall papering, and other similar maintenance, repair and remodeling services. You will offer your services to businesses and to the general public, particularly homeowners and owners of residential rental properties, through direct mail advertising and through referral sources such as real estate agents, relocation companies, and mortgage lenders. You will compete with specialty contractors (such as painters and carpenters) as well as other home repair services in the same geographic area, including those that may be franchised by other national franchise companies. You must be prepared to follow all of our standards and specifications for the quality of the services you will provide, customer relations, vehicles and employee uniforms. Depending on the location of your franchise, you may experience a decline in sales during the months of December, January and February.

We will train you to operate the franchised business. Although not required, prior experience in general construction or building trades is helpful. The role of a House Doctors franchisee is not to perform the services themselves, but to manage the daily operations of the franchised business. The services will be performed by your employees. You may operate the franchised business from an office in your home or from leased office space.

House Doctors does not operate businesses of the type being franchised. Our business activities consist of selling and supporting franchises that offer residential and commercial property maintenance, repair, and remodeling services. We have begun offering franchises of this type since 2012. We have never operated any franchises. We have never offered franchises in any other business.

Industry Regulations. Each state, county, or municipality may have different licensing requirements for performing repair and/or remodeling services. We are aware of the following states which may require a license for performing some types of home repairs and/or remodeling: Arizona, Florida, California, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, Oregon, Utah, Virginia, Washington, and certain counties in Florida. There may be other states, counties, or municipalities that also require a license. In addition, local building permits may be required for certain home improvement projects. You will be responsible for investigating and complying with the licensing requirements that apply in your territory.

You will also be responsible for complying with employment, workers' compensation, insurance, corporate, tax, and similar laws and regulations, as well as any federal, state, or local laws of a more general nature that may affect the operation of your franchised business. You should consult with your attorney and local, state, and federal government agencies before entering into an agreement to buy a House Doctors franchise to determine all legal requirements with which you must comply, in order to evaluate their effects on you and the cost of compliance.

Parents and Affiliates. We do not have any parent or affiliate companies.

Predecessors. We have one predecessor, H.D. Franchising Systems, LLC ("HDFS"), whose principal business address is 575 Chamber Drive, Milford, Ohio 45150. Saltire Brands purchased the franchise assets of HDFS as of June 14, 2012. These assets included the House Doctors franchise agreements and related agreements held by HDFS at that time. We did not assume any liabilities of HDFS except for obligations under certain agreements (such as franchise agreements) accruing on or after June 14, 2012. HDFS offered House Doctors franchises of the same type that we are offering, but, upon the sale of assets to us, HDFS is no longer in that business. HDFS offered these House Doctors franchises since 1997. HDFS never offered franchises in any other line of business, but HDFS had and, to our knowledge, still does have, an affiliate, the HomeTeam Inspection Service, Inc. ("HomeTeam") that franchises home inspection services. HDFS has offered these home inspection franchises since 1992. We do not offer home inspection franchises.

Historic information provided in this disclosure document about HDFS was provided to us by HDFS.

Nothing in the Franchise Agreement or other attachments is intended to disclaim the representations made in this disclosure document.

Except as disclosed above, we do not have any predecessors.

Item 2 BUSINESS EXPERIENCE

President: James Hunter

Mr. Hunter has been President of Saltire Brands in Cincinnati, Ohio since June 2012.

Vice President of Operations: Doug Beasley

Mr. Beasley has been Vice President of Operations of Saltire Brands in Cincinnati, Ohio since January 2020. Prior to that, he was Vice President of Operations for IFD, Inc. – a distributor of Invisible Fence Brand Products in Fort Thomas, Kentucky from July 1998 to February 2019.

Marketing Manager: Brittney Bowman

Ms. Bowman has been Marketing Manager of Saltire Brands in Cincinnati, Ohio since December 2019. Prior to that, she was Marketing Representative for Saltire Brands in Cincinnati, Ohio from December 2018 to December 2019. Prior to that, she was Shipping Supervisor for Arrowhead Electrical Products in Cincinnati, Ohio from July 2016 to December 2019. Prior to that, she was Team Lead for Arrowhead Electrical Products in Cincinnati, Ohio from July 2015 to July 2018. Prior to that, she was Warehouse Associate for Arrowhead Electrical Products in Cincinnati, Ohio from June 2013 to July 2015.

Vice President: Donna Davidson

Ms. Davidson has been Vice President for Saltire Brands in Cincinnati, Ohio since January 2018. Prior to that, she was Director of Franchise Development for Saltire Brands in Cincinnati, Ohio from March 2014 to December 2018.

Item 3 LITIGATION

No litigation is required to be disclosed in this Item.

Item 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5 INITIAL FEES

License Fee and Territory Fee.

License Fee and Territory Fee. You must pay an Initial License Fee of \$19,900 and a Territory Fee of \$39,900. (All dollar figures are in U.S. currency.) We reserve the right, in our sole discretion, to charge a higher or lower Territory Fee if the Territory granted is greater or smaller than the usual size of a Territory (the usual size is approximately 60,000 qualified households). We anticipate that the increase or decrease, if any, would be \$0.66 per qualified household. Both fees are entirely non-refundable and are uniform for all franchises currently being offered. Both fees become part of our general funds with no limit on their use. You must pay the License Fee and the Territory Fee in a lump sum when you sign the franchise agreement.

VetFran Discount. We participate in the Veterans Transition Franchise Initiative, also known as “VetFran.” VetFran is a voluntary effort of International Franchise Association members to encourage franchise ownership by veterans of the U.S. military by offering financial incentives. If you are an honorably-discharged U.S. military veteran and otherwise meet the VetFran requirements, we will discount the License Fee by \$3,500.

Item 6 OTHER FEES

OTHER FEES (Note 11)

Name of Fee	Amount	Due Date	Remarks
Royalty Fee (Note 1)	6% of labor Gross Sales (Note 2) and 4% of materials or product Gross Sales.	Thursday of each week by electronic funds transfer.	The reporting week begins each Sunday and ends on the following Saturday, and sales reports are due by the following Wednesday.
Minimum Quarterly Royalty (Note 1)	The Minimum Quarterly Royalty for one Territory is: Year 1 - \$3,000 Year 2 - \$5,000 Year 3 - \$6,500 Year 4 and thereafter - \$7,500 (Note 3)	January 15, April 15, July 15 and October 15.	If the total weekly Royalty Fees that you pay each calendar quarter are less than your Minimum Quarterly Royalties, you must pay the difference within 15 days after the end of each calendar quarter.
Advertising Contribution (Note 4)	2% of Gross Sales.	Thursday of each week by electronic funds transfer.	The reporting week begins each Sunday and ends on the following Saturday, and sales reports are due by the following Wednesday.
Minimum Quarterly Advertising Contribution (Note 1)	Year 1 - \$1,000 Year 2 - \$1,500 Year 3 - \$2,000 Year 4 and thereafter- \$2,500 (Note 3)	January 15, April 15, July 15 and October 15.	If the total weekly Advertising Contributions that you pay for one calendar quarter are less your Minimum Quarterly Advertising Contribution, you must pay the difference within 15 days after the end of each calendar quarter.
Local Advertising (Note 5)	\$3,000 per calendar month.	During each calendar month.	During each month you must spend a minimum amount for Local Advertising and promotion directly related to your franchise.
Cooperative Advertising (Note 6)	Variable.	Monthly.	If an advertising cooperative is established or operating in your area, you must contribute.

Name of Fee	Amount	Due Date	Remarks
Transfer Fee (Note 1)	25% of the then-current License Fee, or 10% of the then-current License Fee if sold to an existing franchisee. In addition, you will be required to pay or reimburse actual legal and other expenses in regard to the Transfer.	Before the consummation of the transfer.	Payable when you sell your franchise.
Broker Commission	Variable.	Upon the sale of your franchise.	If you authorize us to retain the services of a business or franchise broker to procure a buyer for your franchise, you must pay the broker a commission. The amount of the commission will vary, but it is typically a percentage of the sale price of the franchised business.
Successor License Fee (Note 1)	Currently \$4,975 (it will be 10% of our then-current License Fee).	At least 6 months before your franchise agreement expires.	A "Successor Franchise" is a House Doctors franchise that you may be granted under section 2.2 of the franchise agreement, as a successor to your initial House Doctors franchise, for a ten-year term after the expiration of your original term. This fee is non-refundable except, if Franchisor refuses to grant a successor Franchisee, Franchisor will refund this fee.
Convention Fee	Anticipated for 2020: \$798 per attendee, but may vary from one convention to another. This amount includes registration, hotel and food for 2 days.	Annually before our franchisee convention, typically held in January, February or March each year.	You are required to attend our annual convention, when we hold them, and pay the convention fees. In addition to any fees you must pay for convention attendees, you will also be required to pay the convention fee for one attendee for each convention that neither you nor your Designated Manager attends.
Late Fee (Note 7)	\$20 for late payments; \$25 for late reports.	On demand.	You must pay a late fee each time we receive any report after its due date or any payment more than 5 days after its due date.

Name of Fee	Amount	Due Date	Remarks
Interest (Note 8)	18% or the highest rate allowed by applicable law, whichever is lower. (Note 9)	On demand.	In addition to the late fee above, late royalty fee and advertising contribution payments accrue interest at an annual rate of 18% per year beginning 30 days after their due date.
Audit Fee (Note 1)	Cost of audit plus 18% interest on underpayment. (Note 9)	On demand.	Payable only if audit is prompted by your failure to maintain or submit records or audit shows an understatement of at least 3% for any week.
Sales/Use Taxes (Note 10)	Variable.	Payable with your royalty fee or advertising contribution payments.	You must pay any state or local sales, use or withholding taxes that may be assessed on the royalties, advertising contributions, or other fees you pay to House Doctors.
Reimbursement (Note 1)	Amount of expense advanced plus 18% interest.	On demand.	You must reimburse us if we pay your expenses when you fail to do so, such as rent, taxes, client refunds, or other liabilities.
Legal Expenses (Note 1)	Amount of expense advanced plus 18% interest.	On demand.	You must pay any legal expenses we incur, including attorney fees, to enforce your franchise agreement.
Indemnification (Note 1)	Amount of claims.	On demand.	You must reimburse us for all claims or liabilities arising from your business, your use of the intranet and taxes (other than income taxes) levied on amounts paid by you to us (even if otherwise due from us).
Additional Training Fee	We have the right to charge for additional training beyond our initial training program. We have not imposed these charges and no amounts for these charges have been established.	Not established.	None.

Name of Fee	Amount	Due Date	Remarks
Software Support Fee	If we provide software support services, we may charge a fee. We have not imposed these charges and these charges have not yet been established.	Not established.	None.

Notes:

1. Imposed by and payable to House Doctors.
2. "Gross Sales" means all income (recognized on an accrual basis), whether cash or credit (and regardless of collection), less all refunds and discounts to customers and any sales or excise taxes.
3. For purposes of determining the Minimum Quarterly Royalties and the Minimum Quarterly Advertising Contributions, Year 1 is the period that begins on the Opening Date and ends on the last day of the calendar quarter in which the first anniversary of the Opening Date occurs. Year 2 is the one-year period that begins on the first day of the calendar quarter (that is, January 1, April 1, July 1 or October 1) following the end of Year 1. Years 3, 4, and later years are the following twelve-month periods. For instance, for an Opening Date of May 23, 2009, Year 1 begins on that date and will end June 30, 2010; Year 2 begins on July 1, 2010 and ends June 30, 2011; Year 3 begins on July 1, 2011 and ends on June 30, 2012; and so on. Year 1, Year 2 and each of the following 12-month periods are referred to as "Numbered Years" in this disclosure document.

"Opening Date" means the date when the franchised business first becomes open for business. The quarters to which the Minimum Quarterly Royalties apply are the calendar quarters beginning on January 1, April 1, July 1 and October 1, except that for Year 1, the first quarter begins on the Opening Date and ends on the last day of the first calendar quarter that starts after the Opening Date.

If you are entering into an agreement for a Successor Franchise, the Minimum Quarterly Royalties and the Minimum Quarterly Advertising Contribution will be based on the Year 4 and ongoing requirements for the entire term of your successor franchise agreement.

The figures in the table above are not financial performance representations or projections or estimates of potential earnings, sales, or revenues.

4. Payable to House Doctors national advertising fund.
5. To generate customers for your franchised business, you must conduct, at your expense, advertising and promotion directly related to your franchised business within your local trading area and on the internet ("Local Advertising"). You must spend at least \$3,000 in each calendar month on Local Advertising. If you fail to spend at least the minimum amount required for Local Advertising in any one quarter, you will be in default of your franchise agreement, and we will have the right to terminate your franchise or reduce the size of your territory unless you cure the default by paying the deficiency to the national advertising fund within 1 month after notice from us.

6. Either House Doctors or the advertising cooperative will determine the amount of your monthly cooperative advertising contribution, but it cannot exceed 4% of your Gross Sales unless a majority of the cooperative members agree on a higher contribution. Your cooperative contribution will be credited toward your required Local Advertising expenditure, but not toward your advertising contribution. Each member of an advertising cooperative will have one vote per franchise. Each franchise operated by House Doctors or an affiliate of House Doctors in an area in which an advertising cooperative has been established will contribute to the cooperative on the same basis as other members of that cooperative.
7. Late fees on royalty payments are payable to House Doctors. Late fees on advertising contribution payments are payable to the national advertising fund.
8. Interest on royalty payments is payable to House Doctors. Interest on advertising contribution payments is payable to the national advertising fund.
9. Interest accrues from the date payment was due.
10. The royalties, advertising contributions, or other fees you pay to us may be all or partially subject to state or local sales or use tax, depending upon the law in your state. If we are required to pay these taxes in your state, you must add the tax to your royalty fees or advertising contributions.
11. All fees are non-refundable (except as noted for the Successor License Fee in some circumstances) and uniformly imposed on all new franchisees. Some House Doctors franchisees signed a different form of franchise agreement that may not require them to pay the same minimum royalty, minimum advertising contribution, minimum local advertising, cooperative advertising, or successor license fees. In addition, some franchisees signed a different form of franchise agreement that requires them to pay a different transfer fee.

(Item 7 on next page)

Item 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Description	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial License Fee	\$19,900	Lump Sum	Upon signing franchise agreement	House Doctors
Territory Fee (Note 1)	\$39,900	Lump Sum	Upon signing franchise agreement	House Doctors
Computer Equipment (Note 2)	\$2,000 to \$4,000	As incurred	Before opening	Suppliers
Service Vehicles (Note 3)	\$2,000 to \$4,000	As Incurred	Before opening	Suppliers
Tools and Equipment (Note 4)	\$400 to \$1,000	As Incurred	Before opening	Suppliers
Furniture and Office Equipment	\$0 to \$1,000	As Incurred	Before opening	Suppliers
Initial Telephone (Note 5), Bank and Other Deposits	\$500 to \$1,000	As Incurred	Before opening	Suppliers
Travel & Living Expenses While Training (Note 6)	\$0 to \$2,000	As Incurred	At time of training	Hotel, airline, restaurants, employees
Real Estate and Improvements	(Note 7)	(Note 7)	(Note 7)	(Note 7)
Insurance (Note 8)	\$1,500 to \$3,000	Lump Sum	Before the effective date of the policy	Insurance Company
Permits & Licenses (Note 9)	\$100 to \$1,000	As Incurred	Before opening	State and/or local regulatory authorities
Bookkeeping Services (3 months) (Note 10)	\$600 to \$750	As incurred	As expenses are incurred	Suppliers
Additional Funds - 3 months (Note 11)	\$32,000 to \$52,000	As Incurred	As expenses are incurred	Employees, taxing authorities, suppliers, etc.

Description	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Total (Note 12)	\$98,900 to \$129,550	(Does not include real estate costs)		

Notes:

1. **Territory Fee.** The Territory Fee is \$39,900 per Territory. We reserve the right, in our sole discretion, to charge a higher or lower Territory Fee if the Territory is greater or smaller than the usual size of a Territory (the usual size is approximately 60,000 qualified households). We anticipate that the increase or decrease, if any, would be \$0.66 per qualified household.
2. **Computer Equipment.** Computer equipment will include a desktop or notebook computer with Windows 8 or 10 operating system, a CD/DVD drive, a color laser printer and a computer tablet (such as an iPad), and Microsoft Office Home and Business.
3. **Service Vehicles.** Your franchised business may begin with one or two service vehicles, depending upon the time of year it is opened and your geographical territory. As your franchised business grows, you will need to add additional service vehicles. Consulting with your personal financial advisor is recommended to determine if you should lease or purchase initial and subsequent vans. We estimate the cost of purchasing and outfitting a service vehicle is \$24,000 - \$25,000 and the figures in the table reflect a deposit and three months payments for 1-2 vehicles.
4. **Tools and Equipment.** You may purchase tools and equipment such as ladders and hand tools from any approved supplier, which are listed in the operations manual, which also contains a list of the tools and equipment you will need to operate your franchised business.
5. **Telephone Deposit.** Your telephone service provider will typically require a normally refundable deposit for commercial service. You are required to have a separate business telephone land line for your House Doctors franchise and either an employee to answer your line or a manned answering service at all times during regular business hours.
6. **Training.** We do not charge a fee for the initial training, but you must pay the expenses of travel, lodging, food, wages, and workers' compensation for you and your employees during the training program. These expenses will range from \$0 to \$2,000, depending upon the distance and method of travel and the availability and quality of your hotel accommodations and living expenses during the training program.
7. **Real Estate and Improvements.** You may operate your franchise from an office in your home if permitted by local zoning laws. You may also operate your franchise from rented office or warehouse space in a commercial or light industrial area, in which case you may incur expenses for improvements or other real estate costs. The estimated range in the chart does not include rent. You can anticipate requiring no more than 300 square feet for an office, a 100 square foot storage bay, and a parking space for each service vehicle. Based upon a combined range of \$9.60 to \$24.00 per square foot, you should expect to pay \$4,800 to \$12,000 per year for rent. It is difficult to estimate lease acquisition costs because of the wide variation in these costs from one location to another. Lease costs will vary based upon variance in square footage, cost per square foot and required maintenance costs. The estimates do not include real estate taxes. The terms of your lease will depend on the size, location, condition and desirability of the premises. Rent payments may or may not include site preparation and build-out costs, which will depend on the arrangements that you negotiate with your landlord. You should not require significant, or perhaps any, build-out or improvements. You should expect the landlord to require the first month's rent and a security deposit equal to one month's rent. Amounts paid as rent are typically not refundable, but a

security deposit may be refunded. If you purchase and/or construct a site for the franchised business, your initial costs will be significantly greater than the estimates above.

8. Insurance. You must obtain and maintain the types and amounts of insurance coverage we require. We must be named as an additional insured on these policies. We estimate that the average annual cost for the required insurance coverage will be between \$1,500 and \$3,000. The premium is typically due prior to the effective date of the coverage unless your insurance company offers installment payment terms. Insurance costs will vary depending upon the location and size of your office, the number of employees, the amount of your payroll, and other factors, and may change from time to time due to changes in insurance rates. You must also maintain workers' compensation coverage and any other insurance that may be required by law in your territory. The cost for worker's compensation coverage and other insurance is not included in the above chart.
9. Permits and Licenses. We are aware of the following states that require a license for performing some types of home repairs and/or remodeling: Arizona, Florida, California, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, Oregon, Utah, Virginia, Washington, and certain counties in Florida. There may be other states, counties, or municipalities that also require a license. You will be responsible for investigating and complying with the licensing requirements that apply in your territory. The cost will vary from one locality to another.
10. Bookkeeping Services. You will be required to use a bookkeeping service designated by us at least your first twelve months of operation.
11. Additional Funds. You should have approximately \$32,000 to \$52,000 of additional funds for such items as payroll expenses, initial supplies and operating expenses for the first 3 months of operation. These funds also include \$3,000 per month for the first three months required local advertising spend and include marketing materials such as business cards, letterhead, envelopes, brochures, brochure holders, folders, door hangers, post cards, pens, magnets and yard signs, placing advertisements in local media, distributing promotional brochures, internet advertising, SEO and SEM, home and trade shows and a direct mail campaign. In formulating the amount required for additional funds, we relied upon our experience and that of our predecessor in franchising home repair, maintenance, and remodeling businesses since 1995. These figures are estimates and House Doctors cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; competition; and the sales level reached during this initial phase. You may also incur expenses for business license fees, legal fees, accounting fees, and local permits and operating authorizations necessary to start your business, which may vary considerably from one area to another.
12. Total. The total figure listed in the above chart does not include compensation for your time or labor. Neither does the total figure take into account any finance charges, interest, debt service, or other costs which you may incur to finance all or any portion of your investment. In addition to the initial investment itemized in the chart above, you must have additional monies available, whether in cash or through a line of credit, or have other assets that you can liquidate or against which you can borrow, to cover your personal living expenses and any operating losses sustained during the initial phase of your business (see Note 11 above). You should review these figures carefully with a business advisor before making any decision to purchase the franchise.
13. Non-Refundable. All expenditures are non-refundable unless specifically noted otherwise.
14. Successor Franchise. A "Successor Franchise" is a House Doctors franchise that you may be granted under section 2.2 of the franchise agreement, as a successor to your initial House Doctors franchise, for an additional ten-year term upon the expiration of this agreement. The disclosures in the above table refer only to the investment required to begin the operation of your franchise when you originally

purchase it. Except for the Successor License Fee, there is no additional investment required for a Successor Franchise.

Item 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

System Standards. A fundamental requirement of your joining and remaining a part of the House Doctors system will be your commitment to the operation of your franchise in accordance with our system standards. During the term of the franchise agreement, you must, at all times, develop, maintain and operate your House Doctors franchise in full compliance with all House Doctors system standards, as we may modify and supplement them in the future.

We may require you to purchase from us or from our affiliate or designated suppliers any equipment, supplies, materials, products and services that you use in operating your House Doctors franchise. We will provide you, in the operations manual or other written or electronic form, with a list of services and products that must be purchased from designated sources and, if required, a list of designated suppliers (which might include us, an affiliate of ours, or another supplier we designate) after you sign your franchise agreement, and we have the right to add or delete services, products, or suppliers from the list. If we or one of our affiliates is an approved supplier, you may be required to sign a purchase, lease, or supply agreement. We formulate and modify our specifications and standards for products and services based upon our research of the optimal products and services you will need to operate your House Doctors franchise, our investigation of the available suppliers for each product and service, and our general business experience.

Suppliers. We will provide you with a list of approved suppliers for the products and services you will need to operate your House Doctors franchise. Other suppliers may be approved by sending us a written request for approval by certified mail, return receipt requested, along with a sample of the supplier's product. We are not required to notify you of our approval or disapproval within a specific time period, but we will try to notify you within 15 days after we receive all the necessary information. We will base our approval of suppliers upon a variety of factors, including their ability to meet our standards and specifications, their quality controls, their capacity to supply our franchisees' needs promptly and reliably, and their prices. Because of price discounts, benefits or other legitimate sales incentives, we may require you to participate with us or with other House Doctors franchisees when purchasing certain products or services to be sold or used in your House Doctors franchise. We do not charge a fee for approving suppliers. We may revoke approval of any approved supplier by written notice to you at any time if the quality of the product and the supplier's financial condition and ability to satisfy your requirements do not continue to meet our satisfaction. Except as disclosed in this Item 8, neither we nor any affiliate of ours is currently an approved supplier. There are no suppliers in which an officer of ours owns an interest.

Materials Bearing Our Marks. Your marketing and promotional materials, business cards, business stationery, and other items bearing our service marks, logos and names, must comply with specifications for content, size, typeface, color, and material. These specifications are contained in the manuals. You may purchase these items from any approved supplier.

You may purchase certain marketing materials and specialty items (such as clothing, coffee cups, golf towels, etc.) bearing our service marks, logos and names. You may purchase these items from any approved supplier. Neither we nor any affiliate of ours will derive revenue from your purchases of marketing materials and specialty items.

Service Vehicles. Your service vehicles must meet our system standards and specifications. You will start with two vehicles for your first two service technicians. You will need a separate vehicle for each of your service technicians. You will need to acquire additional vehicles as your franchised business grows.

Insurance. Before opening the franchised business, you must obtain, and maintain at all times during the term of your franchise agreement, the following insurance coverages:

- All-Risk Insurance on all furniture, fixtures, equipment, supplies and other property used in the operation of the franchised business, for their full replacement cost.
- Commercial General Liability Insurance covering claims for bodily and personal injury, death, and property damage with a minimum per occurrence limit of \$1,000,000 and a minimum general aggregate limit of \$2,000,000.
- Automobile Liability Insurance for owned, hired, and non-owned vehicles with a minimum combined single limit of \$1,000,000.
- Employee Dishonesty Insurance with a minimum limit of \$10,000.
- Worker's Compensation Insurance that complies with the statutory requirements of the state in which the franchised business is located and Employers' Liability Insurance with a minimum limit of \$100,000 or, if greater, the statutory minimum limit if required by state law.

All insurance policies must name House Doctors as an additional insured, and no policy may have a deductible of more than \$5,000. You cannot open your franchise until you have obtained all the required insurance coverages. If you fail to obtain and maintain this insurance coverage, we have the right to obtain it on your behalf and to charge you for the cost plus interest. We have the right to increase the minimum coverage, decrease the maximum deductible, or require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. We must give you at least 30 days' written notice. Neither we nor any affiliate of ours will derive revenue from your insurance purchases.

Computer Hardware and Software. To operate your House Doctors franchise, you will need a computer system and certain required computer programs. The specifications for the computer system are contained in the operations manual. You will be required to use third-party, web-based operations software of our choosing. Currently, we require that our franchisees use mHelpDesk, a web-based field services management software, which is the only software approved by us for this purpose. In the future, you may be required to purchase or lease other proprietary software from us or from a third party designated by us.

Bookkeeping Services. You will be required to use a bookkeeping service designated by us during at least the first twelve months of your operation. Currently, that bookkeeping service is Legacy Business Services.

Revenue from Franchisee Purchases. As a result of the sale of all required purchases and leases of products and services to House Doctors franchisees in calendar year 2019, we derived \$0.00 in revenue, representing about 0.00% of the total revenue of Saltire Brands, LLC of \$872,028 as reflected on the audited statement of operations of Saltire Brands for the year ended December 31, 2019.

In our fiscal year from January 1st, 2019 to December 31, 2019, none of Saltire Brands' revenues were derived from vendors or suppliers that sell or lease products or services to House Doctors franchisees. Some suppliers made payments to the House Doctors National Advertising Fund (the "NAF") for sponsorships or display space at the annual convention of House Doctors. We may use these fees to defray the costs for the convention, but there are no specific restrictions on their use. In calendar year 2019, the NAF received \$6,655 from suppliers for sponsorships or display space at the national convention held by House Doctors. All of the fees were contributed to the NAF.

We estimate that the cost of goods and services purchased or leased in accordance with the specifications described above will represent approximately 20% to 30% of your initial investment to commence the operation of your House Doctors franchise (the exact percentage will depend upon the amount of your other variable start-up expenses), and approximately 12% to 20% of your operating expenses. Except as described above, we have not established any other specifications or designated suppliers for the equipment and supplies necessary to operate your House Doctors franchise. We will provide you with a list of approved suppliers and suggested equipment and supplies after you purchase your franchise. Except as described above, we do not offer or sell equipment or supplies to franchisees or derive revenue from franchisees' purchases of equipment or supplies from other suppliers, although we have the right to and may do so in the future. We do not receive any payments or other benefits from suppliers as a result of purchases by franchisees. We do not provide material benefits to a franchisee based upon the franchisee's use of designated or approved sources. Except as described above, you are not required to purchase any goods or services from any particular supplier.

Cooperatives. We may, in our business judgment, designate any geographical area in which at least two franchises are located for the purpose of establishing a local or regional marketing or advertising cooperative. If we form this type of cooperative in your area, you will be required to join. However, as of the date of this disclosure document, we do not have any purchasing or distribution cooperatives.

Arrangements with Vendors. We have negotiated arrangements with certain vendors to provide products and services to our franchisees at reduced prices. Although full retail prices for these products and services will vary from one area of the country to another, the prices applicable to House Doctors franchisees are generally more favorable than full retail prices. These arrangements are subject to change without notice. These arrangements now include the two vendors listed below, which you are required to use:

1. mHelpDesk, which is a web-based field services management software.
2. Legacy Business Services, which is a bookkeeping service that we currently require you to use during the first 12 months of your operation.

Except as disclosed above, we do not receive any payments or other benefits from suppliers as a result of purchases by franchisees, although we have the right to and may do so in the future. Although each of the suppliers listed above are approved suppliers, you are not required to purchase any goods or services from them.

Item 9 FRANCHISEE'S OBLIGATIONS

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	§ 1.2, Art 3	11, 12
b. Pre-opening purchases/leases	§ 4.3	5, 7, 8
c. Site development and other pre-opening requirements	None	Not applicable

Obligation	Section in Franchise Agreement	Item in Disclosure Document
d. Initial and ongoing training	§ 7.1	11
e. Opening	§ 7.6	11
f. Fees	Art 4, 5, 17, §§ 2.2, 7.9(g), 11.8, 11.9, 12.2(b)(11), 12.3(i), 13.3, 16.7	5, 6
g. Compliance with standards and policies/operating manual	§ 7.2, Art 9	8, 11, 12, 16
h. Trademarks and Proprietary information	Art 8, 9, 10	13, 14
i. Restrictions on products/services offered	§ 7.3	16
j. Warranty and customer service requirements	§§ 7.3, 7.15	6
k. Territorial development and sales quotas	§ 7.7	6, 12, 17
l. Ongoing product/service purchases	§§ 7.3, 7.18(c) & (d), 11.8	8
m. Maintenance, appearance and remodeling requirements	§§ 7.4(b), 9.3	Not applicable
n. Insurance	§ 7.11	7, 8
o. Advertising	Art 11	8, 11
p. Indemnification	Art 17	17
q. Owner's participation/ management/staffing	§§ 7.8, 7.17, 7.20	15, 17
r. Records/reports	§ 7.10	17
s. Inspections/audits	§ 7.10(i)	6, 17
t. Transfer	Art 12	17
u. Renewal	§ 2.2	17
v. Post-termination obligations	Art 14, §§ 15.2, 15.3	17
w. Non-competition covenants	§§ 15.1, 15.2, 15.3	17
x. Dispute resolution	Art 16	17

Item 10 FINANCING

We do not offer direct or indirect financing, except as described below. We do not guarantee any of your notes, leases or obligations.

In some cases, we will provide interim financing for payment of the initial franchise fee for a franchisee that has applied for or is getting long-term financing from a bank (usually in the form of an SBA loan) or a retirement plan. The obligation to pay us will be evidenced by a promissory note in the form of Exhibit P (the "Note"). The amount financed may range from \$30,000 to \$50,000. The full amount of the amount loaned will be due when the franchisee receives the long-term financing or a date certain specified in the Note, whichever is earlier. We will not charge interest, except upon default; after default, the interest rate will be 18% per year, or (if lower) the highest rate permitted by applicable law. The Note may be prepaid

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without penalty. Upon default: (a) we may accelerate the obligation to pay the entire amount due, (b) franchisee may be required to pay court costs and attorneys' fees incurred in collecting the debt, and (c) we may terminate the franchise agreement. In the Note, the franchisee is required to waive notice and the right to a jury trial.

If you seek to obtain financing that is assisted by the U.S. Small Business Administration ("SBA"), the SBA may require House Doctors and you to enter into an addendum to the Franchise Agreement in a form specified by the SBA. That current form we use is attached as Exhibit R. Franchisor may, in its discretion, refuse to agree to this addendum, with the result that SBA-assisted financing will not be available to the franchisee. Certain provisions of this addendum are summarized in Item 17.n below.

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

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

Pre-Opening Assistance. Before you open your business, we will provide the following assistance:

1. When the parties sign the franchise agreement, we grant you the right to operate a franchise business within the territory designated in the franchise agreement. (Franchise Agreement §§ 1.1 and 1.2).
2. We will provide a list of all equipment necessary to operate your franchise (Franchise Agreement § 6.1).
3. We will provide a set of templates for advertisements, marketing/promotional materials, business cards and stationary (Franchise Agreement § 6.1). We will either provide you with copies of these items at the time of your initial training or provide you with instructions for downloading them after you complete the initial training program.
4. We will provide you with approved and readily available sources for purchasing supplies, advertising and marketing materials, computer hardware and software, and other items necessary to operate your franchise. (Franchise Agreement § 6.1).
5. We will loan you a copy of our operations manual, which contains mandatory and suggested specifications, standards, and procedures (Franchise Agreement § 6.3). This manual is confidential and remains our property. You will receive a copy of the manual when you begin the initial training program. The manual may consist of one or more volumes and may be provided digitally via the franchise intranet, compact disk, DVD or other medium. We may modify the manual from time to time, but the modification will not alter your status and rights under the franchise agreement. The total number of pages in the manuals is 187. The table of contents is listed on Exhibit M.
6. We will provide you with business and reporting forms you will use in your franchised business to report your sales, order supplies, otherwise communicate with us and otherwise. Upon your request, we will provide you with specifications for the proper preparation of the business and reporting forms, which you may purchase from a supplier who has complied with our approval guidelines. (Franchise Agreement § 6.2).
7. We will provide an initial training program at our training facility in Milford, Ohio for up to 2 people, one of which must be the Franchisee or a principal of the Franchisee, or Designated Manager who is responsible for the general oversight and management of the franchised business (Franchise Agreement §§ 6.1 and 7.1).

Paragraphs 1 through 7 above refer to assistance and materials we provide to new franchisees before they open their franchise. If you are acquiring a Successor Franchise, you already received these materials and assistance before you opened your House Doctors franchise. You will be permitted to continue to use our operations manual and proprietary operations software, on loan or under license, respectively, to operate your Successor Franchise.

Length of Time to Open Franchise. Franchisees typically begin operating their franchises 3 to 6 months after they sign a franchise agreement or pay the Initial License Fee, whichever occurs first. The factors that affect this time are the availability and timing of your financing, your previous employment commitments (if any), and your ability to complete our training program, hire and train personnel, and schedule your initial marketing campaign. You must open your franchise within 6 months after you sign the franchise agreement or we have the right to terminate your franchise without refunding any fees you have paid (Franchise Agreement §§ 7.6 and 13.1).

Ongoing Assistance. During the operation of the franchised business, we will provide the following assistance:

1. We will provide you with periodic assistance to the extent we deem necessary (Franchise Agreement § 6.1).
2. We will provide you with periodic communications including emails, newsletters, bulletins and such other materials, information, and assistance as we may deem necessary (Franchise Agreement § 6.1).
3. We may periodically modify and supplement the system standards. (Franchise Agreement § 7.2).
4. We will approve or designate suppliers for furnishings, fixtures, signs, supplies and other products, materials and services required for the operation of your franchised business. (Franchise Agreement § 7.5).
5. If we establish a contract for the provision of services to a "Special Account" that includes facilities located in your territory, we will give you the first option of providing those services in your territory. A "Special Account" is a business with physical facilities in territories of more than one franchisee. (Franchise Agreement § 1.5).
6. We may periodically develop (or have others develop) proprietary computer applications for use in your franchised business, which you may be required to purchase or license. (Franchise Agreement § 7.18).
7. We may modify the computer hardware and software that you are required to have for the management and operation of your franchised business to maximize the operation of the software or foster the efficient operation and management of your franchised business and you are required to make these changes. (Franchise Agreement § 7.18).
8. We may periodically add products and services to the products and services that you are permitted or required to offer in your franchised business. (Franchise Agreement § 7.3).

Advertising. You are required to conduct advertising and promotion directly related to your franchised business within your local trading area, and to spend a certain amount for these expenses each month (Franchise Agreement § 11.8). We are not required to advertise the services offered by House Doctors franchisees, and we are not required to spend any amount on advertising in your territory. We will provide you with a number of pre-approved advertisements for use in various media, but you are free to use your own advertising material so long as we approve it first. If you wish to use an advertisement that we have not provided and that has not been previously approved, or advertise in a medium or with an advertiser that has

not been previously approved, you must submit it to us by certified mail, return receipt requested, for approval. Unless we notify you that the advertisement is not acceptable within 15 days after we receive it, you may assume that it is acceptable. The approval of advertising will be made on a case-by-case basis using purely subjective criteria. All of your advertising in any medium must be conducted in a dignified manner, be completely accurate and truthful, conform to standards and requirements listed in the operations manual and to all applicable laws and regulations regarding consumer advertising, and contain a notice that your franchise is independently owned and operated. Any advertisement that you develop for your House Doctors franchise automatically becomes our property, and we may use it for our other franchisees without compensating you (Franchise Agreement §§ 8.8 and 11.6). There is no advertising council that advises us specifically on advertising policies.

House Doctors Web Site. Although not required to do so by the franchise agreement, we maintain a web site to promote our franchisees' services and the sale of our franchises and to provide contact information for House Doctors locations. We will include your franchise contact information on separate pages on the House Doctors web site at no cost to you. You may not establish your own web site, web page, or URL for your franchised business or that uses any of our trademarks. You may not advertise your services or use our trademarks in any listing, banner, advertisement, or any other service or link on or to the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or similar services, without our prior written approval (Franchise Agreement §§ 8.5, 11.6 and 11.7).

Advertising Cooperatives. We have the power to form, change, dissolve, or merge local or regional marketing and advertising cooperatives in geographical areas with 2 or more House Doctors franchises. Advertising cooperatives may be established for areas covered by advertising media relevant to particular geographic markets, Metropolitan or Micropolitan Statistical Areas, the home repair industry, or our advertising strategy, in our discretion. If we establish an advertising cooperative in an area, each franchise within the cooperative area must join and contribute to the cooperative each month. Your cooperative contribution will be credited toward your required Local Advertising expenditure, but not toward your national advertising contribution. Either House Doctors or the cooperative will determine the amount of your monthly contribution, but it cannot exceed 4% of your Gross Sales unless a majority of the cooperative members agree on a higher contribution. The members of each cooperative will be responsible for its administration, subject to our approval. Each member of an advertising cooperative will have one vote per franchise. Each cooperative will operate from written governing documents and must prepare monthly financial statements, all of which will be available for its members' review. Each franchisor-owned location in an area in which an advertising cooperative has been established will contribute to the cooperative on the same basis as other members of that cooperative. As of the date of this disclosure document, we have not established any advertising cooperatives (Franchise Agreement § 11.9).

Local Advertising. You must spend at least \$3,000 in each calendar month on Local Advertising. Local Advertising expenditures must be made directly by you. (Franchise Agreement § 11.8)

National Advertising Fund. Each franchisee is required to pay a weekly advertising contribution of 2% of Gross Sales to a national advertising fund (the "Fund"), with a Minimum Quarterly Advertising Contribution of \$1,000 in Year 1, \$1,500 in Year 2, \$2,000 in Year 3 and \$2,500 in Year 4 and thereafter. Year 1 is the period that begins on the date when the franchise business first becomes open for business (the "Opening Date") and ends on the last day of the calendar quarter on which the first anniversary of the Opening Date occurs. Year 2 is the one-year period that begins on the first day of the calendar quarter following the end of Year 1. Year 3 and later years are the following twelve-month periods. If the weekly advertising contributions that you pay during each calendar quarter is less than Minimum Quarterly Advertising Contributions, you must also pay the difference to the Fund by the fifteenth day of the next calendar quarter. All advertising contributions are maintained in a separate account and must be spent on advertising,

promotion and marketing of the services provided by House Doctor franchises, public relations, the development of the House Doctors brands, plus administrative costs associated with the maintenance of the Fund. House Doctors is reimbursed for any postage or labor provided to the Fund. Each franchisor-owned location, if any, will contribute to the Fund on the same basis as franchisees (Franchise Agreement §§ 5.3, 5.4 and 11.2).

The Fund is administered and distributed by us. The Fund is not audited, but an unaudited annual financial statement of the Fund is available to any franchisee after March 1 of each year. During the one-year period ending on December 31, 2019, the Fund's total receipts were \$209,645 and total expenses were \$290,590, of which 62% was spent for creative development, administrative and management expenses including national and local public relations including managing branding and trademark reputation across all media including internet, social media, LinkedIn, Facebook, Twitter, Pinterest, and blogs for advertising on behalf of franchisees and Indeed, Monster, Craig's List, and Facebook for recruitment support on behalf of franchisees, 2% was spent for customer retention, emailing programs, directory submissions and other advertising on behalf of franchisees, 4% for general and other administration costs including: national relationships, dues and subscriptions, and training, 8% for franchisee meetings, 6% for Internet, website costs, 15% for public relations and 3% for technology.

Our current policy is to use the Fund for the development of new advertising, promotional and marketing materials, to advertise the services provided by franchisees in print, electronic, internet and other media and to provide for public relations to develop and protect the House Doctors brands, and to cover related administrative and management expenses, and to use outside companies for any of these activities. However, we have the right to change this policy at any time and to use the Fund to place advertising in any national, regional, or local media (including broadcast, print, electronic, internet, or other media). We are not required to spend any amount on advertising in your territory. No portion of the Fund is used for advertising that is principally a solicitation for the sale of franchises. If all advertising contributions are not spent in the fiscal year in which they accrue, expenditures made from the Fund in the following year(s) will be made first out of accumulated earnings from previous years (if any), next out of earnings in the current year, and finally from contributions. Except as disclosed above, neither we nor any affiliate of ours receives any payment from the Fund.

Computer System. To operate your House Doctors franchise, you will need a late model desktop or notebook computer with Windows 8 or 10 operating system. We also recommend a CD/DVD drive, a color laser printer, Microsoft Office Home and Business (includes Outlook, Word, Excel & PowerPoint) and a computer tablet (such as an iPad or Android). The minimum hardware and software specifications are listed in the operations manual. In most cases a more recent version of a required software application will be acceptable. Hardware should be no more than three years old.

You will also need a high-speed Internet connection. (such as DSL, cable, or satellite) for communication and file transfer. Neither House Doctors nor any affiliate of House Doctors will derive revenue from the required Internet connection.

In addition to the software listed above, you are required to obtain and use management software of our choosing to maintain information about your customers, prepare job proposals and invoices, manage your service technicians, and maintain the financial records of the franchised business. You will be required to enter into a terms of use agreement with a software provider of our choice and pay a license fee. Currently, we require that our franchisees use mHelpDesk, a web-based field services management software, which is the only software approved by us for this purpose. The license fee is currently \$100 per month.

You will also use your computer system to: (a) access Internet sites (browsers such as Internet Explorer, Chrome, Firefox or Safari), and communicate with prospective and current customers, suppliers, the

franchisor, and others via e-mail (Outlook), and (b) access our Intranet system, which is intended to be used by a franchisee to communicate with us and other franchisees, access our operations manual and for other purposes (in order for the franchisee to have access to our Intranet system, the franchisee is required to sign the Terms of Use Agreement for the House Doctors Franchisee Intranet System in the form of Exhibit E to this disclosure document).

You must provide us with independent access to all of the information that will be generated and stored on your computer system if we request it. There are no contractual limitations on our right to access the information. You are contractually required to upgrade and update your computer system as we require during the term of the franchise. There are no limits on the costs you may incur to upgrade or update. We currently do not require you to purchase a maintenance, repair, update, or upgrade service contract for your computer system, but we have the right to do so in the future. We do not know the annual cost of any optional or required maintenance, repair, updating, upgrading, or support contracts. Neither we nor any of our affiliates or any third party is obligated to provide ongoing maintenance, repairs, upgrades, or updates to your computer system.

Location of Franchised Business. You will operate the franchised business from a single office site. We do not select or approve a site, or provide you with assistance in selecting a site, for the franchised business. We do not impose any restrictions upon the location of your office. We recommend that, initially, you operate your franchise from your home, provided that doing so will not violate any zoning or building code or other ordinance. After your business matures and grows, you may wish to rent modest office or warehouse space. If you elect not to operate your franchise from your home, the location should be geographically convenient to the more densely populated areas of your territory and to major thoroughfares. You are not required to operate the franchised business from a site within your territory, but you must maintain a business address in your territory, the telephone number for your franchise must be listed under an address or other location in your territory, and you are not permitted to advertise, solicit, offer, provide, or sell any goods or services in another franchisee's territory. You must provide us with the address of the location and notify us promptly of any change (Franchise Agreement Article 3).

Training. Before you open your franchised business, we will provide 5 days of training for up to 2 people at our corporate headquarters in Milford, Ohio. The initial training program is mandatory as described in the following sentence. Either the franchisee or the person designated by franchisee as responsible for the general oversight and management of the franchised business, must complete the initial training program to our satisfaction within 6 months after you sign the franchise agreement, or we have the right to terminate your franchise without refunding any fees you have paid. Training is typically scheduled on a monthly basis subject to demand. We do not charge a fee for the initial training program, but you are responsible for paying the costs of travel, lodging, meals and compensation for you and your employees during the training program. The agenda of the initial training program is listed below.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Introduction and Overview	3	0	Milford, Ohio
Vendors	4	0	Milford, Ohio
Advertising	6	0	Milford, Ohio
Employee Recruiting Compensation and retention	4	0	Milford, Ohio

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
How to train your staff	4	0	Milford, Ohio
Risk Management	1	0	Milford, Ohio
Business Planning and Budgeting	5	0	Milford, Ohio
mHelpDesk Software	2	0	Milford, Ohio
Sales Training	4	0	Milford, Ohio
Customer Satisfaction and Reputation Management	3	0	Milford, Ohio
Business Plan	4	0	Milford, Ohio
TOTAL	40	- 0 -	

Our operations manual serves as the instructional material for the initial training program. The names and qualifications of the training instructors are:

- Jim Hunter has been our President since June 2012 and was CEO of HDFS from 2007 to 2012. He owned and operated a KWIK KOPY printing franchise in Glasgow, Scotland, for 10 years, and was Vice President of the Canadian master franchisor, the MR. HANDYMAN brand handyman franchises.
- Doug Beasley has been our Vice President of Operations since January 2020. Prior to that, he was Vice President of Operations with IFD, Inc. – a distributor of Invisible Fence Brand Products from July 1998 until February 2019, where he led a dealer training program, sales training program and customer service/call center training, as well as marketing responsibilities from PPC to Social Media and PR Crises/Management. Mr. Beasley graduated from Wright State University, Dayton, Ohio in 1986 with a BS in Marketing.
- Brittney Bowman has been our Marketing Manager since December 2019. Prior to that, she was Marketing Representative for Saltire Brands from December 2018 to December 2019. Ms. Bowman graduated from the University of Cincinnati Carl H. Hinder College of Business with a BS in Marketing in December 2019.
- Donna Davidson has been our Vice President since January 2018. Prior to that, she was Director of Franchise Development for Saltire Brands from March 2014 to December 2018. For the 20 years prior, she honed her skills in franchising as a Unit Manager, Regional Manager, Franchise Consultant, Area Director of Training and Operations, and Director of Franchise Development in the Health and Wellness Industry.

At the present time, we do not provide or require you to attend additional training programs after your successful completion of the initial training program, although we have the right to require additional training and to charge you a reasonable fee for it (Franchise Agreement § 7.1).

Annual Convention. Although we are not required to do so by the franchise agreement, we plan to hold an annual convention for House Doctors franchisees, typically in January, February or March, to discuss sales techniques, operation procedures, and marketing methods, and to introduce new software, marketing programs, and promotional items. We charge a fee to attend the convention. The convention fee for each

attendee is \$798. You must also pay all your travel and living expenses to attend the convention. Since our conventions are designed to benefit your business and introduce you to any new improvements in the House Doctors model, you are required to attend the annual convention and pay the convention fees. In addition to any fees you must pay for convention attendees, you also will be required to pay the convention attendance fee for one attendee for each convention that neither you nor your Designated Manager attends. (Franchise Agreement § 7.19).

Item 12 TERRITORY

We will grant you a protected territory (“Territory”) delineated by Postal Codes. (That is, delineated by ZIP Codes. ZIP CodeSM is a service mark of the United States Postal Service in the United States and other countries.) You may not provide products or services at a job site located in another franchisee’s territory. Although you have no right to do so under the franchise agreement, we may permit you to operate your franchise in areas outside your territory that are not part of the territory of another House Doctors franchisee. You do not acquire any rights to any areas outside your territory, however, and you must immediately stop operating your franchise in any area that becomes part of another franchisee’s territory. You may not establish a web site, web page or URL for your franchised business or using any of our trademarks. You may not advertise your services or use our trademarks in any listing, banner, advertisement, or any other service or link on or to the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or similar services, without our prior written approval. There are no other restrictions on your right to solicit or accept orders from customers outside of your territory.

So long as you are not in breach of the franchise agreement or other agreement with us, we will not operate or establish or authorize another to operate or establish another House Doctors franchise in your protected territory. Nor may we, either directly or through a franchise or an affiliate, provide products or services (using any channel of distribution) under the Marks at a job site located in your territory. We have the right to operate or franchise a business in your territory that uses any channel of distribution to sell goods or services similar to those that you will offer, so long as it does so under different trademarks from the ones you will use under the franchise agreement. However, neither we nor any affiliate of ours presently operates or franchises, or plans to operate, franchise or acquire, a business under a different trademark that sells or will sell goods or services similar to those that you will offer. Your territorial protection also does not include marketing, advertising and promotional activities—other House Doctors franchises (no matter who owns them) may advertise and promote their services in media that are distributed, circulated or broadcast in your territory. Similarly, you may advertise and promote your services in media that are distributed, circulated or broadcast outside your territory (including territories of other House Doctors franchisees), so long as you do not provide products or services at a job site located in another franchisee’s territory.

We have the exclusive right to control business with Special Accounts, subject to your right to participate in Special Account business in your territory. A “Special Account” is a business or other organization with offices, stores, plants, buildings or other physical facilities that are not confined to the territory of a single House Doctors franchisee or company-owned or affiliated business. If we negotiate a contract or arrangement with a Special Account, you will have the option to provide the services to the facilities of the Special Account in your territory at the prices and subject to the contract requirements we negotiate with the Special Account. If you accept the project, we will collect amounts due from the Special Account and pay you the amount due for services you provided to the Special Account, less the amount of the royalties and advertising contributions you owe us on the amount collected, which we will retain for our own account. All amounts you receive from Special Account work are included in Gross Sales for purposes of calculating your royalties. If you decline to service a Special Account, we have the unfettered right to fulfill the contract requirements to the Special Account in the territory in any manner we choose, including through another House Doctors franchisee, a company-owned or affiliated business, or a third-party contractor. If a Special Account requests

that someone other than you provide services in the territory, we may revoke your right to provide the services and may fulfill the contract requirements to the Special Account in the territory in any manner we choose.

We retain all rights not specifically granted to you by your franchise agreement, including the right to operate a House Doctors outlet anywhere *outside* your franchise territory, or license other House Doctors outlets or other businesses substantially similar to a House Doctors outlet (whether under the HOUSE DOCTORS or HOUSE MEDIC trademark or other trademarks) to operate anywhere *outside* your franchise territory, regardless of the proximity of those office locations to you or your office, or the impact those outlets may have upon your franchised business. Except as described in the preceding paragraphs of this Item 12, there are no other restrictions on us from soliciting or accepting orders from customers inside your territory.

We will grant you a protected territory as described in this Item 12 above. However, as described in this Item 12, there are exceptions to your exclusive rights to the territory. Therefore, you will not receive an exclusive territory. You may face competition from outlets that we own, or from other channels of distribution or competitive brands we control.

Your franchise territory will be a single, undivided geographic area, containing approximately 60,000 qualified households. The precise definition of a “qualified household” will differ from one market to another depending upon the unique demographic characteristics of each market. We have the right to specify a larger or smaller territory according to market size, demographic data, or other relevant factors, but we also have the right to charge a higher Territory Fee if we grant a larger territory. We obtain our demographic information from U.S. Census Bureau data and a geographic information system application licensed by Environmental Systems Research Institute, Inc. If for any reason the boundaries or numbers of any ZIP Codes assigned to you are altered or any other boundary of your territory changes, you must notify us and we will re-define the boundaries of your franchise territory to correspond as nearly as possible to your original. Our decision will be final and binding.

You will be required to achieve a minimum sales volume each quarter during the term of your franchise agreement (“Minimum Quarterly Gross Sales”). The Minimum Quarterly Gross Sales as of the date of this disclosure document are listed in the following table:

Minimum Quarterly Gross Sales Year 1	\$50,000
Minimum Quarterly Gross Sales Year 2	\$75,000
Minimum Quarterly Gross Sales Year 3	\$100,000
Year 4 & ongoing for the term of the franchise agreement	\$125,000

Year 1 is the period that begins on the date when the franchise business first becomes open for business (the “Opening Date”) and ends on the last day of the calendar quarter on which the first anniversary of the Opening Date occurs. Year 2 is the one-year period that begins on the first day of the calendar quarter following the end of Year 1. Year 3 and later years are the following twelve-month periods.

The figures in the table above are not financial performance representations or projections or estimates of potential earnings, sales, or revenue.

If you are entering into an agreement for a Successor Franchise, the Minimum Quarterly Gross Sales will be based on the Year 4 and ongoing requirements for the entire term of your successor franchise agreement.

If you fail to achieve the Minimum Quarterly Gross Sales for two consecutive calendar quarters, we have the right to terminate your franchise agreement or reduce the size of your territory. Except for that, your rights to your territory are not dependent upon your achievement of a certain sales volume, market penetration, or other contingency. If the U.S. Postal Service alters the boundary or number of any Postal Code(s) assigned to you, we will re-define the boundaries of your territory to correspond as nearly as possible to your original territory. Our decision on this matter will be final. We do not have any other right to alter your territory without your consent. You maintain the rights to your territory even if the population increases. We will not change the boundaries of your territory if we grant you a Successor Franchise, even if the number of qualified households in your territory has increased or decreased since you originally purchased your franchise. There are no other circumstances that would permit us to modify your territorial rights.

You will operate the franchised business from a single office site. We do not select or approve a site, or provide you with assistance in selecting a site, for your office. We do not impose any restrictions upon the location of your office. You may operate your franchise from an office in your home, provided that doing so will not violate any zoning or building code or other ordinance. You may also operate your franchise from rented office or warehouse space. Your office is not required to be located within your territory, but you must maintain a business address in your territory, and the telephone number for your franchise must be listed under an address or other location in your territory. Your office should be geographically convenient to the more densely populated areas of your territory and to major thoroughfares. You may relocate your office at any time without our approval, so long as you promptly provide us with the address of the new location. Although, given the geographic size of a typical territory, it is neither necessary nor advisable to operate your franchised business from more than one location, we do not prohibit you from doing so long as you provide us with the address of each location.

Your franchise agreement does not give you any option, right of first refusal, or similar right to acquire additional franchises.

Item 13 TRADEMARKS

If you purchase a House Doctors franchise, you will use our trademarks to identify your residential and commercial property maintenance, repair and remodeling franchise. You may use no other name or trademark without our written approval. Our principal trademarks are the word marks HOUSE DOCTORS and HOUSE MEDIC (you will use one or the other, but not both—HOUSE MEDIC is used only in markets where someone else's prior use of the HOUSE DOCTORS name precludes us from using it or licensing its use) and the logo on the cover of this disclosure document. We have registered all of our Principal trademarks with the U.S. Patent and Trademark Office (see the tables below), except that, while we have registered the word mark HOUSE MEDIC HANDYMAN SERVICE on this Principal Register, we have not registered the mark HOUSE MEDIC with the U.S. Patent and Trademark Office.

We have registered the following marks on the Principal Register of the U.S. Patent and Trademark Office. We have filed all required affidavits (where due) in connection with the registrations listed below. As noted below, two of the following registrations have been renewed and remain in effect; the third registration is not yet due for renewal.

Registration Number	Description of Mark	Registration Date
1,940,058	HOUSE DOCTORS Word Mark	December 5, 1995 (Note 1)
2,040,516	HOUSE MEDIC HANDYMAN SERVICE Word Mark	February 25, 1997 (Note 1)
3,509,622	HOUSE DOCTORS HANDYMAN PROFESSIONALS HOME IMPROVEMENTS Design Mark with Color Claim	September 30, 2008

Note 1: These registrations have been renewed and remain in effect.

We have registered the following mark on the Supplemental Register of the U.S. Patent and Trademark Office. We have filed all required affidavits in connection with the registration listed below.

Registration Number	Description of Mark	Registration Date
3,175,694	AMERICA'S TRUSTED NAME IN HOME REPAIR. Word Mark	November 21, 2006 (Note 1)

Note 1: This registration has been renewed and remains in effect.

You must follow our rules when you use these marks. You may not use a name or mark as part of a corporate name. You may not use a name or mark with modifying words, designs or symbols other than those which we license to you. You may not use any of the marks in connection with the sale of an unauthorized product or service or in a manner not authorized by House Doctors. You may not use a name or mark on or as part of any web site, domain name, URL, web page, electronic mail address, listing, banner, advertisement or any other service or link on, to, or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or other similar services. You may not register a name or mark as a trademark, service mark, or Internet domain name. You must not use, in advertising or any other form of promotion, any of our trademarks or commercial symbols without the appropriate notices which we or the law may require, including ®, **SM**, or other trademark notice.

You must notify us immediately when you learn about any infringement of or challenge to your use of any of our marks. We will take whatever action we think appropriate—we are not required to take any affirmative action. We are not required to protect your right to use our marks or protect you against claims of infringement or unfair competition arising out of your use of our marks. We are not required to participate in your defense or indemnify you for your expenses or damages if you are a party to an administrative or judicial proceeding involving any of our marks, or if the proceeding is resolved unfavorably to you. We have the right to control any administrative proceedings or litigation involving any of our marks.

You must modify or discontinue your use of a mark and adopt any new or replacement marks at your expense if we modify or discontinue a mark or adopt a new or replacement mark. We are not required to reimburse you for your costs if you do. You must not directly or indirectly contest our right to our service marks, trade secrets or business techniques that are part of our business.

There are no effective determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of this state or any court, no pending infringement, opposition or

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cancellation, nor any pending material litigation involving our marks that are material to a House Doctors franchise.

No currently effective agreements significantly limit our right to use or license the use of the trademarks listed in this Item 13 in a manner material to your franchise.

We are aware of the following third-party uses of our marks. Any franchisees in or around these geographic areas could be materially affected by these infringing uses.

1. An individual named Arnold Burleson operated a home improvement and/or repair business under the name HOUSE DOCTOR at 5600 Irvine Drive, Edmund, Oklahoma, 73003. On September 25, 2001, we filed an action against Mr. Burleson in the United States District Court for the Western District of Oklahoma, Case No. 01-CV-1513, seeking damages for trademark infringement, unfair competition, and use of false designation in interstate commerce, and seeking an injunction to prohibit Mr. Burleson from using the HOUSE DOCTOR name in connection with Mr. Burleson's home improvement and/or repair business. In January 2003, Mr. Burleson agreed to pay House Doctors \$50,000 in damages and stop using the HOUSE DOCTORS name.
2. An individual named Phillip J. Severson operates a home improvement, remodeling, and/or repair business under the name THE HOUSE DOCTOR in the Seville, Ohio, area. We believe that this use infringes upon our rights in our HOUSE DOCTORS mark and that our rights are superior so as to enable us to prevent Mr. Severson's use of the name.
3. A company named The Whole House Doctor, LLC operates a home improvement, remodeling, and/or repair business at 1827 Lake Point Drive, Winston Salem, North Carolina, 27103. We believe that this use may infringe upon our rights in our HOUSE DOCTORS mark and that our rights are superior so as to enable us to prevent The Whole House Doctor, LLC's use of the name.
4. An individual named Robert E. Vecchio claims to have been operating a home improvement and/or repair business under the name THE HOUSE DOCTOR in the greater Cleveland area since 1975. Mr. Vecchio has claimed a superior prior right to use the name in his trading area. Although we have not agreed upon or established the exact boundaries of Mr. Vecchio's trading area, Mr. Vecchio may be able to prevent us from using or licensing the use of the HOUSE DOCTORS mark in certain areas.
5. A company named House Doctor, Inc. claims to have been operating a home repair business under the name HOUSE DOCTOR in Omaha, Nebraska since 1992. House Doctor, Inc. has claimed a superior prior right to use the name in their trading area, which House Doctors, Inc. claims extends for a radius of approximately 60 miles around Omaha, Nebraska. Although we have not agreed upon or established the exact boundaries of House Doctors, Inc.'s trading area, House Doctors, Inc. may be able to prevent us from using or licensing the use of the HOUSE DOCTORS mark in certain areas.
6. A company named Professional House Doctors, Inc. claims to have been operating a home inspection/environmental engineering business under the name PROFESSIONAL HOUSE DOCTORS in Des Moines, Iowa since 1994. Professional House Doctors, Inc. has claimed a superior prior right to use the name in their trading area, which Professional House Doctors, Inc. claims consists of the greater Des Moines, Iowa area. We have not agreed upon or established any boundaries of Professional House Doctors, Inc.'s trading area; however, Professional House Doctors, Inc. may be able to prevent us from using or licensing the use of the HOUSE DOCTORS mark in certain areas.

7. An individual named John Dawson claims to have been operating a home improvement and/or repair business under the name THE HOUSE DOCTOR at 175 Walnut Street, Manitou Beach, Michigan, 49253, since the late 1990's. Mr. Dawson has claimed a superior prior right to use the name in his trading area, which Mr. Dawson claims consists of Lenawee County, Michigan. Although we have not agreed upon or established the exact boundaries of Mr. Dawson's trading area, Mr. Dawson may be able to prevent us from using or licensing the use of the HOUSE DOCTORS mark in certain areas.
8. An individual named John Savetski claims to have been operating a home remodeling business under the name OLD HOUSE DOCTOR in Cleveland, Ohio, since 1983. Mr. Savetski has reasonably established a superior prior right to use the mark in connection with remodeling services in his trading area. Mr. Savetski's continued use of the mark may prevent us from using or licensing the use of the HOUSE DOCTORS mark in Mr. Savetski's market.
9. An individual named Dennis Nord claims to have been operating a home improvement or repair business under the name THE HOUSE DOCTOR in Rockford, Illinois, since 1987. Mr. Nord has reasonably established a superior prior right to use the mark in his trading area. Mr. Nord's continued use of the mark may prevent us from using or licensing the use of the HOUSE DOCTORS mark in Mr. Nord's market.
10. An individual named Ron Shadwell claims to have been operating a home improvement or repair business under the name THE HOUSE MEDIC in New Castle, Delaware, since 1991. Mr. Shadwell has reasonably established a superior prior right to use the mark in his trading area. Mr. Shadwell's continued use of the mark may prevent us from using or licensing the use of the HOUSE MEDIC mark in Mr. Shadwell's market.
11. An individual named James Sowers claims to have been operating a home improvement and/or repair business under the name HOUSE DOCTOR in Williamson and Travis counties, Texas, since 1994. Mr. Sowers has reasonably established a superior prior right to use the mark in his trading area. Mr. Sowers' continued use of the mark prevents us from using or licensing the use of the HOUSE DOCTORS mark in Mr. Sowers' market. Our franchisees in Williamson and Travis counties, Texas, will use the HOUSE MEDIC mark unless and until Mr. Sowers abandons his use of the HOUSE DOCTOR mark.
12. An individual in Phoenix, AZ, Aaron Fullbright, is using the name "House Doctors Handyman Service, LLC" for a one-man handyman service. Mr. Fullbright claims he purchased the rights to the name locally through the Arizona state licensing board. We reserve the right to seek to have Mr. Fullbright change his business name by contacting the licensing board with our trademark information.
13. An individual by the name Lou Gostkowski of "A1 House Doctor" operates a home repair and improvement business in Sewell, NJ. Since the use of the name was established in 2004, we believe that this use infringes upon our rights in our HOUSE DOCTORS mark and that our rights are superior so as to enable us to prevent Mr. Gostkowski's use of the name.
14. "The House Doctor Contractor, LLC" of Roswell, GA owned by Parmar Rajendra, was formed in August of 2013. Mr. Rajendra was notified by the home office and our attorney to cease and desist from using the brand name based on registration of the trademark. As of April 2016, Mr. Rajendra has not agreed to change his company's name verbally or in writing. We are considering next steps to force a name change. No website for this business exists to our knowledge, only a listing on Angie's List.
15. South Shore House Doctors in Scituate, MA owned by Jason Harris was notified of a trade name infringement. South Shore House Doctors opened approximately 15 years ago, has no webpage and is not

currently in an active franchise market. Our intent is to pursue a cease and desist of our tradename through additional requests and pursuing trademark infringement on 3rd party websites that have picked up Mr. Harris' business name.

16. In June of 2015, House Doctor of New York, LLC, located on Long Island, NY (Nausau County) was notified of a tradename infringement. However, the business owner, Gerard Colonna, provided documentation showing the business started in March of 1984 using the name 'House Doctor', eleven years prior to our registration date of Dec. 1995. Mr. Colonna is not interested in changing the name at this time. We will most likely have to use the alternative brand name in this market for the time being.

17. Mike Fountain, owner of "House Doctors MD, Inc.," located in Poynette, WI, started House Doctors MD, Inc. on March 18th, 1998. Mr. Fountain was notified of a trademark infringement in June 2015. Mr. Fountain claims House Doctors MD, Inc. provides "general contracting and large remodeling projects" outside the "home repair and handyman" business that House Doctors Franchisees provide. House Doctors MD, Inc. engaged a local attorney and prevailed in maintaining their website presence with GoDaddy.com unless we pursued further legal action against them. We may renew this action against House Doctors M.D., Inc. if we determine that we have an eminent interest or if we have a new franchisee in this area of the State of Wisconsin. We trademarked the name three years prior to House Doctors MD, Inc. being formed.

18. "5280 House Doctors", a home repair and remodeling company was found in the Henderson, CO area in March 2016. Supporting trademark information was sent to the owner, Mr. Luke Miller. After a discussion and email, Mr. Miller committed to changing 5280 House Doctors' name. The "5280" designation refers to the "Mile High City".

19. "The Doctor House", home repair business located in Fairfax, VA. This business is owned by Carlos A. Camayo. A formal letter was sent in August 2015 asking Mr. Camayo to cease and desist using the tradename. Several follow-up conversations have not resulted in a favorable solution to the franchisor. Mr. Camayo does not fully comprehend how he is in violation of any trademark laws when the business name is not "House Doctors" but "The Doctor House". We have not determined whether to take any further steps on this matter.

20. A company named House Doctor Home Repair in Knoxville, TN has been in business for 20 years using our registered trademark. The owner, Tony Averett, claims an attorney has advised that he does not need to change the House Doctor Home Repair name or comply with our cease and desist request. We believe that if we pressed this situation with our trademark registered prior to his opening in 1999, we would prevail.

21. A company named The House Doctor in Burien, WA owned by Rodney Joyner has been in the home repair and improvement business since January 1993. Mr. Joyner does not intend to change the House Doctor name. We would most likely need to use the alternative name, House Medic, in this market should an interest occur in the near future.

22. A business named The House Doctor Home Improvement, Inc., of Boulder, CO is owned by Daya S. Khalsa. Mr. Khalsa has owned the business since January 2000. Mr. Khalsa realizes he is faced with a name change since our registered trademark predates The House Doctor Home Improvement, Inc.'s incorporation date.

23. An independent business named House Doctor of Houston started in 2000, owned by Jehangir (John) Daruvalla of Houston, TX. Mr. Daruvalla communicated he would change the House Doctor of Houston

name to The Home Doctor. Mr. Daruvalla's web page reflects this, however, Mr. Daruvalla is still using the name "House Doctor" in some of his marketing. If we decide to pursue this legally based on our trademark date predating the start of Mr. Daruvalla's business, we are confident we would prevail. We are in ongoing communication with Mr. Daruvalla regarding this matter.

Except as disclosed above, we do not have actual knowledge of any infringing uses that could materially affect your use of our marks. Except as disclosed above, no agreements limit our right to use or license the use of our marks. We believe that there may be other home improvement and/or repair businesses using the name HOUSE DOCTOR or HOUSE DOCTORS whose use predates our first use of the name HOUSE DOCTORS. We and our franchisees may not be able to use the name HOUSE DOCTORS in the market areas of other home improvement and/or repair businesses using the name HOUSE DOCTOR or similar names.

Item 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have no patents or patent applications that are material to the franchise, no obligation to protect any patent or patent application and no obligation to defend or indemnify you against claims arising from any use by you of any patent or patent application.

We have not obtained any copyright registrations, but we claim common law copyrights in our operations manual (which contains proprietary information), marketing materials, and any other original or proprietary works we have developed. All such materials will bear copyright notices. We will retain all rights and interests in such materials. There are no agreements currently in effect which significantly limit our rights to use or license the use of these copyrights in any manner material to the franchise.

There are no effective determinations of the U.S. Copyright Office, no pending infringement, opposition or cancellation, nor any pending material litigation involving any of the items or information in which we claim copyrights that are material to a House Doctors franchise.

You must notify us immediately when you learn about any infringement of or challenge to your use of any item or information in which we claim a copyright. We will take whatever action we think appropriate. We are not required to defend you against a claim against your use of any item or information in which we claim a copyright or indemnify you for your liability or expenses arising from your defense of such a claim. We are not obligated to protect any of our copyrights.

You must not use, in advertising or any other form of promotion, any of our copyrighted materials, trademarks, or commercial symbols without the appropriate notices which we or the law may require, including © or other copyright registration notice. You must discontinue your use, at your expense, of any item or information in which we claim a copyright if any party demonstrates to our satisfaction a superior right to the use of such item or information. We are not required to reimburse you for your costs if you do. You must not directly or indirectly contest our right to any item or information in which we claim a copyright.

We have a distinctive system for the operation of a residential and commercial property maintenance, repair, and remodeling business. Our system includes pricing methods, management techniques, proposal and management forms/formats, specifications, procedures, knowledge and expertise in the operation of a home repair, maintenance, and remodeling business, much of which is not commonly known to the public or to our competitors, gives us an advantage over competitors who do not know or use it, and which we have identified or may identify as proprietary and confidential information. We will disclose proprietary and confidential information to you in the operations manual, during ongoing training seminars, and in guidance furnished to you during the term of your franchise agreement.

You will not acquire any interest in any proprietary and confidential information we may communicate to you, other than the right to utilize it in the operation of your franchised business during the term of your franchise agreement. The information is disclosed to you solely on the condition that you (1) will not use it in any other business or capacity; (2) will maintain the absolute confidentiality of the information during and after the term of your franchise agreement; (3) will not make unauthorized copies of any portion of the operations manual or any other written communication from us; and (4) will adopt and implement all reasonable procedures we may require to prevent unauthorized use or disclosure of the information, including restrictions on disclosure of the information to employees of the franchised business and the use of nondisclosure and noncompetition clauses in employment agreements. All shareholders, officers, directors, partners, members, managers, or trustees of the franchisee are presumed to have access to proprietary and confidential information, and must sign a Nondisclosure and Noncompetition Agreement to maintain the confidentiality of the proprietary and confidential information and conform with the noncompetition covenants in this agreement. A copy of the Nondisclosure and Noncompetition Agreement is attached to this disclosure document as Exhibit D.

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

At all times you (or a designated manager) shall devote your (or the designated manager's) full time, energy, and best efforts to the management and operation of the franchised business. The franchised business must at all times be under the direct supervision of you or designated manager. The designated manager must be approved by us and must have successfully completed our training program. No individual franchisee or owner of a non-individual franchisee may compete with us or own an interest in any competitor of ours anywhere during the term of your franchise agreement or within your franchise territory for one year after the expiration or termination of your franchise agreement. Each owner of a non-individual franchisee must sign a Guaranty and Assumption of Obligations (a copy is attached to this disclosure document as Exhibit C) personally guaranteeing all of the franchisee's obligations under the franchise agreement, and a Nondisclosure and Noncompetition Agreement (Exhibit D) to maintain the confidentiality of any confidential information about us, our system, or your franchised business that may be disclosed to him or her.

Item 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

There are no restrictions on the goods or services that you may offer for sale, except as described below in this Item 16.

You must operate your franchised business under the trade name HOUSE DOCTORS (or, in certain markets, HOUSE MEDIC). You may use no other names for your franchised business without our approval.

You may not use the premises on which the franchised business is located for any purpose other than the operation of a House Doctors franchise and the sale of authorized products and services without our approval (this restriction does not apply if you operate the franchised business from your home).

You may offer and sell only those goods and services that we have approved in writing. You must offer all goods and services that we designate as required for all franchisees. These required services are residential and commercial property maintenance, repair, and remodeling services. We have the unlimited right to add additional authorized goods and services that you are required to offer. We may designate some services as optional for franchisees in certain markets.

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Term of the Franchise	2.1	10 years
b. Renewal or extension of the term	2.2	There is no right to renew your franchise, but, if you meet certain requirements, we will sell you a successor franchisor for another 10-year term for 10% of our then-current License Fee.
c. Requirements for you to renew or extend	2.2	You must: have complied with the franchise agreement throughout the term; give notice 6 to 12 months before franchise agreement expires; execute then-current form of franchise agreement; complete any refresher training required; sign general release of claims; and pay a successor license fee of 10% of the then-current License Fee for new franchisees. You may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by you	None	You have no right to terminate your franchise, but this provision is subject to state law.
e. Termination by us without cause	None	Not applicable.
f. Termination by us with cause	13.1 & 13.2	We can terminate only if you default. The provision that permits termination in the event of a default due to a bankruptcy filing may not be enforceable under federal bankruptcy law. (11 U.S.C. Section 101 et seq.).
g. "Cause" defined - defaults which can be cured	13.2	You have 30 days to cure: non-payment of fees or notes, failure to submit reports, understatement of Gross Sales, failure to attain Minimum Quarterly Gross Sales for 2 consecutive quarters; failure to spend at least the minimum Local Advertising amount in any quarter; failure to operate the franchised business in compliance with franchise agreement, the operations manual, and the system standards, and any other default not listed in section 13.1.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined - defaults which cannot be cured	13.1	Non-curable defaults: failure to complete initial training program to our satisfaction and open franchise within 6 months after franchise agreement signed; failure to maintain franchised business in continuous operation; certain assignments; failure to comply with applicable law; unapproved transfers; misrepresentation; knowingly submitted false report or maintaining false books or records; 4th breach of same term within 1 year; 3rd breach of section 15.1; bankruptcy; seizure of or execution against your franchise; unsatisfied or unappealed judgment against franchisee; certain criminal misconduct; conduct which reflects negatively on the system; danger to public.
i. Your obligations on termination/nonrenewal	Article 14	Cease operating franchise, cease use of confidential information and marks, return manuals, software, records, files, and all materials containing marks, complete de-identification, cancel assumed name registration, assign or cancel telephone numbers and web sites, pay outstanding amounts and damages, obtain tail coverage for insurance, comply with restrictions on post-termination competition (also see r. below).
j. Assignment of contract by us	12.1	No restriction on our right to assign.
k. "Transfer" by you - definition	12.2	Includes transfer of contract or assets, ownership change, and encumbrance.
l. Our approval of transfer by you	12.2	We have the right to approve all transfers but may not unreasonably withhold consent.
m. Conditions for our approval of transfer	12.2	All your financial obligations and transfer fee paid, you pay or reimburse our actual legal expenses in regard to the transfer, new franchisee qualifies, purchase contract is submitted to us for review and approval, you release claims, transferee attends discovery day, signs current agreement, releases claims against us for your representations, completes initial training program, purchases Start-up Package, and assumes your customer warranties (also see r, below). You may not

Provision	Section in Franchise Agreement	Summary
		transfer to a competitor or grant any security interest in your franchise.
n. Our right of first refusal to acquire your business	12.4; Exhibit R	We can match any offer for your business. If House Doctors and you sign an SBA addendum in the form of Exhibit R, and you propose to transfer an interest in the franchisee, Franchisor may not exercise that right of first refusal if the proposed transferee is a current owner who has guaranteed your debt or if the proposed transfer involves a non-controlling interest.
o. Our option to purchase your business	None	Not applicable
p. Your death or disability	12.5	Your heirs may inherit your franchise provided they qualify and meet other requirements for transfer (see m, above).
q. Non-competition covenants during the term of the franchise	15.1	No involvement in a competing business; cannot assist or deal with a competing business; cannot operate in another franchisee's territory; cannot employ our or another franchisee's employees.
r. Non-competition covenants after the franchise is terminated or expires	15.2	No involvement in competing business for 1 year within your franchise territory; no solicitation of customers of your franchise for 2 years.
s. Modification of the agreement	7.7, 9.3, 11.9(e) & 18.3	A majority of the members of an advertising cooperative may impose a cooperative contribution greater than 4% of Gross Sales; we have the right to reduce the size of your territory if you fail to achieve the Minimum Quarterly Gross Sales for 2 consecutive quarters; we may modify the franchise agreement only by a written agreement, but we may modify the manual so long as it does not change your fundamental status and rights.
t. Integration/merger clause	18.1	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable. Nothing in the franchise agreement waives or disclaims the disclosures made in this disclosure document.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	16.2 – 16.4	Except for certain claims, all disputes must be mediated in Milford, Ohio before resorting to litigation; claims may not be consolidated with claims of other franchisees; parties waive right to jury trial and punitive damages.
v. Choice of forum	16.6	Except for claims arising under a franchise law of the state where the franchised business is located, all litigation must take place where we are located, presently Clermont County, Ohio (subject to state law).
w. Choice of law	16.5	Ohio law applies (subject to state law).

Some provisions on termination, renewal, choice of law and other matters will vary in some states as described in Exhibit N.

Item 18 PUBLIC FIGURES

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

Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

The below financial performance representation is an historic representation about the franchise system's outlets.

Item 19 Financial Performance Representations

Set forth below are the highest, lowest and average Gross Sales in 2019 by certain Franchisees (as described below) by quartile.

1st Quartile	
Highest	1,569,152.00
Average	1,144,410.00
Lowest	808,130.00
Median	1,100,179.00
More than average	2
Less than average	2

2nd Quartile	
Highest	773,313.00
Average	653,410.00
Lowest	550,872.00
Median	644,728.00
More than average	2
Less than average	2

3rd Quartile	
Highest	525,082.00
Average	496,472.00
Lowest	471,142.00
Median	494,833.00
More than average	2
Less than average	2

4th Quartile	
Highest	381,652.00
Average	281,607.00
Lowest	198,899.00
Median	272,940.00
More than average	2
Less than average	2

EXPLANATORY NOTES:

1. Gross Sales means total revenue derived from the sale of goods and services less sales tax, discounts, allowances and returns.
2. The four “quartile” charts above show the Gross Sales for the year 2019 achieved by the House Doctors locations (all of which are franchisee-owned) who fully submitted their numbers over that year (a total of 16 franchised locations). As of December 31, 2019, there were 35 franchised locations, so these charts do not reflect the Gross Sales of all the franchisees. That is, they reflect 16 out of 35 franchised locations. Results for a full year were not available from the other franchisees for a variety of reasons, including some franchisees began operation in 2019 and some did not report their sales on a timely basis.
3. The quartile charts were derived by taking these franchised operations and dividing them into four even groups based on their Gross Sales, with the franchised operations achieving the highest Gross Sales being in the first quartile chart, the next highest being in the second quartile chart, and so forth. All charts are shown in U.S. dollars.
4. The charts above do not include franchisees that are no longer franchisees (or that have not communicated with us within 10 weeks of the date of this disclosure document). These former franchisees are listed in Exhibit L.
5. The sales figures for all the above charts are based on information provided to us by the franchisees. We have not audited these sales figures.

The financial performance representations do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the 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 franchised business. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

The figures used in this statement are Gross Sales only. Net income will vary from business to business depending upon factors such as costs of goods sold, labor costs and other costs relating to the operation of the business.

We offered substantially the same services to the businesses described in this Statement. These businesses offered substantially the same products and services to the public as you will. The businesses report gross receipts information to us based upon a uniform reporting system, but not all franchisee units filed such

reports. In calculating these sales and averages, we relied on reports from franchisees. We did not audit the sales information that they provided to us.

We strongly urge you to consult with your financial advisor or personal accountant concerning the financial analysis that you should make in determining whether or not to purchase a House Doctors franchise.

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request. The information presented above has not been audited.

Other than the preceding financial performance representations, we do 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 Jim Hunter, President, at 400 Techne Center Drive, Suite 101, Milford, Ohio 45150, (513) 831-0100, the Federal Trade Commission, and the appropriate state or territorial regulatory agencies.

Item 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEMWIDE OUTLET SUMMARY
For Years 2017 to 2019

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2017	32	33	+1
	2018	33	33	0
	2019	33	35	+2
Company-Owned	2017	0	0	0
	2018	0	0	0
	2019	0	0	0
Total Outlets	2017	32	33	+1
	2018	33	33	0
	2019	33	35	+2

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(Other than the Franchisor)
For Years 2017 to 2019

State	Year	Number of Transfers
Total	2017	1
	2018	0
	2019	1

Table No. 3
STATUS OF FRANCHISED OUTLETS
For Years 2017 to 2019*

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Arizona	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
California	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Colorado	2017	2	1	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	1	2
Connecticut	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Delaware	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Florida	2017	3	1	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
Georgia	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Illinois	2017	1	0	0	0	0	1	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Indiana	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Kentucky	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Louisiana	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Maryland	2019	0	0	0	0	0	0	0
	2017	2	1	0	1	0	0	2
	2018	2	1	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Massachusetts	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Michigan	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Minnesota	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Missouri	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Montana	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
New Jersey	2017	2	0	0	0	0	1	1
	2018	1	0	0	0	0	1	0
	2019	0	0	0	0	0	0	0
New York	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
North Carolina	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	1	0	0	0	2
Ohio	2017	2	0	0	0	0	0	2
	2018	2	1	0	0	0	1	2
	2019	2	1	1	0	0	0	2
Oregon	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Pennsylvania	2017	2	0	0	0	0	2	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2017	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
South Carolina	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Tennessee	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Texas	2017	2	0	0	1	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	4	1	0	0	0	4
Utah	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Virginia	2017	5	2	0	1	0	0	6
	2018	6	0	0	0	0	0	6
	2019	6	0	0	0	0	0	6
Washington	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
West Virginia	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Wisconsin	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Total	2017	32	8	0	3	0	4	33
	2018	33	2	0	0	0	2	33
	2019	33	6	3	0	0	1	35

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 4
STATUS OF COMPANY-OWNED OUTLETS
For Years 2017 to 2019

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
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Totals	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

Table No. 5
PROJECTED OPENINGS
As of December 31, 2019

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected Company-Owned Outlets in the Fiscal Year
Florida	0	1	0
Georgia	0	1	0
Indiana	0	1	0
Maryland	0	1	0
New Jersey	0	1	0
Ohio	0	1	0
Texas	0	2	0
Virginia	0	2	0
Totals	0	10	0

Note 1: This table reflects projected openings by us (Saltire Brands) as of December 31, 2019, for our fiscal year ending December 31, 2020.

No company-owned locations are projected to be opened in our current fiscal year (2020). The number of new franchised locations projected to be opened in our current fiscal year (2020), as presented in the table above, is an estimate based on the best information we have as of the date of this disclosure document. There is no assurance that the actual number of openings, or the states in which we projected the openings, will be the same as our estimates.

A list of the name, address and telephone number of all House Doctors franchisees is attached to this disclosure document as Exhibit K. A list of the name, last known city, state, and business telephone number of every House Doctors franchisee who has had their franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the date of this disclosure document, is attached as Exhibit L.

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

The franchises being offered in connection with the franchise disclosure document may include previously owned outlets now under our control. In such case, additional information for such outlets for the last five fiscal years is provided in Exhibit O.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the House Doctors system. While we encourage you to speak with current and

former franchisees, be aware that not all such franchisees will be able to communicate with you. Some franchisees have signed confidentiality clauses in the last 3 years.

As of the date of this disclosure document, there are no other trademark-specific franchisee organizations associated with the House Doctors franchise system that we have created, sponsored, or endorsed, and there are no independent trademark-specific franchisee organizations that have asked to be included in our disclosure document.

Item 21 FINANCIAL STATEMENTS

Attached in Exhibit J are our audited financial statements for the years ended December 31, 2017, December 31, 2018, and December 31, 2019.

Our fiscal year ends on December 31.

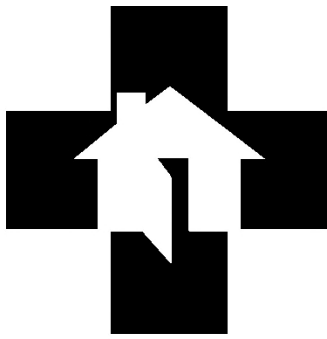
Item 22 CONTRACTS

The following contracts are attached as exhibits to this disclosure document:

<u>Exhibit A</u>	Franchise Agreement
<u>Exhibit B</u>	Irrevocable Power of Attorney
<u>Exhibit C</u>	Guaranty and Assumption of Obligations
<u>Exhibit D</u>	Nondisclosure and Noncompetition Agreement
<u>Exhibit E</u>	Intranet Terms of Use Agreement
<u>Exhibit F</u>	Franchisee Disclosure Questionnaire
<u>Exhibit G</u>	The addendum to our franchise agreement that you will sign if you are acquiring a Successor Franchise
<u>Exhibit N</u>	State Specific Addendums
<u>Exhibit P</u>	Promissory Note
<u>Exhibit Q</u>	Assignment and Assumption Agreement
<u>Exhibit R</u>	SBA Form Addendum

Item 23 RECEIPT

The last page of this disclosure document is a detachable document that you must sign acknowledging your receipt of this disclosure document.



Doctors[®]

Handyman Professionals Home Improvements

**EXHIBIT A TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

FRANCHISE AGREEMENT

SALTIRE BRANDS LLC
FRANCHISE AGREEMENT

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THIS FRANCHISE AGREEMENT is between SALTIRE BRANDS LLC, an Ohio limited liability company (“Franchisor”), and the Franchisee identified on Exhibit A attached hereto and by this reference incorporated herein.

PREAMBLE:

- A. Franchisor has a system and is in the process of further developing a system for the establishment and operation of a distinctive type of business that offers residential and commercial property maintenance, repair and remodeling services.
- B. The System (as defined in section 19.47) consists of distinctive methods for marketing and advertising; specially designed business forms and procedures for the efficient operation of a Franchise (as defined in section 19.24); operating manuals and a training course; proprietary software; and procedures for the provision of the Franchisee’s services.
- C. Franchisor has registered the service mark HOUSE DOCTORS®, and other Marks (as defined in section 19.29) with the United States Patent and Trademark Office, uses other Marks that are not registered with the United States Patent and Trademark Office and claims the right to use the Marks, any derivatives of the Marks, and certain other logos, designs, trade names, business names, trademarks, and commercial symbols in connection with the operation of the System.
- D. Franchisor continues to develop, use and control the use of the Marks in order to identify to the public the source of products and services marketed thereunder and through the System, and to represent the System’s standards of quality, appearance and services.
- E. Franchisor has granted and will continue to grant other parties the right and license to operate a Franchise and to use the Marks and the System under other franchise agreements.
- F. Franchisee understands and acknowledges the importance of Franchisor’s standards of quality, service and appearance, of operating a Franchise in conformity with Franchisor’s standards and specifications as presented in Franchisor’s manuals and updates, and of preserving the confidentiality of the System.
- G. Franchisee desires to purchase and operate a Franchise in accordance with all of the terms and conditions of this agreement.

THEREFORE, the parties agree as follows:

ARTICLE 1

APPOINTMENT

1.1 Grant of Franchise. Franchisor hereby grants to Franchisee, upon the terms and conditions in this agreement, the right and franchise, and Franchisee undertakes the obligation, to operate the Franchised Business (as defined in section 19.15) using the System, and a license to use the Marks and the System as they may be changed, improved and further developed from time to time, only within the Territory (as defined in section 1.2). Franchisee specifically acknowledges that its Franchise is granted subject to the conditions in sections 1.2 through 1.5 and 8.6 and otherwise as provided in this agreement.

1.2 Territory. The “Territory” is the geographical area described in Exhibit B of this agreement. Franchisor may from time to time determine the size, demographics and other criteria for the geographical area that constitute a Territory. Franchisor has the right to reduce the size of the Territory in accordance

with section 7.7. If for any reason the boundaries or numbers of any ZIP Code(s) that comprise the Territory are moved, altered or eliminated, or any other boundary of the Territory changes (such as the re-routing of a road used as a boundary, for example), Franchisee shall promptly notify Franchisor and Franchisor shall re-define the boundaries of the Territory to correspond as nearly as possible, in Franchisor's Business Judgment, to the original Territory. Franchisor's decision will be final and binding upon Franchisor and Franchisee.

1.3 Territorial Rights and Limitations. So long as Franchisee is in Good Standing (as defined in section 19.22) during the term of this agreement, Franchisor shall not operate or establish or authorize another to operate or establish a House Doctors Franchise in the Territory.

1.4 Reserved Rights of Franchisor. Franchisor specifically reserves all rights not expressly granted to Franchisee in this agreement. Without limiting the generality of the preceding sentence, Franchisor has the right to: (i) own, acquire, establish and operate, and license others to establish and operate, businesses substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, at any location outside the Territory; (ii) develop, acquire, operate and license a system of Competitive Businesses with units located in the Territory, so long as those units do not use the Marks; and (iii) offer and provide services to Special Accounts (subject only to the provisions of section 1.5 below). Other House Doctors Franchisees (as defined in section 19.25) may conduct or participate in advertising and promotional activities that target or are directed to potential customers who reside or work in the Territory (including commercials on television and radio stations that broadcast, and advertisements in newspapers and magazines that circulate, in the Territory).

1.5 Special Accounts. Franchisor has the exclusive right to contract with any Special Account (as defined in section 19.43) for provision of Special Account Services (as defined in section 19.44) regardless of where the account is headquartered and regardless of whether Franchisee or any other House Doctors Franchisee has provided services to the Special Account before Franchisor entered into the contract with the Special Account. If Franchisor establishes a contract for the provision of Special Account Services that include facilities of the Special Account located in the Territory, Franchisor shall offer Franchisee the first option of providing the services to the Special Account at those facilities in the Territory at the prices and subject to the contract requirements negotiated by Franchisor with the Special Account. If Franchisee accepts the project, unless otherwise agreed by Franchisor, Franchisor will collect all amounts due from the Special Account and remit to Franchisee the amount due for services the Franchisee provided to the Special Account, less the amount of Royalties and Advertising Contributions due Franchisor on the amount collected, which Franchisor will retain for its own account. All amounts collected from Special Accounts on Franchisee's behalf or by Franchisee from Special Accounts will be included in Franchisee's Gross Sales for purposes of calculating Royalties and Advertising Contributions due under this agreement. If Franchisee declines to accept the project, Franchisor will have the unfettered right to fulfill the contract requirements to the Special Account in the Territory in any manner it deems suitable in its Business Judgment, including through another House Doctors Franchisee, a Franchisor- or Affiliate-owned business, or a third-party contractor. Additionally, if at any time a Special Account for any reason requests that services in the Territory be provided by someone other than Franchisee, Franchisor may revoke Franchisee's option or right to provide or continue to provide the services, and may fulfill the contract requirements to the Special Account in the Territory in any manner Franchisor deems suitable in its Business Judgment.

ARTICLE 2

TERM; SUCCESSOR FRANCHISE

2.1 Term. Unless earlier terminated as provided in this agreement, the term of this agreement is ten years commencing on the Effective Date (as defined in section 19.13) and ending on the Expiration Date (as defined in section 19.14).

2.2 Successor Franchise. Except for the Post-Termination Provisions (as defined in section 19.39), Franchisee's rights and Franchisor's obligations under this agreement terminate at the Expiration Date. Nothing in this agreement gives Franchisee any right to renew this agreement for an additional term, but, subject to subparagraphs (a) through (f) of this section 2.2, for a period of one year before the Expiration Date, Franchisee will be eligible for a Successor Franchise (as defined in section 19.45) for the Territory, also for a ten-year term to commence the day after the Expiration Date of this agreement. Any Successor Franchise will be on the terms of Franchisor's then-current franchise agreement (which may materially differ, in economic and other aspects, from this agreement and its requirements), but start-up terms (*e.g.*, initial training, phase in of Minimum Quarterly Gross Sales, etc.) will not apply, and Franchisee will not be required to pay another Initial License Fee or Territory Fee (although Franchisee will be required to pay a Successor Franchise Fee). Franchisor will not award Franchisee a Successor Franchise unless and until Franchisee complies with the following conditions:

- (a) Franchisee gives Franchisor a written request for a Successor Franchise at least six months, but not more than one year, before the Expiration Date. Within thirty days after its receipt of a timely request, Franchisor shall confirm, in writing, Franchisee's eligibility or ineligibility for a Successor Franchise. If Franchisee has failed to comply with all of the conditions listed in this section 2.2 at the time Franchisor receives the request, Franchisor has the right to refuse to grant Franchisee a Successor Franchise. If Franchisee is ineligible to obtain a Successor Franchise, but the ineligibility is caused by a non-compliance that can be cured, and Franchisor, in its Business Judgment, is willing to consider granting Franchisee a Successor Franchise, Franchisor will notify Franchisee accordingly. Franchisee will be eligible for a Successor Franchise if Franchisee cures the noncompliance within thirty days after Franchisor notifies Franchisee of its ineligibility. Neither Franchisee's request to obtain a Successor Franchise nor Franchisor's failure to advise Franchisee of its ineligibility will affect or impair Franchisor's right to terminate this agreement under Article 13.
- (b) Franchisee is in Good Standing and has substantially complied with all of the material terms and conditions of all agreements between Franchisee (or its Principals or Affiliates, as defined in sections 19.40 and 19.3, respectively) and Franchisor (or any of the Franchisor-Related Persons, as defined in section 19.20) during the respective terms thereof.
- (c) At least sixty days before the Expiration Date, Franchisee executes Franchisor's then-current form of franchise agreement, which will supersede this agreement in all respects.
- (d) At least sixty days before the Expiration Date, unless prohibited by the laws of the state in which Franchisee resides or the Franchised Business is located, Franchisee and each of its Principals and Remote Principals (as defined in sections 19.40 and 19.41) signs and delivers to Franchisor its then-current form of General Release (as defined in section 19.21).

(e) At least thirty days before the Expiration Date, Franchisee complies with Franchisor's then-current qualification and training requirements, including any training requirements specifically designed for Successor Franchisees.

(f) Franchisee pays Franchisor the Successor Franchise Fee (as defined in section 19.46) at the same time that Franchisee gives Franchisor the written request required by section 2.2(a). If Franchisor refuses to grant Franchisee a Successor Franchise, Franchisor shall, at the same time Franchisor notifies Franchisee of the refusal, refund the Successor Franchise Fee paid by Franchisee. The Successor Franchise Fee is not refundable under any other circumstances.

2.3 Continued Operation Following Expiration. Franchisee has no right to continue to operate the Franchised Business after the Expiration Date unless Franchisee is granted a Successor Franchise in accordance with section 2.2. If Franchisor permits Franchisee to continue to operate the Franchised Business after the Expiration Date but before the execution of a Successor Franchise Agreement as required by section 2.2(c), then the temporary continuation of the Franchised Business will be on a month-to-month basis, and will be terminable at the will of Franchisor by giving Franchisee written notice of termination at least thirty days before the termination is effective. If the laws of the jurisdiction in which the Franchisee or the Franchised Business are located require a longer notice period, the thirty-day period will be deemed modified to be the shortest notice period required by the laws of such jurisdiction.

ARTICLE 3

LOCATION OF BUSINESS

Franchisee shall lease, purchase or otherwise secure a suitable Franchise Premises (as defined in section 19.19) for the operation of the Franchised Business. Franchisee may operate the Franchised Business from Franchisee's residence (whether or not Franchisee resides within the Territory) if permitted by, and so long as Franchisee fully complies with, all applicable building, zoning and licensing laws, ordinances, requirements and restrictions. If Franchisee resides outside the Territory, Franchisee must obtain, before opening the Franchised Business, and maintain at all times during the term of this agreement, a mailing address located within the Territory. If Franchisee does not operate the Franchised Business from Franchisee's residence, the Franchise Premises must be located within the Territory. Franchisee shall provide Franchisor with the address of the Franchise Premises prior to opening the Franchised Business, and shall notify Franchisor promptly of any change in the location of the Franchise Premises.

ARTICLE 4

INITIAL FEES

4.1 Initial License Fee. Franchisee shall pay Franchisor an Initial License Fee of \$19,900. The Initial License Fee is fully earned, due and payable to Franchisor upon the execution of this agreement. The Initial License Fee is not refundable.

4.2 Territory Fee. Franchisee shall pay Franchisor a Territory Fee of \$39,900 upon the execution of this agreement. The Territory Fee is fully earned upon the execution of this agreement and is not refundable.

ARTICLE 5

RECURRING FEES

5.1 Royalty. In consideration of Franchisee's continued right to use the Marks and the System, Franchisee shall pay Franchisor, as a weekly Royalty:

- (a) 6% of Franchisee's Gross Sales attributable to sales of services (labor), and
- (b) 4% of Franchisee's Gross Sales attributable to sales of goods (materials).

All Royalty payments for each weekly reporting period are due by the following Thursday. The weekly reporting period begins on Monday and ends the following Sunday.

5.2 Minimum Quarterly Royalty. Franchisee shall pay Franchisor, on a quarterly basis, the Royalties payable under section 5.1 or a Minimum Quarterly Royalty, whichever is greater. The Minimum Quarterly Royalty is currently \$3,000 in Year 1, \$5,000 in Year 2, \$6,500 in Year 3, and \$7,500 in Year 4 and thereafter. If the Royalties payable on Franchisee's actual Gross Sales during a calendar quarter are less than Franchisee's Minimum Quarterly Royalties, then Franchisee shall pay Franchisor the difference by the fifteenth day of the next calendar quarter. Minimum Quarterly Royalty payments are due on January 15, April 15, July 15, and October 15 of each year.

5.3 Advertising Contribution. Franchisee shall pay to Franchisor, or to any Advertising Fund established under Article 11, a weekly Advertising Contribution of 2% of Franchisee's Gross Sales. All Advertising Contributions for each weekly reporting period are due by the following Thursday.

5.4 Minimum Quarterly Advertising Contribution. Franchisee shall pay Franchisor, on a quarterly basis, the Advertising Contribution payable under section 5.3 or a Minimum Quarterly Advertising Contribution, whichever is greater. The Minimum Quarterly Advertising Contribution is currently \$1,000 in Year 1, \$1,500 in Year 2, \$2,000 in Year 3, \$2,500 in Year 4 and thereafter. If the Advertising Contribution payable on Franchisee's actual Gross Sales during each calendar quarter is less than Franchisee's Minimum Quarterly Advertising Contribution, then Franchisee shall pay Franchisor the difference by the fifteenth day of the next calendar quarter. Minimum Quarterly Advertising Contribution payments are due on January 15, April 15, July 15, and October 15 of each year.

5.5 Late Payments and Reports.

- (a) Franchisee shall pay to Franchisor (or to the Advertising Fund, as the case may be) a \$20.00 late fee on each payment of any kind that is not received by Franchisor within five days after its due date.
- (b) Any payment of any kind that is not received by Franchisor within thirty days after its due date will bear interest at the rate of 18% per annum, or the highest rate allowed by law, whichever is lower, from the date payment was due until the date the payment is received by Franchisor, regardless of any subordinate agreement that may be in effect to postpone payment of any fees.
- (c) Franchisee shall pay Franchisor a \$25.00 late fee each time any report required by section 7.10 or otherwise by this agreement is not received by Franchisor by its due date and time.

5.6 Gross Sales. The term "Gross Sales" means all sales and other income, whether cash or credit (and regardless of collection in the case of credit), less (i) refunds and discounts made to customers in good faith and in accordance with Franchisor's policies, and (ii) sales or excise taxes that are separately stated and that

Franchisee may be required to and does collect from customers and pays to any federal, state, or local taxing authority.

5.7 Electronic Funds Transfer.

(a) Franchisee shall make all payments to Franchisor, the Advertising Funds, or any Affiliate of Franchisor, including Royalties, Advertising Contributions, interest, late fees and legal expenses, through an electronic depository transfer account ("EDT Account") established at a national banking institution approved by Franchisor. Within six months after the Effective Date and before opening the Franchised Business, Franchisee shall establish the EDT Account and execute and deliver to Franchisor an authorization for electronic funds transfer (in substantially the form attached to this agreement as Exhibit D or a form prescribed by or acceptable to Franchisor's and Franchisee's bank) for direct debits from the EDT Account. At all times thereafter during the term of this agreement, Franchisee shall ensure that Franchisor has access to Franchisee's EDT Account for purposes of receiving electronic funds transfer payments, and Franchisee shall comply with procedures specified by Franchisor and perform such acts as may be necessary to accomplish payment by electronic funds transfer. Franchisee hereby authorizes Franchisor to initiate debit entries and credit correction entries to the EDT Account for payment of Royalties, Advertising Contributions, legal expenses, interest, late fees and other any amounts payable to Franchisor or any Affiliate of Franchisor. Franchisee shall make funds available in its EDT Account in sufficient amounts to meet its obligations as they become due. If any debit properly initiated by Franchisor from Franchisee's EDT Account is denied or charged back due to nonsufficient funds or the closing of the EDT Account, Franchisee shall pay Franchisor a \$25.00 charge-back fee and reimburse Franchisor for all bank and transaction charges incurred by Franchisor as the result of the charge-back. Once established, Franchisee may not close the EDT Account without Franchisor's consent.

(b) If Franchisee has not timely reported Franchisee's Gross Sales to Franchisor for any reporting period, then Franchisor shall debit Franchisee's EDT Account an amount equal to the late fee prescribed by section 5.5(c), plus 125% of the amounts payable by Franchisee for the Royalty and Advertising Contribution for the last reporting period for which Franchisee reported its Gross Sales. If the amounts debited are less than the amounts Franchisee actually owes (once Franchisor determines Franchisee's true Gross Sales for the reporting period), Franchisor shall debit the EDT Account for the balance of the Royalty and Advertising Contribution due on the date specified by Franchisor. If the amounts debited are greater than the amounts Franchisee actually owes (once Franchisor determines Franchisee's true Gross Sales for the reporting period), Franchisor shall credit the excess (without interest) against the amount Franchisor otherwise would debit from the EDT Account the week after Franchisor determines Franchisee's true Gross Sales for the reporting period. Nothing in this paragraph is to be construed to waive, postpone or suspend Franchisee's obligations to submit any reports, records, or other materials required by this agreement. Franchisee acknowledges that its failure to accurately report Gross Sales when due constitutes grounds for the termination of this agreement, notwithstanding this paragraph.

5.8 Convention Fee. If Franchisor holds a national convention for House Doctors Franchisees as described in section 7.19, Franchisee shall pay Franchisor the convention fees as specified in Section 7.19.

5.9 Taxes on Amounts Paid to Franchisor. All payments required to be made by Franchisee to Franchisor shall be the gross amount determined according to the applicable paragraph, without deduction for any sales, use, withholding, gross receipts, income, or other taxes that may be levied or assessed on the payments by any state, county, or municipality in which the Franchised Business is located or operates, in which Franchisee resides, or which otherwise possesses the power to tax Franchisee or the Franchised

Business. Franchisee shall remit to the appropriate taxing authorities all sales, use, withholding, gross receipts, or other taxes (other than income taxes) levied or assessed on amounts paid by Franchisee to Franchisor which would otherwise be due from Franchisor, shall promptly deliver to Franchisor receipts of applicable governmental authorities showing that all such taxes were properly paid in compliance with applicable law, and shall indemnify and defend Franchisor and hold Franchisor harmless from and against all liability for such taxes (including interest and penalties thereon). Franchisee shall fully and promptly cooperate with Franchisor to provide such information and records as Franchisor may request in connection with any application by Franchisor to any taxing authority with respect to any tax credits.

5.10 Successor Franchise Agreement. The Minimum Quarterly Royalties and the Minimum Quarterly Advertising Contributions for a Successor Franchise will be based on Year 4 and ongoing requirements for the entire term of the Successor Franchise Agreement.

5.11 Application of Payments. As to Franchisee and any Affiliate of Franchisee, Franchisor has the right to: (i) apply any payments received to any past due, current, future or other indebtedness of any kind in Franchisor's Business Judgment, regardless of how payment is designated by Franchisee or any other person; (ii) set off, from any amounts that may be owed by Franchisor, any amount owed to Franchisor or any Advertising Funds; and (iii) retain any amounts received for Franchisee's account (and/or that of any Affiliate of Franchisee), whether rebates from suppliers or otherwise, as a payment against any amounts owed to Franchisor. Franchisor can exercise any of the foregoing rights in connection with amounts owed to or from Franchisor, any Franchisor-Related Person, and/or any Advertising Funds.

5.12 Currency. Unless otherwise specified, all references to money in this agreement mean United States Dollars.

ARTICLE 6

DUTIES OF FRANCHISOR

6.1 Assistance by Franchisor. Franchisor, at its sole expense and cost, shall provide the following assistance and materials to Franchisee:

- (a) the initial training described in section 7.1 for up to two individuals, one of whom must be either Franchisee or the Designated Manager;
- (b) a list of all equipment necessary to operate the Franchised Business;
- (c) a current set of advertising and promotional templates;
- (d) approved and readily available sources for purchasing supplies, advertising and marketing materials, computer hardware and software, and other items necessary for the operation of the Franchised Business;
- (e) periodic assistance to the extent Franchisor deems necessary in its Business Judgment; and
- (f) periodic newsletters, bulletins, and such other materials, information and assistance as Franchisor may from time to time deem necessary in its Business Judgment.

6.2 Business Forms. Franchisor shall furnish Franchisee with the business and reporting forms for use by Franchisee in the Franchised Business. Upon request, Franchisor will provide Franchisee with specifications for the proper preparation of the business and reporting forms, which Franchisee may purchase from a supplier who has complied with Franchisor's supplier approval guidelines as described in

section 7.5. Because all business and reporting forms will bear the Marks, Franchisor may require any supplier to execute a license agreement specifying the manner in which the Marks are to be imprinted, the required text on the forms, and other necessary specifications and standards for the preparation of the forms.

6.3 Manual. Franchisor shall loan Franchisee, at no charge to Franchisee, one copy of Franchisor's current Manual as described in Article 9, which may consist of one or more volumes and may be provided digitally via the Franchisee Intranet, compact disk, DVD or other medium.

ARTICLE 7

DUTIES OF FRANCHISEE

7.1 Training. Within six months after the Effective Date and before opening the Franchised Business, either Franchisee or the Designated Manager shall complete, to Franchisor's satisfaction, Franchisor's initial training program for new franchisees at Franchisor's corporate headquarters or other facility designated by Franchisor. If Franchisee or the Designated Manager fails to complete the initial training program to Franchisor's satisfaction within six months after the Effective Date, then Franchisor may terminate this agreement without refunding any money paid by Franchisee. Franchisee or the Designated Manager also shall attend and complete, to Franchisor's satisfaction, all additional training programs reasonably required by Franchisor from time to time. Franchisor, at its option, may charge Franchisee a fee for any additional training. Training programs may be held, in Franchisor's Business Judgment, at Franchisor's corporate headquarters, a convention or national or regional meeting site, or any other facility designated by Franchisor. In connection with all such training, Franchisee is responsible for all expenses incurred by Franchisee or its trainees, including the cost of travel, lodging, meals, wages and training fees charged by Franchisor.

7.2 System Standards. Franchisee acknowledges and agrees that every detail of the System is important, not only to Franchisee but also to Franchisor and other House Doctors Franchisees, in order to develop and maintain high and uniform operating standards, to increase the demand for the products and services sold by all House Doctors Franchisees, to establish and maintain a reputation for providing uniform, efficient, and high-quality services, and to protect the goodwill of all House Doctor franchises. Franchisee further acknowledges and agrees that a fundamental requirement of the System, this agreement, and other House Doctors Franchises is adherence by all House Doctors Franchisees to the System Standards (as defined in section 19.48). Accordingly, Franchisee shall comply with each and every System Standard, as periodically modified and supplemented by Franchisor in its Business Judgment, during the term of this agreement. Franchisee further agrees that System Standards prescribed from time to time in the Manual or otherwise communicated to Franchisee in writing will constitute provisions of this agreement as if fully set forth in this agreement. All references to this agreement include all System Standards as periodically modified.

7.3 Authorized Products and Services. Franchisee shall offer and sell all Authorized Products and Services (as defined in section 19.5) and only Authorized Products and Services. Franchisor may unilaterally add products or services to the Authorized Products and Services in its Business Judgment at any time. Franchisor may also designate any Authorized Products and Services as optional. Franchisee shall offer and honor a one-year warranty on Franchisee's services as described in the Manual from time to time.

7.4 Equipment.

(a) Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, signs, the Communication and Information System described in section 7.18, the service vehicles

described in section 7.4(b), and other equipment specified by the System Standards as modified from time to time; and shall not permit the installation of any fixtures, furnishings, signs, software, or equipment that do not conform to the System Standards as modified from time to time.

(b) To protect the best interests of all franchisees, Franchisor has established specifications and guidelines for the acceptable appearance and use of all House Doctors service vehicles and signage, including the color and use of the House Doctors logo decals. Franchisee shall use the service vehicles solely for the operation of the Franchised Business in compliance with this agreement. Franchisee shall ensure that its service vehicles present a professional image in conformance with the System Standards, and shall maintain them in good repair and safe condition, which may include the repair or replacement of damaged, worn-out or obsolete equipment, signs and service vehicles. Franchisee shall modify, re-equip and refurbish its service vehicles at reasonable intervals as Franchisor directs, to accommodate changes in the System Standards as required of new House Doctors Franchisees (provided that Franchisee will have a reasonable time period remaining under this agreement to amortize the costs of service vehicle improvements). Franchisee shall place or display on the service vehicles only signs, emblems, lettering, logos, and display and marketing materials approved by Franchisor. If at any time in Franchisor's Business Judgment, the general state of repair, appearance or cleanliness of Franchisee's service vehicles, or any fixtures, equipment, or signs used in the Franchised Business, do not meet Franchisor's standards, Franchisor will notify Franchisee, specifying the action required to correct the deficiency. If Franchisee does not correct the deficiency within thirty days, Franchisor has the right (in addition to Franchisor's rights under Article 13) to prohibit Franchisee from using any substandard service vehicle, and the right, but not the obligation, to correct the deficiencies on Franchisee's behalf, and Franchisee shall reimburse Franchisor upon demand for all costs incurred by Franchisor to correct the deficiencies.

7.5 Supplier Approval. Franchisee shall purchase all furnishings, fixtures, signs, supplies and other products, materials and services required for the operation of the Franchised Business solely from suppliers (including manufacturers, distributors, wholesalers and brokers) who have been approved or designated by Franchisor. Franchisor will base its approval of suppliers upon a variety of factors, including their ability to meet Franchisor's then current standards and specifications; their quality controls; their capacity to supply Franchisee's needs promptly and reliably; and their prices. Franchisee recognizes that because of price discounts, benefits or other legitimate sales incentives, Franchisor may require Franchisee to participate with Franchisor or other House Doctors Franchisees when purchasing certain items, products or services to be sold or utilized in the Franchised Business. If Franchisee desires to purchase any items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for approval or request the supplier itself to do so. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at Franchisor's option, either to Franchisor or to an independent certified laboratory designated by Franchisor, for testing, and the actual cost for the tests shall be paid by Franchisee or the supplier. Franchisor will try to notify Franchisee of Franchisor's approval or disapproval within fifteen days after Franchisor receives all information requested by Franchisor. Franchisor has the right, in its Business Judgment, to reinspect the facilities and products of any approved supplier, and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's criteria. Franchisor and its Affiliates have the right to receive rebates, discounts, allowances, and other payments from suppliers in respect of group purchasing programs and otherwise on account of the suppliers' dealings with Franchisee and other House Doctors Franchisees, which Franchisor is entitled to retain and use without restriction for any purpose and without accounting to Franchisee.

7.6 **Business Operation.** Franchisee shall open the Franchised Business no later than six months after the Effective Date, or, with Franchisor's prior written approval, such longer period as may be required to comply with governmental licensing requirements. Franchisee shall notify Franchisor of the Opening Date on or before the Opening Date. After the Opening Date, Franchisee shall maintain the Franchised Business in continuous operation during the term of this agreement. Franchisee shall not use or permit the use of the Franchise Premises for any purpose or activity other than the operation of the Franchised Business without first obtaining the written consent of Franchisor. This restriction does not apply if the Franchise Premises is located in Franchisee's residence.

7.7 **Minimum Quarterly Gross Sales**

a) Franchisee's Gross Sales for each calendar quarter must equal or exceed the applicable "**Minimum Quarterly Gross Sales**" as established by Franchisor from time to time. Franchisee's failure to achieve or exceed the Minimum Quarterly Gross Sales for two consecutive calendar quarters is a material breach of this agreement, for which Franchisor, in addition to its other legal and equitable remedies, may terminate this agreement in accordance with section 13.2 or reduce the geographic size of the Territory. The current Minimum Quarterly Gross Sales are set forth in the table below:

Minimum Quarterly Gross Sales Year 1	\$50,000
Minimum Quarterly Gross Sales Year 2	\$75,000
Minimum Quarterly Gross Sales Year 3	\$100,000
Year 4 & ongoing for the term of this franchise agreement	\$125,000

(b) For purposes of this franchise agreement:

(i) "Year 1" is the period that begins on the Opening Date and ends on and includes the last day of the calendar quarter in which the first anniversary of the Opening Date occurs; "Year 2" is the one-year period that begins on and includes the first day of the calendar quarter following the end of Year 1; Years 3, 4 and later years are the following twelve month periods. For example, for an Opening Date of May 23, 2009, Year 1 begins on that date and ends on June 30, 2010; Year 2 begins on July 1, 2010 and ends on June 30, 2011; Year 3 begins on July 1, 2011 and ends on June 30, 2012; and so on. Year 1, Year 2 and each other such year is referred to as a "Numbered Year" in this franchise agreement.

(ii) The quarters to which the Minimum Quarterly Gross Sales will apply are calendar quarters beginning, respectively, on January 1, April 1, July 1 and October 1; except, for Year 1, the first quarter begins on the Opening Date and ends on the last day of the first calendar quarter that starts after the Opening Date. For example, for an Opening Date of May 23, the first quarter to which Minimum Quarterly Gross Sales applies begins on May 23 and ends on September 30, and the second quarter to which Minimum Quarterly Sales applies begins on October 1 and ends on December 31.

c) Franchisor may adjust the Minimum Quarterly Gross Sales table from time to time. Such adjustments will be based on the performance of Franchisor's franchisees.

d) The Minimum Quarterly Gross Sales for a Successor Franchisee will be based on the Year 4 and ongoing requirements for the entire term of Successor Franchisee franchise agreement.

e) Franchisee acknowledges that the Minimum Quarterly Gross Sales amounts in the above table do not constitute, and are not in the nature of, "earnings claims" or "financial performance representations." Franchisor disclaims any representation, warranty, or guarantee that Franchisee can or will achieve levels of sales necessary to comply with the Minimum Quarterly Gross Sales amounts above, or any other level or range of sales, income, or other measures of performance. As a practical business matter, Franchisor is unable to reliably estimate or predict the future financial or other results of any House Doctors Franchisee, and is unable to reliably estimate or predict Franchisee's potential results.

Franchisee specifically understands that section 7.7 above permits Franchisor to terminate this franchise agreement or reduce the size of Franchisee's Territory if Franchisee fails to achieve or exceed the applicable Minimum Quarterly Gross Sales for two consecutive quarters.

_____ **Initials of Franchisee or individual signing on behalf of Franchisee**

7.8 Management of Franchised Business. At all times during the term of this agreement, Franchisee or the Designated Manager shall devote his or her full time, energy, and best efforts to the management and operation of the Franchised Business. The Franchised Business must at all times be under the direct supervision of Franchisee or the Designated Manager.

7.9 Payment of Liabilities and Taxes. Franchisee shall pay its distributors, lessors, contractors, suppliers, trade creditors, employees, and other creditors promptly as the debts and obligations to such parties become due, and pay all taxes on real and personal property, leasehold improvements, and fixtures and equipment, and all sales and use, income, payroll and other taxes promptly when due, and shall hold Franchisor harmless therefrom. All taxes shall be paid directly to the appropriate taxing authority prior to the delinquent date. If Franchisee fails to pay any such obligations promptly as they become due, or if any taxes become delinquent, Franchisor, in addition to its other remedies provided in this agreement, may pay any obligation or tax on behalf of Franchisee, together with any late charges, penalties, and interest, if any, and Franchisee shall, upon demand, reimburse Franchisor for any sums Franchisor has paid, together with interest at the rate of 18% per annum, or the highest rate allowed by law, whichever is less, from the date of payment by Franchisor to the date of reimbursement by Franchisee.

7.10 Records and Reports. Franchisee shall maintain and preserve, for at least six years after the date of their preparation, full, complete and accurate books and records of account, prepared in accordance with generally accepted accounting principles, and customer files and records, all in the form and manner prescribed by Franchisor in the Manual or otherwise in writing. In connection with its maintenance of such accounts and records, Franchisee, at its expense, shall:

(a) Submit to Franchisor, by 5:00 p.m. Eastern Time on Wednesday of each week, a Gross Sales report in the form prescribed by Franchisor, certified by Franchisee or by the Designated

Manager, accurately reflecting Franchisee's Gross Sales during the preceding weekly reporting period ending on Sunday, and such other data or information as Franchisor may require;

(b) Submit to Franchisor, by the last day of each calendar month, an income statement, certified by Franchisee or by the Designated Manager as accurately reflecting the results of operations of the Franchised Business for the preceding calendar month;

(c) Submit to Franchisor, by April 30 of each year, an income statement and balance sheet, certified by Franchisee or by the Designated Manager as accurately reflecting the results of operations of the Franchised Business for the preceding calendar year and the financial condition of the Franchised Business as of December 31 of the preceding calendar year, together with such other information as may be prescribed by Franchisor;

(d) Submit to Franchisor signed copies of the federal income tax return for the previous tax year, as filed with the Internal Revenue Service, of Franchisee and of any Affiliate of Franchisee, on or before April 30 of each year or, if the taxpayer has received an extension of time to file and Franchisee submits to Franchisor a signed, file-stamped copy of IRS Form 4868 or 2688, as applicable, by April 30, then within fifteen days after the final due date for such return, but in no event later than October 30 of each year;

(e) Submit to Franchisor, within one month after the end of each calendar quarter, an itemized report of Franchisee's Local Advertising expenditures for each month in such quarter (and, if requested by Franchisor, receipts for all Local Advertising expenditures) as required by section 11.8;

(f) Submit to Franchisor, within ten days after request, such other forms, reports, bank statements, customer files, records, information and data as Franchisor may reasonably request;

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

(h) Purchase and install such equipment as Franchisor may require to automate the reporting of financial information and the payment of recurring fees by Franchisee pursuant to this agreement, including Internet or intranet reporting and pre-authorization of electronic funds transfer or bank debit; and

(i) At all times during the term of this agreement and for a period of three years after the termination or expiration of this agreement, permit Franchisor or its designated agents at all reasonable times to examine, at Franchisor's expense and at such location as Franchisor may reasonably select, Franchisee's books and records of account, bank statements, canceled checks, customer files, federal, state and local income tax, sales tax, and payroll tax returns, and any other information or records pertaining to the Franchised Business or which Franchisee is required to maintain under this agreement (hereafter referred to as Franchisee's "Business Records"). If, as a result of any inspection, Franchisor determines that Franchisee has understated its Gross Sales (as defined in section 5.6) in any report to Franchisor, then Franchisee shall immediately pay the Royalty and Advertising Contribution payable on the amount of the understatement, plus the late fee and interest imposed by section 5.5. In addition, if, as a result of any inspection, Franchisor determines that Franchisee has understated its Gross Sales by 3% or more for any weekly period, or if an inspection is prompted by Franchisee's failure to maintain any records or to timely submit any report or other information required by this agreement, then Franchisee shall reimburse Franchisor for all costs and expenses of the inspection (including wages paid by Franchisor to its

employees, travel expenses, and reasonable accounting and legal expenses). The foregoing remedies are in addition to any other remedies Franchisor may have under this agreement or at law or in equity. Franchisor may also, at all times during the term of this agreement and for a period of three years after the termination or expiration of this agreement, retain an independent party to audit Franchisee's Business Records. The terms of this paragraph will survive the expiration, termination or cancellation of this agreement.

7.11 Insurance.

(a) Before opening the Franchised Business and thereafter at all times during the entire term of this agreement, Franchisee, at its own expense, shall obtain and keep in force by advance payment of premium:

- (1) All-Risk Insurance on all furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business, for its full replacement cost;
- (2) Commercial General Liability Insurance covering claims for bodily and personal injury, death, and property damage with a minimum per occurrence limit of \$1,000,000 and a minimum general aggregate limit of \$2,000,000;
- (3) Automobile Liability Insurance for owned, hired, and non-owned vehicles with a minimum combined single limit of \$1,000,000;
- (4) Employee Dishonesty Insurance with a minimum limit of \$10,000; and
- (5) Worker's Compensation Insurance that complies with the statutory requirements of the state in which the Franchised Business is located and Employers' Liability Insurance with a minimum limit of \$100,000 or, if greater, the statutory minimum limit if required by state law.

(b) Franchisee shall maintain such other insurance as may be required by statute or rule of the state or locality in which the Franchised Business is located and operated, and as may be required by any lease to which Franchisee is a party. All policies of insurance that Franchisee is required to maintain hereunder shall contain a separate endorsement naming Franchisor as an additional insured, as its interest may appear, and shall have a deductible of not more than \$5,000. All insurance shall be placed with an insurance carrier or carriers approved in writing by Franchisor and shall not be subject to cancellation except upon ten days written notice to Franchisor. Franchisee shall submit to Franchisor, before opening the Franchised Business, certifications of insurance (with a copy of the original policy and endorsements attached) and a workers' compensation certificate of premium payment, showing full compliance with the requirements of this paragraph, and shall keep current certifications (that is, copies of policies and endorsements) on deposit with Franchisor at all times during the term of this agreement. Franchisee shall not open or operate the Franchised Business until Franchisee has complied with all of the requirements of this paragraph. If Franchisee fails to comply with these requirements, Franchisor has the right (but is not obliged) to obtain the required insurance and keep it in force and effect, and Franchisee shall pay Franchisor, upon demand, the cost thereof, together with interest thereon at the rate of 18% per annum, or the highest rate allowed by law, whichever is less. Franchisor, upon not less than thirty days written notice to Franchisee, may reasonably increase the minimum coverage for any insurance required hereunder, decrease the maximum deductible, or require different or additional kinds of insurance coverage to reflect inflation, changes in standards of liability, higher damage

awards, or other relevant changes in circumstances. The terms of this paragraph will survive the expiration, termination or cancellation of this agreement.

7.12 Non-Individual Franchisee. If Franchisee is not an individual, it shall comply with the following requirements before its execution of this agreement:

- (a) Franchisee shall be newly organized and its articles of incorporation or organization, bylaws, partnership agreement, or operating agreement shall provide that its activities are confined exclusively to operating the Franchised Business.
- (b) Franchisee shall provide Franchisor with written information about each Principal of Franchisee and the interest of each on Exhibit A hereto, and shall promptly notify Franchisor of any changes in any such information during the term of this agreement;
- (c) All Principals of Franchisee shall enter into a Guaranty and Assumption of Obligations, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of Franchisee's obligations to Franchisor.
- (d) Each ownership certificate of Franchisee must have conspicuously endorsed upon its face the following legend:

“The transfer, sale or pledge of these shares is subject to the terms and conditions of a Franchise Agreement with Saltire Brands LLC.”

If Franchisee is a partnership or limited liability company without certificates evidencing ownership, Franchisee shall provide Franchisor with acceptable evidence that its partnership or operating agreement or other organizational documents contain provisions acceptable to Franchisor prohibiting the Transfer (as defined in section 19.53) of any Ownership Interest in Franchisee (as defined in section 19.37) other than in compliance with the terms of this agreement. Franchisee shall not cause or permit any such provision to be deleted or modified during the term of this agreement.

- (e) Franchisee shall furnish Franchisor for its approval copies of Franchisee's articles of incorporation or organization, by-laws, partnership agreement, and/or operating agreement, as the case may be, and other organizational documents, including the resolutions of its Principals or governing board authorizing the execution of this agreement.
- (f) Franchisee's name may not contain any of the Marks or any colorable variation thereof.

7.13 Compliance with Law. Franchisee shall comply with all laws, regulations and requirements of federal, state, municipal, and other governmental entities and agencies (including fictitious or assumed name statutes, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, and any other federal, state or local employment laws), and obtain and maintain any and all licenses and permits required by any governmental agencies or otherwise necessary to conduct the Franchised Business in any jurisdiction in which it operates. Franchisee agrees and acknowledges that Franchisee alone is responsible for compliance with the obligations under this paragraph and that Franchisor has no obligation to Franchisee or any other person for Franchisee's compliance under this paragraph. Franchisee specifically acknowledges and agrees that its indemnification responsibilities in Article 17 include Franchisee's obligations under this paragraph. In connection with its obligations under this paragraph, Franchisor hereby consents for Franchisee to disclose to Franchisee's legal counsel, for the

purpose of ensuring compliance with and enforceability under state and local law, any and all forms, agreements and other documents provided by Franchisor for use in the Franchised Business.

7.14 Compliance with USA Patriot Act. Franchisee certifies that neither Franchisee nor any of its Affiliates, Principals or employees is listed in the Annex to Executive Order 13224 (“the Annex”). Franchisee shall not hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee or any of its Affiliates, Principals or employees being listed in the Annex. Franchisee shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor’s efforts to comply with the Anti-Terrorism Laws (as defined in section 19.4). In connection with such compliance, Franchisee certifies, represents and warrants that none of its property or interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that Franchisee and its Affiliates and Principals are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities in Article 17 include Franchisee’s obligations under this section 7.14. Any misrepresentation by Franchisee under this paragraph or any violation of the Anti-Terrorism Laws by Franchisee, its Affiliates, Principals or employees, will constitute grounds for immediate termination of this agreement and any other agreement between any Franchisor-Related Person and Franchisee or any of its Affiliates, Principals or employees.

7.15 Customer Dispute Resolution. Franchisee acknowledges that customer satisfaction is essential to Franchisee’s success as well as the reputation and success of the Marks, the System and other House Doctors Franchisees. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the satisfaction of each of Franchisee’s customers; (ii) use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; (iii) respond to customer complaints in a courteous, prompt, and professional manner; (iv) use its best efforts to promptly and fairly resolve customer disputes in a mutually-agreeable manner; and (v) honor, in accordance with their terms, all written product and service warranties provided by Franchisee in connection with its Franchised Business. If Franchisee fails to resolve a dispute with a customer, for any reason whatsoever, Franchisor, in its Business Judgment and for the sole purpose of protecting the goodwill and reputation of the Marks, may (but shall not be obligated to) investigate the matter and require Franchisee to take such actions as Franchisor may deem necessary or appropriate to resolve the dispute fairly and promptly. Nothing contained in this section or in any other provision of this agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

7.16 Background Review of Employees. Franchisee acknowledges and understands that Franchisee’s employees will be entering the homes of Franchisee’s customers and other persons to sell and provide Authorized Products and Services. Accordingly, to ensure the safety of Franchisee’s customers and other persons, and to protect Franchisor’s Marks and the reputation of the System: (a) before hiring any prospective employee, Franchisee shall conduct a background review of the prospective employee history, and update each employee’s background review from time to time; and (b) Franchisee shall not hire any individual or retain any employee for any position involving entrance to any residence if the prospective employee’s background review indicates, in Franchisee’s reasonable judgment, a propensity for violence, dishonesty, or negligent, reckless or careless behavior. Franchisor is not liable to Franchisee, any employee or prospective employee of Franchisee, or any other person for any act or omission of Franchisee or any employee or agent of Franchisee. Franchisee specifically acknowledges and agrees that its indemnification responsibilities in Article 17 include Franchisee’s (i) obligations under this paragraph (ii) any claims, demands or actions arising from any act or omission of Franchisee or any employee or agent of Franchisee

relating to refusal to hire, negligent hiring, or employment discrimination, and (iii) claims asserted by third parties for intentional torts allegedly committed by any employee or agent of Franchisee.

7.17 Designated Manager. Franchisee shall designate, subject to Franchisor's reasonable approval, a "Designated Manager" who will be responsible for general oversight and management of the operations of the Franchised Business on behalf of Franchisee. The Designated Manager must attend and successfully complete the initial training program and such other training programs as Franchisor may from time to time require during the term of this agreement. Franchisee acknowledges and agrees that Franchisor has the right to rely upon the Designated Manager to have been given, by Franchisee, decision-making authority and responsibility regarding all aspects of the Franchised Business. If the person designated as the Designated Manager dies, becomes incapacitated, leaves Franchisee's employ, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the Franchised Business, Franchisee shall promptly designate a new Designated Manager, subject to Franchisor's reasonable approval.

7.18 Communication and Information System. To ensure the efficient management and operation of the Franchised Business and the transmission of data to and from Franchisor, Franchisee, at its own expense, shall install, prior to opening the Franchised Business, and shall maintain and utilize during the term of this agreement, the Communication and Information System specified by the System Standards from time to time.

(a) As used in this agreement, the term "Communication and Information System" means: computer hardware (including one or more computers and/or other computer components); computer software for the management and operation of the Franchised Business and reporting and sharing information with Franchisor; and communication systems (including digital and analog modems, satellite, cable and other systems).

(b) Franchisee shall lease and/or purchase its Communication and Information System only from suppliers that Franchisor has approved in writing pursuant to section 7.5. Franchisee shall not install, or permit to be installed, any devices, software or other programs not approved by Franchisor for use with the Communication and Information System.

(c) Franchisor may from time to time develop or authorize others to develop proprietary computer applications for use in the System, which Franchisee may be required to purchase and/or license and use in the operation of the Franchised Business. Franchisee shall execute any license, sublicense or maintenance agreement required by Franchisor or any other approved licensor or supplier of proprietary computer applications designated by Franchisor. Franchisee agrees that Franchisor has no liability to Franchisee or any other person for any damages, costs or expenses caused by Third-Party Software (as defined in section 19.52).

(d) If required by Franchisor, Franchisee shall obtain and maintain a contract with a supplier that Franchisor has approved in writing for software maintenance, support, and upgrade services for Franchisee's Communication and Information System and to provide Franchisee with such assistance as Franchisee and Franchisee's employees may require. Franchisee acknowledges that Franchisor may be one of, or the only, approved supplier for such services, and if Franchisee obtains these services from Franchisor, then Franchisee shall pay Franchisor any fees, if any, required by Franchisor for the services. Notwithstanding Franchisor's right to provide such services, this paragraph does not obligate Franchisor to provide any such services or support for the hardware or software used in the Communication and Information System.

(e) Franchisor may modify the Communication and Information System specifications as needed from time to time to maximize the operation of the software, to maintain access to the

Franchisee Intranet, or to foster the efficient operation and management of the Franchised Business. Franchisee shall make all Enhancements to its Communication and Information System in the manner and when specified by Franchisor in accordance with section 9.3.

(f) Franchisee shall have the sole and complete responsibility for the manner in which Franchisee's Communication and Information System interfaces with other systems, including those of Franchisor and other third parties, as well as any and all consequences that may arise if Franchisee's Communication and Information System is not properly operated, maintained and upgraded.

(g) Franchisee shall: (a) promptly enter into its Communication and Information System and maintain all information required to be entered and maintained by Franchisor; (b) provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained, and (c) permit Franchisor to access Franchisee's Communication and Information System at all times by any commercially available means specified by Franchisor from time to time. Franchisee shall cooperate with Franchisor, and shall execute all documents required by Franchisor, to permit access to Franchisee's Communication and Information System and data contained therein. The reporting requirements in this section are in addition to and not in lieu of the reporting requirements in section 7.10.

(h) Any and all data collected or provided by Franchisee, downloaded from Franchisee's Communication and Information System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor, who has the right to use the data in any manner without compensation to Franchisee. Franchisee is hereby licensed, without additional compensation, to use such data solely for the purpose of operating the Franchised Business. This license will automatically and irrevocably expire, without additional notice or action by Franchisor, when this agreement terminates or expires.

(i) Franchisee shall maintain at least one dedicated telephone line for use exclusively by the Franchised Business. Each telephone line shall have service features as required by Franchisor in the Manual or otherwise communicated to Franchisee from time to time. Franchisor may require Franchisee to provide a full-time employee or answering service to answer Franchisee's telephone during regular business hours. All lines shall be operational and functional before opening the Franchised Business and thereafter at all times. The telephone number for the Franchised Business must be listed in a white-pages telephone directory under the Trade Name and an address or other location within the Territory.

(j) Before opening the Franchised Business and thereafter at all times, Franchisee shall obtain and maintain a high-speed Internet connection. Franchisee hereby authorizes Franchisor to communicate with Franchisee via electronic mail.

(k) Franchisor has the right, but not the obligation, to establish a Franchisee Intranet (as defined in section 19.17) in its Business Judgment. If required by Franchisor, Franchisee shall establish and maintain access to and use the Franchisee Intranet in the manner specified by Franchisor. Franchisor may, in its Business Judgment, use the Franchisee Intranet to provide various forms of training and other assistance to Franchisee, to provide access to the Manual and updates thereto, for House Doctors Franchisees to file financial and other reports required by Franchisor, for general communications between Franchisor and House Doctors Franchisees and among House Doctors Franchisees, and for such other purposes as Franchisor may authorize or require from time to time. Franchisee shall use the Franchisee Intranet for those purposes

designated by Franchisor and shall execute the Terms of Use Agreement (as defined in section 19.49), as it may be modified by Franchisor from time to time. Franchisee understands that the Franchisee Intranet may be inaccessible if Franchisee does not agree to or abide by any required Terms of Use, maintain the required Communication and Information System, or maintain a high-speed connection to the Franchisee Intranet. Franchisor is not responsible for any damages incurred by Franchisee in such event or that may arise due to any Internet service provider failing to provide service.

7.19 Attendance at Franchisee Meetings and Conventions. Franchisor may, but is not obligated to, hold a national convention and national and/or regional meetings with Franchisor's personnel and House Doctors Franchisees at locations designated by Franchisor, to provide additional training, exchange sales, operating and marketing ideas and methods, introduce new software, marketing programs, promotional items and/or products, and for any other purpose determined by Franchisor. Franchisee or the Designated Manager shall attend all national and/or regional meetings designated by Franchisor as mandatory. Since our conventions are designed to benefit the franchise businesses and introduce franchisees to any new improvements in the House Doctors model, attendance at the conventions is mandatory and Franchisee shall pay the convention attendance fees (which are designated by Franchisor). In addition to any fees Franchisee must pay for convention attendees, Franchisee will also be required to pay the convention attendance fee for one attendee for each convention that neither Franchisee nor its Designated Manager attends. Nothing in this agreement is to be construed to require Franchisor to hold, provide, sponsor, host or organize any conventions or meetings.

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

- (a) requiring that all Confidential Information (as defined in section 10.1) that may be acquired by or imparted to the person in connection with their association with Franchisee (including the Manual, any proprietary software provided by Franchisor, and all information contained therein) be held in strict confidence and used solely for the benefit of Franchisee or Franchisor during their association with Franchisee and at all times thereafter;
- (b) prohibiting the person, during their association with Franchisee, from diverting or attempting to divert any business or customer of the Franchised Business or of any other House Doctors Franchisee to any Competitive Business (as defined in section 19.9), by direct or indirect inducement or otherwise;
- (c) prohibiting the person, during their association with Franchisee, from doing or performing, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Marks and the System;
- (d) prohibiting the person, during their association with Franchisee, from employing or seeking to employ any person who is at that time employed by Franchisor, Franchisee, or any other House Doctors Franchisee, or otherwise directly or indirectly inducing or attempting to induce such person to leave his or her employment; and
- (e) prohibiting the person, during their association with Franchisee and for a continuous period of one year (or the maximum period permitted or enforced by the laws of the state in which the Franchised Business is located, if such period is less than one year, but in no event less than six months) after the termination of their association with Franchisee, from operating, owning,

maintaining, promoting, engaging in, or performing services for (as an employee or otherwise) a Competitive Business.

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

7.21 Disclosure of Information About Franchisee. Franchisee acknowledges that Franchisor may from time to time be required or find it necessary to disclose to third parties certain information about Franchisee and Franchisee's Principals, including personally identifiable information such as names, addresses, and telephone numbers, and information collected by Franchisor under sections 7.10, 7.18, and other provisions of this agreement. Franchisee hereby consents to Franchisor's collection, use, and disclosure of any information pertaining to the Franchised Business (including personally identifiable information of Franchisee and Franchisee's Principals) for Franchisor's reasonable business purposes and for any purpose described in Franchisor's privacy policy (as may be amended from time to time), subject to the limitations of this paragraph. Without limiting the generality of the foregoing sentence, Franchisee hereby consents to: (i) the collection, use and disclosure of any information about Franchisee and Franchisee's Principals (including personally identifiable information) to develop, modify, and enhance the System, to conduct credit checks or other personal history investigations, to develop general franchisee profiles, to comply with federal and state franchise disclosure and/or registration laws, and to otherwise comply with any applicable law; (ii) the transfer of any information (including personally identifiable information) to any third party in order for Franchisor to fulfill its obligations under this agreement or attempt to obtain any benefit for Franchisor, Franchisee, or the System as a whole; and (iii) the release to Franchisee's landlord, lenders or prospective landlords or lenders, of any financial or operational information relating to Franchisee and/or the Franchised Business (without obligating Franchisor to do so). If Franchisor discloses financial information of Franchisee in a franchise disclosure document, Franchisor shall not identify Franchisee or disclose any personally identifiable information of Franchisee in connection with the financial information. "Personally identifiable information" is any information about a person that can be used to uniquely identify, contact or locate the person.

ARTICLE 8

INTELLECTUAL PROPERTY

8.1 Use by Franchisee. Franchisee's right to use Franchisor's Marks, any proprietary software provided by Franchisor, other materials in which Franchisor claims a copyright, trademark, or other right to exclusive use, trade secrets, and other Intellectual Property (as defined in section 19.27) as granted in this agreement is limited to their use in connection with the operation of the Franchised Business within the Territory, and otherwise as described in this agreement and as authorized in the Manual or as may be prescribed in writing by Franchisor from time to time. Franchisee shall use only the name listed on Exhibit B (the "Trade Name") as the trade name of the Franchised Business, shall use only the trademark listed on Exhibit B as its primary trademark to identify and distinguish the services offered by Franchisee, and shall use no other trade name, business name, or trademark in connection with the Franchised Business without Franchisor's prior written consent.

8.2 Exclusive Property of Franchisor. Franchisee acknowledges Franchisor's exclusive right, title and interest in and to its Intellectual Property, and the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in the System. Franchisee is a "related company" within the meaning of 15 U.S.C. § 1127 and Franchisee's use of the Marks pursuant to this agreement inures to the benefit of Franchisor. Except as expressly provided by this agreement, Franchisee shall acquire no right, title or interest therein, and any and all goodwill associated with the System and the Intellectual Property shall inure exclusively to Franchisor's benefit. Upon the expiration or termination of this agreement, no monetary amount will be designated as attributable to goodwill associated with Franchisee's use of the System or the Intellectual Property.

8.3 Infringement by Franchisee. Franchisee acknowledges that its use of the Intellectual Property outside of the scope of this agreement without Franchisor's prior written consent is an infringement of Franchisor's rights, title and interest in and to its Intellectual Property, and that its use of the Marks after the expiration or termination of this agreement without Franchisor's prior written consent constitutes trademark counterfeiting. During the term of this agreement and after its expiration or termination, Franchisee shall not, directly or indirectly, commit an act of infringement or counterfeiting or contest, or aid in contesting, the validity or ownership of the Intellectual Property or take any other action in derogation thereof. The provisions of this paragraph will survive the expiration, termination or cancellation of this agreement.

8.4 Infringement by Others. Franchisee shall promptly notify Franchisor of any use of any Intellectual Property, any colorable variation thereof, or any other property in which Franchisor has or claims a proprietary interest, by any person other than Franchisor, its representatives and agents, or other House Doctors Franchisees. Franchisee shall promptly notify Franchisor of any litigation instituted by any person against Franchisor or Franchisee involving the Intellectual Property. If Franchisor, in its Business Judgment, undertakes the defense, prosecution, or settlement of any litigation relating to the Intellectual Property, Franchisee shall execute all documents and render any assistance as Franchisor, in its Business Judgment, determines necessary to carry out such defense, prosecution or settlement. Franchisee acknowledges that the nature of trademark and intellectual property law makes it impossible for Franchisor to guarantee or warrant the exclusivity of Franchisor's right to use any of the Marks, and that nothing in this agreement or in any other document or promotional material provided by Franchisor to Franchisee or to any other party may be construed to guarantee, warrant, or imply that Franchisor's right to use any of the Marks is exclusive or superior to the rights of any other person. If any person demonstrates, to Franchisor's sole satisfaction, a superior right to use any of the Intellectual Property, Franchisee shall, upon demand by Franchisor, discontinue its use of such Intellectual Property and, in the case of the Trade Name or any of the Marks, adopt, at Franchisee's sole cost and expense, any replacement trade name or mark(s), if any, selected by Franchisor, and Franchisor will have no liability to Franchisee therefor.

8.5 Improper Use of Marks. Franchisee shall not use any of the Marks, or any derivative or colorable variation thereof: (i) as part of Franchisee's corporate, company, or partnership name; (ii) on or as part of any Website (as defined in section 19.55), domain name, URL, web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, social media sites, or other similar services; (iii) with any prefix, suffix, or other modifying words, terms, designs, or symbols (including the word "Inc."); (iv) after the expiration or termination of this agreement; (v) in any modified form; or (vi) on paychecks or other payments written to its employees. Franchisee shall not register any of the Marks, or any derivative or colorable variation thereof, as a service mark, trademark, or Internet domain name, or hold out or otherwise employ the Marks to perform any activity or to incur any obligation or indebtedness in such a manner as could reasonably result in making Franchisor liable therefor or which

may harm, tarnish, or impair Franchisor's reputation, name, service or Marks. If Franchisor provides Franchisee with any contracts, agreements, forms or other documents that contain any of the Marks, Franchisee shall not alter or modify such contracts, agreements, forms or documents without Franchisor's prior written consent. The provisions of this paragraph will survive the expiration, termination or cancellation of this agreement.

8.6 Non-exclusive Use. Franchisee expressly acknowledges and agrees that its license to use the Intellectual Property is non-exclusive, and Franchisor reserves all rights not expressly granted to Franchisee in this agreement, including those described in section 1.5.

8.7 Use by Others. Franchisee shall not permit any third party to imprint the Marks on any products, materials, documents and supplies utilized by Franchisee in connection with the operation of the Franchised Business without first obtaining the consent of Franchisor and, at Franchisor's option, requiring the party to execute a license agreement as specifically described in section 6.2.

8.8 Ownership of Future Intellectual Property. All rights to any Intellectual Property that Franchisee acquires, obtains, develops, or creates for, in connection with, or which relates to, the Franchised Business during the term of this agreement (including all advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, materials, or Websites proposed or developed by Franchisee for the Franchised Business, whether or not they bear the Marks) are the sole property of Franchisor, free and clear of any claim by Franchisee or anyone claiming under Franchisee. Franchisor may use and authorize the use of any Intellectual Property to which this paragraph applies by other House Doctors Franchisees without any compensation to Franchisee. If for any reason, Franchisee and not Franchisor is deemed to own any rights to any Intellectual Property to which this paragraph applies, then this agreement will operate as an agreement to irrevocably transfer and assign all rights in and to that Intellectual Property to Franchisor. Franchisee hereby irrevocably transfers and assigns to Franchisor all rights, title and interest in and to all Intellectual Property to which this paragraph applies (including copyrights, as "works made for hire" under the U.S. Copyright Act). Franchisee shall take no steps to appropriate for itself any Intellectual Property to which this paragraph applies. Franchisee shall, at Franchisor's request, execute all assignments, certificates or other instruments (and, if necessary, require its independent contractors to execute such documents as well) as Franchisor may from time to time deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend its rights, title or interest in or to Intellectual Property to which this paragraph applies, or to otherwise effect the provisions of this paragraph.

ARTICLE 9

OPERATIONS MANUAL

9.1 Business Operations. In order to protect the reputation and goodwill of Franchisor and to maintain uniform standards of operation under the Marks, Franchisee shall conduct its operations hereunder in accordance with the Manual (as defined in section 19.30), as the same may be amended or modified from time to time. Franchisor will provide a copy or electronic access to thereof during the of this Agreement.

9.2 Confidentiality. The Manual shall at all times remain the sole property of Franchisor. Franchisor treats as confidential and proprietary the Manual and all information contained therein. Franchisee also shall treat as confidential and proprietary the Manual and all information contained therein, and shall use all reasonable efforts to maintain such information as confidential and proprietary. Franchisee shall also ensure that its employees treat as confidential and proprietary the Manual and all information contained therein. Franchisee shall not at any time copy, duplicate, record, or otherwise make the same available to

any unauthorized person. The provisions of this paragraph will survive the expiration, termination or cancellation of this agreement.

9.3 Modification. Franchisor has the right to add to or otherwise modify the Manual from time to time in its Business Judgment to reflect changes in the industry, marketing techniques or any of the System Standards, or advances in computer technology, so long as no addition or modification alters Franchisee's fundamental status and rights under this agreement. Without limiting the generality of the foregoing sentence, Franchisor has the right, during the term of this agreement, to require Franchisee to make Enhancements to the Communication and Information System at Franchisee's expense, and Franchisee agrees to acquire (or acquire the right to use for the remainder of the term of this agreement), within 120 days after receipt of written notice from Franchisor, the Enhancement specified by Franchisor and to take all actions as may be necessary to enable it to operate as specified by Franchisor. Any Enhancement may require Franchisee to incur costs to purchase, lease, and/or license new or modified computer hardware and/or software or other equipment and to obtain different and/or additional service and support services during the term of this agreement. Franchisee acknowledges that Franchisor cannot estimate the costs of future maintenance or Enhancements to the Communication and Information System or other items, and that any maintenance or Enhancement required by Franchisor may involve additional investment by Franchisee during the term of this agreement. Franchisee shall at all times insure that its copy of the Manual is kept secure, current, and up to date, and in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office will be controlling. Upon Franchisor's request, Franchisee shall cooperate in the efficient return of all Manuals that have been identified by Franchisor as obsolete. As used in this agreement, "Enhancement" is a defined term that includes any modification, upgrade, update, enhancement or replacement of all or any part of the Communication and Information System.

ARTICLE 10

CONFIDENTIAL INFORMATION

10.1. Definition. "Confidential Information" means any confidential and/or proprietary information and/or trade secrets relating to Franchisor, the System, the Franchised Business, or other House Doctors Franchisees, and includes the following overlapping categories of information: (a) System business methods, techniques, specifications, standards, procedures, and formats; (b) Franchisor policies, procedures, information, concepts, systems, and knowledge of and experience in franchise development and operation, including the information comprising the System; (c) marketing programs for House Doctors Franchises; (d) the Communication and Information System, each component thereof (including all aspects—including code, functions, menus, and screen views—of any proprietary software developed or owned by Franchisor or any Affiliate of Franchisor), and all future Enhancements thereto; (e) the financial condition, results of operations, and other financial information about Franchisor, Franchisee, the Franchised Business, and/or other House Doctors Franchisees; and (f) all information about all past, present and future customers and suppliers of the Franchised Business, including contact, statistical, financial, and personally identifiable information, and all lists. Franchisee may acquire Confidential Information from Franchisor through the Manual, through training, guidance, and assistance provided by Franchisor, through the operation of the Franchised Business, or from other House Doctors Franchisees. Confidential Information is not intended to include any information that: is or subsequently becomes publicly available other than by the breach of a legal obligation; was known to Franchisee before becoming a House Doctors Franchisee; or became known to Franchisee independently of Franchisee's relationship with Franchisor and other than through Franchisee's breach of a legal obligation.

10.2. Ownership of Confidential Information. Franchisee agrees that Franchisor owns and controls (i) all domain names and uniform resource locators (“URLs”) containing any of the Marks (or any derivative or colorable variation thereof) or relating to any House Doctors Franchise (including the Franchised Business), and (ii) all Confidential Information (which may include trade secrets belonging to Franchisor). Franchisee’s only interest in any Confidential Information or proprietary information (even if not Confidential Information) is the right to use it pursuant to this agreement.

10.3. Use of Confidential Information. Franchisee agrees that Franchisee’s relationship with Franchisor does not give Franchisee the right to use the Confidential Information for any purpose other than the development and operation of the Franchised Business in accordance with this agreement, and that the use of the Confidential Information in any other business would constitute unfair competition. Franchisee shall: (a) not use the Confidential Information in any other business or capacity; (b) maintain the absolute secrecy and confidentiality of the Confidential Information during and after the term of this agreement; (c) not make unauthorized copies of any portion of the Confidential Information; and (d) adopt and implement all reasonable procedures Franchisor prescribes from time to time to prevent unauthorized use or disclosure of or access to the Confidential Information. Franchisee shall divulge the Confidential Information only to those employees and agents of Franchisee who must have access to it in order to operate the Franchised Business in accordance with this agreement or to provide professional services or advice to Franchisee. In connection therewith, Franchisee is fully responsible for ensuring that its employees and agents comply with this section. The provisions of this paragraph will survive the expiration, termination or cancellation of this agreement.

10.4. Remedies. Franchisee acknowledges that any failure to comply with section 10.3 will cause Franchisor irreparable injury, and Franchisee consents to the issuance of, and agrees to pay all reasonable legal expenses incurred by Franchisor in obtaining, specific performance of or any injunction by a court of competent jurisdiction against a violation of, the requirements of section 10.3. This remedy is in addition to any other remedies that may be available to Franchisor. Franchisor understands that an individual shall not be held criminally liable or civilly liable under any United States federal or state trade secret law for the disclosure of a trade secret that: (1) is made (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (2) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under 18 U.S.C. § 1833.

10.5. Preservation of Confidentiality. Franchisee shall require Franchisee’s Principals, Remote Principals, directors, officers, and management employees, at the time of the commencement of their association with Franchisee, to execute confidentiality agreements, in a form approved by Franchisor, requiring that all Confidential Information that may be acquired by or imparted to such persons be held in strict confidence and used solely for the benefit of Franchisee and Franchisor, at all times during their association with Franchisee and thereafter. Franchisee shall require each prospective purchaser of the Franchised Business, of the license granted under this agreement, or of any interest in Franchisee, before disclosing any Confidential Information to such person, to execute a confidentiality agreement, in a form approved by Franchisor, requiring that all Confidential Information that may be disclosed to such person in connection with his or her investigation of Franchisee or the Franchised Business will be held in strict confidence and used solely to evaluate the contemplated transaction. All confidentiality agreements described in this paragraph must include a specific identification of Franchisor as a third-party beneficiary with the independent right to enforce the agreement.

ARTICLE 11

ADVERTISING

Recognizing the value of marketing and the importance of consistency of advertising and promotion to the furtherance of the goodwill and public image of the System and the development of Franchisor's brands, the parties agree that Franchisor shall conduct, determine, maintain, and administer all national and/or regional marketing funds that are or may hereafter be established under section 11.2, and has sole discretion over the concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout, and content of all national, regional, and local advertising, and accordingly agree as follows:

11.1 Advertising Contribution. As required in sections 5.3 and 5.4, Franchisee shall contribute to such national and/or regional marketing funds (collectively, the "Advertising Funds") as Franchisor may establish for marketing for the System.

11.2 Advertising Funds. Franchisor has the right, in its Business Judgment, to establish one or more Advertising Funds, both national and/or regional, and to designate any geographical area as a region for establishing regional Advertising Funds. Franchisor shall maintain and administer the Advertising Funds as follows:

- (a) Franchisee agrees and acknowledges that the Advertising Funds are intended to maximize general public recognition and acceptance of the Marks for the benefit of all Franchises within the System or within a region, as the case may be, and that Franchisor is not obligated in administering the Advertising Funds to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contributions or to ensure that any particular House Doctors Franchisee benefits directly or pro rata from the placement of advertising.
- (b) The Advertising Funds are not and will not be assets of Franchisor. The Advertising Funds, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, managing, researching, directing and preparing advertising, promotional and/or public relations activities, including but not limited to the costs of preparing and conducting marketing and public relations campaigns in various media; managing branding and trademark reputation across various media; direct mail, outdoor billboard and other advertising; marketing surveys and other public relations activities; employing advertising, public relations and other agencies to assist therein; product development; developing and providing promotional and other marketing materials for House Doctors Franchisees; developing and improving websites and Internet activities; preparing and conducting meetings and training; and developing and using technology.
- (c) Franchisor shall, for each of its company-owned locations (if any), make contributions to the Advertising Funds on the same basis as assessments required of comparable House Doctors Franchisees.
- (d) Franchisee shall contribute to the Advertising Funds by separate check made payable to HOUSE DOCTORS NATIONAL ADVERTISING FUND or such other designation as Franchisor may from time to time prescribe. All contributions by Franchisee to the Advertising Funds shall be maintained in an account separate from the other moneys of Franchisor. The contributions may not be used to defray any of Franchisor's general expenses, except for reasonable salaries, overhead and administrative, accounting, legal (including the defense of any claims against Franchisor and/or Franchisor's designee regarding the management of the Advertising Funds) and other costs, if any,

as Franchisor may incur in activities reasonably related to the administration or direction of the Advertising Funds or marketing programs for House Doctors Franchisees and the System, including the costs of enforcing contributions to the Advertising Funds required under this agreement and the costs of preparing a statement of operations. The Advertising Funds and their earnings will not otherwise inure to the benefit of Franchisor. Franchisor shall maintain separate bookkeeping accounts for each Advertising Fund. Franchisor may loan money to the Advertising Funds.

(e) It is anticipated that all contributions to and earnings of the Advertising Funds shall be expended for marketing, promotional and/or other permitted purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the Advertising Funds at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.

(f) Franchisee agrees that Franchisor (and any designee of Franchisor) will have no direct or indirect liability or obligation to Franchisee, the Advertising Funds, or otherwise with respect to the management, maintenance, direction, or administration of the Advertising Funds. Franchisee further agrees that Franchisor will not be liable for any act or omission, whether with respect to the Advertising Funds or otherwise, that is consistent with this agreement or other information provided to Franchisee, or that is done in subjective good faith. Franchisee and Franchisor, each having a mutual interest and agreeing on the critical practical business importance of their relationship being governed solely by written instruments signed by the parties to be bound (and not having either party subject to the uncertainty inherent in the application of legal or other concepts not expressly agreed to in writing by both parties), agree that their rights and obligations with respect to the Advertising Funds and all related matters are governed solely by this agreement, and that neither this agreement nor the Advertising Funds are in the nature of a “trust,” “fiduciary relationship” or similar special arrangement, but is only an ordinary commercial relationship between independent businesspersons for their independent economic benefit.

11.3 Termination of Advertising Funds. Although Franchisor intends the Advertising Funds to be of perpetual duration, Franchisor has the right to terminate any Advertising Fund. No Advertising Fund may be terminated, however, until all moneys in the Advertising Fund have been expended for marketing and/or promotional purposes or returned to House Doctors Franchisees in Good Standing on the basis of their respective contributions during the one-year period immediately preceding the termination.

11.4 Marketing Materials. Franchisee shall obtain and maintain an adequate supply of brochures, pamphlets, and special promotional materials of such kind and size as Franchisor may reasonably require from time to time in the Manual or otherwise in writing.

11.5 Delegation of Franchisor’s Duties. Franchisor has the right to delegate and redelegate its responsibilities and duties under this agreement to any designee(s) of its choosing, but shall retain the right of final approval of all marketing programs at all times.

11.6 Approval of Advertising. All advertising by Franchisee in any medium must be conducted in a dignified manner, conform to such standards and requirements as Franchisor may specify from time to time in writing, conform to all applicable laws and regulations relating to consumer advertising, be completely accurate and truthful, and give notice that the Franchised Business is independently owned and operated. Franchisee shall submit to Franchisor (by certified mail, return receipt requested), for Franchisor’s prior approval (except with respect to prices to be charged), samples of all advertising and promotional plans and

materials, including signs, and all other materials displaying the Marks that Franchisee desires to use and that have not been prepared or previously approved by Franchisor. Unless Franchisee receives a written objection thereto from Franchisor within fifteen days after Franchisor's receipt thereof, Franchisor will be deemed to have given the required approval. Franchisee shall display the Marks in the manner prescribed by Franchisor on all signs and all other advertising and promotional materials used in connection with the Franchised Business. The word "advertising" as used in this agreement includes signs (including signs on vehicles), uniform resource locators ("URLs"), e-mail addresses, Internet listings, banners, advertisements, pay-per-click programs, and other services or links on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines (including Google.com and Yahoo.com), social media sites (including FaceBook, LinkedIn, Plaxo, MySpace, Twitter and Naymz) and similar services. Additionally, in order to present a unified and consistent image to consumers, Franchisor has the sole and exclusive right, but not the obligation, to own and control any and all Internet Websites or web pages relating to or bearing the Marks, the System, or the Franchised Business, and to control other advertising, marketing and promotional activities relating to the Marks, the System, or the Franchised Business that are national or international in scope.

11.7 Website. Franchisee specifically acknowledges and agrees that a Website is "advertising" under this agreement, and is subject to (among other things) Franchisor's approval under section 11.6. In connection with any Website, Franchisee agrees to the following:

- (a) Franchisor has the right, but is not obligated, to establish and maintain a Website, which may, without limitation, promote the Marks, the System, any or all of the Authorized Products and Services, House Doctors franchised or company-owned locations, and/or the offer and sale of House Doctors Franchises. Franchisor has the sole right to control all aspects of the Website, including its design, content, functionality, links to the websites of third parties, legal notices and policies and terms of usage. Franchisor also has the right to discontinue the operation of the Website at any time.
- (b) Franchisee shall not establish a separate Website.
- (c) Franchisee shall not establish or permit or aid any other person to establish any links to any Website or any other electronic or computer-generated advertising or communication arrangement that Franchisor may establish.
- (d) Franchisor has the right, but is not obligated, to designate one or more web page(s) to describe Franchisee, the Franchised Business, and/or Franchisee's location, with such web page(s) to be located within Franchisor's Website. Franchisee shall comply with Franchisor's policies and terms of use with respect to the creation, maintenance and content of any such web pages, and Franchisor has the right to limit and/or discontinue the content and/or operation of such Website and web pages.
- (e) Franchisor has the right to modify the provisions of this section 11.7 relating to Websites as Franchisor in its Business Judgment determines is necessary or appropriate for the best interests of the System.

11.8 Local Advertising. Franchisee shall spend at least the Minimum Monthly Local Advertising Amount during each calendar month. The Minimum Monthly Local Advertising Amount is currently \$3,000. Local Advertising expenditures must be made directly by Franchisee. Franchisee's failure to spend at least the aggregate Minimum Monthly Local Advertising Amounts for three months in any one quarter will constitute a material default of this agreement. Franchisee may cure the default by paying to the Advertising Fund, within one month after notice from Franchisor, the difference between the Minimum Monthly Local

Advertising Amounts for the relevant periods less Franchisee's actual Local Advertising expenditures for the same periods. Franchisee may not use any advertising or promotional plans or materials (including circulars, brochures, flyers, newspaper and direct mail advertisements, and radio and television commercials) without Franchisor's prior approval pursuant to the procedures in section 11.6.

11.9 Advertising Cooperatives. Franchisor may, in its Business Judgment, designate any geographical area in which at least two House Doctors Franchises are located for the purpose of establishing a local or regional marketing and advertising cooperative (a "Cooperative"). Franchisee shall take appropriate steps to establish and participate in a Cooperative if required to do so by Franchisor. If a Cooperative for the geographical area in which the Franchised Business is located has already been established when Franchisee opens the Franchised Business, then Franchisee shall immediately become a member of the Cooperative under the terms of its governing documents. If a Cooperative for the geographical area in which the Franchised Business is located is established during the term of this agreement, Franchisee shall immediately become a member of the Cooperative, and take all steps necessary to become a member. In no event shall Franchisee be required to be a member of more than one Cooperative for the Franchised Business established under this agreement. The following provisions apply to each Cooperative:

- (a) Each Cooperative will be organized and governed in a form and manner prescribed or approved by Franchisor in writing, and will commence operations on a date specified by Franchisor. Any disputes arising between Franchisee and the Cooperative or other House Doctors Franchisees in the Cooperative will be resolved in accordance with the rules and procedures in the Cooperative's governing documents.
- (b) Each Cooperative will be organized for the exclusive purpose of administering local or regional marketing programs and developing, subject to Franchisor's approval, standardized promotional materials for use by the members in local advertising and promotion.
- (c) No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without the prior approval of Franchisor pursuant to the procedures in section 11.6.
- (d) Each month that a Cooperative is in existence for Franchisee's geographical area, Franchisee shall contribute to the Cooperative an amount specified by Franchisor or the Cooperative (the "Cooperative Contribution"). Franchisee's Cooperative Contribution will be credited towards Franchisee's Minimum Monthly Local Advertising Amounts required by section 11.8, but will not be credited towards the Advertising Contribution required by section 11.1.
- (e) Franchisor or the members of the Cooperative will determine the amount of the Cooperative Contribution in accordance with its governing documents, but the Cooperative Contribution may not exceed 4% of Franchisee's Gross Sales unless the members of the Cooperative, by a majority vote conducted in accordance with its rules, bylaws, or other governing documents, agree to a Cooperative Contribution in excess thereof. Franchisee shall pay its Cooperative Contribution, together with any statements or reports that Franchisor or the Cooperative (with Franchisor's prior written approval) may require, on a date each month determined by the Cooperative, but no later than the tenth day of each month.
- (f) For each Franchise operated by Franchisor or an Affiliate of Franchisor in a geographical area for which a Cooperative has been established, Franchisor shall make a Cooperative Contribution on the same basis as assessments required of comparable House Doctors Franchisees that are members of the same Cooperative.

(g) Cooperatives established by Franchisor are intended to be of perpetual duration. However, Franchisor maintains the right to terminate any Cooperative. Franchisor shall use any unexpended monies from the terminated Cooperative only for advertising or promotional purposes for the System.

ARTICLE 12

TRANSFERABILITY OF INTEREST

12.1 Transfer by Franchisor. Franchisor has the right to transfer or assign all or any part of its rights and/or obligations under this agreement to any person, including a subfranchisor specifically responsible for assisting Franchisee. Franchisee shall execute any forms that Franchisor may reasonably request to effectuate any transfer or assignment by Franchisor.

12.2 Transfer by Franchisee.

(a) Franchisee understands and acknowledges that its rights and duties in this agreement are personal to Franchisee, and that Franchisor has entered into this agreement in reliance upon Franchisee's business skills and financial capacity. Accordingly, neither Franchisee, any Principal or Remote Principal of Franchisee, or any immediate or remote successor to any part of Franchisee's interest in the Franchise granted under this agreement, may Transfer any interest in this agreement, in the Franchised Business or the Franchise granted under this agreement, or in Franchisee, without the prior written consent of Franchisor. Any purported Transfer, by operation of law or otherwise, not having the written consent of Franchisor, is null and void and constitutes a material breach of this agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Article 13.

(b) Except as provided in sections 12.2(c) and (d), Franchisor shall not unreasonably withhold its consent to a Transfer, but Franchisor, in its Business Judgment, may require as conditions to Franchisor's consent:

(1) All of Franchisee's accrued monetary obligations to Franchisor or any of its Affiliates and all other outstanding obligations related to the Franchised Business (including obligations under any promissory note in favor of Franchisor or its Affiliates) must be satisfied.

(2) The transferee must attend a discovery day at Franchisor's headquarters.

(3) Franchisee, its Principals, and Remote Principals must execute a General Release effective as of the date of Transfer.

(4) The transferee must execute a General Release of any and all claims against Franchisor with respect to any representations regarding the Franchise, the business conducted pursuant thereto, or any other matter, which may have been made to the transferee by Franchisee or any of its Principals, Remote Principals, directors, officers, employees, or agents.

(5) The transferee must demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the

Franchised Business (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to operate the business.

(6) The transferee must execute Franchisor's then-current form of franchise agreement and such ancillary agreements as Franchisor may require, for a term ending on the Expiration Date or two years from the effective date of the Transfer, whichever is later.

(7) The transferee or its Designated Manager must successfully complete, within a reasonable period of time after the closing of the Transfer but before the transferee assumes the day-to-day operation of the Franchised Business, Franchisor's initial training program for new franchisees or similar training program then in effect for House Doctors Franchisees. Franchisor shall provide initial training program and all related materials at no cost to the transferee, but the transferee will be responsible for all transportation, lodging, meals and other expenses related to initial training program.

(8) Franchisor must approve the material terms and conditions of the Transfer, including that the price and terms of payment are not so burdensome as to adversely affect the operation of the Franchised Business by the transferee.

(9) Franchisee has provided Franchisor with an opportunity to exercise Franchisor's right of first refusal under section 12.4 of this agreement, and Franchisor has declined to exercise that right.

(10) All of the transferee's obligations to Franchisee must be subordinated to transferee's obligations to Franchisor (whether arising before or after the date of the Transfer), and Franchisee and the transferee must execute any and all instruments reasonably required by Franchisor to evidence the subordination.

(11) The transferee must assume, for a period of one year after the Transfer, all of Franchisee's customers warranty obligations for work performed before the Transfer.

(12) Franchisee must comply with the requirements of section 10.5 relating to the disclosure of Confidential Information to a prospective transferee.

(13) Either Franchisee or the transferee must pay Franchisor the Transfer Fee (as defined in section 19.54) plus Franchisor's actual expenses, to cover the administrative, legal and other expenses incurred by Franchisor (including but not limited to any broker commissions) in connection with the Transfer. No Transfer Fee will be required if the transferee is: (i) a spouse, domestic partner, parent or direct lineal descendant or sibling of Franchisee or one of its Principals; (ii) a Principal of Franchisee; or (iii) a Business Organization formed solely for the convenience of ownership or tax purposes or to limit Franchisee's liability for debts of the Franchised Business in accordance with section 12.3, if the entire Franchised Business and all of Franchisee's interest in this agreement are Transferred to the Business Organization and, immediately after the Transfer, Franchisee or one or more of the individuals listed in clause (i) of this subparagraph will beneficially own 100% of the Ownership Interests in the Business Organization.

(c) Notwithstanding any other provision of this section 12.2, neither Franchisee, any Principal or Remote Principal, or any immediate or remote successor to any part of Franchisee's interest in the Franchise granted under this agreement, shall pledge, mortgage, grant a security interest, or otherwise encumber any interest in this agreement, in the Franchise granted under this agreement,

or in Franchisee (whether or not in connection with an absolute Transfer of an interest in the Franchised Business). Franchisor is not obliged to consent to any such Transfer.

(d) Notwithstanding any other provision of this section 12.2, neither Franchisee, any Principal or Remote Principal, or any immediate or remote successor to any part of Franchisee's interest in the Franchise granted under this agreement, shall Transfer any interest in this agreement, in the Franchise granted under this agreement, or in Franchisee to a person that owns, operates, franchises, develops, consults with, manages, is involved in, or controls a Competitive Business. If Franchisor refuses to permit a Transfer under this paragraph, the sole remedy of Franchisee, its Principals and Remote Principals will be to have a mediator or court determine whether the proposed transferee's business is a Competitive Business.

(e) In connection with any proposed Transfer, Franchisee shall comply with any laws that apply to the Transfer, including state and federal laws governing the offer and sale of franchises. Franchisee shall indemnify and defend the Franchisor-Related Persons and hold them harmless against any and all claims arising and expenses incurred (including attorney fees) directly or indirectly from, as a result of, or in connection with any alleged failure on Franchisee's part to comply with any franchise law or other law applicable to a Transfer.

(f) In connection with any proposed Transfer, Franchisor has the right to communicate with any prospective transferee and to make available for inspection by any prospective transferee all or any part of Franchisor's records relating to this agreement, the business operations, financial condition, contracts and history of the Franchised Business under Franchisee's ownership, or the history of the relationship of the parties, without any liability to Franchisee or its Affiliates, Principals, Remote Principals, directors, officers, employees or agents. Franchisee hereby specifically consents to such disclosure by Franchisor and absolutely releases and agrees to hold Franchisor harmless from and against any claim, loss or injury resulting therefrom.

12.3 Transfer to Controlled Entity. Franchisee may Transfer all of its interest in the Franchised Business to a Business Organization formed solely for the convenience of ownership or tax purposes, or to limit Franchisee's liability for debts of the Franchised Business, without Franchisor's consent, upon Franchisee's written notice to Franchisor and compliance with the following requirements:

(a) The transferee entity must be newly organized and its articles of incorporation or organization, bylaws, partnership agreement, or operating agreement must provide that its activities are confined exclusively to operating the Franchised Business.

(b) Franchisee shall beneficially hold a Controlling Interest in the transferee entity, shall not diminish his/her Ownership Interest therein, except as may be required by law, and shall act as its principal executive and operating officer, partner, or member.

(c) Franchisee shall provide Franchisor, on a form satisfactory to Franchisor, with written information about each Principal of the transferee entity and the Ownership Interest thereof, and shall agree to promptly notify Franchisor of any changes in any such information during the term of this agreement.

(d) The transferee entity shall designate a Designated Manager in compliance with section 7.17.

(e) Franchisee, the transferee entity and all of its Principals shall enter into an agreement, in a form satisfactory to Franchisor, under which Franchisee assigns and the transfer entity assumes all of Franchisee's rights and obligations under this agreement.

(f) All Principals of the transferee entity must enter into a Guaranty and Assumption of Obligations, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of the transferee entity's obligations to Franchisor and a Nondisclosure and Noncompetition Agreement in a form satisfactory to Franchisor.

(g) Each ownership certificate of the transferee entity must have conspicuously endorsed upon its face the following legend:

"The transfer, sale or pledge of these shares is subject to the terms and conditions of a Franchise Agreement with Saltire Brands LLC."

If Franchisee is a partnership or limited liability company without certificates evidencing ownership, Franchisee shall provide Franchisor with acceptable evidence that its partnership or operating agreement or other organizational documents contain provisions acceptable to Franchisor prohibiting the Transfer of any Ownership Interest in Franchisee other than in compliance with the terms of this agreement. Franchisee shall not cause or permit any such provision to be deleted or modified during the term of this agreement.

(h) Franchisee shall furnish Franchisor for its approval copies of the transferee entity's articles of incorporation or organization, by-laws, partnership or operating agreement, and other governing documents, including the resolutions of its Principals or governing board authorizing the execution of this agreement.

(i) The name of the transferee entity may not consist of or contain any of the Marks.

(j) Franchisee shall reimburse Franchisor for actual legal costs incurred by Franchisor in approving and effecting the Transfer.

12.4 Franchisor's Right of First Refusal. Before Franchisee may complete a Transfer, Franchisee or its Principals shall first obtain a bona fide, executed, written offer from a responsible and fully disclosed purchaser and shall submit an exact copy thereof to Franchisor. For a period of thirty days after the date of delivery of the offer to Franchisor, Franchisor will have the right, exercisable by written notice to Franchisee or any of its Principals, to purchase the rights or interests to be transferred in the offer for the same price and on the same terms and conditions contained in the offer, except that Franchisor may substitute equivalent cash for any form of payment proposed in the offer. Any purchase by Franchisor must be completed within sixty days after Franchisee's receipt of Franchisor's written notice of its intent to purchase. If Franchisor does not exercise its right of first refusal, Franchisee or its Principals may complete the Transfer to the bona fide purchaser, subject to Franchisor's approval of the purchaser as provided in section 12.2. If the sale to that purchaser is not completed within one hundred twenty days after the delivery of the offer to Franchisor, Franchisor will again have the right of first refusal herein provided.

12.5 Right of Franchisee's Heirs Upon Death, Disability or Dissolution of Franchisee. A Transfer to the heirs, surviving spouse, conservators, or personal or other legal representative of Franchisee or a Principal of Franchisee (collectively, "Involuntary Transferees") upon the death, dissolution or legal disability of Franchisee or its Principal, shall not be subject to Franchisor's right of first refusal under section 12.4 or right to terminate for failure to obtain written approval under section 12.2(a), so long as the Involuntary Transferees (i) satisfy Franchisor that they are qualified to act as Franchisee pursuant to section

12.2(b)(5) herein or retain an individual or entity to operate and manage the Franchised Business who is so qualified and who is approved in writing by Franchisor, and (ii) perform all other applicable acts required under section 12.2 herein. The Transfer must be made within one hundred eighty days after the death, disability or dissolution of Franchisee or Franchisee's Principal, as the case may be. Any subsequent Transfer by any Involuntary Transferees will be subject to Franchisor's right of written approval under section 12.2 and to Franchisor's right of first refusal under section 12.4. A Transfer to Involuntary Transferees does not require the payment of the Transfer Fee required by section 12.2(b)(13), but Franchisee shall pay any legal costs incurred by Franchisor to approve and effect the Transfer.

ARTICLE 13

TERMINATION

13.1 Termination Without Opportunity to Cure. Franchisor may terminate this agreement upon notice to Franchisee, with immediate effect and without opportunity to cure, upon the occurrence of any of the following events:

- (a) Franchisee or the Designated Manager fails to complete the initial training program described in section 7.1 to Franchisor's satisfaction within six months after the Effective Date;
- (b) Franchisee fails to open the Franchised Business within six months after the Effective Date (or, with Franchisor's prior written approval, such longer period as may be required to comply with governmental licensing requirements);
- (c) after opening the Franchised Business, Franchisee abandons it or otherwise fails to maintain it in continuous operation;
- (d) Franchisee is declared bankrupt or insolvent or Franchisee is the debtor in a voluntary or involuntary bankruptcy proceeding under the U.S. Bankruptcy Code;
- (e) a receiver is appointed for Franchisee or for any part of its property, or Franchisee makes any assignment for the benefit its creditors, if not dismissed within fifteen days;
- (f) after Franchisee's receipt of a notice of noncompliance (regardless of the source of the notice) applicable to the Franchised Business, Franchisee fails, within the time limit stated in the notice (or, if no time limit is stated or referred to in the notice, within thirty days) to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business, unless Franchisee in good faith and with due diligence disputes the allegation of noncompliance;
- (g) any Transfer or attempted Transfer that fails to comply with the provisions of Article 12;
- (h) Franchisee maintains false books or records or submits any false report, record or document to Franchisor, knowing the same to be false;
- (i) the Franchised Business or Franchise Premises are seized, taken over, or foreclosed by a government official in the exercise of his duties or by a creditor, lienholder or lessor of Franchisee;
- (j) a final judgment against Franchisee remains unsatisfied for thirty days (unless a supersedeas or other appeal bond has been filed);
- (k) a levy of execution has been made upon the license granted by this agreement or upon any property used in the Franchised Business, which is not discharged within fifteen days;

- (l) a material misrepresentation by Franchisee relating to the acquisition of its Franchise;
- (m) any conduct or activity by Franchisee or any Principal, Remote Principal, director, or officer of Franchisee, that is reasonably likely to have an adverse effect or reflect unfavorably on the Franchised Business, Franchisor, the System, the Marks, or the goodwill associated therewith, including a felony conviction of Franchisee or any Principal, Remote Principal, director or officer of Franchisee;
- (n) within the same one-year period, Franchisee breaches any term of this agreement after having breached the same term three times (provided that Franchisee was given notice of the first three breaches and an opportunity to cure as required herein);
- (o) Franchisee breaches section 15.1 after having breached that section (though not necessarily the same subsection thereof) twice at any time (provided that Franchisee was given notice of the first two breaches and an opportunity to cure as required herein); or
- (p) Franchisor reasonably determines that the continued operation of the Franchised Business by Franchisee will result in immediate danger to public health or safety.

13.2 Termination with Opportunity to Cure. This agreement will automatically terminate thirty days (or such longer period as may be required by applicable law) after Franchisee's receipt of written notice of any of the following events of default, unless Franchisee cures the default within the thirty-day period (or such longer period as may be required by applicable law):

- (a) Franchisee fails to pay when due any sum it is required to pay under this agreement or any other agreement or instrument between Franchisee and any Franchisor-Related Person;
- (b) Franchisee fails to furnish when due any report required by this agreement;
- (c) Franchisee fails to attain the Minimum Quarterly Gross Sales quotas required by section 7.7 for two consecutive calendar quarters (unless cured as provided in section 5.2 or unless the parties mutually agree on a reduction of the size of the Territory in lieu of termination);
- (d) Franchisee fails to spend in any quarter at least the aggregate Minimum Monthly Local Advertising Amounts for the three months in that quarter (unless cured as provided in section 11.8);
- (e) Franchisee fails to operate its Franchise in compliance with the terms of this agreement, the Manual, or the System Standards;
- (f) Franchisee breaches or fails to perform any provision of this agreement not otherwise described in section 13.1, or breaches or fails to perform any provision of any other agreement between Franchisee and any Franchisor-Related Person; or
- (g) Franchisee understates its Gross Sales in any report submitted to Franchisor.

13.3 Failure to Cure Default. If Franchisee fails to cure any default within the applicable time period stated in section 13.2, Franchisee shall indemnify Franchisor for all damages, costs and expenses incurred by Franchisor as a result of Franchisee's default, including reasonable attorney and accounting fees. This paragraph applies regardless of whether or not Franchisor exercises its right to terminate this agreement. Termination of this agreement by Franchisor in accordance with this Article 13 does not prejudice any other legal or equitable rights or remedies Franchisor may have. This paragraph will survive the expiration, termination or cancellation of this agreement.

ARTICLE 14

OBLIGATIONS UPON TERMINATION

14.1 Upon the termination or expiration of this agreement, for any reason, Franchisee shall take the following actions:

- (a) Franchisee shall immediately and permanently cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former House Doctors Franchisee.
- (b) Franchisee shall immediately and permanently cease all use of the Marks and any derivative or confusingly similar variation thereof.
- (c) Franchisee shall immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, materials, confidential methods, procedures, or techniques associated with the System or which display the Marks or any other distinctive forms, slogans, signs, symbols, or devices associated with or belonging to Franchisor. Without limiting the generality of the preceding sentence, Franchisee's obligations under this paragraph include (i) permanently discontinuing all Internet advertising, including FaceBook, LinkedIn, Plaxo, MySpace, Twitter, Naymz, Service Magic, Google, and pay-per-click programs, containing any of the Marks or any derivative or confusingly similar variation thereof, and (ii) permanently removing or obscuring from the exterior of all vehicles belonging to Franchisee or used in the operation of the Franchised Business, the Trade Name, the Marks, and all telephone numbers used in connection with the Franchised Business.
- (d) Franchisee shall make such modifications or alterations to the Franchise Premises (including changing all telephone numbers), including the improvements thereon, as may be necessary or requested by Franchisor to prevent the operation of any business on the Franchise Premises that might be deemed substantially similar to that of Franchisor or any other House Doctors Franchisee. If Franchisee fails or refuses to comply with the requirements of this section, Franchisor has the right to enter the Franchise Premises, without being guilty of trespass or any other tort or crime, for the purposes of making or causing to be made such changes as may be required at the expense of Franchisee (this sentence does not apply if the Franchise Premises is located in Franchisee's residence).
- (e) Franchisee shall promptly turn over to Franchisor, at Franchisee's expense, all sales literature, brochures, mailers, advertisements, commercials and promotional materials bearing any of the Marks, and complete, accurate and legible copies of all customer lists, records, correspondence and agreements, and all financial and other business records relating to the Franchised Business, in the same medium as the information was stored by Franchisee.
- (f) Franchisee shall promptly return to Franchisor, at Franchisee's expense, all training and operating Manuals, computer disks, policies, procedures, bulletins, memoranda, notices and instructions provided to Franchisee by Franchisor under Articles 6 and 9 or otherwise relating to the Franchised Business (all of which Franchisee acknowledges to be Franchisor's sole property), together with all copies thereof.
- (g) Franchisee shall promptly delete all Confidential Information (including proprietary software) relating to the Franchised Business from all computers (whether or not owned by Franchisee and including computers owned by Principals, Remote Principals, officers, directors, employees, and

relatives of Franchisee or any of the foregoing persons) and return to Franchisor the original disks for all proprietary software.

(h) At Franchisor's option, Franchisee shall either cancel or assign to Franchisor or Franchisor's designee, all of Franchisee's right, title and interest in and to all (i) telephone numbers used for the Franchised Business or otherwise listed under the Trade Name or any of the Marks, and all related Yellow Pages, White Pages and other business listings, and (ii) Websites, web pages, listings, banners, URLs, advertisements or any other services and links related to the Franchised Business or use of the Marks on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, social media sites, search engines or other similar services.

(i) Franchisee shall immediately pay all sums due and owing to Franchisor, whether pursuant to this agreement or otherwise, including any unpaid Advertising Contributions and Royalties.

(j) Franchisee shall promptly take such action as may be necessary to cancel any fictitious or assumed name or equivalent registration that contains the Trade Name or any of the other Marks, and furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty days after the termination or expiration of this agreement.

(k) If Franchisee's general liability insurance policy required by section 7.11 is a "claims made" policy, Franchisee shall obtain and maintain in effect tail coverage for the insurance policy to extend the period in which claims may be asserted for a period of time not less than the applicable statute of limitations in the jurisdiction in which the Franchised Business is located, or for two years, whichever is less, and furnish Franchisor with a certificate of insurance evidencing compliance with this obligation within thirty days after the termination or expiration of this agreement and at least thirty days before each renewal date thereafter.

14.2 Franchisee does hereby irrevocably constitute and appoint Franchisor as the true and lawful agent and attorney-in-fact, coupled with an interest, for Franchisee to carry out Franchisee's obligations under this Article 14. Franchisee agrees to promptly execute, acknowledge and deliver to Franchisor any and all such documents as may be required to carry out Franchisee's obligations hereunder. The provisions of this Article 14 will survive the expiration, termination or cancellation of this agreement.

ARTICLE 15

RESTRICTIVE COVENANTS

15.1 Franchisee's Covenants During Term of Franchise Agreement. Franchisee specifically acknowledges that, pursuant to this agreement, Franchisee will receive valuable specialized training and Confidential Information, including information regarding the design, development and operation of the Franchised Business, and the sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, during the term of this agreement, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with, any person (including the spouse or children of Franchisee or any Principal or Remote Principal):

(a) divert or attempt to divert any business or customer of the Franchised Business or of any other House Doctors Franchisee to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System;

- (b) employ or seek to employ any person who is at that time employed by Franchisor or any other House Doctors Franchisee, or otherwise directly or indirectly induce or attempt to induce such person to leave his or her employment;
- (c) own, maintain, engage in or have any interest in any Competitive Business;
- (d) offer, sell, or provide any Authorized Products or Services at site located within a franchise territory licensed to another House Doctors Franchisee, or otherwise infringe upon rights granted under franchise agreements with other House Doctors Franchisees; or
- (e) aid, assist or provide goods or services to any Competitive Business.

15.2 Post-Termination Noncompetition. Franchisee shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this agreement (regardless of the cause for termination) and continuing for ONE YEAR thereafter, directly or indirectly, for itself or through, on behalf of, or in conjunction with any person (including the spouse or children of Franchisee or any Principal or Remote Principal), own, maintain, operate, engage in, or have any interest in, any Competitive Business that is located or operates within the geographical boundaries of the Territory. This covenant will survive the expiration, termination or cancellation of this agreement. The time period referred to in this section will be stayed during any violation or breach of the terms of this section.

15.3 Post-Termination Nonsolicitation. For a continuous and uninterrupted period commencing upon the expiration or termination of this agreement (regardless of the cause for termination) and continuing for TWO YEARS thereafter, Franchisee shall not, directly or indirectly, for itself or through, on behalf of, or in conjunction with any person (including the spouse or children of Franchisee or any Principal or Remote Principal), solicit, contact, or otherwise communicate with any person who was a customer of the Franchised Business at any time, for the purpose of promoting, advertising, or offering Authorized Products and Services or other products or services that had been offered by the Franchised Business. The time period referred to in this section will be stayed during any violation or breach of the terms of this section. The provisions of this section will survive the expiration, termination or cancellation of this agreement.

15.4 Exception for Publicly Traded Company. Section 15.2 does not apply to the beneficial ownership of less than 1% of the outstanding equity securities of any Business Organization that is registered under the Securities and Exchange Act of 1934.

15.5 Covenants Independent and Severable. Each of the covenants in sections 15.1 through 15.3 is to be construed as independent of any other provision of this agreement. If all or any portion of a covenant in this Article 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenants subsumed within the terms of the unreasonable or unenforceable covenant that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this Article 15.

15.6 Reduction of Covenants by Franchisor. Franchisor has the right, in its Business Judgment, to reduce the scope of any covenant in this Article 15, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of section 18.3 hereof.

15.7 Claims Against Franchisor No Defense. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this agreement, will not constitute a defense to the enforcement by Franchisor of the covenants in this Article 15.

15.8 Injunctive Relief. Franchisee acknowledges that Franchisee's violation of the terms of this Article 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available; and Franchisee accordingly consents to the issuance of, and agrees to pay all court costs and reasonable legal expenses incurred by Franchisor in obtaining, an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article 15.

15.9 Nondisclosure and Noncompetition Agreements. At the request of Franchisor, Franchisee shall provide Franchisor with an executed "Nondisclosure and Noncompetition Agreement" containing covenants similar in substance to those in this Article 15 (including covenants applicable upon the termination of a person's relationship with Franchisee), from each of the Principals, officers, and directors of Franchisee and the Principals, officers, and directors of any non-individual Principal of Franchisee. With respect to each person who becomes associated with Franchisee in one of those capacities after the Effective Date, Franchisee shall require and obtain a Nondisclosure and Noncompetition Agreement from them and promptly provide Franchisor with an executed copy thereof. Franchisee shall not grant any person holding any of the foregoing positions access to any confidential aspect of the System or the Franchised Business before they execute a Nondisclosure and Noncompetition Agreement. All Nondisclosure and Noncompetition Agreements required by this section must be in form satisfactory to Franchisor, including the specific identification of Franchisor as a third-party beneficiary with the independent right to enforce it. Franchisee's failure to obtain the execution of any Nondisclosure and Noncompetition Agreement required by this section and provide them to Franchisor will be a material breach of this agreement.

ARTICLE 16

DISPUTE RESOLUTION

16.1 Injunctive Relief. Notwithstanding any provision of this agreement to the contrary, Franchisor expressly reserves the right, without first complying with the mandatory mediation provisions of section 16.2, to seek temporary and permanent injunctions and orders of specific performance from a court of competent jurisdiction to enforce the provisions of this agreement relating to (a) Franchisee's use of the Marks; (b) Franchisee's obligations upon the termination or expiration of this agreement; (c) Franchisee's obligations under Article 15; (d) a Transfer or attempted Transfer in violation of Article 12; or (e) as necessary to prohibit any act or omission by Franchisee or its agents (i) that would constitute a violation of any applicable law, ordinance, or regulation, (ii) that is dishonest or misleading to Franchisor, another House Doctors Franchisee, or a customer of Franchisee, or (iii) that may harm, tarnish, or impair Franchisor's reputation, name, services or Marks.

16.2 Mediation. Except as provided in section 16.1, if a dispute arises between the parties, and if the dispute cannot be settled through negotiation, the parties shall first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or other dispute resolution procedure. The mediation proceedings will take place at the American Arbitration Association location nearest Franchisor's principal place of business (presently Milford, Ohio).

16.3 **WAIVER OF JURY TRIAL.** EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.

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16.4 PUNITIVE DAMAGES. THE PARTIES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR CLAIM OF ANY MULTIPLE, PUNITIVE, OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

16.5 Governing Law. This agreement was accepted and executed by Franchisor in Ohio. The laws of the State of Ohio (excluding Franchise Laws as defined in section 19.18, unless the jurisdictional requirements thereof are met independently without reference to this section) govern all aspects of this agreement, without reference to Ohio conflict of laws principles, except (i) to the extent governed by the U.S. Trademark Act of 1946 and other applicable federal laws, and (ii) if any provision of this agreement would be unenforceable under Ohio law but enforceable under the laws of the state in which Franchisee resides, then the laws of the state in which Franchisee resides will govern that provision. Ohio law will prevail in the event of any conflict of laws, except as specifically provided otherwise by applicable Franchise Laws of other states. If any provision of this agreement relating to the termination, non-renewal or assignment of the franchise, or to choice of law, jurisdiction or venue, is inconsistent with any applicable Franchise Law of another state, then the applicable Franchise Law of the other state will govern. Any addendum to this agreement required by a regulatory authority or agency of another state for the purpose of disclosing or effecting salient provisions of that state's Franchise Laws is hereby made a part hereof.

16.6 Jurisdiction and Venue. All suits, actions or other proceedings between Franchisee and any of the Franchisor-Related Persons must be litigated only in the county or federal judicial district in which Franchisor's principal place of business is located (presently Clermont County, Ohio, and the Southern District of Ohio, Western Division). Franchisee consents and agrees that the following courts have personal jurisdiction over Franchisee in all lawsuits with any of the Franchisor-Related Persons, and hereby submits to the jurisdiction of the following courts and irrevocably waives any defense Franchisee may have of lack of personal jurisdiction in any lawsuit filed in these courts: (a) all courts included within the state court system of the State of Ohio; and (b) all courts of the United States of America sitting within the State of Ohio, including all United States District Courts within the State of Ohio. Franchisee consents and agrees that venue is proper in any of the following courts in all lawsuits between Franchisee and any of the Franchisor-Related Persons, and hereby irrevocably waives any right Franchisee may have to transfer or change the venue in any such lawsuits filed in these courts: (a) the state court of the county where Franchisor has its principal place of business (presently Clermont County, Ohio); and (b) the United States District Court for the Southern District of Ohio, Western Division. In the event any of these courts are abolished, Franchisee agrees that venue will be proper in the state or federal court in Ohio that most closely approximates the subject matter jurisdiction of the abolished court, as well as any of these courts that are not so abolished. Any lawsuit filed by Franchisee against any of the Franchisor-Related Persons, or by any of the Franchisor-Related Persons against Franchisee, must be filed exclusively in one of these courts, except that any claim for injunctive relief may be brought by Franchisor where Franchisee is located, in which proceeding Franchisor may also assert any other mandatory or permissible claim it may have against Franchisee. This exclusive choice of jurisdiction and venue provisions does not restrict the ability of the parties to confirm or enforce arbitration awards in any appropriate jurisdiction or the full faith and credit of any judgment obtained. In all lawsuits between Franchisee and any of the Franchisor-Related Persons, Franchisee may be served with process outside the State of Ohio in the same manner that service may be made within the State of Ohio by any person authorized to make service by the laws of the state, territory, possession or country in which service is made, or by any duly qualified attorney in that jurisdiction. Franchisee hereby waives any defense it may have of insufficiency of service of process if service is made as provided in this paragraph. This method of service is not exclusive, and service of process may be made by any other method allowed by law.

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16.7 Cost of Enforcement or Defense. If a claim for amounts owed by Franchisee or its Affiliate to Franchisor or its Affiliate is asserted in any arbitration or judicial proceeding or appeal thereof, or if Franchisor or Franchisee is required to enforce this agreement in an arbitration or judicial proceeding or appeal thereof, the party prevailing in the proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal expenses, arbitration administrative charges, arbitrators' compensation, and any other costs and expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing, or proceeding to enforce the obligations of this agreement. If Franchisor incurs expenses (including attorney and accounting fees) in connection with Franchisee's failure to pay when due amounts owing to Franchisor, to submit when due any reports, information, or supporting records or otherwise to comply with this agreement, Franchisee shall reimburse Franchisor for any such costs and expenses that it incurs.

16.8 Mediation of Disputes Between Franchisees. In the event of a dispute between Franchisee and another House Doctors Franchisee relating to or arising from (i) the violation by Franchisee of any restriction or covenant in section 1.3 or Article 15, or (ii) the violation by the other House Doctors Franchisee of a parallel covenant contained in its agreement with Franchisor, then Franchisee shall first attempt in good faith to settle the dispute by confidential, non-binding mediation before a mediator referred by American Arbitration Association ("AAA") (or any other organization upon which the parties mutually agree) and selected by the parties, in accordance with AAA's Commercial Mediation Procedures (or the procedures of such other organization), at a location to be selected by the mediator, before resorting to arbitration, litigation, or any other dispute resolution procedure (other than direct negotiation by the parties or their representatives). Franchisee shall pay all costs of mediation, unless the other House Doctors Franchisee's franchise agreement contains a clause similar to this section, in which case the parties shall equally share the costs of mediation. Franchisor may, at its option, be a party to the mediation, but will not be obligated to pay any of the costs.

ARTICLE 17

INDEPENDENT CONTRACTOR; INDEMNIFICATION

17.1 Independent Contractor. This agreement does not create a fiduciary relationship between the parties. The parties are independent contractors, and nothing in this agreement is intended to create a partnership, joint venture, employment or agency relationship between Franchisor and Franchisee for any purpose, or to authorize Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name. Franchisor will in no event assume liability for, or be deemed liable hereunder as a result of, any such action by Franchisee. Franchisor is not liable to any third party for any act or omission of Franchisee (including any claim or action against Franchisee for negligent hiring, sexual harassment, or employment discrimination) or any claim or judgment arising therefor against Franchisee. Neither this agreement nor Franchisor's course of conduct is intended, nor may anything in this agreement (nor Franchisor's course of conduct) be construed, to state or imply that Franchisor is the employer of Franchisee, Franchisee's employees and/or Franchisee's independent contractors. Franchisee shall post signage in the spaces where notices are provided to Franchisee's employees clearly stating that Franchisee is an independently owned and operated business and that Franchisor is not the employer of Franchisee's employees. **FRANCHISEE SHALL DISPLAY PROMINENTLY AT THE FRANCHISE PREMISES, ON ALL SERVICE VEHICLES, ON ALL CORRESPONDENCE WITH THIRD PARTIES, AND IN ANY PRINTED MATERIALS BEARING ITS NAME OR BUSINESS LOCATION, A STATEMENT THAT THE FRANCHISED BUSINESS IS INDEPENDENTLY OWNED AND OPERATED BY FRANCHISEE.**

17.2 Franchisee's Independent Operation. Nothing in this agreement permits or authorizes Franchisor to direct, limit, or otherwise control Franchisee's professional judgment or the professional judgment of Franchisee's employees who provide professional services at, from or through the Franchised Business. Franchisee at all times will be responsible for the operation of the Franchised Business and activities occurring at the Franchised Business. Franchisee shall have the sole right, authority, control and responsibility to choose, hire, fire, train, discipline, supervise, give direction to, determine work schedules and conditions, set and provide compensation or benefits for and manage its own employees and independent contractors; Franchisor shall not dictate or control, have responsibility for, or have any obligations in regard to, any of the foregoing or any other labor or employment matters for Franchisee and its employees or independent contractors. Franchisor and its affiliates shall not be an employer or co-employer of Franchisee or of any of Franchisee's employees or independent contractors. Franchisee will require each of its employees to sign a disclaimer acknowledging that such employee understands that Franchisee is his or her employer and that the Franchisor is not his or her employer.

17.3 Indemnification. Franchisee shall indemnify, defend, and reimburse the Franchisor-Related Persons and hold each of them harmless from and against any and all claims, debts, liabilities or obligations arising directly or indirectly from, as a result of or in connection with Franchisee's operation of the Franchised Business (excluding, however, claims arising from (i) Franchisee's proper reliance on or use of procedures or materials provided by Franchisor, or (ii) Franchisor's negligence), and shall pay all costs (including attorney and accounting fees) incurred by the Franchisor-Related Persons in defending against and/or responding to them. Franchisor has the right to defend any such claim against Franchisor in any manner Franchisor chooses in its Business Judgment. This indemnity will continue in full force and effect after the expiration or termination of this agreement.

ARTICLE 18

GENERAL TERMS

18.1 Integration. This agreement, together with its exhibits, constitutes the entire agreement between the parties relating to the subject matter hereof, and any prior agreements and understandings between the parties relating to the same subject are hereby superseded and merged into this agreement. Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

18.2 Express Agreement. The parties acknowledge that their business relationship is based solely upon this agreement and agree that it should be enforced according to its express provisions. The language of this agreement is to be construed according to its plain meaning, and not strictly against a party because it drafted this agreement. Neither party intends or expects that either party's rights and obligations in this agreement will be defined or determined to be other than as expressly written, or that additional obligations will be imposed on either party that it has not expressly assumed in writing. It would be contrary to the parties' intentions and expectations to impose any doctrine, rule of interpretation, or implied covenant, such as an "implied covenant of good faith and fair dealing."

18.3 Modification. This agreement may be modified or amended only by a written instrument signed by each of the parties.

18.4 Binding Effect; Assignment. This agreement is binding upon and inures to the benefit of the parties and their respective legal representatives, heirs, successors, and assigns, except that Franchisee may not

assign any of its rights or interest in this agreement without first complying with the provisions of section 12.2.

18.5 Section Headings and Numbers. The headings in this agreement are for reference purposes only and do not affect the meaning or interpretation of any provision of this agreement. All references to section and article numbers mean section and article numbers of this agreement unless another document is specified.

18.6 Notices. All payments must be made to the addresses listed below. All notices, requests, demands and other communications required or permitted under this agreement must be in writing, addressed as provided in this section 18.6, made by personal delivery, or by certified mail, postage prepaid, return receipt requested, or by ordinary mail, postage prepaid, or by overnight delivery service with proof of delivery, and will be effective upon actual receipt or refusal thereof or, if by ordinary mail, forty-eight hours after deposit in the United States mail, postage prepaid.

(a) If to Franchisor:

Saltire Brands LLC
400 Techne Center Drive, Suite 101
Milford, Ohio 45150

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

(b) If to Franchisee:

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

18.7 Severability.

(a) If any provision of this agreement, in whole or in part (or the application of any provision to a specific situation), is held, by the final judgment of a court of competent jurisdiction after appeal or the time for appeal has expired, to be invalid, unenforceable or in violation of any federal, state or local law, regulation or ordinance applicable to this agreement, the invalidity is to be limited to the specific provision in question or portion thereof (or to the situation in question), and this agreement is to be construed and applied in such manner as to minimize the invalidity. All other provisions of this agreement will otherwise remain in full force and effect.

(b) If any applicable and binding law or regulation of any jurisdiction requires a greater prior notice of the termination of this agreement or refusal to grant a Successor Franchise than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or regulation of any jurisdiction any provision of this agreement or any specification, standard, or operating procedure prescribed by Franchisor is invalid or unenforceable, then the prior notice and/or other action required by such law or regulation shall be substituted for the comparable provisions hereof, and Franchisor has the unlimited right to modify the invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and

enforceable. Franchisor shall be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this agreement, that may result from striking from any of the provisions hereof, or from any specification, standard, or operating procedure prescribed by Franchisor, any portion or portions that a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Any such modifications to this agreement will be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and are to be enforced as originally made and entered into in all other jurisdictions.

18.8 No Waiver. No failure of one party to exercise any power reserved to it under this agreement, or to insist upon strict compliance by the other party with any provision of this agreement, and no custom or practice of the parties in variance with the terms of this agreement, constitutes a waiver of a party's right to demand exact compliance with the terms of this agreement. A waiver by one party of any particular default by the other party is not binding unless in writing and executed by the party sought to be charged, and does not affect or impair the non-defaulting party's right with respect to any subsequent default of the same or of a different nature; nor does any delay, waiver, forbearance, or omission of one party to exercise any power or right arising out of any breach or default by the other party of any provision of this agreement, affect or impair the non-defaulting party's rights, nor shall such constitute a waiver by the non-defaulting party of any right under this agreement or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due under this agreement will not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any provision of this agreement.

18.9 Counterparts. This agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

18.10 Survival of Post-Termination Provisions. All Post-Termination Provisions of this agreement will survive the termination or expiration of this agreement or the Franchise granted under this agreement, regardless of whether the provisions specifically state so.

18.11 No Third-Party Beneficiaries. Except as may be specifically provided otherwise in and with respect to specific provisions of this agreement, nothing in this agreement is intended or will be deemed to confer any rights or remedies upon any person not a party hereto.

18.12 Interpretation. If there is an inconsistency between the terms of this agreement and the Manual, the terms of this agreement will control. Throughout this agreement, the singular includes the plural and vice versa, and the masculine includes the feminine or neuter and vice versa, wherever and whenever the context may require. The word "including" will be construed to include the words "without limitation."

18.13 Exercise of Business Judgment. In this agreement, the phrases "sole and absolute discretion," "sole discretion" and "Business Judgment" (as defined in section 19.6) mean that Franchisor has the wholly unrestricted right to make decisions and take (or refrain from taking) actions. In exercising its discretion, Franchisor will use its judgment based on its assessment of the interests it considers appropriate and is not required to consider Franchisee's individual interests or the interests of any other House Doctors Franchisee. Franchisor, Franchisee, and all other House Doctors Franchisees have a collective interest in working within a franchise system with the flexibility to adjust to changing business conditions, including the competitive environment, regulatory developments, and emerging business opportunities. Therefore the ultimate decision-making responsibility for the System must be vested in Franchisor. So long as Franchisor

acts in compliance with the requirements of this agreement, it has no liability for the exercise of its discretion in accordance with the provisions of this agreement.

18.14 Representations of Franchisee. Franchisee makes the following representations:

(a) Franchisee has received Franchisor's franchise disclosure document and exhibits thereto (including a list of House Doctors Franchisees, Franchisor's financial statements attached to the franchise disclosure document, and a copy of this agreement) at least fourteen days before the execution of any agreement or payment of any money relating to the Franchise.

(b) Other than disclosures made in Franchisor's franchise disclosure document received by Franchisee, no agent, salesperson, director, officer, or employee of Franchisor, or any other individual on Franchisor's behalf, has made any representations, warranties, inducements, claims, pro formas, forecasts, estimates, or any other statement regarding net or gross profits or net or gross sales of House Doctors Franchises generally or of any specific House Doctors Franchise.

(c) In connection with its decision to purchase a House Doctors Franchise and enter into this agreement, Franchisee has not relied upon any representation, warranty, inducement, claim, pro forma, forecast, estimate, or any other statement made by Franchisor, its agents, directors, officers, employees, or salesmen, or any other individual on behalf of Franchisor regarding financing, net or gross profits or net or gross sales of House Doctors Franchisor's generally or of any specific House Doctors Franchise, or any other material fact relating to the development of House Doctors Franchises in the area in which Franchisee intends to locate its Franchise, or any other matter pertaining to Franchisor, other than disclosures made in Franchisor's franchise disclosure document received by Franchisee.

(d) At the time Franchisee signs this agreement, there is no other written or unwritten agreement, representation, understanding, proviso, or warranty made by Franchisor or any person associated with Franchisor, other than those contained in either this agreement, an addendum hereto, or Franchisor's franchise disclosure document received by Franchisee.

(e) Franchisee acknowledges that Franchisor has not made any of the following representations: (i) That Franchisee will be provided with retail outlets or accounts, or assistance in establishing retail outlets or accounts, for the sale or distribution of goods or services supplied by Franchisor, a third person with whom Franchisee is advised or required to do business by Franchisor or a person affiliated with Franchisor (the "goods or services"); (ii) That the Franchisee will be provided locations, or assistance in finding locations, for vending machines, electronic games, racks, display cases, currency-operated amusement machines or devices, or any other similar equipment or displays; (iii) That the Franchisee can earn a profit in excess of the Initial License Fee; (iv) That there is a market for the goods or services; (v) That the Franchisor, an affiliated person, or other person will refund the Initial License Fee or other payment (or evidence of payment obligation) made by the Franchisee or repurchase any of the goods or services, products, equipment or supplies supplied by Franchisor or other person recommended by Franchisor, if the Franchisee is dissatisfied with the Franchise, upon termination or nonrenewal of this Franchise or otherwise; (vi) That the Franchisor, an affiliated person or other person will purchase any finished goods or other products to be sold by the Franchisee, or any finished goods or other products made,

produced, fabricated, grown, bred or modified by the Franchisee utilizing the goods or services supplied by Franchisor, an affiliated person or another person with whom the Franchisee is advised or required to do business by Franchisor; (vii) That the Franchisor guarantees that the Franchisee will derive income from this Franchise; (viii) Any oral, written or visual representation concerning potential sales, income, or gross or net profit (other than, if at all, as set forth in Item 19 of a franchise offering circular previously received by Franchisee); (ix) That the Franchisee's Initial License Fee or any promise to pay is protected from loss or that any payment or promise to pay by Franchisee is a secured investment; nor (x) That the Franchisee's Initial License Fee or any promise to pay is secured in any manner.

Franchisee specifically understands that Franchisor is relying upon the truthfulness and accuracy of the representations in subparagraphs (a) through (e) above, and understands that Franchisor would not enter into this agreement with Franchisee if Franchisor was aware that any of the representations are false, inaccurate or incomplete.

_____ **Initials of Franchisee or individual signing on behalf of Franchisee**

(f) Franchisee understands that Franchisor's salesmen are not authorized to bind Franchisor in any way, and that any agreement between Franchisor and Franchisee must be signed by an authorized officer of Franchisor.

(g) Franchisee understands that all or any part of the Territory previously may have been part of the franchise territory of another House Doctors Franchisee.

ARTICLE 19

DEFINITIONS

To simplify this agreement and make it easier to read and understand, certain terms have been defined below and will be capitalized throughout the agreement. Capitalized words that are not defined below are defined in the section where they first appear.

19.1. "Advertising Contribution" means the recurring fee Franchisee is required to make under section 5.3 to any Advertising Fund established under section 11.2.

19.2. "Advertising Fund" means a branding, marketing, or advertising fund established under section 11.2.

19.3. "Affiliate" means a person that controls, is controlled by, or is under common control with another person. As to Franchisee, it includes an owner of any interest in Franchisee or the Franchised Business, any employee or agent of Franchisee, and any person controlled by any of the foregoing.

19.4. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA PATRIOT Act"), and all other present and future federal, state and local laws, ordinances, regulations, policies, lists, and other requirements of any

governmental authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

19.5. “Authorized Products and Services” are those products and services that Franchisee is permitted and required to offer and provide (currently including residential and commercial property maintenance, repair, and remodeling services), as more specifically described in the Manual.

19.6. “Business Judgment” means that Franchisor is allowed to exercise its judgment however it considers to be appropriate in its sole and unfettered discretion (except that it may not do so arbitrarily), and has the unrestricted right to make decisions and take or refrain from taking actions (except that it may not do so arbitrarily), and has the right to do so even if a particular decision/action may have negative consequences for Franchisee, another House Doctors Franchisee, or a group of House Doctors Franchisees. The exercise of Business Judgment is critical to Franchisor’s role as the franchisor of the System and to Franchisor’s goals for the continuing improvement of the System. This definition is not intended to incorporate principles related to the application of the business judgment rule in a corporate law context.

19.7. “Business Organization” means a corporation, limited liability company, limited liability partnership, limited company, partnership of any kind, joint venture, unincorporated association, or other organization formed for a commercial purpose.

19.8. “Communication and Information System” means the computer and communications system described in section 7.18 that Franchisee is required to purchase and use in the operation of the Franchised Business.

19.9. “Competitive Business” means a business that offers or sells, or franchises or licenses others to operate a business that offers or sells, residential or commercial property maintenance, repair, or remodeling services or any other products or services similar to those offered as part of the System or in which Confidential Information could be used to the disadvantage of Franchisor, its Affiliates, or other House Doctors Franchises, or that is competitive with the services or products offered by House Doctors Franchises.

19.10. “Confidential Information” is defined in section 10.1.

19.11. “Controlling Interest” means the direct or indirect ownership (legal or beneficial) or control of more than 50% of the equity, profits, or voting control of a Business Organization.

19.12. “Designated Manager” means an individual designated by Franchisee in accordance with section 7.17, who will be responsible for the general oversight and management of the operations of the Franchised Business on behalf of Franchisee.

19.13. “Effective Date” means the date this agreement becomes effective as defined on the signature page.

19.14. “Expiration Date” means the day before the tenth anniversary of the Effective Date, and is the last day of the term of this agreement.

19.15. “Franchised Business” means the House Doctors Franchise that Franchisee is licensed to operate under this agreement.

19.16. “Franchisee” means, in addition to the person or persons identified as “Franchisee” on Exhibit A, all Principals and Remote Principals of a Business Organization that executes this agreement as Franchisee, and all persons who succeed to the interest of the original Franchisee by permitted transfer or operation of law. By signing this agreement, each of the Principals and Remote Principals of the Business Organization that executes this agreement as Franchisee, acknowledges and accepts the duties and obligations imposed upon each of them, individually, by this agreement. All Principals and Remote Principals of Franchisee must, by separate agreement, personally guarantee all of Franchisee’s obligations to Franchisor. If two or more individuals are the “Franchisee” under this agreement, their liability to Franchisor is joint and several.

19.17. “Franchisee Intranet” is the electronic system established and maintained by Franchisor or its designee to provide private and secure communications between Franchisor, Franchisee, other House Doctors Franchisees, and other authorized users as determined by Franchisor in its Business Judgment, including House Doctors Franchisees who enter into and abide by the Terms of Use Agreement, as described in section 7.18(k).

19.18. “Franchise Law” means a statute, regulation or rule that (i) regulates the sale of franchises, franchise investments or business opportunities; (ii) regulates the relationship between a franchisor and a franchisee or between a business opportunity seller and purchaser; or (iii) requires the delivery, filing or registration of a pre-sale franchise or business opportunity disclosure document.

19.19. “Franchise Premises” means the physical location from which the Franchised Business is operated.

19.20. “Franchisor-Related Persons” means Franchisor and each and all of the following, whether past, current, or future: persons acting through, in concert with, or as Affiliates of Franchisor or of any of the foregoing; Principals, officers, directors, agents, attorneys, accountants, and employees of Franchisor or any of the foregoing; and predecessors, successors, or assigns of Franchisor or any of the foregoing.

19.21. “General Release” is a release, in the form prescribed by Franchisor at the time the release is to be delivered, of any and all claims, liabilities and obligations of any nature, including those existing as of, and/or arising before, the date of the release, however arising, whether known or unknown, whether against Franchisor and/or any or all of the Franchisor-Related Persons, the Advertising Fund (as defined in section 11.2), or any other branding, marketing, or advertising fund, and whether by Franchisee, any Principal or Remote Principal of Franchisee, and/or any Affiliate of any of the foregoing. A copy of Franchisor’s current General Release language (which is subject to change) is attached as Exhibit D.

19.22. “Good Standing” means that Franchisee and each of its Principals and Affiliates are not in default of any obligation to Franchisor and/or any of the Franchisor-Related Persons, whether arising under this agreement or any other agreement between Franchisee (and/or each of its Principals and Affiliates) and Franchisor (and/or any of the Franchisor-Related Persons), under the Manual, or under other System Standards (collectively, the “Obligations”). Franchisee is not in Good Standing if Franchisee has been in default of any Obligation and the default is incurable by nature or part of a series of repeated defaults as defined in this agreement.

19.23. “Gross Sales” is defined in section 5.6.

19.24. “House Doctors Franchise” or “Franchise” is a business operated under a license granted by Franchisor that offers residential and commercial property maintenance, repair, and remodeling services or other goods and/or services that Franchisor may designate from time to time, using the Marks (whether HOUSE DOCTORS or HOUSE MEDIC) and Franchisor’s unique business format, which includes

distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, operating manuals, and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

19.25. “House Doctors Franchisee” is a person who owns and operates a House Doctors Franchise.

19.26. “Initial License Fee” means the one-time fee Franchisee is required to pay Franchisor under section 4.1.

19.27. “Intellectual Property” includes inventions, discoveries, know-how, show-how, processes, methods, unique materials, copyrightable works, original data and other creative or artistic works that have value. Intellectual Property includes that which is protectable by statute or legislation, such as patents, copyrights, trademarks, service marks and trade secrets, as well as the physical embodiments of intellectual effort, for example, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, biological materials, chemicals, other compositions of matter, plants and records of research.

19.28. “Local Advertising” means advertising, promotion, and public relations within the local area to be serviced by the Franchised Business, and consists only of direct costs to purchase marketing materials (including, by way of example and not limitation, point-of-sale materials), promotion, out-of-pocket expenses for the cost of advertising and sales promotion (including, by way of example and not limitation, media placement charges, advertising agency fees and expenses, cash and “in-kind” promotional payments, postage, shipping and photocopying), and such other activities and expenses as Franchisor in its Business Judgment may specify. Franchisor may specify the types of advertising and promotional activities and costs that do not qualify as “Local Advertising,” including, by way of example and not limitation, the face value of promotional coupons, cash donations, the cost of products or services donated or provided at a discount to charitable organizations, and telephone directory listings and advertisements.

19.29. “Marks” are the trademarks, service marks, trade names, trade dress, and other commercial symbols that Franchisor or its Affiliate uses or may adopt to identify the products and/or services offered under the System, including the HOUSE DOCTORS® and HOUSE MEDIC™ service marks. “Marks” do not include trademarks, service marks, trade names, trade dress, and other commercial symbols used to identify the products and/or services offered by franchisees of another system (even if they are Competitive Businesses) acquired by Franchisor or its Affiliate.

19.30. “Manual” means the HOUSE DOCTORS operating manual and other items that Franchisor may provide in the future, including other manuals and all books, computer programs, pamphlets, memoranda, and other publications prepared by or on behalf of Franchisor, as may be added to, modified, or withdrawn by Franchisor from time to time, containing the standards, methods, procedures, and specifications of the System.

19.31. “Minimum Monthly Local Advertising Amount” is defined in section 11.8.

19.32. “Minimum Quarterly Advertising Contribution” is defined in section 5.4.

19.33. “Minimum Quarterly Gross Sales” is defined in section 7.7.

19.34. “Minimum Quarterly Royalty” is defined in section 5.2.

19.35. “Month” means the period beginning on a given numerical day of one month and ending on the same numerical day of the following month of the Gregorian calendar, without regard to the number of days in either month.

19.36. “Opening Date” means the date when the Franchised Business first becomes open for business.

19.37. “Ownership Interest” means: (1) a share of capital stock in any corporation, a partnership interest in any partnership, or a membership interest in any limited liability company, or a right to a share of the revenues, profits, or assets of any other Business Organization (other than Franchisor’s right to receive Royalties and Advertising Contributions from any House Doctors Franchisee under this or any other agreement); (2) direct or indirect community property rights in an asset or property; and (3) with respect to Franchisee, in addition to the foregoing, any other equitable or legal right in the revenues, profits, rights or assets of Franchisee or the Franchised Business (other than Franchisor’s right to receive Royalties and Advertising Contributions from Franchisee under this or any other agreement).

19.38. “Person”, whether or not capitalized, includes a corporation, limited liability company, partnership of any kind, joint venture, unincorporated association, estate, trust, charitable organization, government, governmental body and agency, commission, and any other entity and organization, as well as an individual.

19.39. “Post-Termination Provisions” are those obligations in this agreement that are intended by their nature to survive the expiration, transfer, repurchase, or termination of this agreement (for any reason), including confidentiality, noncompetition, indemnification, de-identification, interpretation, and dispute resolution provisions in sections 2.3, 5.8, 7.10, 8.2, 8.3, 9.2, 10.2, 10.3, 13.3, 15.3, 15.4, 15.9, and Articles 14, 16, 17 and 18.

19.40. “Principal” means a legal or beneficial owner of an Ownership Interest in a Business Organization.

19.41. “Remote Principal” means a Principal of a Business Organization that is a Principal of another Business Organization.

19.42. “Royalty” means the recurring fee Franchisee is required to pay Franchisor under section 5.1 in consideration of Franchisee’s continued right to use the Marks.

19.43. “Special Account” is a special customer (which may be, but is not limited to, a national or regional customer, other large business, or government agency) designated as such by Franchisor from time to time in its Business Judgment. A Special Account will typically (though not necessarily) be a customer whose offices, stores, plants, buildings, or other physical facilities are not confined to the territory of a single House Doctors Franchisee or the trading area of a single Franchisor-owned or Affiliate-owned business.

19.44. “Special Account Services” are services provided to a Special Account at its offices, stores, plants, buildings or other physical facilities at locations not confined to the territory of a single House Doctors Franchisee or the trading area of a single Franchisor-owned or Affiliate-owned business.

19.45. “Successor Franchise” is a House Doctors Franchise that Franchisee may be granted under section 2.2, as a successor to the Franchised Business, for an additional ten-year term following the expiration of this agreement.

19.46. “Successor Franchise Fee” is the fee Franchisee must pay Franchisor as consideration for a Successor Franchise under section 2.2, equal to 10% of the then-current License Fee being charged by

Franchisor for a House Doctors Franchise. The Successor Franchise Fee is not refundable unless Franchisor refuses to grant Franchisee a Successor Franchise.

19.47. “System” refers to both (a) the network of House Doctors Franchises and (b) the distinctive business methods and features of that network for the operation of House Doctors Franchises, including the Marks and Franchisor’s unique business format, which includes distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, operating manuals, and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

19.48. “System Standards” means the uniform specifications, standards, operating procedures, and rules prescribed by Franchisor for the development and operation of the Franchised Business and other House Doctors Franchises, as periodically supplemented, modified or withdrawn by Franchisor, in its Business Judgment, via the Manual or otherwise communicated to Franchisee in writing. The System Standards constitute provisions of this agreement as if fully reproduced in this agreement.

19.49. “Terms of Use Agreement” means the agreement, which may be modified from time to time by Franchisor in its Business Judgment, that establishes the terms for the use of the Franchisee Intranet.

19.50. “Territory” is the geographical area described in Exhibit B.

19.51. “Territory Fee” means the one-time fee Franchisee is required to pay Franchisor under section 4.2.

19.52. “Third-Party Software” means a computer application developed or owned by a person other than Franchisor.

19.53. “Transfer” means any voluntary or involuntary, direct or indirect assignment, sale, gift, exchange, pledge, hypothecation, or other transfer of this agreement, of Franchisee, of the Franchised Business, of an Ownership Interest, or of any interest in any of the foregoing, or any other event that may create an Ownership Interest or change the legal or beneficial title to any Ownership Interest, including a merger or consolidation of Franchisee, the issuance of additional Ownership Interests in Franchisee, a transfer in a divorce, insolvency, corporate dissolution proceeding, or otherwise by operation of law, and a transfer by will, declaration of or transfer in trust, or under the laws of intestate succession.

19.54. “Transfer Fee” means the fee imposed by section 12.2(b)(13) as a condition to Franchisor’s approval of a Transfer by Franchisee. The Transfer Fee is equal to the Initial License Fee or equivalent fee that Franchisor charges for a new Franchise at the time of the Transfer, or 25% of the Initial License Fee or 10% of the Initial License Fee if the transferee is another House Doctors Franchisee.

19.55. “Website” means an interactive electronic document, series of symbols or otherwise, that is contained in a network of computers and/or other devices linked by communications software, and includes Internet and World Wide Web home pages.

19.56. “Year 1”, “Year 2” and so on and “Numbered Years” are defined in section 7.7(b)(i).

The signature page follows this paragraph.

SIGNATURE PAGE

The parties are signing this agreement on the dates below, the latest of which is the “Effective Date” of this agreement.

SALTIRE BRANDS LLC

BUSINESS ORGANIZATION FRANCHISEE:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

EXECUTION BY FRANCHISEE MUST BE NOTARIZED.

STATE OF _____, COUNTY OF _____, SS.

On _____, before me, a Notary Public in and for said County and State, personally appeared _____, known to me to be the _____ of the above-named Franchisee who being duly sworn acknowledged that he/she executed the foregoing instrument on behalf of the above-named Franchisee.

NOTARY PUBLIC

INDIVIDUAL FRANCHISEE:

INDIVIDUAL FRANCHISEE:

Signature

Signature

Date: _____

Date: _____

EXECUTION BY FRANCHISEE(S) MUST BE NOTARIZED

STATE OF _____, COUNTY OF _____, SS.

On _____, before me, a Notary Public in and for said County and State, personally appeared _____, who being duly sworn acknowledged that they executed the foregoing instrument.

NOTARY PUBLIC

EXHIBIT A

IDENTIFICATION OF FRANCHISEE

INDIVIDUAL FRANCHISEE

Name: _____ Date of Birth: _____

Home Address (P.O. Box not acceptable): _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

ORGANIZATION FRANCHISEE

Check One: ☐ Corporation ☐ Limited Liability Company ☐ Partnership

Name of Organization: _____

Address: _____

City: _____ State: _____ ZIP: _____

Telephone: _____ EIN: _____

Date of Organization: _____ State of Organization: _____

Statutory/Registered Agent: _____

Address of Agent: _____

City: _____ State: _____ ZIP: _____

Officers

President: _____ Vice President: _____

Treasurer: _____ Secretary: _____

Shareholders/Members/Partners

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

The undersigned individual Franchisee, or each of the Principals of a business organization Franchisee, hereby certifies that the foregoing information is accurate and complete to the best of his or her knowledge and agrees to notify Franchisor promptly of any change in any such information during the term of the Franchise Agreement to which this Exhibit A pertains.

Signature

Signature

Print Name

Print Name

Date: _____

Date: _____

Signature

Signature

Print Name

Print Name

Date: _____

Date: _____

EXHIBIT B

FRANCHISE TERRITORY AND TRADE NAME

1. **Territory.** The Territory referenced in section 1.2 of the Franchise Agreement to which this Exhibit is attached consists of the Postal Codes described below:

Postal Codes in the State of _____:

A map of the Territory is attached hereto; however, in the event of a discrepancy between the map and the written description above, the written description controls. If any street, road, or highway serves as a boundary of the Territory, the actual boundary is the centerline of the street, road, or highway, and only the land and structures within such boundary are included in Franchisee's Territory.

2. **Trade Name.** Franchisee shall operate the Franchised Business only under the trade name initialed by Franchisee and checked below (the "Trade Name"), and shall use no other trade name, business name, fictitious name, or assumed name in connection with the Franchised Business without Franchisor's prior consent.

Initial _____ ☐ HOUSE DOCTORS Initial _____ ☐ HOUSE MEDIC

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

The parties are signing this Exhibit B on the dates below.

SALTIRE BRANDS LLC

BUSINESS ORGANIZATION FRANCHISEE:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

INDIVIDUAL FRANCHISEE:

INDIVIDUAL FRANCHISEE:

Signature

Signature

Date: _____

Date: _____

EXHIBIT C

GENERAL RELEASE LANGUAGE

1. Release – General Provisions. Franchisee and each of the Principals and Remote Principals of Franchisee, and all Affiliates of any of them, on their own behalf and on behalf of their respective successors, assigns, and anyone claiming through or under them (collectively referred to as the “Releasing Parties”), hereby waive, release, acquit, and forever discharge each and all of the Franchisor-Related Persons of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, liabilities, claims, demands, damages, losses or expenses, of any nature whatsoever, known or unknown, fixed or contingent, which they have, or may hereafter have, against the Franchisor-Related Persons, individually or collectively, including all matters, causes or things whatsoever, that were or have been, or could have in any way been alleged in any pleadings filed in any suit or arbitration (the “Claims”).

2. Without limiting the generality of paragraph 1, the Releasing Parties intend this release, as it pertains to Claims by them or to anyone claiming through or under them, to cover, encompass, relinquish, and extinguish all Claims against the Franchisor-Related Persons, including all Claims arising from any misrepresentation in or omission from any disclosure document received by Franchisee or any of the Affiliates, Principals, or Remote Principals of Franchisee, or from a violation of the Sherman Antitrust Act, the Federal Trade Commission Act, the Federal Trade Commission Trade Regulation Rule entitled *Disclosure Requirements and Prohibitions Concerning Franchising* (16 CFR Part 436), any amendment or successor to any of the foregoing statutes or regulations, or any other federal or state (including the state in which the principal office of the Franchised Business is located and the state in which Franchisee was organized) securities, franchise, business opportunity, antitrust, consumer protection, or unfair or deceptive trade practices law or regulation.

3. The Releasing Parties expressly acknowledge and agree that the Claims each of them is releasing include any and all claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, accrued or contingent, intentional or unintentional, and liquidated or unliquidated. The Releasing Parties specifically waive the protection afforded by any statute or law in any jurisdiction, the purpose, substance, or effect of which is to provide that a general release does not extend to claims, material or otherwise, which do not exist or which the person giving the release does not know or suspect to exist at the time of executing the release. The Releasing Parties intend for this release to be as broad as is permitted by law and unqualifiedly general in scope and effect, and that any Claims against any of the Franchisor-Related Persons are hereby forever canceled and forgiven.

4. For California Franchisees. The Releasing Parties acknowledge that they are familiar with the provisions of California Civil Code Section 1542 and intend this release to cover, encompass, release, and extinguish, among others, all claims and matters that might otherwise be reserved by California Civil Code section 1542, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

THE RELEASING PARTIES, BEING AWARE OF CALIFORNIA CIVIL CODE SECTION 1542, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION (INCLUDING THE STATE IN WHICH THE PRINCIPAL OFFICE OF THE FRANCHISED BUSINESS IS LOCATED AND THE STATE IN WHICH FRANCHISEE WAS ORGANIZED).

5. Risk of Mistake. The Releasing Parties expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by them, and it is their intention to forever settle, adjust and compromise any and all present and future disputes with respect to all matters from the beginning of time to the date of this document, finally and forever, and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by the Releasing Parties are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action that exist, or might have existed, on the date of this release. The Releasing Parties represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this release as the Releasing Parties, in their independent judgment, believe necessary or appropriate. The Releasing Parties have not relied on any statement, promise, or representation, whether of fact or law, or lack of disclosure of any fact or law, by the Franchisor-Related Persons or anyone else, not expressly set forth herein, in executing this document and the related releases.

6. No Assignment or Transfer of Interest. The Releasing Parties represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Releasing Parties may have against any or all of the Franchisor-Related Persons, all Claims having been fully and finally extinguished, and the Releasing Parties shall forever indemnify and hold the Franchisor-Related Persons harmless from any liability, claims, demands, damages, losses, costs, expenses or legal fees incurred by any of the Franchisor-Related Persons as a result of any person asserting any interest in any of the Claims or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer, or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor-Related Persons as a condition precedent to recovery against the Releasing Parties under this indemnity.

7. Legal expenses. If the Releasing Parties, or any person acting for or on behalf of, the Releasing Parties or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit or other legal or equitable proceeding arising out of, based upon or relating to any of the Claims released hereunder, or in any manner asserts against all or any of the Franchisor-Related Persons any of the Claims released hereunder, the Releasing Parties shall pay all legal expenses and other costs incurred by any of the Franchisor-Related Persons in defending or otherwise responding to said suit or assertion, directly to the Franchisor-Related Persons incurring such costs.

8. Date of Releases; Joint and Several Liability. The releases granted hereunder will be deemed effective as to each of the Releasing Parties as of the date this document is signed by each of the Releasing Parties. The liabilities and obligations of each of the Releasing Parties (and any other person providing releases to the Franchisor-Related Persons) will be joint and several.

9. Defined Terms. Capitalized words that are not defined in this document are used as defined in the franchise agreement between Franchisee and Franchisor.

EXHIBIT D

AUTHORIZATION FOR ELECTRONIC FUND TRANSFER

The undersigned depositor ("DEPOSITOR") hereby authorizes Saltire Brands LLC ("PAYEE") to initiate debit entries and/or credit correction entries to the Depositor's checking account designated below, and authorizes the financial institution designated below ("BANK") to debit such account pursuant to Payee's instructions.

Name of Financial Institution

Branch

Address of Financial Institution

City

State

ZIP Code

Account Number

Bank Transit/Routing Number

This authority will remain in effect until BANK receives a written cancellation notification from DEPOSITOR in such time as to afford BANK a reasonable opportunity to act on it. DEPOSITOR may stop payment of any entry by notifying BANK at least three (3) business days before the entry is charged to DEPOSITOR'S account. DEPOSITOR may have the amount of any erroneous entry immediately credited to DEPOSITOR'S account by notifying BANK within fifteen (15) calendar days after BANK issues DEPOSITOR'S account statement containing the erroneous entry or forty-five (45) days after posting, whichever occurs first. These rights are in addition to any rights DEPOSITOR may have under federal and state banking or consumer protection laws.

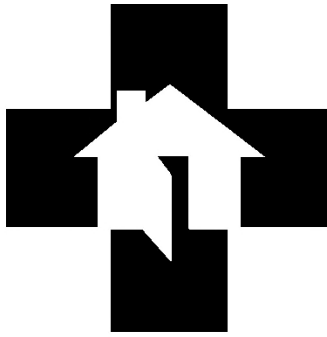
Name of DEPOSITOR: _____

By: _____

Date: _____

Title: _____

A voided check must be attached to this form.



Doctors[®]

Handyman Professionals Home Improvements

**EXHIBIT B TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

IRREVOCABLE POWER OF ATTORNEY

IRREVOCABLE POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That _____ (“Franchisee”) does hereby irrevocably constitute and appoint SALTIRE BRANDS LLC, an Ohio limited liability company (“Franchisor”), the true and lawful attorney-in-fact and agent for Franchisee and in Franchisee’s name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, may be necessary or advisable for the sole purpose of assigning to Franchisor all of Franchisee’s right, title and interest in and to

1. any and all telephone numbers of Franchisee’s House Doctors or House Medic franchise and all related Yellow Pages, White Pages and other business listings, including but not limited to, the execution and delivery on Franchisee’s behalf of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone service company providing telephone services for Franchisee; and
2. any and all web sites, web pages, listings, banners, URLs, advertisements or any other services and links related to Franchisee’s House Doctors or House Medic franchise or use of Franchisor’s trademarks, service marks or other logos, on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines or other similar services, including but not limited to, the authority to transfer, modify or cancel any such service, listing, or link;

hereby granting unto Franchisor full power and authority to execute and deliver on Franchisee’s behalf any and all documentation required by any telephone service provider, Internet service provider, electronic mail service, communication provider, search engine, regulatory agency or other provider of services, or any other party, and to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with Franchisor will be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Franchisor. Any person or entity dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee will not take any action against any person or entity acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor will be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph will survive any termination of this Power of Attorney.

This power of Attorney will terminate two years after the expiration or termination of the Franchise Agreement dated evenly herewith between Franchisor and Franchisee. Such termination, however, will not affect the validity of any act or deed that Franchisor may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest. It is executed and delivered in the State of Ohio and the laws of the State of Ohio govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

FRANCHISEE:

STATE OF _____, COUNTY OF _____,
SS.

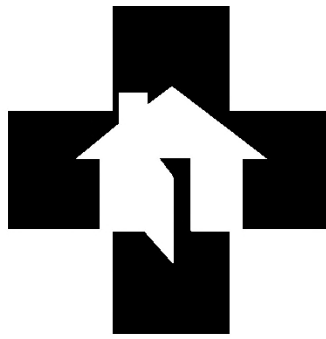
[Name of Franchisee]

Acknowledged and subscribed before me, a Notary
Public in and for said County and State, on
_____.

By:_____

Title:_____

NOTARY PUBLIC



Doctors[®]

Handyman Professionals Home Improvements

**EXHIBIT C TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution by SALTIRE BRANDS LLC, an Ohio limited liability company, ("Franchisor") of a franchise agreement dated _____ (the "Agreement") between Franchisor and _____ (the "Business Entity Franchisee"), each of the undersigned Personal Guarantors hereby personally and unconditionally, jointly and severally:

1. guarantees to Franchisor and the Franchisor-Related Persons and each of their successors and assigns, for the term of the Agreement, and for any renewal/successor franchise term, and thereafter as provided in the Agreement, that the Business Entity Franchisee will punctually pay and perform, each and every undertaking, agreement and covenant set forth in the Agreement, as currently set forth and as amended or otherwise changed in the future, including any successor franchise agreement;
2. agrees to be personally bound by, and personally liable for, the breach of, each and every provision in the Agreement (including all confidentiality, non-competition, indemnity, and post-termination provisions) as currently set forth and as amended or otherwise changed in the future, including any successor franchise agreement; and
3. agrees to be personally bound by, and personally liable for, each past, current and future obligation of the Business Entity Franchisee to Franchisor and the Franchisor-Related Persons and each of their successors and assigns.

Each of the Personal Guarantors intends that the guarantees and other obligations in this Guaranty be unqualifiedly general and without limitation in scope, nature and effect. Franchisor and the Franchisor-Related Persons, and each of their successors and assigns, need not bring suit first against any one or all of the Personal Guarantors in order to enforce this Guaranty, and may enforce this Guaranty against any or all of the Personal Guarantors as they choose in their sole and absolute discretion.

Each of the Personal Guarantors waives: presentment, demand, notice of demand, dishonor, protest, nonpayment, default and all other notices (including, but not limited to, acceptance and notice of acceptance, notice of any contracts or commitments, notice of the creation or existence of any liabilities under the Agreement or otherwise and of the amounts, terms or otherwise thereof, notice of any defaults, disputes or controversies between Franchisor and the Business Entity Franchisee or otherwise, and any settlement, compromise or adjustment thereof); any right the Personal Guarantor may have to require that an action be brought against Franchisor, Business Entity Franchisee or any other person as a condition of liability, and any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the Personal Guarantors consents and agrees that:

1. his or her direct and immediate liability under this Guaranty is joint and several;
2. he or she will render any payment or performance required under the Agreement on demand if the Business Entity Franchisee fails or refuses to do so punctually;
3. his or her liability under this Guaranty is not contingent or conditioned on pursuit by Franchisor or otherwise of any remedies against the Business Entity Franchisee or any other person;
4. his or her liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor or any other person may from time to time grant to

the Business Entity 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, which will be continuing and irrevocable during the term of the Agreement and any renewal/successor franchise term;

5. the liabilities and obligations of the Personal Guarantors, whether under this Guaranty or otherwise, will not be diminished or otherwise affected by the termination, rescission, expiration, renewal, award of a successor franchise, modification or otherwise of the Agreement;

6. terms not defined in this Guaranty will have the meanings assigned in the Agreement; and

7. the provisions of Articles 16 and 18 of the Agreement are incorporated in and will apply to this Guaranty as if fully set forth herein and will apply to any dispute involving Franchisor, the Franchisor-Related Persons, any Advertising Fund, or any of their successors and assigns, on one side, and any of the Personal Guarantors on the other side.

In connection with this Guaranty and Franchisor (a) not requiring that the Franchise be initially awarded in the name of one or more of the Personal Guarantors and (b) not requiring the payment of a full transfer fee in connection with any related transfer from the Personal Guarantors to the Business Entity Franchisee, each of the Personal Guarantors hereby grants a General Release of any and all claims, liabilities and obligations, of any nature whatsoever, however arising, known or unknown, against Franchisor, the Franchisor-Related Persons, any Advertising Fund, and each of their successors and assigns.

In this Guaranty, the term “Franchisor-Related Persons” means Franchisor and each and all of the following, whether past, current, or future: persons acting through, in concert with Franchisor, or as affiliates of Franchisor or of any of the foregoing; partners, members, shareholders, officers, directors, agents, attorneys, accountants, and employees of Franchisor or any of the foregoing; and predecessors, successors, or assigns of Franchisor or any of the foregoing. The word “person” includes individuals, corporations, limited liability companies, partnerships of any kind, unincorporated associations, joint ventures, governments, governmental bodies or agencies, commissions, estates, trusts, charitable organizations, and all other entities and organizations of any kind.

The undersigned are signing this Guaranty on the dates below.

PERSONAL GUARANTOR

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Personally and Individually (Signature)

Date:_____

Date:_____

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

House Doctors
Franchise Disclosure Document
Confidential
(04/01/2020)

4839-8869-8556.4

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

BUSINESS ENTITY FRANCHISEE:

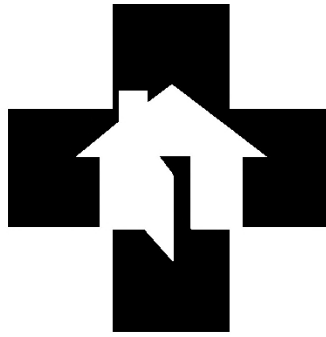
Print Name

Franchise No. _____

By: _____

Date: _____

Title: _____



Doctors[®]

Handyman Professionals Home Improvements

**EXHIBIT D TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This agreement is between _____ (“Franchisee”) and _____ (“Covenantor”), an individual resident of the state of _____.

A. Pursuant to a franchise agreement dated _____ (the “Franchise Agreement”), Franchisor licensed Franchisee to operate a House Doctors Franchise (defined in section 15(d) below).

B. Covenantor holds a position as a shareholder, officer, director, partner, member, manager, employee, or trustee of Franchisee.

C. Franchisor has expended substantial amounts of time and money in developing the Marks (defined in section 15(f) below) and the System (defined in section 15(h) below), which includes Confidential Information (defined in section 15(a) below).

D. In connection with the operation of the Franchise, Covenantor will have access to Confidential Information.

E. The Franchise Agreement requires that all officers, directors, legal or beneficial owner of an ownership Interest in the Franchise Business must execute this agreement.

THEREFORE Covenantor hereby agrees as follows:

1. Confidential Information. Covenantor acknowledges the proprietary and confidential nature of all Confidential Information. Covenantor shall use Confidential Information solely for Franchisee’s benefit in compliance with the Franchise Agreement, maintain the absolute secrecy and confidentiality of the Confidential Information during and after the term of this agreement, and may not at any time disclose, communicate, divulge, or use any Confidential Information to or for the benefit of any other person. Covenantor’s obligations under this paragraph have no time or geographical limitation.

2. Manuals. The Manuals (defined in section 15(e) below) remain the sole property of Franchisor at all times. Franchisor and Franchisee treat the Manuals and all information in them as Confidential Information. Covenantor shall also treat the Manuals and all information in them as Confidential Information, and shall use all reasonable efforts to maintain the absolute secrecy and confidentiality of such information. Covenantor may not at any time copy, duplicate, record, distribute, or otherwise make the Manuals available to any unauthorized person. Covenantor’s obligations under this paragraph have no time or geographical limitation.

3. Use of Marks. Covenantor acknowledges Franchisor’s right, title, and interest in and to the Marks. Covenantor further acknowledges that any use of the Marks outside the scope of the Franchise Agreement without Franchisor’s prior written consent would be an infringement of Franchisor’s rights in the Marks and a breach of the Franchise Agreement by Franchisee. Accordingly, Covenantor shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or take any other action in derogation thereof at any time.

4. Nonsolicitation. Covenantor shall not, during the term of the Franchise Agreement and for a continuous and uninterrupted period beginning upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for TWO YEARS thereafter, either directly or indirectly, for himself or through, on behalf of, or in conjunction with, any other person:

(a) divert or attempt to divert any business or customer of Franchisee or of any other House Doctors Franchise to any competitor or to Covenantor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that may injure or prejudice the goodwill associated with the Marks and the System; or

(b) employ or seek to employ any person who is at that time employed by Franchisee, by Franchisor, or by any other House Doctors Franchise, or otherwise directly or indirectly attempt to induce the person to leave his or her employment.

5. Noncompetition. Covenantor shall not, during the term of the Franchise Agreement and for a continuous and uninterrupted period beginning upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for ONE YEAR thereafter, directly or indirectly, for himself or through, on behalf of, or in conjunction with, any other Person (including Covenantor's spouse or children), own, maintain, operate, engage in, or have any interest in, any Competitive Business (defined in section 15(a) below) that is or is intended to be located within seventy-five miles of Franchisee. This restriction does not apply to the beneficial ownership by Covenantor of less than one percent of the outstanding equity securities of any corporation the securities of which are registered under the Securities and Exchange Act of 1934. The time period referred to in this section will be stayed during any violation or breach of the terms of this section.

6. Remedies. Covenantor acknowledges that his violation of any of the covenants in this agreement would result in irreparable injury to Franchisor and Franchisee, for which no adequate remedy at law may be available, and accordingly consents to the issuance of, and agrees to pay all court costs and reasonable attorney fees incurred by Franchisor or Franchisee in obtaining, an injunction enjoining any conduct by Covenantor prohibited by this agreement. This remedy is in addition to any other remedies that may be available to Franchisor or Franchisee. Covenantor understands that an individual shall not be held criminally liable or civilly liable under any United States federal or state trade secret law for the disclosure of a trade secret that: (1) is made (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (b) solely for the purpose of reporting or investigating a suspected violation of law; or (2) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Disclosures to attorneys, made under seal, or pursuant to court order are also protected in certain circumstances under 18 U.S.C. § 1833.

7. Effect. This agreement is binding upon and inures to the benefit of the parties and their respective legal representatives, successors, and assigns.

8. Integration; Modification. This agreement constitutes the entire agreement between the parties relating to the subject matter hereof, and any prior agreements and understandings between the parties relating to the same subject are hereby superseded and merged into this agreement. This agreement may be modified or amended only by a written instrument signed by all parties.

9. Enforcement Costs. In any judicial proceeding to enforce this agreement or appeal thereof, the prevailing party in the proceeding is entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees, arbitration administrative charges, arbitrators' compensation, and all other costs and expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing, or proceeding to enforce the obligations of this agreement.

10. No Waiver. No failure or delay on the part of any party in exercising any right, power, or privilege under this agreement will operate as a waiver thereof, nor will a single or partial exercise of any right,

power, or privilege under this agreement by any party preclude any other or further exercise thereof or the exercise of any other right, power, or privilege by that party.

11. Severability. Each of the covenants in this agreement is to be construed as independent of any other covenant or provision of this agreement. If any provision of this agreement is held to be illegal, invalid, or unenforceable, the provision will be deemed to be modified to the extent necessary to permit its enforcement to the maximum extent permitted by applicable law, and Covenantor expressly agrees to be bound by any lesser covenants subsumed within the terms of the provision that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this agreement. The remainder of this agreement and all other provisions hereof will not be affected thereby.

12. Governing Law. The laws of the state in which Franchisee's principal office is located govern all aspects of this agreement.

13. Jurisdiction and Venue. Any action brought by Franchisor against any other party to enforce the terms of this agreement may be brought in state or federal court in the state of Ohio in the judicial district in which Franchisor has its principal place of business, and each party hereby submits to the exercise of personal jurisdiction by any such court and waives all objections or defenses of lack of personal jurisdiction or improper venue for the purpose of carrying out this provision.

14. Third-Party Beneficiary. Each of the parties acknowledges and intends that the covenants in this agreement directly benefit Franchisor, and Franchisor is a third-party beneficiary of this agreement, entitled to enforce the provisions of this agreement in its own name without Franchisee as a party, and further entitled to all remedies provided in section 6 hereof.

15. Definitions. To simplify this agreement and make it easier to read and understand, certain terms have been defined below and will be capitalized throughout the agreement. Capitalized words that are not defined below are defined in the section where they first appear.

(a) "Competitive Business" means a business that offers or sells, or franchises or licenses others to operate a business that offers or sells, residential or commercial property maintenance, repair, or remodeling services or any other products or services similar to those offered as part of the System or in which Confidential Information could be used to the disadvantage of Franchisor, its Affiliates, or other House Doctors Franchises, or that is competitive with the services or products offered by House Doctors Franchises.

(b) "Confidential Information" means trade secrets and any information or matter that is confidential and/or proprietary and/or competitively sensitive and not generally known by the public (whether or not in written or tangible form and regardless of the media—if any—on which stored) relating to the System, including, but not limited to, know-how, knowledge of and experience in operating a Franchise, methods, techniques, formats, specifications, procedures, systems, policies and standards, business operating systems and techniques, marketing programs for Franchisee or other House Doctors Franchises, record keeping and reporting methods, accounting systems, sales and marketing methods and training techniques, specifications for signs, displays, business forms and stationery to be used by Franchisee, the Manuals (which Franchisee has received on loan from Franchisor), ideas, research and development, customer and supplier lists, pricing and cost information, software developed or introduced by Franchisor or its affiliates as part of the System (and all aspects thereof, including code, functions, menus, and screen views, and all future enhancements thereto), the financial condition, results of operations, and other

financial information about Franchisor, Franchisee, Franchisee's Franchise, and/or other House Doctors Franchises, and any other information or material identified by Franchisor or Franchisee as confidential.

(c) "Franchisor" means Saltire Brands LLC, an Ohio limited liability company.

(d) "House Doctors Franchise" or "Franchise" is a business operated under a license granted by Franchisor that offers residential and commercial property maintenance, repair, and remodeling services or other goods and/or services that Franchisor may designate from time to time, using the Marks (whether HOUSE DOCTORS or HOUSE MEDIC) and Franchisor's unique business format, which includes distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, operating manuals, and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

(e) "Manuals" means the HOUSE DOCTORS operating manuals and other items that Franchisor may provide on loan to Franchisee in the future, including other manuals and all books, pamphlets, memoranda, and other publications prepared by or on behalf of Franchisor, as may be added to, modified, or withdrawn by Franchisor from time to time, containing the standards, methods, procedures, and specifications of the System.

(f) "Marks" are the trademarks, service marks, trade names, trade dress, logos, and other commercial symbols that Franchisor or its affiliates use or may acquire to identify the products and/or services offered under the System, including the HOUSE DOCTORS® and HOUSE MEDIC® service marks.

(g) "Person" includes corporations, limited liability companies, partnerships of any kind, joint ventures, unincorporated associations, estates, trusts, charitable organizations, governments, governmental bodies and agencies, commissions, and all other entities and organizations, as well as individuals.

(h) "System" refers to both (1) the network of House Doctors Franchises established by Franchisor and (2) the distinctive business methods and features of that network that have been developed by Franchisor for the operation of House Doctors Franchises, including, but not limited to, the Marks and Franchisor's unique business format, which includes distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, operating manuals, and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

The parties are signing this agreement on the dates below.

FRANCHISEE:

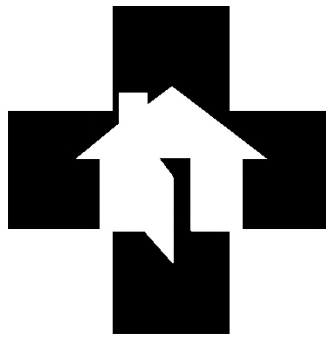
Date: _____

By: _____

Title: _____

Date: _____

COVENANTOR



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Handyman Professionals Home Improvements

**EXHIBIT E TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

TERMS OF USE AGREEMENT

TERMS OF USE AGREEMENT FOR THE
HOUSE DOCTORS FRANCHISEE INTRANET SYSTEM

This agreement is between SALTIRE BRANDS LLC, an Ohio limited liability company (“Franchisor”), and _____ (“Franchisee”).

1. GENERAL TERMS

(a) Franchisor and Franchisee entered into a Franchise Agreement on _____ for the operation of a House Doctors Franchise (the “Franchised Business”).

(b) Franchisor has developed an intranet system (the “Franchisee Intranet”) as a way for House Doctors Franchisees who accept the terms of this agreement and are in Good Standing to communicate with Franchisor and with other House Doctors Franchisees, access and print portions of the Manual, advertising materials, supplements, and updates to System Standards, archived library files, and for such other purposes as Franchisor may allow or require from time to time.

(c) Franchisee must accept this agreement in order to use the Franchisee Intranet. In order to accept this agreement if it is e-mailed to Franchisee, Franchisee must reply by e-mail to Franchisor with a message stating: “I AGREE TO BE BOUND BY THE TERMS OF USE AGREEMENT FOR THE HOUSE DOCTORS FRANCHISEE INTRANET SYSTEM.” Upon Franchisee’s acceptance, Franchisor will issue a User ID and two passwords to Franchisee. By logging onto the Franchisee Intranet, Franchisee confirms that it is eligible to access the Franchisee Intranet and that it agrees to comply with and be bound by this agreement.

(d) Capitalized terms used but not defined in this agreement are defined in the Franchise Agreement.

2. ACCESS REQUIREMENTS

It is Franchisee’s responsibility to maintain access to the World Wide Web / Internet so that Franchisee can access the Franchisee Intranet. Franchisee must pay any Internet access fees Franchisee incurs. Franchisee must also provide all computer equipment and software needed to connect to the World Wide Web / Internet.

3. PASSWORDS AND SECURITY

(a) Franchisor shall issue Franchisee a User ID and a Password. When Franchisee receives this information for system entry, Franchisee is able to change Franchisee’s User ID and Password at any time while online. Anyone using Franchisee’s User ID and Password gains access to the Manual and other Confidential Information, so Franchisee must maintain the confidentiality of Franchisee’s Password and User ID. Franchisee and its employees may not use another Person’s User ID and Password to access the Franchisee Intranet.

(b) Franchisee’s User ID and Password should be memorized. The User ID should not be recorded at the same place as either of the Password. Franchisee shall maintain the confidentiality of its User ID and Password, and Franchisee is responsible for all activities that occur under its User ID and Password. Franchisee is also responsible for any use its employees make of Franchisee’s User IDs and Password.

(c) Franchisee shall (i) notify Franchisor immediately of any unauthorized use of Franchisee’s User ID or Password, or any other breach of security that comes to Franchisee’s attention, and (ii) log out of its Franchisee Intranet account at the end of each session.

(d) Franchisor is not liable for any loss or damage arising from Franchisee's failure to comply with these requirements stated in this Section 3.

4. PRIVACY AND DATA COLLECTION

Franchisor may record each use of Franchisee's User ID and password to access the Franchisee Intranet, the time and duration of each session of Franchisee's User ID's use of the Franchisee Intranet, and the number of times that Franchisee accesses certain information on the Franchisee Intranet, such as when Franchisee opens an update to the Manual or the number of instances and how often Franchisee accesses the Manual.

5. CONFIDENTIALITY OF CERTAIN INFORMATION

All provisions of the Franchise Agreement pertaining to Confidential Information apply to all content located on the Franchisee Intranet.

6. CONDUCT

(a) Franchisee may not use the Franchisee Intranet for any purpose that is unlawful or prohibited by this agreement. Franchisee and its employees may use the Franchisee Intranet only for purposes related to the operation of the Franchised Business and not for any other purpose, including any personal or unrelated business use. Any unauthorized use of the Franchisee Intranet is expressly prohibited, and Franchisor reserves the right remove inappropriate material and to deny access to the Franchisee Intranet to Franchisee if Franchisee or any of its employees use the Franchisee Intranet for an unauthorized purpose.

(b) Franchisee is responsible for all User Content that Franchisee or its employees post or make available on the Franchisee Intranet, including all messages, e-mail, data, text, photographs, graphics, video, and other materials or information transmitted via the Franchisee Intranet (except information that Franchisor posts), whether posted for general viewing or transmitted privately. If Franchisee or its employees upload, post, e-mail or otherwise transmit any User Content, Franchisee is responsible for its compliance with this agreement. Franchisor does not screen, edit or control User Content, and Franchisor does not accept responsibility for its truthfulness, accuracy, or suitability. Under no circumstances will Franchisor be liable in any way for any User Content, including errors or omissions in any User Content, or for any loss or damage of any kind incurred as a result of the use of any User Content posted, e-mailed or otherwise transmitted via the Franchisee Intranet.

(c) Franchisee may not use the Franchisee Intranet to:

- (1) upload, post, e-mail or otherwise transmit any User Content that is unlawful, harmful, threatening, abusive, harassing, defamatory, vulgar, obscene, invasive of another's privacy, hateful, or racially, ethnically, or otherwise offensive;
- (2) impersonate any Person;
- (3) disguise the authorship or origin of any User Content Franchisee transmits;
- (4) upload, post, e-mail or otherwise transmit any User Content that Franchisee does not have a right to transmit under any law or under contractual or fiduciary relationships (such as inside information or Confidential Information);
- (5) upload, post, e-mail or otherwise transmit any User Content that infringes any patent, trademark, trade secret, copyright or other proprietary rights of any Person;

- (6) upload, post, e-mail or otherwise transmit any unsolicited or unauthorized advertising, promotional materials, “junk mail,” “spam,” “chain letters,” or any other form of solicitation;
 - (7) upload, post, e-mail or otherwise transmit any material that contains software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer software or hardware or telecommunications equipment;
 - (8) disrupt the normal flow of dialogue, cause a screen to “scroll” faster than normal, or otherwise act in a manner that negatively affects other users’ ability to engage in orderly exchanges;
 - (9) interfere with or disrupt servers or networks connected to the Franchisee Intranet;
 - (10) “stalk” or otherwise harass another; or
 - (11) collect or store personal data about other users.
- (d) Franchisor has the right in its Business Judgment to block or remove any objectionable User Content that Franchisee transmits or makes available via the Franchisee Intranet. Without limiting the generality of the foregoing, Franchisor may remove any User Content that violates this agreement or the Franchise Agreement or that is otherwise objectionable.
- (e) Franchisor stores and preserves User Content and may disclose it if required by law or in the good faith belief that such disclosure is reasonably necessary (a) to comply with legal process, (b) to enforce this agreement or any other agreement to which Franchisor are a party, (c) to respond to claims that any User Content violates the rights of third-parties, or (d) to protect the rights, property and personal safety of Franchisor, its employees and franchisees, and their employees and/or suppliers and vendors.
- (f) Franchisor may transmit and store Franchisee’s User Content over various networks, computer servers and other technological means, and Franchisor may modify Franchisee’s User Content to conform and adapt it to technical requirements of connecting networks or devices.
- (g) Franchisor will immediately suspend or terminate the rights of any User ID that Franchisor believes, in its Business Judgment, is being used to disseminate “spam” or other unsolicited bulk e-mail.

7. LICENSE TO REPUBLISH USER CONTENT

Franchisee grants Franchisor a royalty-free, perpetual, irrevocable, non-exclusive, fully assignable, worldwide right and license to use, reproduce, modify, adapt, publish, translate, create derivative works from, distribute, perform and display all or any part of the User Content that Franchisee transmits and/or to incorporate it with and into other works in any form, media, or technology now known or later developed.

8. RIGHT TO MODIFY

Franchisor has the right to modify the Franchisee Intranet as appropriate or necessary in its Business Judgment and to modify the Terms of Use Agreement governing the use of the Franchisee Intranet in the same manner that Franchisor modifies, amends or supplements the Manual. This agreement and any modifications to it constitute a part of the Manual. Franchisor has the right at any time and from time to time to modify or discontinue, temporarily or permanently, the Franchisee Intranet (or any of its features), with or without notice. Franchisee agrees that Franchisor is not liable to Franchisee or to any third party for any modification, suspension or discontinuance of the Franchisee Intranet.

9. INDEMNITY

Franchisee shall indemnify Franchisor and its subsidiaries, affiliates, officers, agents, co-branders or other partners, and employees, and hold Franchisor and each of those parties harmless from any claim or demand, including reasonable attorneys' fees, made by any third party with respect to or arising out of User Content Franchisee submits, posts to or transmits through the Franchisee Intranet, Franchisee's use of the Franchisee Intranet, Franchisee's violation of this agreement, or Franchisee's violation of any rights of another.

10. USE AND STORAGE

Franchisor may establish general practices and limits concerning use of the Franchisee Intranet, including the maximum number of days that e-mail messages, message board postings or other uploaded User Content will be retained on or by the Franchisee Intranet, the maximum number of e-mail messages that may be sent from or received by an account, the maximum size of any e-mail message that may be sent from or received by an account, the maximum disk space that will be allotted on Franchisor's servers on Franchisee's behalf, and the maximum number of times (and the maximum duration for which) Franchisee may access the Franchisee Intranet in a given period. Franchisor disclaims any responsibility or liability for the deletion or failure to store any messages and other communications or other User Content maintained or transmitted by the Franchisee Intranet. Franchisor has the right to change these general practices and limits at any time, in its Business Judgment, with or without notice.

11. TERMINATION

Franchisor may suspend Franchisee's password, e-mail account or other use of the Franchisee Intranet, and remove and discard any of Franchisee's User Content if Franchisee violates this agreement. Any violation or breach of this agreement by Franchisee or its employees will be deemed a breach of the Franchise Agreement. In addition to any other rights or remedies Franchisor may have, if Franchisee repeatedly breaches this agreement, Franchisor may terminate Franchisee's password, e-mail account or other use of the Franchisee Intranet and thereafter supply Franchisee with paper copies of the Manual, bulletins and other materials that Franchisor is required to provide Franchisee under the Franchise Agreement. Franchisor is not liable to Franchisee or any third party for any termination or suspension of Franchisee's access to the Franchisee Intranet. Access to Franchisee Intranet will be terminated upon termination or expiration of the Franchise Agreement, Franchisee's abandonment of the Franchised Business, or if Franchisee otherwise leaves the System.

12. LINKS AND ADVERTISING

(a) The Franchisee Intranet may provide, or third parties (*i.e.*, other franchisees) may provide, links to other World Wide Web / Internet sites or resources. Franchisor is not responsible for the availability of such external sites or resources, and Franchisor neither endorses nor assumes any responsibility for any content, advertising, products, or other materials on or available from such sites or resources. Franchisor will not be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any such content, goods or services available on or through any such site or resource.

(b) Franchisee's business dealings with, or participation in promotions of, advertisers found on or through the Franchisee Intranet, including payment and delivery of related goods or services, and any other terms, conditions, warranties or representations associated with such dealings, are solely between Franchisee and the advertiser. Franchisor is not responsible or liable for any loss or damage of any kind Franchisee incurs as the result of any such dealings or as the result of the presence of such advertisers on the Franchisee Intranet.

(c) Franchisor may link the Franchisee Intranet to the web sites of third parties, including, other electronic service providers, affiliates and other providers of goods and services.

(d) Franchisor may place legal notices, disclaimers, the Marks, advertisements, endorsements, trademarks, and other identifying information on the Franchisee Intranet, all of which Franchisor may modify, expand or eliminate at its option. All consideration (monetary and non-monetary) received by Franchisor on account of the placement or sale of advertisements, endorsements and sponsorships on the Franchisee Intranet will belong only to Franchisor.

13. INTELLECTUAL PROPERTY RIGHTS

(a) Franchisor grants Franchisee a personal, non-transferable and non-exclusive right and license to use the object code of the Software (defined below) on Franchisee's computers. Franchisee shall not copy, modify, create a derivative work of, reverse engineer, reverse assemble, or otherwise attempt to discover any source code, or to sell, assign, sublicense, grant a security interest in, or otherwise transfer any right in the Software, either directly or through Franchisee's employees or independent contractors. Franchisee shall not modify the Software in any manner or form, or to use modified versions of the Software for any purpose, including (without limitation) that of obtaining unauthorized access to the Franchisee Intranet. Franchisee shall not access the Franchisee Intranet by any means other than the interface that Franchisor provides for use in accessing the Franchisee Intranet. Franchisor owns and will retain all right, title and interest in and to the Software (subject to any licenses for the same with third parties), all Owner Content (as defined below) prepared for, or used on, the Franchisee Intranet, and all intellectual property rights in or to any of them.

(b) "Owner Content" means all text, e-mail, images, sounds, files, videos, designs, animations, layouts, color schemes, trade dress, concepts, methods, techniques, processes and data used in connection with, displayed on, or collected from or through the Franchisee Intranet that Franchisor posts or provides.

(c) "Software" means computer programs and computer code (*e.g.*, HTML, Java) used for, with or on the Franchisee Intranet, excluding any software programs owned by third parties.

14. DISCLAIMER OF WARRANTIES

Franchisee EXPRESSLY UNDERSTANDS AND AGREES THAT:

(a) FRANCHISEE'S USE OF THE FRANCHISEE INTRANET IS AT FRANCHISEE'S SOLE RISK. THE FRANCHISEE INTRANET IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. FRANCHISOR EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

(b) FRANCHISOR MAKES NO WARRANTY THAT (I) THE FRANCHISEE INTRANET WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (II) THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE FRANCHISEE INTRANET WILL BE ACCURATE OR RELIABLE, (III) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION, OR OTHER MATERIAL FRANCHISEE PURCHASES OR OBTAINS THROUGH THE FRANCHISEE INTRANET WILL MEET FRANCHISEE'S EXPECTATIONS, AND (IV) ANY ERRORS IN THE SOFTWARE WILL BE CORRECTED.

15. LIMITATION OF LIABILITY

FRANCHISEE EXPRESSLY UNDERSTANDS AND AGREES THAT NEITHER FRANCHISOR NOR ITS AFFILIATES, CONTRACTORS, SUPPLIERS OR LICENSORS SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER INTANGIBLE LOSSES (EVEN IF FRANCHISOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), RESULTING FROM: (I) FRANCHISEE'S USE OF OR INABILITY TO USE THE FRANCHISEE INTRANET; (II) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES RESULTING FROM ANY GOODS, DATA, INFORMATION OR SERVICES PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO THROUGH OR FROM THE FRANCHISEE INTRANET; (III) UNAUTHORIZED ACCESS TO OR ALTERATION OF FRANCHISEE'S TRANSMISSIONS, DATA OR OTHER USER CONTENT; (IV) STATEMENTS OR CONDUCT OF ANY THIRD PARTY ON THE FRANCHISEE INTRANET; OR (V) ANY OTHER MATTER RELATING TO THE FRANCHISEE INTRANET

16. NOTICES

Notices to Franchisee or Franchisor may be made by any manner permitted in the Franchise Agreement. In addition, Franchisor may also provide notices of changes to this agreement or other matters by displaying notices or links to notices to Franchisee generally on the Franchisee Intranet.

17. GENERAL

(a) This agreement constitutes the entire agreement between the parties relating to Franchisee's use of the Franchisee Intranet and supersedes any prior agreements between the parties. Franchisee also may be subject to additional terms and conditions that may apply when Franchisee uses affiliate services, third-party content or third-party software. The laws of the State of Ohio govern all aspects of this agreement without regard to conflict of law provisions. The parties agree to submit to the personal and exclusive jurisdiction of the courts located within the State of Ohio as provided for in the Franchise Agreement.

(b) This agreement does not constitute a modification of any terms of the Franchise Agreement or other agreements between the parties, including but not limited to, those regarding Confidential Information and use of the Manual.

(c) Franchisor's failure to exercise or enforce any right or provision of this agreement shall not constitute a waiver of such right or provision. If any provision of this agreement is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give effect to the parties' intentions as reflected in the provision, and the other provisions of this agreement remain in full force and effect. Franchisee agrees that, regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to use of the Franchisee Intranet or this agreement must be filed within one year after the claim or cause of action arose or be forever barred. The section titles in this agreement are for convenience only and have no legal or contractual effect.

18. VIOLATIONS

Franchisee shall report any violations of this agreement to Franchisor.

The parties are signing this agreement on the dates below.

SALTIRE BRANDS LLC:

FRANCHISEE:

By: _____

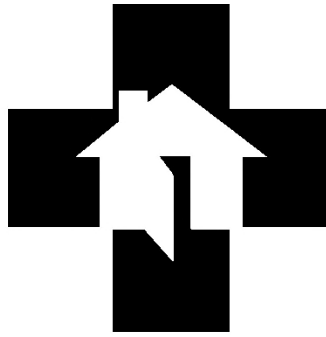
By: _____

Title: _____

Title: _____

Date: _____

Date: _____



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**EXHIBIT F TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

FRANCHISEE DISCLOSURE QUESTIONNAIRE

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you are aware, you have or are preparing to enter into a Franchise Agreement with SALTIRE BRANDS LLC (**Franchisor**) for the operation of a HOUSE DOCTORS® or HOUSE MEDIC™ franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you, either verbally or in writing, that the Franchisor did not authorize and that may be untrue, inaccurate, or misleading. Please read each of the following questions carefully and provide honest and complete responses to each question.

1. Did you receive a copy of the franchise agreement and other franchise contracts at least 7 days before you signed them?

YES _____ NO _____

2. Did you read the franchise contracts and their exhibits?

YES _____ NO _____

3. Did you understand everything in the franchise contracts and their exhibits?

YES _____ NO _____

If "No," what parts of the franchise contracts or their exhibits do you NOT understand? (Attach additional pages if necessary.)

4. Did you receive a copy of the Franchisor's Franchise Disclosure Document?

YES _____ NO _____

5. Did you sign a receipt for the Disclosure Document, to show when you received it?

YES _____ NO _____

6. Did you understand all of the information in the Disclosure Document?

YES _____ NO _____

7. If "No," what parts of the Disclosure Document did you NOT understand?

(Attach additional pages if necessary.)

8. Have you discussed your purchase of a HOUSE DOCTORS/MEDIC franchise with an attorney, accountant, or other professional advisor?

YES _____ NO _____

9. If "No," did you have an opportunity to do so?

YES _____ NO _____

10. Do you understand the risks of investing in and operating a HOUSE DOCTORS/MEDIC franchise?

YES _____ NO _____

11. Do you understand that the success or failure of your HOUSE DOCTORS/MEDIC franchise will depend in large part upon your skills and abilities, the number of hours you are willing to work, competition from other businesses, interest rates, the general state of the economy, inflation, labor and supply costs, and other general economic and business factors?

YES _____ NO _____

NOTE: QUESTIONS 12 THROUGH 19 DO NOT RELATE TO ANY INFORMATION YOU WERE GIVEN DIRECTLY BY A HOUSE DOCTORS OR HOUSE MEDIC FRANCHISEE.

Has any employee of the Franchisor or other person speaking on behalf of the Franchisor made any written or oral statement or promise regarding:

12. . . . the actual revenue, profits, or operating costs of a HOUSE DOCTORS/MEDIC franchise?

YES _____ NO _____

13. . . . the amount of money you can earn operating a HOUSE DOCTORS/MEDIC franchise?

YES _____ NO _____

14. . . . the amount of sales revenue your HOUSE DOCTORS/MEDIC franchise will or may generate?

YES _____ NO _____

15. . . . the costs you may incur in operating a HOUSE DOCTORS/MEDIC franchise (as opposed to your initial investment, which was disclosed in the Disclosure Document)?

YES _____ NO _____

16. . . . your initial investment to open a HOUSE DOCTORS/MEDIC franchise or the costs you may incur in operating a HOUSE DOCTORS/MEDIC franchise, that is contrary to or different from the information in the Disclosure Document?

YES _____ NO _____

17. . . . the likelihood of success that you should or might expect to achieve from operating a HOUSE DOCTORS/MEDIC franchise?

YES _____ NO _____

18. Has any employee of the Franchisor or other person speaking on behalf of the Franchisor made any statement, promise, or agreement about the advertising, marketing, training, support services, or assistance that the Franchisor will provide you that is contrary to or different from the information in the Disclosure Document?

YES _____ NO _____

19. Has any employee of the Franchisor or other person speaking on behalf of the Franchisor made any statement, promise, or agreement about any other aspect of a HOUSE DOCTORS/MEDIC franchise that is contrary to or different from the information in the Disclosure Document?

YES _____ NO _____

If you answered “Yes” to any of Questions 12 through 19, please provide a full explanation of your answer in the following space (attach additional pages if necessary, and refer to them in the space below). If you answered “No” to every Question 12 through 19, please leave the following space blank.

You understand that your answers are important to us and that we will rely on them in entering into the Franchise Agreement with you.

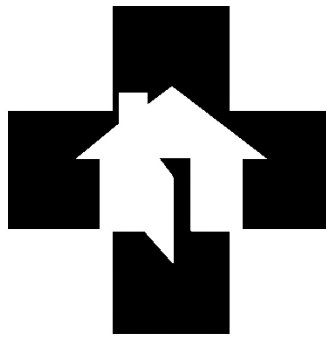
NOTHING IN THIS DOCUMENT IS TO BE CONSTRUED AS A RELEASE, ESTOPPEL OR WAIVER OF ANY LIABILITY OR OBLIGATION IMPOSED BY A STATE FRANCHISE OR INVESTMENT LAW.

By signing below, you represent that you have responded truthfully to the above questions.

Date: _____

Signature

Print Name



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**EXHIBIT G TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

ADDENDUM FOR SUCCESSOR FRANCHISE AGREEMENT

SUCCESSOR FRANCHISE ADDENDUM
TO HOUSE DOCTORS FRANCHISE AGREEMENT

This addendum is between SALTIRE BRANDS LLC (“Franchisor”) and _____ (“Franchisee”).

PREAMBLE:

- A. Franchisee has been operating a House Doctors Franchise under a franchise agreement with Franchisor (the “Prior Franchise Agreement”) that was executed on _____ and will expire on _____.
- B. Franchisee has requested and Franchisor has agreed to grant Franchisee a Successor Franchise under section 2.2 of the Prior Franchise Agreement.
- C. Accordingly, simultaneously with their execution of this addendum, Franchisor and Franchisee are entering into Franchisor’s current form of House Doctors franchise agreement (the “Franchise Agreement”).
- D. This addendum modifies certain aspects of the Franchise Agreement to reflect the fact that Franchisee is obtaining a Successor Franchise and that it is an experienced operator of a House Doctors Franchise, and to delete and/or waive the provisions of the Franchise Agreement that are intended to apply only to new franchisees.

THEREFORE, the parties hereby amend the Franchise Agreement and agree as follows:

1. Amendment of Franchise Agreement; Defined Terms. This addendum is an integral part of, and is incorporated into, the Franchise Agreement. Nevertheless, this addendum supersedes any inconsistent or conflicting provisions of the Franchise Agreement. The parties hereby ratify and affirm the Franchise Agreement in all other respects. Capitalized terms used but not defined in this addendum are defined in the Franchise Agreement.
2. Effective Date. The “Effective Date” and the first day of the term of the Franchise Agreement and this addendum is the day after the expiration date of the Prior Franchise Agreement, regardless of the actual date that the agreements were signed.
3. Option to Acquire Successor Franchise. Notwithstanding anything to the contrary in section 2.2 of the Franchise Agreement, Franchisee has the right to be granted one Successor Franchise if Franchisee complies with the conditions in subparagraphs (a) through (f) of section 2.2.
4. Initial Franchise Fee. No Initial Franchise Fee or Territory Fee is required for a Successor Franchise. Accordingly, Article 4 of the Franchise Agreement is inapplicable and is hereby deleted in its entirety.
5. Training and Operating Assistance. Franchisor has already satisfied its obligations under sections 6.2 and 6.3 and subparagraphs (a) through (f) of section 6.1 of the Franchise Agreement to provide Franchisee with initial training, and other pre-opening assistance, and to loan Franchisee a copy of the Manual. However, Franchisee shall comply with Franchisor’s current training requirements, including any refresher training programs or training requirements specifically designed for Successor Franchisees.

6. Business Operation. Franchisee has already opened the Franchised Business before the Effective Date. Accordingly, the first sentence of section 7.6 of the Franchise Agreement, which gives Franchisee six months after the Effective Date to open the Franchised Business, is hereby deleted.

7. Minimum Gross Sales. The Minimum Quarterly Gross Sales throughout the entire term of the Successor Franchise Agreement is \$_____. Section 7.7 of the Franchise Agreement is hereby amended accordingly.

8. Exclusive Relationship. Franchisee represents that, except for other House Doctors Franchises operated under franchise agreements with Franchisor, neither Franchisee nor any Affiliate, Principal, or Remote Principal of Franchisee, nor any member of the immediate families of any Affiliate, Principal, or Remote Principal of Franchisee: (a) have any Ownership Interest in any Competitive Business; (b) have any Ownership Interest in any Person that grants franchises or licenses to others to operate Competitive Businesses; or (c) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any Competitive Business or any Person that grants franchises or licenses to others to operate Competitive Businesses.

9. Releases. Simultaneously with the execution of this addendum, Franchisee and each of its Principals and Remote Principals must sign and deliver to Franchisor a General Release in the form attached to the Franchise Agreement as Exhibit C.

10. Transfers. The Franchise Agreement requires that Franchisor's then-current form of Franchise Agreement and ancillary agreements be executed in connection with any Transfer. Accordingly, in the event of a Transfer, the transferee will be required to sign Franchisor's standard form of Assignment and Assumption Agreement and execute Franchisor's then-current franchise agreement, which require the transferee to assume all of Franchisee's obligations under the Franchise Agreement. However, this addendum will automatically be cancelled and will no longer apply in any manner, so that the transferee will be bound by the Franchise Agreement alone, without reference to this addendum. The parties recognize that the accommodations made by Franchisor in this addendum are personal to Franchisee.

11. Remaining Terms Unaffected. All terms of the Franchise Agreement not deleted, modified or waived by this addendum remain binding on the parties.

The parties are signing this addendum on the dates below.

FRANCHISOR:

FRANCHISEE:

SALTIRE BRANDS LLC

By: _____

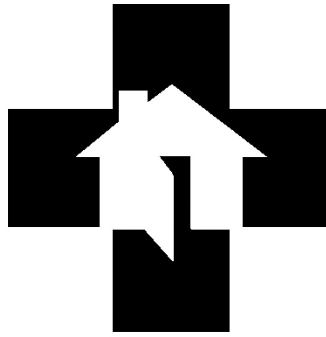
By: _____

Title: _____

Title: _____

Date: _____

Date: _____



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Handyman Professionals Home Improvements

**EXHIBIT H TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

California

Commissioner of Business Oversight
Suite 750
320 West 4th Street
Los Angeles, CA 90013-2344

Illinois

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana

Indiana Secretary of State
Securities Division
200 West Washington Street
Room 201
Indianapolis, IN 46204

Maryland

Maryland Securities Commissioner
200 Saint Paul Place
Baltimore, MD 21202

Minnesota

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

New York

Department of State of the State of New York
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231

Ohio

Jim Hunter
1062 Westchester Way
Cincinnati, OH 45244

Rhode Island

Department of Business Regulation
Securities Division
John O. Pastore Complex
1511 Pontiac Avenue
Building 69-1
Cranston, RI 02920

Virginia

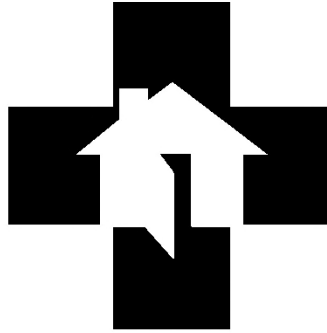
Clerk of the State Corporation Commission
Tyler Building
1300 East Main Street - First Floor
Richmond, VA 23219
(804) 371-9733

Washington

Director
Washington State Department of
Financial Institutions
150 Israel Road S.W.
Tumwater, WA 98501

Wisconsin

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, WI 53705



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**EXHIBIT I TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

STATE FRANCHISE REGULATORS

STATE FRANCHISE REGULATORS

California

Department of Business Oversight
Suite 750
320 West 4th Street
Los Angeles, CA 90013-2344
(213) 576-7500
Toll Free: 1-866-275-2677

Connecticut

Securities & Business Investments Division
Department of Banking
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8230

Florida

Department of Agriculture and Consumer Services
Division of Consumer Services
2005 Apalachee Parkway - The Rhodes Bldg.
Tallahassee, FL 32399
(850) 410-3800

Georgia

Georgia Department of Law
Consumer Protection Unit
2 Martin Luther King Jr. Dr., Suite 356
Atlanta, GA 30334
(404) 651-8600

Hawaii

Dept. of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street
Honolulu, HI 96813
(808) 586-2744

Illinois

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

House Doctors
Franchise Disclosure Document
Confidential
(04/01/2020)
4839-8869-8556.4

Indiana

Indiana Securities Division
302 West Washington Street - Room E111
Indianapolis, IN 46204
(317) 232-6681

Kentucky

Office of the Attorney General
Consumer Protection Division
1024 Capitol Center Drive
Frankfort, KY 40602-2000
(888) 432-9257

Maryland

Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan

Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Section
G. Mennen Williams Bldg.
525 West Ottawa Street
P.O. Box 30213
Lansing, MI 48909
(517) 373-7117

Minnesota

Department of Commerce
Securities Unit
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
(651) 539-1500

New York

New York State Department of Law
Division of Public Advocacy
Investor Protection & Securities Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8285

North Carolina

Department of the Secretary of State
2 South Salisbury Street
Raleigh, NC 27601-2903
(919) 807-2000

North Dakota

North Dakota Securities Department
State Capitol, Fifth Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-2910

Ohio

Ohio Attorney General
State Office tower
30 East Broad Street
Columbus, OH 43215
(800) 282-0515

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
350 Winter Street, NE
Room 410
Salem, OR 97301
(503) 378-4140

Nebraska

Dept. of Banking & Finance
1526 K Street, Suite 300
Lincoln, NE 68508
(402) 471-3445

Rhode Island

Department of Business Regulation
Securities Division
John O. Pastore Complex
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02920
(401) 462-9527

South Carolina

Secretary of State
1205 Pendleton Street
525 Edger Brown Building
Columbia, SC 29201
(803) 734-0367

South Dakota

Dept. of Revenue & Regulation
Division of Securities
124 S. Euclid Avenue, 2nd Floor
Pierre, SD 57501-3185
(605) 773-3563

Texas

Secretary of State
Statutory Document Section
P.O. Box 13193
Austin, TX 78711
(512) 475-0775

Utah

Department of Commerce
Division of Consumer Protection
160 East 300 South, 2nd Floor
Salt Lake City, UT 84114
(801) 530-6601

Virginia

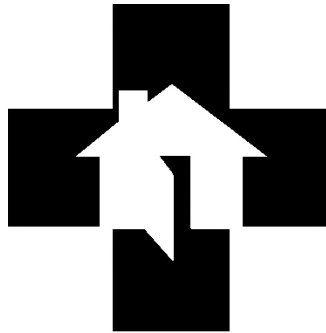
State Corporation Commission
Division of Securities & Retail Franchising
Tyler Building
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

Washington

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

Wisconsin

Department of Financial Institutions
Division of Securities
4822 Madison Yards Way, North Tower
Madison, WI 53705
(608) 266-8557



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**EXHIBIT J TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

FINANCIAL STATEMENTS

House Doctors
Audited Financial Statements
For the years ended December 31, 2019 and 2018
With Independent Auditor's Report



BARNHOUSE & CORNETT CPAs, LTD.
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

Mary E. Cornett, CPA
William D. Barnhouse, CPA/ABV, CVA, CFFA, 1947-2016

Members of:
American Institute of CPAs
Ohio Society of CPAs
Division of CPA Firms, AICPA

Independent Auditor's Report

To the Member
House Doctors
Milford, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of House Doctors (an Ohio single member limited liability company) which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of income, member's equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United State of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statement to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentations of the financial statements.

The CPA. Never Underestimate The Value.SM

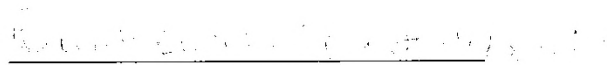
1350 EATON AVE.
HAMILTON, OH 45013
(513) 863-7666
FAX (513) 863-0267

31 MILLVILLE-OXFORD RD.
HAMILTON, OH 45013
(513) 738-1080
FAX (513) 863-0267

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of House Doctors as of December 31, 2019 and 2018, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Barnthouse & Cornett CPAs, LTD.
Certified Public Accountants and Advisors
Hamilton, Ohio

March 9, 2020

HOUSE DOCTORS
BALANCE SHEETS
December 31, 2019 and 2018

	<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
<u>CURRENT ASSETS</u>			
Cash	\$	664,888	\$ 433,457
Restricted cash		23,559	91,280
Accounts receivable (net of allowance of \$1,000)		90,153	133,768
Current portion of notes receivable		<u>19,474</u>	<u>19,474</u>
<u>Total current assets</u>	\$	<u>798,074</u>	<u>\$ 677,979</u>
Fixed assets, net	\$	<u>4,620</u>	<u>\$ 11,398</u>
<u>OTHER ASSETS</u>			
Notes receivable, net of current portion	\$	31,754	\$ 50,352
Goodwill, net		<u>38,800</u>	<u>48,500</u>
<u>Total other assets</u>	\$	<u>70,554</u>	<u>\$ 98,852</u>
<u>TOTAL ASSETS</u>	\$	<u>873,248</u>	<u>\$ 788,229</u>
	<u>LIABILITIES AND MEMBERS' EQUITY</u>		
<u>CURRENT LIABILITIES</u>			
Accounts payable	\$	7,586	\$ 7,531
Accrued expenses		48,654	9,763
Due to advertising fund		23,559	91,280
Current portion of long-term debt		<u>4,999</u>	<u>4,899</u>
<u>Total current liabilities</u>	\$	<u>84,798</u>	<u>\$ 113,473</u>
Long-term debt, net of current portion	\$	<u>3,575</u>	<u>\$ 8,575</u>
Total Liabilities	\$	<u>88,373</u>	<u>\$ 122,048</u>
<u>MEMBERS' EQUITY</u>	\$	<u>784,875</u>	<u>\$ 666,181</u>
<u>Total members' equity</u>	\$	<u>784,875</u>	<u>\$ 666,181</u>
<u>TOTAL LIABILITIES & EQUITY</u>	\$	<u>873,248</u>	<u>\$ 788,229</u>

See Independent Auditor's Report and Footnotes to the Financial Statements

HOUSE DOCTORS

STATEMENTS OF MEMBERS' EQUITY For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
BALANCE, Beginning Year December 31,	\$ 666,181	\$ 529,774
Distributions	(24,019)	(70,483)
Net Income	<u>142,713</u>	<u>206,890</u>
BALANCE, End of Year December 31,	\$ <u><u>784,875</u></u>	\$ <u><u>666,181</u></u>

See Independent Auditor's Report and Footnotes to the Financial Statements

HOUSE DOCTORS
STATEMENTS OF INCOME
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>REVENUES</u>		
Royalty fees	\$ 578,098	\$ 535,767
Territory fees	205,700	115,300
Franchise License fees	82,600	59,700
Interest Income	1,465	2,241
Other income	<u>4,165</u>	<u>3,908</u>
<u>Total revenues</u>	<u>\$ 872,028</u>	<u>\$ 716,916</u>
<u>EXPENSES</u>		
Payroll and related taxes	\$ 251,811	\$ 246,249
Franchise sales costs	222,563	60,851
Professional fees	71,265	66,303
Rent	33,390	32,825
Employee benefits	33,258	34,890
Trade shows and conventions	12,858	7,998
Bad Debt	57,235	906
Telephone	9,105	8,603
Depreciation and amortization	16,478	25,400
Office expense	3,452	6,078
Interest	-	92
Licensing	-	25
Dues and subscriptions	313	219
Technology	3,893	3,797
Supplies	1,291	1,729
Taxes	4,270	6,484
Franchise development/award costs	456	262
Advertising	2,500	722
Postage	472	966
Service charges	972	946
Travel and entertainment	1,366	2,782
Auto	117	149
Donations	<u>2,250</u>	<u>1,750</u>
<u>Total expenses</u>	<u>\$ 729,315</u>	<u>\$ 510,026</u>
<u>NET INCOME</u>	<u>\$ 142,713</u>	<u>\$ 206,890</u>

See Independent Auditor's Report and Footnotes to the Financial Statements

HOUSE DOCTORS

STATEMENTS OF CASH FLOWS
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Net income	\$ 142,713	\$ 206,890
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ 6,778	\$ 15,700
Amortization	9,700	9,700
Changes in:		
Restricted cash	67,721	(51,847)
Accounts receivable	43,615	(113,150)
Notes receivable	18,598	21,148
Accounts payable	55	(1,663)
Accrued payroll and expenses	38,891	(371)
Due to advertising fund	(67,721)	51,847
<u>Net cash provided by operating activities</u>	<u>\$ 260,350</u>	<u>\$ 138,254</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Member distributions	(24,019)	(70,483)
Repayments on long-term debt	\$ (4,900)	\$ (11,202)
<u>Net cash used in financing activities</u>	<u>\$ (28,919)</u>	<u>\$ (81,685)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 231,431	\$ 56,569
Cash and cash equivalents at beginning of period.	433,457	376,888
Cash and cash equivalents at end of period.	<u>\$ 664,888</u>	<u>\$ 433,457</u>

See Independent Auditor's Report and Footnotes to the Financial Statements

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – NATURE OF COMPANY AND OPERATIONS

House Doctors (the “Company”) was formed on May 25, 2012 as an Ohio limited liability company. The Company is a franchisor that offers franchises to operate a residential and commercial property maintenance, repair, and remodeling services business under the trade name House Doctors (or House Medic in certain markets). The Company also provides training and supervisory and administrative services for the franchisees.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Company conform with accounting principles generally accepted in the United States of America (“GAAP”) as contained in the Accounting Standards Codification (“ASC”) issued by the Financial Accounting Standards Board (“FASB”). The financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. A summary of significant accounting policies follow and are described below to enhance the usefulness of the financial statements to the reader.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For balance sheet purposes, the Company considers all highly liquid debt instruments, with a maturity of 3 months or less at date of purchase to be cash equivalents. There were no cash equivalents as of December 31, 2019 and 2018.

Restricted Cash

Restricted cash consists of cash held for the franchisees’ advertising fund. Franchisees contribute a percentage of their sales to the advertising fund. The Company does not recognize the receipt of these funds, nor does it recognize related expenses. Therefore, they are not included in these financial statements. The funds available to franchisees for advertising is recorded as a payable on the Company’s balance sheet.

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are stated at net realizable value. The Company provides an allowance for doubtful accounts based on management's periodic review of accounts. Accounts are considered delinquent when payments have not been received within the agreed upon terms, and are written off when management determines that collection is not probable. The allowance for doubtful accounts was \$1,000 and \$1,000 at December 31, 2019 and 2018, respectively.

Goodwill

The Company acquired substantially all the assets of the House Doctors franchise system from H.D. Franchising Systems, LLC on June 14, 2012, which resulted in the recognition of goodwill in the amount of \$97,000. Goodwill represents the excess of cost over fair value of assets of the House Doctors franchise system acquired. Effective 2014 the Company adopted the amendment to ASC 350 *Intangibles-Goodwill and Other*, allowing the Company to amortize goodwill on the straight-line method over ten years.

Fixed Assets

Fixed assets are stated at cost. Depreciation of fixed assets is recorded using the straight-line method over the estimated useful lives of the assets. Maintenance and repair costs are expensed as incurred. The Company capitalizes furniture and equipment with amounts over \$500.

The estimated useful lives of fixed assets are as follows:

Furniture and equipment	3-5 years
Auto	5 years

Revenue Recognition

The Company franchises House Doctors. The Company executes franchise agreements for each franchisee which sets out the terms of the arrangement. The franchise agreements require the franchisee to pay an initial, nonrefundable fee and continuing fees based upon a percentage of sales. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company, with the consent of its Member, has elected to be formed as a limited liability company. The operating agreement of the Company, construed under Ohio laws, states that the Company will be treated as a partnership for federal and state income tax purposes. In lieu of paying taxes at the company level, the members of a limited liability company are taxed on their proportionate share of a company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

The Company follows the provisions of *Accounting for Uncertainty in Income Taxes* as required by the ASC standards. The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would be more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company does not believe the financial statements include any uncertain tax positions. The Company's tax returns for 2015 through 2019 are subject to examination by the Internal Revenue Service (IRS); however, the Company has not been informed that the IRS intends to conduct such examinations.

Concentrations of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash. The Company places its cash with high credit quality financial institutions. At times such cash may be in excess of FDIC insurance limits.

Subsequent Events

In conformity with the ASC standards, the Company has evaluated for disclosure all subsequent events and transactions through March 9, 2020, which was the date the financial statements were available to be issued for the year ended December 31, 2019.

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 3 – FIXED ASSETS

Fixed assets consisted of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 29,813	\$ 29,813
Auto	<u>77,464</u>	<u>77,464</u>
	107,277	107,277
Less: accumulated depreciation	<u>(102,656)</u>	<u>(95,879)</u>
Fixed assets, net	\$ <u>4,620</u>	\$ <u>11,398</u>
 Depreciation expense	 \$ <u>6,778</u>	 \$ <u>15,700</u>

NOTE 4 – GOODWILL

The gross carrying amounts of goodwill and accumulated amortization for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Goodwill	\$ 97,000	\$ 97,000
Less: accumulated amortization	<u>(58,200)</u>	<u>(48,500)</u>
Goodwill, net	\$ <u>38,800</u>	\$ <u>48,500</u>
 Amortization expense	 \$ <u>9,700</u>	 \$ <u>9,700</u>

NOTE 5 – NOTES RECEIVABLE

Notes receivable at December 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Franchise Installment Note: 4 year note Receivable due in monthly payments of Principle; interest 7.25%; unsecured; Due December 2021	 \$ 16,229	 \$ 23,503

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 5 – NOTES RECEIVABLE (CONTINUED)

	2019	2018
Franchise Installment Note: 3 year note receivable due in monthly payments of Principle; interest 8%; unsecured; due July 2020	-	3,156
Franchise Installment Note: 5 year note receivable due in monthly payment of Principle; interest 0.00%; unsecured; Due February 2023	22,999	27,499
Franchise Installment Note 5 year note receivable due in monthly payments of Principle; interest 0.00%; unsecured; Due November 2022	<u>12,000</u>	<u>15,668</u>
Total notes receivable	51,228	69,826
Less: current portion of note receivable	<u>(19,474)</u>	<u>(19,474)</u>
Notes Receivable, net of current portion	\$ <u>31,754</u>	\$ <u>50,352</u>

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 6 – LONG TERM DEBT

Long term debt consisted of the following:

	2019	2018
6 year auto loan due to Auto Financial Services Company in monthly payments Of \$408.29 secured by the Automobile, Due September 12, 2021	8,574	<u>13,474</u>
Total long term debt		13,474
Less: current portion of long term debt	<u>(4,999)</u>	<u>(4,899)</u>
Long term debt, net of current portion	\$ <u>3,575</u>	\$ <u>8,575</u>

Long-term debt repayment requirements for the next five years are as follows:

Years ending December 31,

2020	\$ 4,999
2021	3,575
2022	-
2023	-
2024	<u>-</u>
	\$ <u>8,574</u>

NOTE 7 – LEASE AGREEMENT

The Organization entered an agreement on July 23, 2012 to rent its office space under an operating lease beginning October 1, 2012 and expiring June 30, 2018. July 1, 2018 the organization entered an agreement for a six month extension to rent its office space under an operating lease which expires December 31, 2018. January 1, 2019 the organization entered into a third amendment lease for the six months which expire June 30, 2019. July 1, 2019 the organization entered an agreement for a six month extension to rent its office space under an operating lease which expires December 31, 2019. January 1, 2020 the organization entered into a fifth amendment lease for the six months which expire June 30, 2020. Total future minimum lease payment due for the next year is as follows:

Years ending December 31,

2020	\$ <u>17,570</u>
------	------------------

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 7 – LEASE AGREEMENT (CONTINUED)

As of the date of this audit report the organization plans on moving their offices from their current location. As of the date of the audit report the organization has not entered into any new long term lease nor has secured new office space in anyway.

NOTE 8 – NEW ACCOUNTING STANDARDS

In May, 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers. The standard's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contract with customers. The standard will be effective for the entity's year ending December 31, 2020.

In February 2016, the FASB issued ASU 2016-2, Leases. The standard requires all leases with terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating, which will be relevant for the pattern of expense recognition. This standard will be effective for the company's year ending December 31, 2021.

Salitre Brands, LLC
dba
House Doctors

Audited Financial Statements

For the years ended December 31, 2018 and 2017
With Independent Auditor's Report

House Doctors
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BARNTHOUSE & CORNETT CPAs, LTD.
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

Mary E. Butterfield, CPA
William D. Barnthouse, CPA/ABV, CVA, CFSA, 1943-2016

Members of
American Institute of CPAs
Ohio Society of CPAs
Division of CPA Firms, AICPA

Independent Auditor's Report

To the Member
House Doctors
Milford, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of House Doctors (the "Company") which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of income, member's equity and cash flows for the years ended December 31, 2018 and 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statement to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentations of the financial statements.

The CPA. Never Underestimate The Value.™

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HAMILTON, OH 45013
(513) 863-7866
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36 MELVILLE-CORFORD RD.
HAMILTON, OH 45013
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial positions of House Doctors as of December 31, 2018 and 2017, and the results of its operations and cash flows for the years then ended December 31, 2018 and 2017 in conformity with accounting principles generally accepted in the United States of America.

Barnhouse & Cornett CPAs, LTD.

Barnhouse & Cornett CPAs, LTD.
Certified Public Accountants and Advisors

March 2, 2019

HOUSE DOCTORS

BALANCE SHEETS
December 31, 2018 and 2017

	<u>ASSETS</u>	
	<u>2018</u>	<u>2017</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 433,457	\$ 376,888
Restricted cash	91,280	39,433
Accounts receivable (net of allowance of \$1,000)	133,765	20,618
Current portion of notes receivable	<u>19,474</u>	<u>20,340</u>
<u>Total current assets</u>	<u>\$ 677,979</u>	<u>\$ 457,279</u>
Fixed assets, net	<u>\$ 11,398</u>	<u>\$ 27,098</u>
<u>OTHER ASSETS</u>		
Notes receivable, net of current portion	\$ 50,352	\$ 70,634
Goodwill, net	<u>48,500</u>	<u>56,200</u>
<u>Total other assets</u>	<u>\$ 98,852</u>	<u>\$ 126,834</u>
<u>TOTAL ASSETS</u>	<u>\$ 788,229</u>	<u>\$ 613,211</u>
	<u>LIABILITIES AND MEMBERS' EQUITY</u>	
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 7,531	\$ 9,194
Accrued expenses	9,763	10,134
Due to advertising fund	91,280	39,433
Current portion of long-term debt	<u>4,899</u>	<u>11,192</u>
<u>Total current liabilities</u>	<u>\$ 113,473</u>	<u>\$ 69,953</u>
Long-term debt, net of current portion	<u>\$ 8,575</u>	<u>\$ 13,484</u>
<u>Total Liabilities</u>	<u>\$ 122,048</u>	<u>\$ 83,437</u>
<u>MEMBERS' EQUITY</u>	<u>\$ 666,181</u>	<u>\$ 529,774</u>
<u>Total members' equity</u>	<u>\$ 666,181</u>	<u>\$ 529,774</u>
<u>TOTAL LIABILITIES & EQUITY</u>	<u>\$ 788,229</u>	<u>\$ 613,211</u>

See Independent Auditor's Report and Footnotes to the Financial Statements

HOUSE DOCTORS

STATEMENTS OF INCOME
December 31, 2018 and 2017

	2018	2017
REVENUES		
Royalty fees	\$ 535,767	\$ 459,308
Territory fees	115,300	179,922
Franchise License fees	59,700	72,600
Interest Income	2,241	957
Other income	3,908	136
Total revenues	\$ 716,916	\$ 712,923
EXPENSES		
Payroll and related taxes	\$ 246,249	\$ 232,472
Franchise sales costs	60,851	117,483
Professional fees	66,303	60,670
Rent	32,625	28,878
Employee benefits	34,090	23,588
Trade shows and conventions	7,998	7,888
Bad Debt	906	6,323
Telephone	8,603	7,463
Depreciation and amortization	25,400	27,398
Office expense	6,078	3,965
Interest	92	451
Licensing	25	55
Dues and subscriptions	219	3,426
Technology	3,797	2,555
Supplies	1,729	1,501
Taxes	6,484	3,103
Franchise development/award costs	262	2,152
Advertising	722	360
Postage	966	468
Service charges	946	831
Travel and entertainment	2,782	4,697
Auto	149	372
Donations	1,750	3,600
Total expenses	\$ 510,026	\$ 539,699
NET INCOME	\$ 206,890	\$ 173,224

See Independent Auditor's Report and Footnotes to the Financial Statements

HOUSE DOCTORS

STATEMENTS OF MEMBERS' EQUITY
For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
BALANCE, Beginning Year December 31,	\$ 529,774	\$ 368,262
Distributions	(70,483)	(11,712)
Net income	<u>205,890</u>	<u>173,224</u>
BALANCE, End of Year December 31,	<u>\$ 665,181</u>	<u>\$ 529,774</u>

See Independent Auditor's Report and Footnotes to the Financial Statements

HOUSE DOCTORS

STATEMENTS OF CASH FLOWS
December 31, 2018 and 2017

	2018	2017
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Net income	\$ 206,890	\$ 173,224
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ 15,700	\$ 17,698
Amortization	9,700	9,700
Changes in:		
Restricted cash	(51,847)	7,143
Accounts receivable	(113,150)	42,185
Notes receivable	21,148	(75,315)
Accounts payable	(1,653)	8,794
Accrued payroll	(371)	(985)
Due to advertising fund	51,847	(7,143)
Net cash provided by operating activities	\$ 138,264	\$ 175,300
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of fixed assets	\$ -	\$ (1,052)
Net cash used in investing activities	\$ -	\$ (1,052)
<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Member distributions	\$ (70,483)	\$ (11,712)
Repayments on long-term debt	\$ (11,202)	\$ (22,747)
Net cash used in financing activities	\$ (81,685)	\$ (34,459)
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 56,569	\$ 139,789
Cash and cash equivalents at beginning of period.	376,888	237,099
Cash and cash equivalents at end of period.	\$ 433,457	\$ 376,888

See Independent Auditor's Report and Footnotes to the Financial Statements

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 – NATURE OF COMPANY AND OPERATIONS

House Doctors (the "Company") was formed on May 25, 2012 as an Ohio limited liability company. The Company is a franchisor that offers franchises to operate a residential and commercial property maintenance, repair, and remodeling services business under the trade name House Doctors (or House Medic in certain markets). The Company also provides training and supervisory and administrative services for the franchisees.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Company conform with accounting principles generally accepted in the United States of America ("GAAP") as contained in the Accounting Standards Codification ("ASC") issued by the Financial Accounting Standards Board ("FASB"). The financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. A summary of significant accounting policies follow and are described below to enhance the usefulness of the financial statements to the reader.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For balance sheet purposes, the Company considers all highly liquid debt instruments, with a maturity of 3 months or less at date of purchase to be cash equivalents. There were no cash equivalents as of December 31, 2018 and 2017.

Restricted Cash

Restricted cash consists of cash held for the franchisees' advertising fund. Franchisees contribute a percentage of their sales to the advertising fund. The Company does not recognize the receipt of these funds, nor does it recognize related expenses. Therefore, are not included in these financial statements. The funds available to franchisees for advertising is recorded as a payable on the Company's balance sheet.

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are stated at net realizable value. The Company provides an allowance for doubtful accounts based on management's periodic review of accounts. Accounts are considered delinquent when payments have not been received within the agreed upon terms, and are written off when management determines that collection is not probable. The allowance for doubtful accounts was \$1,000 and \$1,000 at December 31, 2018 and 2017, respectively.

Goodwill

The Company acquired substantially all the assets of the House Doctors franchise system from H.D. Franchising Systems, LLC on June 14, 2012, which resulted in the recognition of goodwill in the amount of \$97,000. Goodwill represents the excess of cost over fair value of assets of the House Doctors franchise system acquired. Effective 2014 the Company adopted the amendment to ASC 350 *Intangibles-Goodwill and Other*, allowing the Company to amortize goodwill on the straight-line method over ten years.

Fixed Assets

Fixed assets are stated at cost. Depreciation of fixed assets is recorded using the straight-line method over the estimated useful lives of the assets. Maintenance and repair costs are expensed as incurred. The Company capitalizes furniture and equipment with amounts over \$500.

The estimated useful lives of fixed assets are as follows:

Furniture and equipment	3-5 years
Auto	5 years

Revenue Recognition

The Company franchises House Doctors. The Company executes franchise agreements for each franchisee which sets out the terms of the arrangement. The franchise agreements require the franchisee to pay an initial, nonrefundable fee and continuing fees based upon a percentage of sales. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company, with the consent of its Member, has elected to be formed as a limited liability company. The operating agreement of the Company, construed under Ohio laws, states that the Company will be treated as a partnership for federal and state income tax purposes. In lieu of paying taxes at the company level, the members of a limited liability company are taxed on their proportionate share of a company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

The Company follows the provisions of *Accounting for Uncertainty in Income Taxes* as required by the ASC standards. The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would be more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company does not believe the financial statements include any uncertain tax positions. The Company's tax returns for 2014 through 2018 are subject to examination by the Internal Revenue Service (IRS); however, the Company has not been informed that the IRS intends to conduct such examinations.

Concentrations of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash. The Company places its cash with high credit quality financial institutions. At times such cash may be in excess of FDIC insurance limits.

Subsequent Events

In conformity with the ASC standards, the Company has evaluated for disclosure all subsequent events and transactions through March 2, 2019, which was the date the financial statements were available to be issued for the year ended December 31, 2018.

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 3 – FIXED ASSETS

Fixed assets consisted of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 29,813	\$ 29,813
Auto	<u>77,464</u>	<u>77,464</u>
	107,277	107,277
Less: accumulated depreciation	<u>(95,879)</u>	<u>(80,179)</u>
Fixed assets, net	\$ <u>11,398</u>	\$ <u>27,098</u>
Depreciation expense	\$ <u>15,700</u>	\$ <u>17,698</u>

NOTE 4 – GOODWILL

The gross carrying amounts of goodwill and accumulated amortization for the years ended December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Goodwill	\$ 97,000	\$ 97,000
Less: accumulated amortization	<u>(48,500)</u>	<u>(38,800)</u>
Goodwill, net	\$ <u>48,500</u>	\$ <u>58,200</u>
Amortization expense	\$ <u>9,700</u>	\$ <u>9,700</u>

NOTE 5 – NOTES RECEIVABLE

Notes receivable at December 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Franchise installment Note: 4 year note Receivable due in monthly payments of Principle; interest 7.25%; unsecured; Due December 2021	\$ 23,503	\$ 30,454

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 5 – NOTES RECEIVABLE (CONTINUED)

	2018	2017
Franchise Installment Note: 3 year note Receivable due in monthly payments of Principle; interest 8%; unsecured; due July 2020	3,156	5,222
Franchise Installment Note: 5 year note Receivable due in monthly payment of Principle; interest 0.00%; unsecured; Due February 2023	27,499	29,999
Franchise Installment Note: 5 year note Receivable due in monthly payments of Principle; interest 6.25%; unsecured; Due June 2020	0	5,299
Franchise Installment Note 5 year note Receivable due in monthly payments of Principle; interest 0.00%; unsecured; Due November 2022	<u>15,668</u>	<u>20,000</u>
Total notes receivable	69,826	90,974
Less: current portion of note receivable	<u>(19,474)</u>	<u>(20,340)</u>
Notes Receivable, net of current portion	\$ <u>50,352</u>	\$ <u>70,634</u>

NOTE 6 – LONG TERM DEBT

Long Term Debt consisted of the following at December 31, 2018 and 2017:

	2018	2017
5 year auto loan due to Auto Financial Services Company in monthly payments Of \$581.30 secured by the Automobile, Due November 18, 2018	\$ 0	\$ 6,303

HOUSE DOCTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 6 – LONG TERM DEBT (CONTINUED)

	2018	2017
6 year auto loan due to Auto Financial Services Company in monthly payments Of \$408.29 secured by the Automobile, Due September 12, 2021	<u>13,474</u>	<u>18,373</u>
Total long term debt	13,474	24,676
Less: current portion of long term debt	<u>(4,899)</u>	<u>(11,192)</u>
Long term debt, net of current portion	\$ <u>8,575</u>	\$ <u>13,484</u>

Long-term debt repayment requirements for the next five years are as follows:

Years ending December 31,

2019	\$ 4,899
2020	4,899
2021	3,676
2022	0
2023	<u>0</u>
	<u>\$13,474</u>

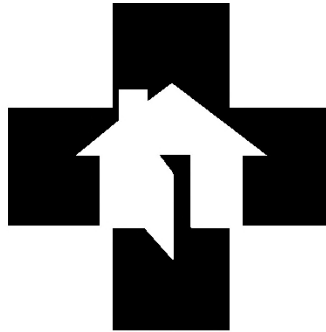
NOTE 7 – LEASE AGREEMENT

The Organization entered an agreement on July 23, 2012 to rent its office space under an operating lease beginning October 1, 2012 and expiring June 30, 2018. July 1, 2018 the organization entered an agreement for a six month extension to rent its office space under an operating lease which expires December 31, 2018. January 1, 2019 the organization entered into a third amendment lease for the six months which expire June 30, 2019. Total future minimum lease payment due for the next year is as follows:

Years ending December 31,

2019	\$ <u>16,549</u>
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As of the date of this audit report the organization plans on moving their offices from their current location by June 30, 2019. As of the date of the audit report the organization has not entered into any new long term lease nor has secured new office space in anyway.



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**EXHIBIT K TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

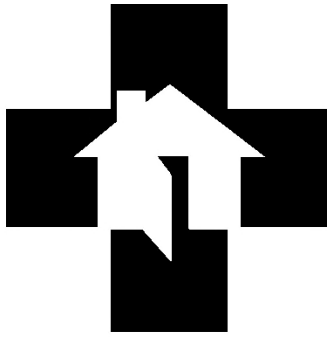
FRANCHISEE LIST

House Doctors
Franchisee List as of December 31, 2019

State	Name	Address	Phone
AL	Tony Holt	2110 Executive Park Drive Opelika, Alabama 36801	(334) 742-9607
AZ	Jay Scott	1753 East Broadway Road Suite 101-483 Tempe, AZ 85282	(480) 940-9606
CO	Alan Cazares	2345 Academy Place, Suite 208 Colorado Springs, CO 80909	(719) 596-1111
CO	Richard Bolanowski	6767 E. 39th Avenue, Suite 206 Denver, CO 80207	(303) 321-2535
FL	Lucious McGriff	PO Box 560602 Miami, FL 33256	(786) 735-3373
FL	Manuel Tinjaca	19050 NE 26th Court Miami, FL 33108	(786) 916-3934
FL	Daniel Zurbrigg	1070 20th Ave. NE Naples, FL 34119	(239) 455-4019
FL	Carlos Caballero	2625 Weston Rd Weston, Florida 33331	(954) 660-3530
GA	Theodore Lundy	4355 Cobb Parkway, Suite J120 Atlanta, GA 30339	(404) 334-0781
KY	Franko Antolovich	226 Peterson Dr. , Suite 130 Elizabethtown, KY 42701	(502) 791-9555
KY	Bart Williams	159 Woodland Drive Somerset, KY 42501	(606) 677-0799
MA	Doug Coyle	26 York Street Andover, MA 01810	(978) 474-0788
MD	William Watson	5053 Columbia Rd. Columbia, MD 21044	(410) 992-1993
MD	Kevin Logan	3401 12th Street NE, Unit 4486 Mount Rainier, MD 20017	(202) 499-3748
NC	Stephen Cranford	3048 N. Old Greensboro Road High Point, NC 27265	(336) 886-8952
NC	Martin Thirlwell	1625 Stoneshire Court Winston-Salem, NC 27127	(336) 306-9796
OH	Ron Ramhap	5554 Eureka Drive, Suite C Hamilton, OH 45011	(513) 330-5059
OH	Robyn Hakey	3172 Rosewood Oval North Royalton, OH 44133	(216) 406-3318
OR	Jeffery Roodhouse	405 SW Century Drive, Ste. 405-169 Bend, Oregon 97702	(541) 678-5058

SC	Jack Ross	1220 Yeamans Hall Rd., Ste. B Hanahan, SC 29410	(843) 212-5444
SC	Mark Boyd	95 Spring Drive North Augusta, SC 29841	(803) 641-7411
TN	Tony Woods	3730 Kimrod Drive Johnson City, TN 37601	(423) 283-8800
TX	Craig Sciantarelli (MO)	2110 RR 620 S #342064 Austin, TX 78732	(512) 632-5356
TX	Damian Sickinger	8528 Davis Blvd Suite 134 #293 North Richland Hills, TX 76182	(214) 433-0259
VA	Tom Larsen (MO) Maria Loveless	8807 Sudley Rd., Ste. 118 Manassas, VA 20110	(703) 361-4663
VA	Richard Marzan (MO)	1350 Beverly Rd., Ste. 115-107 McLean, VA 22101	(703) 639-0391
VA	Dennis Hatcher (MO)	10274 Springton Road Mechanicsville, VA 23116	(804) 363-8180
WA	Matthew Motzkin	23515 NE Novelty Hill Rd, Ste. B221-#341 Redmond, Washington 98053	(425) 615-6448
WV	Jason Thompson	46 Boston Commons Winfield, WV 25213	(304) 308-8751

MO = multi-unit operator



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**EXHIBIT L TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

FRANCHISEES WHO HAVE LEFT THE SYSTEM

House Doctors
Franchisees Who Have Left the System (Note 1)

A. Franchisees who left the system in 2019.

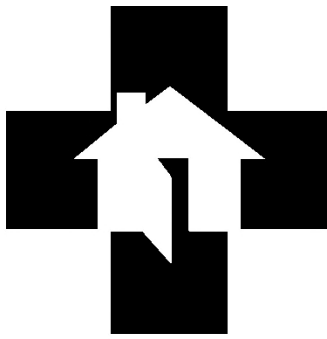
STATE	CITY	FIRST NAME	LAST NAME	PHONE
AZ	Phoenix	Deborah	Close	(480) 940-9606
CO	Denver	Jonathan	Seay	(303) 929-2745
NC	Cornelius	Sheri	Decker	(980) 231-5212
OH	Mason	Brian	Dailey	(513) 492-2088
TX	The Woodlands	David	Vidal	(346) 777-9500

Note 1: The table lists the name, last known city, state and telephone number of every House Doctors franchisee who has had its franchise terminated, cancelled, not renewed, transferred or otherwise voluntary or involuntarily ceased to do business under the franchise agreement during 2019. It also lists this information in regard to any House Doctors franchisee who has not communicated with us within 10 weeks of the date of this disclosure document.

B. Franchisees who have not communicated with us within 10 weeks of the date of this disclosure document.

None.

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



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**EXHIBIT M TO THE
HOUSE DOCTORS® FRANCHISE DISCLOSURE DOCUMENT**

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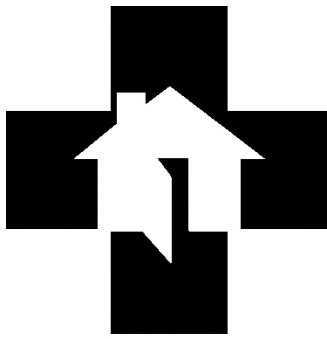
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Marketing Manual

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Doctors[®]

Handyman Professionals Home Improvements

**EXHIBIT N TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

STATE-SPECIFIC ADDENDUM

Explanatory Notes.

1. The following state disclosure addenda provide additional information in regard to franchise activities that are subject to the franchise laws of the particular state identified. For instance, if our offer or sale to you of a franchise is subject to the California franchise law, the California state disclosure addendum would be applicable to you, but if our offer or sale to you of a franchise were not subject to the California franchise law, the California state disclosure addendum would not be applicable to you.
2. Each of the following agreement riders is applicable only to franchisees that are covered by the franchise laws of the identified state.

FOR RESIDENTS OF THE STATE OF CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

None of the franchisor or any person or franchise broker listed in Item 2 of the disclosure document or this addendum is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a, et seq., suspending or expelling such persons from membership in such association or exchange.

California law may require an interest rate lower than 10%, in which case the interest rate will be the highest rate allowed by law.

California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires application of the laws of the State of Ohio. This provision may not be enforceable under California law.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the California Corporations Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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 §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

The following URL address is for our website: www.housedoctors.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

To the extent this addendum is inconsistent with any terms or conditions of the franchise agreement or exhibits or attachments thereto, the terms of this addendum govern.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

The franchise agreement to which this addendum is attached is amended as follows to comply with the California Franchise Relations Act:

1. Section 16.5 is amended by adding the following:

“California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning the choice of which state’s law governs your franchise agreement. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.”

2. Section 16.6 is amended by adding the following:

“California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning the choice of forum for disputes between the franchisee and the franchisor. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.”

3. The parties acknowledge the following:

(a) THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

(b) California law may require an interest rate lower than 10%, in which case the interest rate will be the highest rate allowed by law.

(c) California Business and Professions Code 20000 through 20043 provides rights to the Franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

(d) 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.*).

(e) The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

(f) Franchisee is encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the franchise agreement restricting venue to a forum outside the State of California.

(g) The franchise agreement requires application of the laws of the State of Ohio. This provision may not be enforceable under California law.

(h) Section 31125 of the California Corporations Code requires Franchisor to give you a disclosure document, in a form containing the information that the California Corporations Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

(i) Franchisee must sign a general release if it renews or transfers its franchise. California Corporations Code §31512 voids a waiver of a franchisee’s rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of a

franchisee's rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

4. Franchisee is required to obtain the necessary licenses from the California Contractors State License Board.

5. To the extent this addendum is inconsistent with any terms or conditions of the franchise agreement or exhibits or attachments thereto, the terms of this addendum govern.

The parties are signing this addendum concurrently with the franchise agreement to which it is attached.

SALTIRE BRANDS LLC	BUSINESS ORGANIZATION FRANCHISEE
---------------------------	---

By:_____

Title:_____

Date:_____

By:_____

Title:_____

Date:_____

INDIVIDUAL FRANCHISEE:	INDIVIDUAL FRANCHISEE:
-------------------------------	-------------------------------

Signature

Date:_____

Signature

Date:_____

HAWAII ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following items apply to prospective franchisees to whom the Hawaii Franchise Investment Law applies:

1. The following is added to the Cover Page of the franchise disclosure document.

THESE FRANCHISES HAVE 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 THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR 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 THE FRANCHISOR AND THE FRANCHISEE.

2. The franchisor's agent for service of process in Hawaii is (or will be upon filing of this disclosure document in Hawaii): Commissioner of Securities, 335 Merchant Street, Room 203, Honolulu, HI 96813.

3. The following information applies to prospective Franchisees to whom the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E applies. Hawaii Revised Statutes, Title 26, Chapter 482E, Section 482E-6, provides as follows:

Sec. 482E-6. Without limiting the other provisions of this chapter, the following specific rights and prohibitions shall govern the relation between the franchisor or subfranchisor and its franchisees:

- (1) The parties shall deal with each other in good faith.
- (2) For the purposes of this chapter and without limiting its general application, it shall be an unfair or deceptive act or practice or an unfair method of competition for a franchisor or subfranchisor to:
 - (A) Restrict the right of the franchisees to join an association of franchisees.
 - (B) Require a franchisee to purchase or lease goods or services of the franchisor or from designated sources of supply unless such restrictive purchasing agreements are

reasonably necessary for a lawful purpose justified on business grounds. Suppliers suggested or approved by a franchisor as meeting its standards and requirements shall not be deemed designated sources of supply.

(C) Discriminate between franchisees in the charges offered or made for royalties, goods, services, equipment, rentals, advertising services, or in any other business dealing, unless and to the extent that any classification of or discrimination between franchisees is:

- (i) Based on franchises granted at materially different times, and such discrimination is reasonably related to such differences in time;
- (ii) Is related to one or more programs for making franchises available to persons with insufficient capital, training, business experience, education or lacking other qualifications;
- (iii) Is related to local or regional experimentation with or variations in product or service lines or business formats or designs;
- (iv) Is related to efforts by one or more franchisees to cure deficiencies in the operation of franchise businesses or defaults in franchise agreements; or
- (v) Is based on other reasonable distinctions considering the purposes of this chapter and is not arbitrary.

(D) Obtain money, goods, services, anything of value, or any other benefit from any other person with whom the franchisee does business on account of such business unless the franchisor advises the franchisee in advance of the franchisor's intention to receive such benefit.

(E) Establish a similar business or to grant a franchise for the establishment of a similar business at a location within a geographical area specifically designated as the exclusive territory in a franchise previously granted to another franchisee in a currently effective agreement, except under the circumstances or conditions prescribed in such agreement. The fact that other franchisees or the franchisor may solicit business or sell goods or services to people residing in such geographical territory shall not constitute the establishment of a similar business within the exclusive territory.

(F) Require a franchisee at the time of entering into a franchise to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by this chapter. Any condition, stipulation or provision binding any person acquiring any franchise to waive compliance with any provision of this chapter or a rule promulgated hereunder shall be void. This paragraph shall not bar or affect the settlement of disputes, claims or civil suits arising or brought under this chapter.

(G) Impose on a franchisee by contract, rule, or regulation, whether written or oral, any unreasonable and arbitrary standard of conduct.

(H) Terminate or refuse to renew a franchise except for good cause, or in accordance with the current terms and standards established by the franchisor then equally applicable to all franchisees, unless and to the extent that the franchisor satisfies the burden of proving that any classification of or discrimination between franchisees is reasonable, is

based on proper and justifiable distinctions considering the purposes of this chapter, and is not arbitrary. For purposes of this paragraph, good cause in a termination case shall include, but not be limited to, the failure of the franchisee to comply with any lawful, material provision of the franchise agreement after having been given written notice thereof and an opportunity to cure the failure within a reasonable period of time.

(I) Refuse to permit a transfer of ownership of a franchise, or of a proprietorship, partnership, corporation or other business entity that is a franchisee or subfranchisor, except for good cause. For purposes of this paragraph good cause shall include, but not be limited to:

(i) The failure of a proposed transferee to meet any of the franchisor's or subfranchisor's reasonable qualifications or standards then in effect for a franchisee or subfranchisor;

(ii) The fact that the proposed transferee or any affiliated person of the proposed transferee is a competitor of the franchisor or subfranchisor;

(iii) The inability or unwillingness of the proposed transferee to agree in writing to comply with and be bound by all lawful obligations imposed by the franchise, including without limitation all instruction and training obligations, and to sign the current form of franchise agreement used by the franchisor or subfranchisor; and

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

A franchisor or subfranchisor shall have thirty days after being notified in writing of a proposed transfer to approve or disapprove in writing a proposed transfer of ownership or control of a franchise, or of a proprietorship, partnership, corporation or other business entity that is a franchisee or subfranchisor, stating its reason for disapproval. If a franchisor or subfranchisor fails to approve or disapprove a proposed transfer in writing within such period, the franchisor or subfranchisor shall be deemed to have approved such transfer.

(3) Upon termination or refusal to renew the franchise the franchisee shall be compensated for the fair market value, at the time of the termination or expiration of the franchise, of the franchisee's inventory, supplies, equipment and furnishings purchased from the franchisor or a supplier designated by franchisor; provided that personalized materials which have no value to the franchisor need not be compensated for. If the franchisor refuses to renew a franchise for the purpose of converting the franchisee's business to one owned and operated by the franchisor, the franchisor, in addition to the remedies provided in this paragraph, shall compensate the franchisee for the loss of goodwill. The franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of the franchisee's inventory, supplies, equipment, and furnishings pursuant to this requirement, and may offset from such compensation any moneys due the franchisor.

(4) The provisions of this chapter shall apply to all written or oral arrangements with the franchisee including but not limited to the franchise offering, the franchise agreement, sales of goods or services, leases and mortgages of real or personal property, promises to pay, security interest, pledges, insurance contracts, advertising contracts, construction or

installation contracts, servicing contracts, and all other such arrangements in which the franchisor or subfranchisor has any direct or indirect interest.

(5) In any proceedings damages may be based on reasonable approximations but not on speculation.

4. The franchise registration status of Saltire Brands LLC as of April 1, 2018 includes:

A. The states in which this filing is effective:

Indiana and Michigan.

B. The states in which this filing is or will be shortly on file.

Illinois, Maryland, Minnesota, New York, Rhode Island, Virginia, Washington and Wisconsin.

C. The states, if any, which have refused, by order or otherwise, to register these franchises.

Washington in 2014.

D. The states, if any, which have revoked or suspended Saltire Brands' right to offer franchises.

None.

E. The states, if any, in which the filing of Saltire Brands' franchises has been withdrawn.

California; not renewed in 2014.

HAWAII ADDENDUM TO FRANCHISE AGREEMENT

The franchise agreement to which this addendum is attached is amended as follows to comply with the Hawaii Franchise Investment Law:

1. Section 16.5 is amended by adding the following:

“Notwithstanding the foregoing, this agreement shall be subject to the provisions of the Hawaii Franchise Investment Law to the extent that the same are applicable.”

2. To the extent this addendum is inconsistent with any terms or conditions of the franchise agreement or exhibits or attachments thereto, the terms of this addendum govern.

The parties are signing this addendum concurrently with the franchise agreement to which it is attached.

SALTIRE BRANDS LLC

BUSINESS ORGANIZATION FRANCHISEE

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

INDIVIDUAL FRANCHISEE:

INDIVIDUAL FRANCHISEE:

Signature

Signature

Date: _____

Date: _____

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the Illinois Franchise Disclosure Act of 1987, as amended (the “Act”), and the Illinois Disclosure Rules and Regulations (the “Regulations”):

This addendum amends and revises the Franchise Disclosure Document to which it is attached as follows:

815 ILCS 705/41 provides that any condition, stipulation or provision in the franchise agreement that requires you to waive any of your rights under, or the franchisor’s obligation to comply with any provision of, the Act, the Regulations, or any other law of Illinois, is void.

The Franchisor’s refusal to grant you a successor franchise must comply with 815 ILCS 705/20. Termination of your franchise must comply with 815 ILCS 705/19.

Any provision in the franchise agreement that requires the application of the laws of another state is void with respect to a claim otherwise enforceable under Illinois law.

Any provision in the franchise agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

To the extent this addendum is inconsistent with any terms or conditions of the Disclosure Document or exhibits or attachments thereto, the terms of this addendum govern.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Illinois Franchise Disclosure Act (the “Act”), as amended, and the Illinois Disclosure Rules and Regulations (the “Regulations”):

1. A general release required as a condition of renewal and/or assignment/transfer does not apply to any claim or liability arising under the Act or Regulations.
2. Any condition, stipulation or provision in the Franchise Agreement that requires Franchisee to waive any of its rights under the Act, the Regulations, or any other law of Illinois, or requires Franchisee to waive Franchisor’s obligation to comply with any provision of the Act, the Regulations, or any other law of Illinois, is void.
3. Section 2.2 is amended by adding the following:
“Franchisor’s refusal to grant Franchisee a Successor Franchise must comply with 815 ILCS 705/20.”
4. Sections 13.1 and 13.2 are amended by adding the following:
“Termination must comply with 815 ILCS 705/19.”
5. Section 16.5 is amended by adding the following:
“Any provision in this agreement that requires the application of the laws of another state is void with respect to a claim otherwise enforceable under Illinois Law.”
6. Section 16.6 is amended by adding the following:
“Any provision in this agreement that designates jurisdiction or venue in a forum outside of Illinois is void.”

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

SALTIRE BRANDS LLC

BUSINESS ORGANIZATION FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

INDIVIDUAL FRANCHISEE:

INDIVIDUAL FRANCHISEE:

Signature

Signature

Date: _____

Date: _____

INDIANA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

THE FOLLOWING DISCLOSURES ARE REQUIRED UNDER THE INDIANA FRANCHISE DISCLOSURE LAW AND THE INDIANA DECEPTIVE FRANCHISE PRACTICES LAW AND SUPERSEDE ANY INCONSISTENT DISCLOSURES CONTAINED IN THE FRANCHISE OFFERING CIRCULAR.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

(d) The franchise agreement does not expressly give you the right to terminate, but Indiana law may give you the right to terminate if we commit a substantial breach of the franchise agreement.

(v) Litigation may be brought in any court having jurisdiction over the parties and the subject matter of the suit.

(w) In the event of a conflict of laws, the provisions of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law shall prevail.

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is hereby amended as follows to comply with the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law:

1. A general release required as a condition of renewal and/or assignment/transfer shall not apply to any claim or liability arising under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law.
2. Any provision of the Franchise Agreement restricting jurisdiction or venue to a forum outside the State of Indiana or requiring the application of the laws of a state other than Indiana is void with respect to a claim otherwise enforceable under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law.
3. Section 10.4 is deleted in its entirety, and in its place is substituted the following:
“Remedies. Franchisee acknowledges that any failure to comply with section 10.3 of this Agreement will cause Franchisor irreparable injury, and Franchisee acknowledges that Franchisor may seek specific performance of or an injunction against a violation of the requirements of section 10.3.”
4. Section 15.8 is deleted in its entirety, and in its place is substituted the following:
“Franchisee acknowledges that Franchisee’s violation of the terms of this Article 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available; and Franchisee acknowledges that Franchisee may seek an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article 15.”
5. Section 16.5 is amended by adding the following sentence:
“In the event of a conflict of laws, the provisions of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law shall prevail.”
6. To the extent this addendum is inconsistent with any provision of the Franchise Agreement or its exhibits or attachments, the terms of this addendum shall govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

SALTIRE BRANDS LLC

BUSINESS ORGANIZATION FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

INDIVIDUAL FRANCHISEE:

INDIVIDUAL FRANCHISEE:

Signature

Signature

Date: _____

Date: _____

**IOWA ADDENDUM TO FRANCHISE
DISCLOSURE DOCUMENT**

The following will apply to franchisees to whom the Iowa business opportunity law applies.

1. Item 17.d is amended by adding that you may cancel the Franchise Agreement any time within three business days of the date you sign the Franchise Agreement or the date the Franchise Agreement is accepted by us, whichever is later.
2. Items 5 and 6 are amended by adding that, if you cancel the Franchise Agreement in accordance with your cancellation rights described in Item 17.d, we will return to you any payments made under the Franchise Agreement within 10 business days following receipt of the cancellation notice.
3. Item 17.g is amended by adding that we may terminate the Franchise Agreement if you do not confirm that you have declined to exercise your three business day right of cancellation (described in Item 17.d) within 10 days after notice from us (we may give such notice only after the three business day period has expired).
4. Item 17.i is amended by adding that if you cancel the Franchise Agreement within three business days after you sign the Franchise Agreement or it is accepted by us, you must return to us all goods delivered to you under the Franchise Agreement.

**ADDENDUM TO IOWA
FRANCHISE AGREEMENT**

This is an Addendum for the House Doctors Franchise Agreement for use in Iowa.

1. Franchisee may cancel the Franchise Agreement at any time prior to midnight of the third business day after the date Franchisee signed the Franchise Agreement or the Franchise Agreement is accepted by Franchisor, whichever is later. If Franchisee cancels, any property traded in, any payments made by Franchisee under the Franchise Agreement, and any negotiable instrument executed by Franchisee will be returned within ten business days following receipt by the Franchisor of cancellation notice, and any security interest arising out of the franchise transaction will be canceled. If Franchisee cancels, Franchisee must make available to Franchisor at Franchisee's residence, in substantially as good condition as when received, any goods delivered to Franchisee under the Franchise Agreement or Franchisee may, if it wishes, comply with the instructions of Franchisor regarding the return shipment of the goods at the Franchisor's expense and risk.

2. Franchisor may terminate the Franchise Agreement (effective immediately) if Franchisee does not confirm in writing that it declines to exercise its three business day right of cancellation described below within ten (10) days after notice from Franchisor, which notice Franchisor may not give to Franchisee until after the three business day period has expired.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

SALTIRE BRANDS LLC

BUSINESS ORGANIZATION FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

INDIVIDUAL FRANCHISEE:

INDIVIDUAL FRANCHISEE:

Signature

Signature

Date: _____

Date: _____

YOU, THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.

NOTICE OF CANCELLATION

(enter date of transaction)

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Saltire Brands LLC at 400 Techne Center Drive, Suite 101, Milford, Ohio 45150 not later than midnight of _____ (Date).

I hereby cancel this transaction.

(Date)

(Buyer's signature)

NOTICE OF CANCELLATION

(enter date of transaction)

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Saltire Brands LLC at 400 Techne Center Drive, Suite 101, Milford, Ohio 45150 not later than midnight of _____ (Date).

I hereby cancel this transaction.

(Date)

(Buyer's signature)

CONFIRMATION OF NON-CANCELLATION

The undersigned hereby confirms that the undersigned has declined to exercise its right of cancellation as stated in the Notice of Cancellation dated _____, 202__ attached to the House Doctors Franchise Agreement dated on or about the same date.

By: _____

Name: _____

Title: _____

Date: _____

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the Maryland Franchise Registration and Disclosure Law:

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

A general release required as a condition of renewal and/or assignment/transfer shall not apply to any claim or liability arising under the Maryland Franchise Regulation and Disclosure Law.

Any provision of the Franchise Agreement that restricts jurisdiction or venue to a forum outside the State of Maryland or requires the application of the laws of a state other than Maryland is void with respect to a claim otherwise enforceable under the Maryland Franchise Regulation and Disclosure Law. Any claim arising under the Maryland Franchise Registration and Disclosure Law may be brought in the State of Maryland.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

To the extent this Addendum is inconsistent with any terms or conditions of the Franchise Disclosure Document, the Franchise Agreement, or any exhibit or attachment to either of those documents, the terms of this Addendum shall govern.

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

The following terms amend the Franchise Agreement to which this Addendum is attached for the purpose of complying with the Maryland Franchise Registration and Disclosure Law, and are hereby incorporated into the Franchise Agreement by this reference.

1. A general release required as a condition of renewal and/or assignment/transfer shall not apply to any claim or liability arising under the Maryland Franchise Regulation and Disclosure Law.
2. Any provision of the Franchise Agreement that restricts jurisdiction or venue to a forum outside the State of Maryland or requires the application of the laws of a state other than Maryland is void with respect to a claim otherwise enforceable under the Maryland Franchise Regulation and Disclosure Law.
3. Section 18.14 of the Franchise Agreement is amended as follows:

“The representations contained in this Section 18.14 are not intended to act, nor shall they act, as a release, estoppel, or waiver of any liability arising under the Maryland Franchise Registration and Disclosure Law.”
4. To the extent this Addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum control.

The parties are signing this Addendum concurrently with the Franchise Agreement to which it is attached.

SALTIRE BRANDS LLC

BUSINESS ORGANIZATION FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

INDIVIDUAL FRANCHISEE:

INDIVIDUAL FRANCHISEE:

Signature

Signature

Date: _____

Date: _____

MICHIGAN STATE DISCLOSURE ADDENDUM

See third cover page entitled “Disclosure Applicable to Franchisees Covered by the Michigan Franchise Investment Law”.

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

This addendum amends the Franchise Disclosure Document of SALTIRE BRANDS LLC as follows:

Item 13 – We will protect your right to use the service marks HOUSE DOCTORS or HOUSE MEDIC.

Item 17 –

THE STATE OF MINNESOTA HAS STATUTES WHICH MAY SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. THE STATE OF MINNESOTA ALSO HAS COURT DECISIONS WHICH MAY SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, THE FRANCHISOR MUST COMPLY WITH MINNESOTA STATUTE 80C.14, SUBDIVISIONS 3, 4 AND 5, WHICH REQUIRE, EXCEPT IN CERTAIN SPECIFIC CASES, THAT A FRANCHISEE BE GIVEN 90 DAYS NOTICE OF TERMINATION (WITH 60 DAYS TO CURE) AND 180 DAYS NOTICE FOR NON-RENEWAL OF THE FRANCHISE AGREEMENT. A PROVISION IN THE FRANCHISE AGREEMENT WHICH TERMINATES THE FRANCHISE UPON THE BANKRUPTCY OF THE FRANCHISEE MAY NOT BE ENFORCEABLE UNDER TITLE 11, UNITED STATES CODE §101. THE STATE OF MINNESOTA HAS COURT DECISIONS LIMITING THE FRANCHISOR'S ABILITY TO RESTRICT YOUR ACTIVITY AFTER THE FRANCHISE AGREEMENT HAS ENDED. LIQUIDATED DAMAGE PROVISIONS ARE VOID UNDER MINNESOTA LAW.

Pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, the application of Ohio law and the requirement that all litigation must take place in Ohio shall not in any way abrogate or reduce any rights of the franchisee as provided for in Minnesota Statutes, Chapter 80C.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5, which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

To the extent this addendum is inconsistent with any terms or conditions of the Franchise Disclosure Document, franchise agreement or exhibits or attachments thereto, the terms of this addendum govern.

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

This addendum amends the Franchise Agreement to which it is attached as follows:

1. Section 2.2(d) is amended by adding the following:
“The General Release will not apply to any claims under the Minnesota Franchise Law.”
2. Section 8.4 is amended by adding the following:
“Notwithstanding any provision to the contrary in this agreement, Franchisor shall protect the right of Franchisee to use the Marks.”
3. Section 12.2(b)(3) is amended by adding the following:
“The General Release will not apply to any claims under the Minnesota Franchise Law.”
4. Sections 13.1 and 13.2 are amended by adding the following:
“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5, which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.”
5. Sections 16.3 and 16.4 are deleted in their entirety.
6. Section 16.5 is amended by adding the following:
“Notwithstanding the foregoing, any provision in this agreement that requires the application of the laws of another state is void with respect to a claim otherwise enforceable under the Minnesota Franchise Law.”
7. Section 16.6 is amended by adding the following:
“Notwithstanding the foregoing, any claim arising under the Minnesota Franchise Law may be brought in the State of Minnesota.”
8. Section 18.14 is amended by adding the following:
“The representations in this section 18.14 are not intended to act, nor shall they act, as a release, estoppel, or waiver of any liability arising under the Minnesota Franchise Law. Pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, this agreement shall not in any way abrogate or reduce any rights of Franchisee as provided for in Minnesota Statutes, Chapter 80C. These statutes prohibit Franchisor from requiring litigation to be conducted outside Minnesota, or abrogating or reducing any of Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of Minnesota.”

To the extent this addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this addendum govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

SALTIRE BRANDS LLC

BUSINESS ORGANIZATION FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

INDIVIDUAL FRANCHISEE:

INDIVIDUAL FRANCHISEE:

Signature

Signature

Date: _____

Date: _____

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the New York General Business Law and the New York State Franchise Regulations:

Item 3. LITIGATION

None of House Doctors, its predecessor, an affiliate offering franchises under House Doctor's principal trademark, or any person identified in Item 2:

A. Has an administrative, criminal or civil action pending against him alleging: a felony, a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations, or any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of our franchise system or our business operations.

B. Has been convicted of a felony or pleaded *nolo contendere* to a felony charge, or, within the 10 year period immediately preceding the date of this disclosure document, 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.

C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting license as a real estate broker or sales agent.

Item 4. BANKRUPTCY

None of House Doctors, its affiliates, predecessor, or officers during the 10-year period immediately before the date of this disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code while or within 1 year after the officer of House Doctors held this position in the company or partnership.

Item 5. INITIAL FEES

The purposes of all the initial fees are to enable us to derive revenue and defray our costs in connection with establishing each House Doctors franchise, including the cost of equipment, training, marketing materials and office supplies. Both the License Fee and the Territory Fee become part of our general funds with no limit on their use. However, the purposes of these fees are: (a) to license you to use our distinctive business methods, trademarks, service marks and other commercial symbols, which would be primarily

related to the License Fee, and (b) to allow you to do so in a Territory, which would be primarily related to the Territory Fee.

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

d. You have a right to terminate your franchise upon any grounds available by law.

j. No restriction on our right to assign, however, no assignment will be made by us except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under your Franchise Agreement.

THE STATE OF NEW YORK MAY HAVE STATUTES WHICH SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. THE STATE OF NEW YORK ALSO HAS COURT DECISIONS WHICH MAY SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. A PROVISION IN THE FRANCHISE AGREEMENT WHICH TERMINATES THE FRANCHISE UPON THE BANKRUPTCY OF THE FRANCHISEE MAY NOT BE ENFORCEABLE UNDER TITLE 11, UNITED STATES CODE SECTION 101. THE STATE OF NEW YORK MAY HAVE COURT DECISIONS RESTRICTING THE IMPOSITION OF LIQUIDATED DAMAGES. THE IMPOSITION OF LIQUIDATED DAMAGES IS ALSO RESTRICTED BY FAIR PRACTICE LAWS, CONTRACT LAW, AND FEDERAL COURT DECISIONS. THE STATE OF NEW YORK HAS COURT DECISIONS LIMITING THE FRANCHISOR'S ABILITY TO RESTRICT YOUR ACTIVITY AFTER THE FRANCHISE AGREEMENT HAS ENDED.

The Franchisor represents that this prospectus does not knowingly omit any material fact or contain any untrue statement of a material fact.

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

The following provisions of the Franchise Agreement to which this addendum is attached are amended as follows to comply with Article 33 of the General Business Law of New York and the New York State Franchise Regulations:

1. Notwithstanding any provision of the Franchise Agreement to the contrary, all rights arising in Franchisee's favor from the provisions of Article 33 of the General Business Law of New York and the regulations issued thereunder shall remain in force, it being the intent of this provision that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.
2. Franchisee may terminate the Franchise Agreement upon any grounds available by law.
3. To the extent this addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this addendum govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

SALTIRE BRANDS LLC

BUSINESS ORGANIZATION FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

INDIVIDUAL FRANCHISEE:

INDIVIDUAL FRANCHISEE:

Signature

Signature

Date: _____

Date: _____

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosure is made in recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act

Additional Disclosure: The following statements are added to Item 17.h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor subject to the Act to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

To the extent that this Addendum is inconsistent with any terms and conditions of the Franchise Disclosure Document, the Franchise Agreement or any exhibit or attachment to any of those documents, the terms of this Addendum shall govern.

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Virginia Retail Franchising Act:

Section 16.5 is amended by adding the following:

Notwithstanding the foregoing, with respect to Franchisees subject to and governed by the Virginia Retail Franchising Act, Franchisor will comply with Va. Code § 13.1-564, which requires that a franchisor subject to that Act not cancel any franchise without reasonable cause for so doing.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

SALTIRE BRANDS LLC

BUSINESS ORGANIZATION FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

INDIVIDUAL FRANCHISEE:

INDIVIDUAL FRANCHISEE:

Signature

Signature

Date: _____

Date: _____

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are made under the Washington Franchise Investment Protection Act:

1. The following risk factor is added to the state cover page (page ii) of the disclosure document:

4. THE FRANCHISOR BEGAN OPERATING THE HOUSE DOCTORS FRANCHISE IN JUNE 2012 AFTER THE FRANCHISOR ACQUIRED CERTAIN ASSETS FROM THE COMPANY THAT HAD PREVIOUSLY OWNED AND OPERATED THE HOUSE DOCTORS FRANCHISE. THE PRESIDENT AND OWNER OF THE FRANCHISOR WAS ALSO PRESIDENT (BUT NOT OWNER) OF THE PRIOR HOUSE DOCTORS FRANCHISE OWNER FROM 2007 TO 2012. THEREFORE, THE FRANCHISE HAS A LIMITED OPERATING AND FINANCIAL HISTORY UNDER ITS CURRENT OWNERSHIP, WHICH MAY MAKE IT MORE DIFFICULT FOR A PROSPECTIVE FRANCHISEE TO EVALUATE THE FRANCHISE.

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the

party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Washington Franchise Investment Protection Act:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

9. To the extent this addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this addendum govern.

The parties are signing this addendum on the dates below.

SALTIRE BRANDS LLC

BUSINESS ORGANIZATION FRANCHISEE:

By:_____

Its:_____

Date:_____

INDIVIDUAL FRANCHISEE:

Signature

Date:_____

By:_____

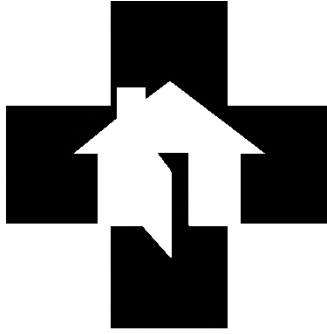
Its:_____

Date:_____

INDIVIDUAL FRANCHISEE:

Signature

Date:_____



Doctors[®]

Handyman Professionals Home Improvements

**EXHIBIT O TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

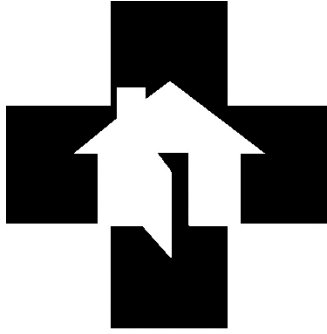
PREVIOUSLY FRANCHISED OUTLETS FOR SALE

EXHIBIT O

PREVIOUSLY FRANCHISED OUTLETS FOR SALE

Set forth below is information about previously owned franchised outlets now under House Doctors' control that may be offered for sale by House Doctors. The information provided for each outlet listed covers the period from June 14, 2012 (when Saltire Brands began operation of the House Doctors' franchise).

Name of Each Previous Owner	City and State of Each Previous Owner	Current Business Telephone Number, or, if Unknown, Last Known Home Number of Each	Time Period When Each Previous Owner Controlled Outlet	Reason for Each Previous Change in Ownership	Time Period(s) When Franchisor Controlled Outlet
None					



Doctors[®]

Handyman Professionals Home Improvements

**EXHIBIT P TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

PROMISSORY NOTE

PROMISSORY NOTE

Date of Note: _____, 20__
Principal Amount: \$_____
Interest Rate: No interest except on default
Maturity Date: _____, 20__ (or earlier)

FOR VALUE RECEIVED, _____, a _____
("Payor"), promises to pay to the order of Saltire Brands LLC, an Ohio limited liability company, or its successor or assigns ("Holder"), at Holder's address at 400 Techne Center Drive, Suite 101, Milford, Ohio 45150 or such other address as Holder may designate from time to time, the Principal Amount set forth above, together with interest at the Interest Rate set forth above and calculated and paid as described below on the unpaid balance of the Principal Amount from the date hereof until the Principal Amount shall have been paid in full.

1. Payment of Interest and Principal Amount.

(a) Principal Amount. The Principal Amount set forth above shall be due and payable in full in one payment due on the earlier of: (1) the date of the funding of the "Long-Term Loan" (as defined below) and (b) _____, 20__. The "Long-Term Loan" is an anticipated loan in the amount of around \$_____ for which Payor has made application to _____ (or an affiliate thereof) (the "Bank"). Funding will occur when Payor receives the loan proceeds (or any portion thereof) by means of a deposit into Payor's bank account or any other proper means.

(b) Interest. This Note shall bear no interest on the outstanding Principal Amount, except that, if Payor defaults in the payment of any Principal Amount or interest due under this Note, and if such default shall continue for five calendar days, then, effective as of the sixth calendar day following such default, the Interest Rate shall be eighteen percent (18%) per year or, if less, the highest rate permitted by applicable law. Past due interest payments shall also accrue interest at the Default Rate commencing as of the sixth calendar day after the due date of such interest payment. Accrued interest shall be payable on demand.

(c) Prepayment. This Note may be prepaid at any time without premium or penalty. Prepayments shall be applied first to accrued but unpaid interest and then to installments of principal in the inverse order of their maturity.

2. Check Deposit and Guaranty.

(a) Check Deposit. Payor has delivered a check in the amount of \$_____ payable to the order of Saltire Brands LLC for payment of the Principal Amount. The Payor has authorized the Bank to notify the Holder when the Long-Term Loan has been funded. Holder is authorized to cash and/or deposit such check in its own account upon the earlier of: (a) receipt of such notice; and (b) _____, 20__.

(b) Guaranty. _____ has entered into a "Guaranty and Assumption of Obligations" with Holder in regard to all obligations of Payor to the Holder. Payor acknowledges that the Guaranty and Assumption of Obligations applies to this Note and the obligations under this Note.

3. Action by Holder. If Payor fails to make any payment in full when due under this Note, Holder immediately upon notice but without prior demand on Payor, may: (a) Declare all amounts owing under this Note to be immediately due and payable, whereupon the same shall be and become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are expressly waived; (b) Exercise all remedies provided in this Note or otherwise available under law; and (c) Do any or all of the foregoing.

4. Costs. Payor shall upon demand pay or reimburse Holder for all reasonable costs and expenses (including attorneys' fees) incurred by Holder in the collection of the Note and in the enforcement of its rights under this Note.

5. General.

(a) Waiver. Payor hereby waives diligence, presentment, demand, protest and notice of any kind whatsoever, other than those notices (if any) expressly required by this Note.

(b) JURY TRIAL WAIVER. PAYOR WAIVES ANY RIGHT TO TRIAL BY JURY IT MAY HAVE IN ANY ACTION OR PROCEEDING ARISING UNDER OR RELATING TO THIS NOTE OR THE ENFORCEMENT THEREOF.

(c) Governing Law. This Note shall be exclusively governed by and construed and enforced in accordance with the laws of the State of Ohio, without reference to conflict of laws principles.

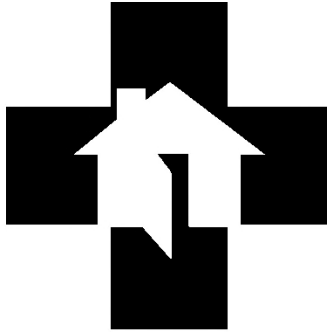
IN WITNESS WHEREOF, Payor has caused this Note to be executed by its _____, thereunto duly authorized, on the date indicated above.

By _____
Title _____

CONFIRMATION OF GUARANTY

The undersigned _____ hereby confirms and agrees that the "Guaranty and Assumption of Obligations" dated _____, 20__, by which the undersigned guaranteed the obligations of Payor to Holder applies to this Note and the obligations under this Note, as well as the other obligations of Payor to Holder as described in the Guaranty and Assumption of Obligations.

By _____
Printed Name _____



Doctors[®]

Handyman Professionals Home Improvements

**EXHIBIT Q TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Agreement is made and entered into between _____ (the "Original Franchisee") and _____ (the "Organization Franchisee") as of _____, 20___. (Original Franchisee and Organization Franchisee are hereinafter collectively referred to as the "Franchisees.")

RECITALS:

A. Original Franchisee entered into a Franchise Agreement with Saltire Brands LLC ("Franchisor") dated as of _____ (the "Franchise Agreement").

B. Original Franchisee wishes to transfer and assign the Franchise Agreement to Organization Franchisee and Organization Franchisee wishes to accept such transfer and assignment and assume all of Original Franchisee's obligations under the Franchise Agreement.

C. Under the Franchise Agreement, such assignment and assumption may occur only if certain conditions are met

NOW THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereto agree as follows:

1. This Assignment and Assumption Agreement and the assignment and assumption contemplated by this Assignment and Assumption Agreement shall be effective as of the date of the Franchisor's acceptance signed by Franchisor set forth below (the "Effective Date").

2. As of the Effective Date, Original Franchisee, for good and valuable consideration, receipt of which is hereby acknowledged, by these presents does hereby, assign, transfer and convey to Organization Franchisee all of its rights, obligations and interests in and to the Franchise Agreement. Organization Franchisee, for good and valuable consideration, receipt of which is hereby acknowledged, assumes and agrees to perform when due all of Original Franchisee's obligations under the Franchise Agreement.

3. This Assignment and Assumption Agreement constitutes notice to Franchisor of the assignment and assumption contemplated hereby, as required by the Franchise Agreement.

4. Franchisees jointly and severally represent and warrant to Franchisor as follow:

(a) Franchisees have met all the requirements set forth in the Franchise Agreement to allow this assignment and assumption.

(b) Attached as Exhibit A is true and accurate information about the Original Franchisee, the Organization Franchisee and the "Principals" of the Organization Franchisee. As use in this Assignment and Assumption Agreement: (i) the term "Principal" means a legal or beneficial owner of an "Ownership Interest" in the Organization Franchisee. and (ii) "Ownership Interest" means shares of capital stock, partnership interests or membership interests (as applicable) or a right to a share of revenues, profits, rights or assets. Organization Franchisee shall promptly notify Franchisor of any changes in any such information during the term of the Franchise Agreement.

(c) Organization Franchisee is newly organized and its articles of incorporation or organization, code of regulations, by-laws, partnership agreement, or operating agreement provide that its activities are

confined exclusively to operating the House Doctors Franchise that Organization Franchisee is or will be licensed to operate under the Franchise Agreement.

(d) Original Franchisee beneficially holds a Controlling Interest in Organization Franchisee, shall not diminish his/her Ownership Interest therein, except as may be required by law, and shall act as its principal executive and operating officer, partner, or member. As used in this Assignment and Assumption Agreement, the term “Controlling Interest” means the direct or indirect ownership (legal or beneficial) or control of more than 50% of the equity profits or voting control of Organization Franchisee.

(e) Organization Franchisee has designated a Designated Manager in compliance with the Franchise Agreement. That Designated Manager is listed on Exhibit B.

(f) All Principals of the Organization Franchisee have entered into a Guaranty and Assumption of Obligations, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of the Organization Franchisee’s obligations to Franchisor. Any and all future Principals of the Organization Franchisee shall do so as well promptly upon becoming such.

(g) All Principals, officers and directors of the Organization Franchisee and all directors and officers of any all non-individual Principals of the Organization Franchisee have entered into a Nondisclosure and Noncompetition Agreement in a form satisfactory to Franchisor, providing for confidentiality and noncompetition covenants as set forth therein. All future Principals, officers or directors of the Organization Franchisee and all future officers and directors of all non-individual Principals of the Organization Franchisee shall do so as well promptly upon becoming such.

(h) Each ownership certificate of the Organization Franchisee has conspicuously endorsed upon its face the following legend:

“The transfer, sale or pledge of these shares or membership interests is subject to the terms and conditions of a Franchise Agreement with Saltire Brands LLC”;

or, if Organization Franchisee is a partnership or limited liability company without certificates evidencing ownership, Organization Franchisee has provided Franchisor with acceptable evidence that its partnership or operating agreement or other organizational documents contain provisions acceptable to Franchisor prohibiting the assignment or transfer of any Ownership Interest in Organization Franchisee other than in compliance with the terms of the Franchise Agreement. Organization Franchisee shall not cause or permit any such provision to be deleted or modified during the term of the Franchise Agreement.

(i) Organization Franchisee has furnished Franchisor true and correct copies of Organization Franchisee’s articles of incorporation or organization, code of regulations, by-laws, partnership or operating agreement, and other governing documents, including the resolutions of its Principals or governing board authorizing the execution of this Assignment and Assumption Agreement.

(j) The name of the Organization Franchisee does not, and will not in the future consist of or contain any of the Marks. As used in this Assignment and Assumption Agreement, the term “Marks” means trademarks, service marks, trade names, trade dress and other commercial symbols that Franchisor or its affiliates uses or may adopt to identify the products or services offered by Franchisees pursuant to the Franchise Agreement, including but not limited to the HOUSE DOCTORS® and HOUSE MEDIC™ service marks.

5. This Assignment and Assumption Agreement does not release Original Franchisee from any of its past or future obligations under the Franchise Agreement. Any and all guaranties of the Franchise Agreement and any and all confidentiality or noncompetition agreements previously signed by the Original Franchisee, including but not limited to the provisions of the Franchise Agreement, are hereby confirmed and shall remain in full force and effect.

6. Each of the parties acknowledges and intends that the covenants in this Assignment and Assumption Agreement directly benefits Franchisor, and Franchisor is a third-party beneficiary of this Assignment and Assumption Agreement, entitled to enforce the provisions of this Assignment and Assumption Agreement in its own name.

IN WITNESS WHEREOF, the parties have executed this Assignment and Assumption Agreement effective as of the Effective Date.

_____, Original Franchisee

_____, Organization Franchisee

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

In reliance on the representations and warranties of the Franchisees set forth above, the Assignment and Assumption Agreement is accepted by Franchisor

Saltire Brands LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT A

IDENTIFICATION OF FRANCHISEE

INDIVIDUAL FRANCHISEE/ORIGINAL FRANCHISEE

Name: _____ Date of Birth: _____
Home Address (P.O. Box not acceptable): _____
City: _____ State: _____ ZIP: _____
Home Telephone: _____ SSN: _____

ORGANIZATION FRANCHISEE

Check One: ☐ Corporation ☐ Limited Liability Company ☐ Partnership

Name of Organization: _____
Address: _____
City: _____ State: _____ ZIP: _____
Telephone: _____ EIN: _____
Date of Organization: _____ State of Organization: _____
Statutory/Registered Agent: _____
Address of Agent: _____
City: _____ State: _____ ZIP: _____

Officers

President: _____ Vice President: _____
Treasurer: _____ Secretary: _____

Shareholders/Members/Partners

Name: _____ Percentage of Ownership: _____
Home Address: _____
City: _____ State: _____ ZIP: _____
Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____
Home Address: _____
City: _____ State: _____ ZIP: _____
Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

The undersigned individual Franchisee, and each of the Principals of the Organization Franchisee, hereby certifies that the foregoing information is accurate and complete to the best of his or her knowledge and agrees to notify Franchisor promptly of any change in any such information during the term of the Franchise Agreement to which this Exhibit A pertains.

Signature

Signature

Print Name

Print Name

Date: _____

Date: _____

Signature

Signature

Print Name

Print Name

Date: _____

Date: _____

EXHIBIT B
DESIGNATED MANAGER

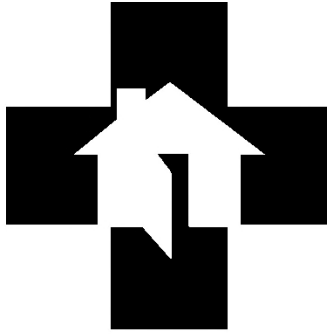
Name: _____

Title: _____

Address: _____

Telephone number: _____

Email: _____



Doctors[®]

Handyman Professionals Home Improvements

**EXHIBIT R TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

SBA FORM ADDENDUM

SBA ADDENDUM TO FRANCHISE AGREEMENT¹

THIS ADDENDUM (“Addendum”) is made and entered into on _____, 20__, by and between _____ (“Franchisor”), located at _____ and _____ (“Franchisee”), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20__, (such Agreement, together with any amendments, the “Franchise Agreement”). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U.S. Small Business Administration (“SBA”). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor’s consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants,

¹ While relationships established under license, jobber, dealer and similar agreements are not generally described as “franchise” relationships, if such relationships meet the Federal Trade Commission’s (FTC’s) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729-3733

AUTHORIZED REPRESENTATIVE OF FRANCHISOR:	AUTHORIZED REPRESENTATIVE OF FRANCHISEE:
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Documents be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	Pending
Hawaii	No registration
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	No registration
Rhode Island	May 5, 2020
South Dakota	No registration
Virginia	June 6, 2020
Washington	Pending
Wisconsin	May 14, 2020

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Item 23. RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If House Doctors offers you a franchise, they must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that House Doctors give you this 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.

Michigan requires that House Doctors give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If House Doctors does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on Exhibit I.

The name, principal business address and telephone number of each franchise seller offering the franchise is: Jim Hunter (President), and Donna Davidson (Director of Franchise Development); all at 400 Techn Center Drive, Suite 101, Milford, Ohio 45150, (513) 831-0100, and:

Issuance Date April 1, 2020

Our registered agents authorized to receive service of process for us are listed in Exhibit H.

I have received a disclosure document with the effective date of April 1, 2020. This disclosure document included the following Exhibits:

- | | |
|--|--|
| A Franchise Agreement | J Financial Statements |
| B Irrevocable Power of Attorney | K Franchisee List |
| C Guaranty and Assumption of Obligations | L Franchisees Who Have Left the System |
| D Nondisclosure and Noncompetition Agreement | M Table of Contents of Operations Manual |
| E Intranet Terms of Use Agreement | N State-Specific Addendum |
| F Franchisee Disclosure Questionnaire | O Previously Franchised Outlets for Sale |
| G Addendum for Successor Franchise Agreement | P Promissory Note |
| H Agents for Service of Process | Q Assignment and Assumption Agreement |
| I State Franchise Regulators | R SBA Form Addendum |

Date

Signature

Print Name

Date

Signature

Print Name

KEEP THIS COPY FOR YOUR RECORDS

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_____ Date	_____ Signature	_____ Print Name
_____ Date	_____ Signature	_____ Print Name

Return to: SALTIRE BRANDS LLC, 400 Techne Center Drive, Suite 101, Milford, Ohio 45150)