FRANCHISE DISCLOSURE DOCUMENT

Nurse Next Door™
home care services

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.
(a Washington corporation)
Suite 300 – 1788 West 5th Avenue
Vancouver, British Columbia V6J 1P2
604-228-4357
www.nursenextdoor.com

You will operate a business, using the Nurse Next Door® Area Trainer System, which provides training and other support to a specified number of Nurse Next Door® Unit Franchisees that provide non-medical care and other skilled nursing services to clients with varying needs within their home, and supplemental healthcare staffing to institutional clients.

The total investment necessary to begin operation of a Nurse Next Door® Area Trainer franchise is $84,700 to $173,100. This includes $75,000 to $150,000 that you must pay to us or our affiliate.

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, us in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact our VP of Global Franchise Development by phone at 604-228-4357 or at our street address of Suite 300 – 1788 West 5th Avenue, Vancouver, BC V6J 1P2.

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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: November 29, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit C.
How much will I need to invest?	Item 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B 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 Nurse Next Door business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Item 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 Nurse Next Door franchisee?	Item 20 or Exhibit C lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising Generally

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

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

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

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

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

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

Special Risks to Consider About This Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with us by mediation only in Vancouver, British Columbia, Canada and arbitration only in Seattle, Washington. Out-of-State mediation and arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate or arbitrate with us in Canada or Washington than in your own state.

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.

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

Definitions

To simplify this disclosure document ("**Disclosure Document**"), "**we**" or "**us**" means Nurse Next Door Home Healthcare Services (USA) Inc., the franchisor. "**You**" means the business entity, such as a corporation, partnership, limited liability company or other business entity, that is buying the franchise and includes any principals who have agreed to be liable for the business entity buying the franchise. "**Franchise Agreement**" means the area trainer agreement you enter into with us, the form of which can be found in Exhibit A to this Disclosure Document.

The Franchisor

We are a Washington corporation formed on February 17, 2010 for the purpose of offering Nurse Next Door® franchises (each a "**Franchised Business**"). Our principal business address is Suite 300 – 1788 West 5th Avenue, Vancouver, British Columbia V6J 1P2. Our phone number is 604-228-4357. We do business under our corporate name and the name Nurse Next Door® pursuant to a sublicense from our parent company Nurse Next Door Professional Homecare Services Inc., a British Columbia, Canada company ("**Nurse Next Door Corporate**"). We have offered Nurse Next Door® Unit Franchises since 2010. We began offering Nurse Next Door® Area Trainer Franchises in 2023. We do not operate any stand-alone businesses of the type being franchised but we do offer training and support to Nurse Next Door® Unit Franchises as part our Unit Franchise offering. Other than Nurse Next Door® Unit Franchises, we do not offer any other franchises in any other lines of business. We have no prior business activities and no current business activities other than offering Nurse Next Door® franchises. The addresses for our agents for service of process are attached as Exhibit E to this Disclosure Document.

Our Parents, Predecessors and Affiliates

We are a wholly-owned subsidiary of Nurse Next Door Corporate which was incorporated on October 30, 2001 in British Columbia, Canada. The principal business address of Nurse Next Door Corporate is Suite 300 – 1788 West 5th Avenue, Vancouver, BC V6J 1P2. Nurse Next Door Corporate created the Nurse Next Door® System and originally registered the related marks, including Nurse Next Door®. It entered into a sale and leaseback arrangement with respect to all of the trademarks and certain other intellectual property (as more particularly described Item 13). Nurse Next Door Corporate sublicenses all of the trademarks and certain other intellectual property to us for our exclusive use and further sublicensing by us in the United States. Nurse Next Door Corporate has operated a corporately-owned unit in Canada since 2001 but does not offer franchises in this or any other lines of business in the United States.

Our affiliate company, Nurse Next Door Home Healthcare Services, Canada Inc. ("**Nurse Next Door Canada**"), whose principal business address is Suite 300 – 1788 West 5th Avenue,

Vancouver, British Columbia V6J 1P2, offers Nurse Next Door® unit franchises solely in Canada pursuant to a sublicense from Nurse Next Door Corporate. Nurse Next Door Canada has offered unit franchises throughout Canada since 2007. Nurse Next Door Canada does not offer franchises in any other lines of business. The corporately- owned unit operated by Nurse Next Door Corporate and franchises offered by Nurse Next Door Canada is the same or substantially similar to the Unit Franchisees that we offer.

Nurse Next Door Canada has entered into a master franchise agreements for the opening and operation of sub-franchise locations in Australia and England. Inquiries relating to the master franchises and sub-franchisees for Australia and England may be directed to us.

We subcontract certain administrative services to our parent company, Nurse Next Door Corporate. We are solely responsible for performing all of our obligations under the terms of the Franchise Agreement and therefore, in the event of a breach of any terms of the Franchise Agreement, you are to contact us at our principal place of business, Suite 300 – 1788 West 5th Avenue, Vancouver, British Columbia V6J 1P2.

The Franchise

You will operate a business, using the Nurse Next Door® Area Trainer System (the "**System**"), which provides training and other support to a specified number of Nurse Next Door® Unit Franchisees in return for a share of the royalties paid by such Unit Franchisees to us. Such Unit Franchisees provide non-medical care and skilled nursing services to clients with varying needs within their home. Unit Franchises may also offer supplemental healthcare staffing to institutional clients, such as hospitals, retirement facilities and clinics, as well as providing other ancillary and related services. Unit Franchises may also provide care for clients with funding from the Department of Veterans Affairs and certain other government funding programs. The scope of training and other support services that you are required to provide is outlined in the Nurse Next Door® Area Trainer System Manual. You will be required to train and support Unit Franchisees on the provision of both non-medical and skilled nursing services.

For providing training and other support services to Unit Franchisees, we will pay you a portion of the Gross Sales earned by each Unit Franchise in the Territory (as defined in Item 12), except for any Unit Franchise owned by you or your affiliate. Payment will be made, first as a credit against any payments due from you or your affiliates or us or our affiliates, including under your existing Unit Franchise Agreement(s), second by payment by us to you, in each case by the 23rd of the following month, provided the corresponding royalty payments are made by Unit Franchisees to us by the 10th of the month. The portion of Gross Sales that you will receive is as follows:

> ½% on each Unit Franchise's Gross Sales up to that Unit Franchise's annual minimum performance requirement as set out in the applicable Unit Franchise Agreement; and

2% on each Unit Franchisee's Gross Sales in excess of that Unit Franchise's annual minimum performance requirement as set out in the applicable Unit Franchise Agreement, starting when the minimum performance requirement is achieved by that Unit Franchise.

Your right to a portion of Gross Sales earned by Unit Franchises in the Territory will not affect our right to terminate a Unit Franchise or otherwise exercise our rights under an applicable Unit Franchise Agreement. We have no obligation to inform or consult you in advance of terminating a Unit Franchise or otherwise exercising our rights under an applicable Unit Franchise Agreement and we will have no obligation, monetary or otherwise, to you for doing so

Gross Sales means the entire amount of all sales of services Unit Franchisees derive from operating Unit Franchises, and all other fees, charges, revenues, incomes, commissions and other consideration received or receivable by Unit Franchisees, directly or indirectly, in connection with the franchised businesses or otherwise and whether for check, cash, credit, charge accounts, exchange or otherwise. There shall be no deductions allowed for uncollected or uncollectible credit accounts and no allowances shall be made for bad debts. Gross Sales includes the amount of all sales assumed to have been lost by the interruption of business, which we may determine on the basis upon which proceeds of any business interruption insurance are paid or are payable to the Unit Franchisee. Gross Sales does not include:

(i) the amount of any tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers if such tax is added to the selling price and actually paid by the Unit Franchisee to such governmental authority; and

(ii) the amount of the refund or credit given in good faith by the Unit Franchisee in respect of any products returned or exchanged by a customer for which a refund of the whole or a part of the purchase price is made or for which a credit is given, provided that the selling price thereof was included in Gross Sales.

We will also pay you a referral fee of $10,000 for each prospective franchisee that is introduced by you to the us and who subsequently signs a Franchise Agreement for a Unit Franchise within the Territory, except that you will pay 50% of any broker's fee paid, up to a maximum of $10,000, for any prospective franchisee who was also introduced to us by a franchise broker. Your contribution to the broker's fee will be deducted from the referral fee

You will operate as a business entity as we do not award franchises to individuals. It is mandatory to assign your franchise agreements to your business entity within three months of signing them. When incorporating or forming your business entity, you may not use "Nurse Next Door" in your business entity name.

You may purchase an Area Trainer Franchise training and supporting either five Unit Franchises or ten Unit Franchises, depending on our assessment of your management capability and financial strength to provide training and other services to such Unit Franchises.

To be eligible to purchase an Area Trainer Franchise, you must have operated a Unit Franchise in the initial territory (as described in Item 12), or at another location approved by us, for at least one year and be generating revenue of at least $100,000 per month from that Unit Franchise. We may terminate the Area Trainer Franchise if the revenue at your Unit Franchise falls below $100,000 per month.

General Description of the Market and Competition

You will provide services only to specific set of Unit Franchises. We do not anticipate the business to be dependent on seasonal changes. You will not encounter direct competition from third parties or competition from other Nurse Next Door® area trainer franchisees because each Area Transfer franchisee trains and supports specific and distinct Unit Franchises. The Unit Franchises you will be training and supporting generally face competition from home care agencies which range from independent companies through to national corporations, including those operated by healthcare systems and other franchised systems. Changes in local and national economic conditions and population density may affect Unit Franchises and as a result your business and we are unable to predict if these conditions will have an impact on us, our affiliates, our industry, Unit Franchisees or you.

Industry Specific Laws and Regulations

You must comply with all applicable federal, state and local laws and regulations, including, without limitation, the following industry specific laws and regulations.

Business Office

You will also be required to have an office to operate your business. The State may allow you to operate from a residential setting or may require you to obtain commercial space. If the state allows you to operate from a residential setting, you must verify that local zoning laws permit the Franchised Business to be run out of a residential setting. In any setting, you must ensure that you are HIPAA compliant. There may be signage requirements mandated by the state.

HIPAA and State Health Information Privacy Laws

As applicable, you must comply with the applicable provisions of the Health Insurance Portability and Accountability Act of 1996 as amended from time to time ("HIPAA"), including all regulations implementing HIPAA.

Most states have also implemented state-specific laws protecting the privacy and confidentiality of various types of health information. You must identify and comply with all applicable state health information privacy laws.

Federal and State Laws to Prevent Fraud and Abuse

There are federal anti-kickback and practitioner self-referral laws with which you must comply. In addition, some states also have enacted state-specific anti-kickback laws that prohibit payment for referrals and other similar arrangements ("state anti-kickback laws"), and/or state-specific laws prohibiting practitioner self-referrals ("state practitioner self-referral laws"). You must comply with all applicable state and federal anti-kickback and practitioner self-referral laws.

Some states may also have laws that prohibit licensed professionals and/or licensed/certified professional business entities from splitting fees with non-licensed individuals or entities ("fee-splitting" prohibition). You are responsible for investigating and complying with all state-specific requirements regarding fee-splitting.

There are also federal and state laws that prohibit presenting, or causing to be presented, false or fraudulent claims for payment for certain health care items and services ("false claims act"). You must comply with all applicable state and federal laws that pertain to billing and reimbursement for health care items and services, including without limitation false claims act requirements.

Corporate Name

You must not use the name Nurse Next Door in the name of your business entity. You must make an assumed name filing to legally use the name Nurse Next Door. Some jurisdictions restrict the use of the word "Nurse" in a corporate name or assumed name. You must investigate whether such a restriction is applicable to you and whether you will, upon becoming properly licensed, permitted, registered or certified, be able to use the name Nurse Next Door.

Industry Specific Law Compliance Generally

You are responsible for complying with all of these industry laws and regulations. We highly recommend that you consult with local counsel, experienced in the above areas of the law. You should also consult with counsel during the term of the Franchise Agreement because these laws and regulations may change.

ITEM 2. BUSINESS EXPERIENCE

Name	Business Experience
Cathy Thorpe President & Chief Executive Officer	Cathy Thorpe is President and CEO of Nurse Next Door Corporate, effective from April 2016. Since 2017, she has served as an Independent Director of the Pharmasave Board.
Ken Sim Member of the Board of Directors & Co-Founder	Ken Sim co-founded Nurse Next Door Corporate in September 2001. In January 2012, he transitioned to the Board of Directors. In February 2012, Ken co-founded Rosemary Rocksalt Bagels in Vancouver, British Columbia.

Name	Business Experience
Arif Abdulla Vice-President, Global Franchise Development	Arif Abdulla is Vice-President of Global Franchise Development at Nurse Next Door Corporate, effective from November 2015.
Susan Karda Vice-President, Operations	Susan Karda is Vice-President, Operations of Nurse Next Door Corporate, effective from November 1, 2020. From February 2019 to October 2020 Susan served as the Chief Operating Officer at Nurse Next Door Corporate.
Veronica Tissera Vice-President, Corporate Franchises	Veronica Tissera is Vice President of Corporate Franchises at Nurse Next Door Corporate, effective from July 2016.
Kristy Maynes Vice-President, Sales	Kristy Maynes is Vice-President, Sales, effective from October 1, 2024. Prior to joining Nurse Next Door, Kristy served as Vice President/Chief of Staff at lululemon athletica from September 2010 to October 2021, Senior Vice President Retail at Glossier from Oct 2021 to September 2022 and as Vice President Retail at Aritzia from January 2023 to September 2024.
Paul Kezin, Director of System Performance	Paul Kezin is Regional Director of System Performance at Nurse Next Door Corporate, effective from October 2020. Prior to this Paul served as Vice President and Chief Commercial Officer for Cole Haan in Tokyo, Japan from September 2016 to August 2019.
Anne Rockingham Director of Clinical Operations North America	Anne Rockingham is Director of Clinical Operations, North America at Nurse Next Door Corporate, effective from June 2015.
Alexander Mitchell Franchise Development Manager	Alex Mitchell is Franchise Development Manager at Nurse Next Door Corporate, effective from January 2018.
Varun Saini Franchise Development Manager	Varun Saini is a Franchise Development Manager at Nurse Next Door effective January 2024. Prior to this, Varun served as Franchise Development Coordinator from January 2022 to January 2024.
Daire McAnallen Franchise Development Manager	Daire McAnallen is a Franchise Development Manager, effective from October 2024. Prior to this, Daire served as Franchise Development Coordinator from December 2023 to October 2024. Daire also served as Intakes Specialist from January 2020 to December 2023.

Name	Business Experience
Jack Parr Franchise Development Coordinator	Jack Parr is a Franchise Development Coordinator, effective from October 2024. Prior to this, Jack served as Account Manager at TFG Financial Corp. from April 2023 to September 2024. Jack was also a Shiftleader at Cactus Club Cafe from 2019 to 2024.
Kelly Quinn Director of People & Culture	Kelly Quinn is Director of People and Culture of Nurse Next Door Corporate, effective from March 2020. Prior to this, Kelly served as Franchise Systems Coach at Nurse Next Door Corporate from January 2018 to March 2020.
Nibeth Santa Maria Operations Specialist	Nibeth Santa Maria is Operations Specialist at Nurse Next Door, effective September 2022. Prior to this, Nibeth served as the People and Culture Specialist from 2020 to 2022 and the People Experience Manager for our affiliate's corporate franchise from August 2017 to March 2020.
Francis Ontoyin Contracts and Compliance	Francis Ontoyin is the Contracts and Compliance Specialist at Nurse Next Door, effective from October 2022. Prior to joining Nurse Next Door, Francis worked as Private Legal Practitioner at Reindorf Chambers, DLA Piper, in Accra, Ghana, Africa from August 2016 to September 2021.
Jenna Bradley Director of Finance	Jenna Bradley is Director of Finance at Nurse Next Door Professional Homecare Services Inc., effective from February 2021. From December 2017 to January 2021, Jenna worked as Controller for Nurse Next Door Professional Homecare Services Inc.
Carla Morales Onboarding Manager	Carla Morales is the onboarding Manager (Countdown to Launch Program) at Nurse Next Door Corporate, effective from February 2024. Prior to this role, Carla served as Intakes Specialist from April 2023 to February 2024 and Care Services Specialist from August 2022 to April, 2023.

ITEM 3. LITIGATION

Administrative Proceeding Before The Securities Commissioner Of Maryland, In The Matter Of Nurse Next Door Home Healthcare Services (USA), Inc., Case Number 2016-0835.

The Maryland Securities Commissioner (the "Commissioner") alleged that we violated the disclosure provisions of the Maryland Franchise Registration and Disclosure Law, Md. Bus. Reg. Code Ann. §§14-201 et seq. (2015 Repl. Vol.) (the "Maryland Franchise Law"), in 2016, by directing all or a portion of the initial franchise fee paid by two Maryland franchisees into an escrow account in California and not deferring collection of those fees until we completed our pre-opening obligations under the franchise agreement and each franchisee was ready to begin operating, as was required under the terms of the Maryland addendum to the franchise agreement. On January 13, 2017, we entered into a Consent Order with the Commissioner, whereby the Commissioner concluded that we violated Section 14-230 of the Maryland Franchise Law and we represented that (a) we will immediately and permanently desist from the offer and sale of franchises in violation of the Maryland Franchise Law; (b) prior to the date of this Consent Order, we caused the franchise fees that were paid into the escrow account to be released to the two Maryland franchisees, without limitation or condition; and (c) the Consent Order would be disclose under this Item 3.

In the Matter of The Commissioner of Financial Protection and Innovation v. Nurse Next Door Home Healthcare Services (USA) Inc.

In 2019, the Commissioner of the California Department of Financial Protection and Innovation ("Commissioner") investigated the franchise sales and disclosure practices of Nurse Next Door in connection with the sale of certain franchises sold in 2017. The Commissioner concluded that Nurse Next Door had improperly shared a New York Times article about the earnings of a California franchisee during the sales process in at least one sale in California, which constituted an improper financial performance representation. On July 27, 2021, the Commissioner and Nurse Next Door entered into a consent order whereby Nurse Next Door stipulated to this violation, was ordered to desist and refrain from repeating this conduct, agreed to offer cancellation and a refund of the initial franchise fee to one active franchisee who purchased in 2017, obtain franchise training for salespeople and officers of the company, and pay a $12,500 penalty to the Department of Financial Protection and Innovation.

Franchisee Claims And Counterclaims

Integrated Health Associates LLC v. Nurse Next Door Home Healthcare Services (USA), Inc., (JAMS Arbitration Reference No.1425032334, filed with JAMS on May 6, 2020

The franchisee brought claims against NND seeking damages for breach of contract and frustration of purpose, a declaration that the in-term and post-term obligations of the franchise agreements are unenforceable, and for injunctive relief preventing NND from making defamatory and disparaging statements against the franchisee. NND vigorously denied the allegations in the claims. NND intended to bring counterclaims alleging that the franchisee breached its franchise agreements by reason of the franchisee's failure to continuously operate its

franchised businesses subsequent to training, wrongful termination of the franchise agreement and breach of the noncompetition covenants, and further seek damages against the franchisee and its guarantors for franchisee's failure to pay certain amounts due and owing under its franchise agreements, including unpaid royalties, lost future profits, pre-and post-judgment interest, and attorneys' fees, and costs. On July 18, 2021, the parties entered into a confidential settlement and nondisparagement agreement pursuant to which the franchisee agreed to pay NND $87,475.60 in exchange for a mutual release of claims by all parties. The arbitration has been dismissed with prejudice.

Harken Home Staffing LLC v. Nurse Next Door Home Healthcare Services (USA), Inc., (JAMS Arbitration Reference No. 1220065246, filed with JAMS on May 6, 2020)

The franchisee brought claims against NND seeking damages for breach of contract and frustration of purpose, a declaration that the in-term and post-term obligations of the franchise agreements are unenforceable, and for injunctive relief preventing NND from making defamatory and disparaging statements against the franchisee. NND vigorously denied the allegations in the claims. NND brought counterclaims alleging that the franchisee breached its franchise agreements by reason of the franchisee's failure to continuously operate its franchised businesses subsequent to training, wrongful termination of the franchise agreement and breach of the non competition covenants, and further seek damages against the franchisee and its guarantors for franchisee's failure to pay certain amounts due and owing under its franchise agreements, including unpaid royalties, lost future profits, pre-and post-judgment interest, and attorneys' fees, and costs. On August 26, 2021, the parties entered into a confidential settlement and nondisparagement agreement pursuant to which the franchisee agreed to pay NND $35,733.92 in exchange for a mutual release of claims by all parties. The arbitration has been dismissed with prejudice.

Nurse Next Door Home Healthcare Services (USA), Inc. v. Texas Boy LLC et al., (JAMS Arbitration Reference No. 1160023755, filed with JAMS on July 13, 2020)

NND commenced this arbitration against the franchisee and its principal operator alleging that the franchisee breached its franchise agreements by reason of the franchisee's failure to continuously operate its franchised businesses subsequent to training, wrongful termination of the franchise agreement and breach of the non competition covenants, and further sought damages against the franchisee for franchisee's failure to pay certain amounts due and owing under its franchise agreements, including unpaid royalties, lost future profits, pre-and post-judgment interest, and attorneys' fees, and costs. In addition, NND sought injunctive relief to prevent the franchisee from wrongfully competing with NND in violation of the in-term and post-term non competition covenant contained in the franchise agreement. On January 11, 2021, the franchisee filed counterclaims against NND, seeking unspecified damages arising out of alleged breaches of the franchise agreements between the parties, alleged overpayments made to designated third party vendors for personal protective equipment in excess of commercially reasonable rates, and alleged loss of business value, along with an accounting of all local advertising spending by NND in the franchisee's market. The counterclaim specified that the amount of these claims would be determined at trial. NND vigorously denied the allegations in

the counterclaims. On June 17, 2021, the arbitrator granted a partial final award to NND on its claim for preliminary injunctive relief, imposing a one-year injunction on the franchisee's operation of a competing home care business commencing on the date of the franchisee's breach. On September 30, 2021, the parties entered into a confidential settlement and nondisparagement agreement pursuant to which the franchisee agreed to pay NND $200,000.00 in exchange for a mutual release of claims by all parties. The arbitration has been dismissed with prejudice.

Sipp v. Nurse Next Door Home Healthcare Services (USA), Inc., Cause No. 24-cv-01259 (M.D. Fla. July 11, 2024)

Franchisee Aaron Sipp and Sipp Healthcare, LLC filed suit against NND in the Circuit Court of the 18th Judicial Circuit for Seminole County Florida, alleging that NND made material misrepresentations in its Franchise Disclosure Document in connection with the sale of franchises to plaintiffs. Specifically, Plaintiffs alleged that they were fraudulently induced to enter into the franchise agreement, which allegedly failed to disclose that franchisees located in the State of Florida would be unable to obtain the requisite licensure to provide skilled nursing services. NND removed the case to federal court, and the case was stayed pending resolution of a lawsuit filed by NND against plaintiffs in the Western District of Washington to compel arbitration. See Nurse Next Door Home Healthcare Services (USA), Inc. v. Sipp, Cause No. 24-cv-00884-MJP (W.D. Wash. June 20, 2024). After the court in the Washington lawsuit granted NND's petition compelling arbitration, the court in the Florida federal district court dismissed the case.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Initial Franchise Fee

We charge a non-recurring initial franchise fee of $75,000 for the right to train and support five (5) Unit Franchises and $150,000 for the right to train and support ten (10) Unit Franchises (the "**Initial Franchise Fee**"). The Initial Franchise Fee is payable at the time of execution of the Franchise Agreement. The Initial Franchise Fee is deemed to be fully earned and is non-refundable in whole or in part upon execution of the Franchise Agreement.

Deferral

Certain states may require that we defer or escrow the Initial Franchise Fee until our initial obligations are met. See State-Specific Addenda/Amendments attached in Exhibit A to this Disclosure Document.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks[1]
Renewal Fee	$25,000	At least 180 days before Expiration Date with notice of renewal	Renewal Period is for 5 years. If we decline a transfer because our conditions were not met, then we will refund the Renewal Fee less any amounts you owe to us.
Area Trainer Meeting Fee	Up to $1,000	January 15th of each year	
Business Non-Compliance Fee	150% of Franchisor's cost of providing services to a Unit Franchisee which the Franchise Agreement requires the Area Trainer to provide	Franchisor will deduct from amounts owing to the Area Trainer in the month after the Franchisor provides the service.	
Late Payment Fee	100% of the portion of the Unit Franchisee's Gross Sales that are due to you, each time a Unit Franchisee in the Territory fails to timely submit payment to the Franchisor as required under a Franchise Agreement	Franchisor will deduct from amounts owing to the Area Trainer in the month after each Unit Franchisee within the Territory fails to timely make payment or submit reports in the manner prescribed in the Manuals	
Late Report Fee	$100 on each occasion that a required report is not timely submitted by Area Trainer or a Unit Franchisee in the Territory, in the manner prescribed in the Manuals; and $100 per month	Franchisor will deduct from amounts owing to the Area Trainer in the month after the report was overdue on the10th day of each month	

Type of Fee	Amount	Due Date	Remarks[1]
	until the report is submitted		
Ongoing Area Trainer Training	$500 for first person, $350 for additional trainee	Upon receipt of invoice	
Refresher Training Fee	$1,000 per day	Upon receipt of invoice	To a maximum of 5 days per instance
Annual Convention Fee	$1,000	Upon receipt of invoice	Mandatory in any year an annual convention is offered
Insurance Procurement Fee	$500	Upon receipt of invoice	If we have to purchase your insurance, you will reimburse us for all amounts paid to the insurer and pay us this fee.

Notes:

1. Unless otherwise indicated, all fees are payable only to us for our account and are uniformly imposed, though we retain the right to negotiate the above-listed fees with individual franchisees under unique circumstances. Unless otherwise indicated, all fees are nonrefundable.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	(Low)	(High)			
Initial Franchise Fee[1]	$75,000	$150,000	Cash	At signing of Franchise Agreement	Us
Initial Training Program[2]	$1,200	$4,000	As arranged	Before beginning operations	Airlines, hotels and restaurants
Office Equipment and Supplies[3]	$0	$1,000	As arranged	Before beginning operations	Outside suppliers
Legal and Accounting[4]	$3,000	$7,000	As arranged	Before beginning operations	Attorney, accountant
Insurance	$2,500	$4,800	As	Before	Approved

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is to Be Made
	(Low)	(High)			
(excluding Worker's Compensation)[5]			arranged	beginning operations	supplier
Worker's Compensation Insurance[6]	$0	$300	As arranged	Beginning at operations	Approved suppliers
Additional Funds – 3 to 6 Months / Working Capital[7]	$3,000	6,000	As arranged	As necessary	Various
TOTAL[8]	$84,700	$173,100			

Unless otherwise noted, all payments are non-refundable or are refundable only pursuant to any agreement between you and the vendor or supplier to whom you have made the payment.

Notes:

1. Initial Franchise Fee. The Initial Franchise Fee and its refund policy are described in detail in Item 5.

2. Initial Training Program. Prior to the opening of the Franchised Business, we will provide you with an Initial Training Program. This Program is delivered at either our corporate office, HeartQuarters, in Vancouver, British Columbia, Canada or via virtual video conferencing. Attendance is mandatory at the Initial Training Program. You may bring additional employees to the Initial Training Program but we reserve the right to charge additional fees for extra attendees. You are responsible for all travel and living expenses and all wages payable to any trainee and no wages will be payable by us to any such trainee for any service rendered during the course of such training. We estimate that you will have to spend $2,000 to $2,800 on travel, accommodation and living expenses if you (and key employees, if applicable) attend the Initial Training Program in person. Additionally, travel between the United States and Canada requires a valid passport. You are responsible for the costs required to obtain and maintain passports, and any other documents, for you and any employees attending the Initial Training Program in Canada. These expenses are typically non-refundable.

3. Office Equipment and Supplies. You must purchase general office supplies including stationery and typical office equipment. Factors that may affect your cost of office equipment and supplies include local market conditions, competition among suppliers and other factors. We do not know if the amounts you pay for office equipment and supplies are refundable. You should inquire about the return and refund policy of the supplier at or before the time of purchase.

4. Legal and Accounting. We recommend that you engage an attorney, an accountant or other consultants to assist you in establishing your Franchised Business. These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants and consultants. These fees are typically non-refundable. We estimate that you may have to spend $3,000 to $7,000 for incorporation of a company, initial accounting advice and legal review of the Franchise Agreement.

5. Insurance. You or your affiliate must maintain insurance as set out in your or your affiliate's Unit Franchise Agreement. You must tell your or your affiliate's insurer that you will be performing area training activities, be added as an additional named insured if it is your affiliate's insurance policy, and pay any increased insurance costs arising from the additional insured activities. This is our estimate of the increase in insurance costs as a result of adding area training activities to your or your affiliate's existing insurance policy. The amounts you pay for insurance are typically not refundable and paid annually.

6. Worker's Compensation Insurance. Worker's compensation insurance will vary per state and the amount of your payroll. The amounts represented are estimates for the initial 3 months of operation and are expected to increase with the growth of the Franchised Business.

7. Additional Funds – 3 to 6 Months / Working Capital. You are required to have working capital in the form of cash or other liquid assets to begin operations which should be approximately $3,000 to $6,000 (of which at least 75% should consist of cash with no more than 25% being other liquid assets) for operating expenses, including initial salaries. We estimate the start-up phase to be 3 to 6 months from the date you open your business. This is our best estimate of the working capital necessary to open your business and includes money required to pay suppliers and employees. Additional funds may be required to finance operations until a positive cash flow is produced. This category does not include fees you pay to us, nor does it include your salary or living expenses.

8. Total. In compiling this chart, we relied on our and our affiliates' industry knowledge and experience, which has been in both Canada and the U.S. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a Franchised Business. We do not finance your initial investment.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Your purchase of goods and services, and your provision of services, as required are essential elements of your compliance with the Franchise Agreement and the Manuals and your failure to do so is a breach of the Franchise Agreement and may result in your loss of material benefits, up to and including the termination of the Franchise Agreement.

In the event you wish to purchase any unapproved product or service or acquire approved products or services from an unapproved supplier, you must first obtain our prior written

approval. We are not required to approve any particular supplier. We do not use any fixed process for granting or revoking approval of designated suppliers. Instead, we evaluate suppliers on a variety of criteria, including the quality of their products or services, price, responsiveness, ability to service the System as a whole, reputation, timeliness, and experience, scalability and alignment with our purpose and core values among others. If we create any specific policies for approving suppliers, we will communicate them to franchisees. We will consider in good faith and in a reasonable time any supplier that you would like to propose who is capable of providing goods or services meeting our requested specifications. If our evaluation of your proposed supplier would require us to incur any non-trivial cost (such as to examine a sample of that supplier's products), we will ask you to pay such costs to such supplier. We will make a reasonable effort to approve or disapprove any proposed supplier within 30 days. If approval of a supplier is later revoked, we will notify you by email or such other method we determine in our discretion.

We require you to purchase marketing collateral from our approved supplier(s). You must carry insurance covering the risks and meeting the minimum coverage conditions that we prescribe in the Manuals protecting you and naming us as an additional insured. You must obtain the insurance coverage set out in Note 5 of the Item 7 chart only from those insurance companies we designate using an insurance broker approved by us. You must use the accounting software that we designate, except if you use different accounting software for your existing business and we approve it for use by the Franchised Business.

You must attend franchisee conventions that may be organized by us or Nurse Next Door Corporate and pay us a registration fee. The convention registration fee is described in Item 6.

We and our affiliates do not currently receive rebates, promotional allowances, discounts or other payments or benefits as a result of the purchases made by our franchisees from our designated suppliers. However, we reserve the right to do so, and if we do so, such rebates, promotional allowances, discounts or other payments will not be shared with the franchisees directly but may be used in order to promote the expansion of the franchise system, which may benefit the franchisee indirectly. Any rebates, promotional allowances, discounts or other payments will be used at our discretion. Should we or an affiliate receive such payments in the future, we anticipate that any such payments will be based on either a percentage or flat amount.

In the fiscal year ending September 30, 2023, we received revenues of $0 from area trainer franchisees for services or leases provided by us, which represents approximately 0% of our total revenues of $4,799,447. We estimate that, in establishing your Franchised Business, your purchases or leases of goods and services made in accordance with our specifications will represent approximately 0% of all of your total purchases or leases of goods and services. Once your business is established, we estimate that, on an ongoing basis, your purchases or leases of goods and services made in accordance with our specifications will represent approximately 0% of all of your purchases or leases of goods and services. There currently are not any purchasing or distribution cooperatives in place for the purchase or lease of goods or services. We currently do not negotiate purchase arrangements with suppliers for the benefit of franchisees, but we may do so in the future.

As mentioned above, Nurse Next Door Corporate, our affiliate, may organize franchisee conventions. Our officer, Ken Sim, a Founder of Nurse Next Door Corporate, owns an interest in Nurse Next Door Corporate.

We do not provide any material benefits to you if you buy from sources we approve.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Pre-opening purchases / leases	Section 7.6	7
b. Initial and ongoing training	Sections 7.4, 7.5	9; 11
c. Fees	Summary Pages; Definitions; Sections 3; 4; 7.5; 7.11; 7.22.3; 7.28; 8.3; 9.6; 11.3.4; 11.5; 12.4	5; 6; 7; 9
d. Compliance with standards and policies / operating manual	Sections 7; 7.16; 7.24	11
e. Trademarks and proprietary information	Sections 5; 13.5	13; 14
f. Restrictions on products / services offered	Sections 10.1; 10.2	8
g. Insurance	Section 9	7; 8
h. Indemnification	Sections 5.4; 9.7	7
i. Owner's participation / management / staffing	Sections 7.2; 7.12	15
j. Records and reports	Sections 7.22; 7.23; 7.28; 13.3	11
k. Inspections and audits	Sections 7.17; 7.22.4	6
l. Transfer	Section 11	17
m. Renewal	Section 3	17
n. Post-termination obligations	Section 4; 8; 11; 13; 14; 16; 19	17
o. Non-competition covenants	Section 13	n/a
p. Dispute resolution	Section 14	17

ITEM 10. FINANCING

Neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, or has any practice or intent to sell, assign or discount to a third party all or any part of any financing arrangement of yours.

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

Except as listed below, Nurse Next Door Home Healthcare Services (USA) Inc. is not required to provide any assistance to you.

Franchisor's Assistance

Before the Franchised Business initiates, we will:

- Designate an initial territory as defined in Item 12 (see Franchise Agreement Summary Pages and Schedule A);
- Provide you or your controlling principal and your initial roster of field representatives, at no additional charge, with our standard initial training program at the Franchisor's headquarters in Vancouver, British Columbia or virtually, at the Franchisor's discretion, at a mutually convenient time (see Franchise Agreement Section 8.1).
- At the Franchisor's expense, the Franchisor shall provide its Countdown to Launch (which includes its Foundation Training Program) to all Unit Franchisees. All additional training shall be provided by the Area Trainer at Area Trainer's expense (See Franchise Agreement Section 8.2).
- Provide you with paper or electronic versions of the Manuals we have developed for your use, and updates to it. We will also provide you with updated training materials whenever they are developed for its use in connection with providing Unit Franchisee training and support services (see Franchise Agreement Definitions and Section 8.4); and

During the operation of the Franchised Business, we will:

- Coordinate and conduct periodic training programs for you as we in our sole discretion deem necessary (see Franchise Agreement Section 8.3); and
- Provide to you on an ongoing basis without additional charge with telephonic and email consultation on issues relating to the operation of your Business (see Franchise Agreement Section 8.5);
- Provide updates to the Manuals as they become available, and an annual review of your Business Plan (see Franchise Agreement Section 8.5);

Site Selection

You may operate from the office established for your Unit Franchise.

Opening of the Franchised Business

You must open the Franchised Business within 15 days of signing the Franchise Agreement or as soon as the first third party Unit Franchise Agreement is signed in the Territory, if there are no third party Unit Franchise Agreements in the Territory at the time you sign the Franchise Agreement. We expect that the typical opening date will be between 15 days and 6 months after you sign the Franchise Agreement. Factors that affect your opening date are whether or not you need to hire additional employees, the required time for any regulatory approvals and the length of time for us to sign a third party Unit Franchise Agreement in the Territory, if there are no third party Unit Franchise Agreements in the Territory at the time you sign the Franchise Agreement.

Advertising

You will have no specific obligations related to advertising under the terms of the Franchise Agreement.

Hardware, Software and Internet Connectivity

You must obtain a mobile telephone, a business telephone, email address and a personal computer with high-speed internet connection in your office, within one (1) month after the Effective Date of the Franchise Agreement. The mobile telephone number, a business telephone number, and email address must be separate numbers and may not be combined, and must be provided to us and to each Unit Franchisee within the Territory. You also must install, use and maintain at your expense, only the computer hardware and software systems which we designate or approve for use in the Territory. You will use all systems prescribed by us for preparing and delivering reports to us and will ensure that all Unit Franchisees in the Territory obtain and use such systems in the manner prescribed in the Manuals. You must maintain all licenses required to use any hardware and software prescribed by us. We may modify these requirements at our sole discretion.

Manual Table of Contents

The table of contents from our Area Trainer System manual is attached as Exhibit D. This manual is still being refined and has a total of approximately 125 pages.

Training Programs

Initial Training Program

You or your controlling principal and your field representatives will satisfactorily complete our initial training programs, as applicable, no later than fifteen (15) days after the Effective Date, as well as such ongoing training as we require.

TRAINING PROGRAMS

Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training**	**Location**
Program Overview	1	0	Vancouver, British Columbia, Canada or Virtually
Area Trainer Role & Responsibilities	1	0	Vancouver, British Columbia, Canada or Virtually
Systems Performance Role & Responsibilities	1	0	Vancouver, British Columbia, Canada or Virtually
Our Bold Kind Culture	4	0	Vancouver, British Columbia, Canada or Virtually
Business & Finance	4	0	Vancouver, British Columbia, Canada or Virtually
Marketing & Sales	4	0	Vancouver, British Columbia, Canada or Virtually
Clinical Operations	4	0	Vancouver, British Columbia, Canada or Virtually
Field Operations	2	0	Vancouver, British Columbia, Canada or Virtually
Franchisee Journey	1	0	Vancouver, British Columbia, Canada or Virtually
Operational Cadence	1	0	Vancouver, British Columbia, Canada or Virtually
Tools & Resources	1	0	Vancouver, British Columbia, Canada or Virtually
Total	24	0	

Our System and Performance Department is in charge of the Initial Training Program. Carla Morales, Onboarding Manager, is in charge of the Foundations Training Program. Carla has been in this role since February 2024 and has been working for Nurse Next Door since 2022. (See Item 2). Our training staff will include coaches and members of our leadership team under the direction of Carla. There is no minimum experience level required for any of our training staff. The training materials that we use consists of Google Sheets presentations and handouts corresponding to the various topics covered in the presentations.

There is currently no charge for attendance at the Initial Training Program by you or your controlling principal and your field representatives. You are responsible for all travel and living expenses for you or your controlling principal and any field representatives if attendance is in-person and all wages payable to any trainee; no wages will be payable by us to any such trainee for any service rendered during the course of such training. We offer the training program as needed.

Additional Assistance and Training

We will provide you and your management-level staff with training sessions at our annual convention (if held), Area Trainer meeting (if held), and will provide such other training as we deem appropriate.

We will determine when this additional training is to be provided. At our option, the training may be offered either in the Territory or at other places selected by us and may include training via the telephone and Internet. We may charge you a fee for any such training (as set out in Item 6).

Our initial and additional training need not be specific to the Territory or to your Franchised Business, but may be general training for area trainer franchisees, Field Representatives and/or Unit Franchisees in North America (see Franchise Agreement Section 8.3).

ITEM 12. TERRITORY

You will be granted a temporary territory to be set forth in the Summary Pages of the Area Trainer Agreement. You will be responsible for providing training and other support services to the first 5 or 10 (depending on the Area Trainer rights you purchased) Unit Franchises sold in the temporary Territory and the cumulative territory of those Unit Franchises will become your permanent Territory and will be exclusive to you (the "Territory"). We may grant you additional territories, or additional Unit Franchises to provide service to, in our absolute discretion upon terms acceptable to us, but you do not have the right to acquire additional territories or rights to train and support additional Unit Franchises.

You are not allowed to provide services to Unit Franchises outside your Territory, except as may be agreed in writing with us: Conversely, other Area Trainers in the System may not service Unit Franchises in your Territory

Provided you are in complete compliance with the terms and conditions of your Franchise Agreement, we will not establish, either as a company or as an affiliate owned business, another Franchised Business within your initial Territory or your permanent Territory. However, once your permanent Territory is established, we may sell additional Unit Franchises in the initial Territory to other Area Trainers, but not in the permanent Territory (subject to our rights in each Unit Franchise agreement). We may not offer the Services through any other channel of distribution, except that we may provide supplemental services, either directly or indirectly, to

Unit Franchises in your Territory either at our discretion or if you fail to provide services under the Franchise Agreement.

We have no proximity policy. We may establish franchisor-owned locations, other franchises or sub-franchises outside your Territory, regardless of proximity to the boundaries of your Territory. We may also establish other franchises or company-owned outlets or other channels of distribution offering similar services under names and trademarks other than the Marks, within the Territory, provided they are not in direct competition with you or the Unit Franchises.

You are not required to obtain our prior approval to move the Franchised Business, but you are required to obtain our approval to move your Unit Franchise.

ITEM 13. TRADEMARKS

You receive the right to operate your business under the name, Nurse Next Door®, which is the primary Mark used to identify our System. You may also use any other current or future Marks that we designate to operate your Franchised Business, including the logo on the front of this Disclosure Document and the Marks listed below. By "Mark," we mean any trade name, trademark, service mark or logo used to identify your business. Nurse Next Door Corporate registered the following Marks on the U.S. Patent and Trademark Office ("USPTO") Principal Register:

Mark	Registration Date	Registration Number	Status
Nurse Next Door® home care services	November 13, 2007	3,334,997	Registered
Making Lives Better	January 12, 2010	3,735,778	Registered
Nurse Next Door	September 22, 2009	3,685,092	Registered
It's About Caring, Not Just Health Care	December 16, 2014	4,656,624	Registered
Our Talent is Caring	April 14, 2015	4,720,523	Registered
Happier Aging	November 21, 2017	5,337,810	Registered

All required affidavits have been filed and applicable registrations have been renewed.

These Marks do not necessarily include every trademark that is part of the System and the Franchise Agreement gives us the right to add, modify or remove marks from those that we license to you. Certain common law rights have been established with respect to the marks by virtue of their continuous, exclusive and extensive use and advertising. We have the unlimited right to modify or change the Marks we use.

Currently, we know of no effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of any state or in any state or federal court; pending infringement, opposition or cancellation; or pending material litigation involving the Marks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the franchise, except for the License and Services Agreement between Nurse Next Door Corporate and us dated as of October 1, 2014, which grants us the exclusive right to use and sublicense the use of the Marks in the United States. The License and Service Agreement is for an initial term of five years and will automatically renew every five years indefinitely unless terminated by mutual consent of the parties, or by Nurse Next Door Corporate for cause. If the License and Service Agreement is terminated, you may be required to stop using the Marks, or your Nurse Next Door Franchise Agreement may be assigned to Nurse Next Door Corporate, at its option.

Nurse Next Door Corporate has an agreement with Diversified Royalty Corp. ("DRC"), a Canadian public company listed on the Toronto Stock Exchange, whereby Nurse Next Door Corporate sold all of the trademarks and certain other intellectual property owned by Nurse Next Door Corporate (the "IP") to DRC. The IP sold to DRC included the Marks that we will license to you under the Franchise Agreement. Nurse Next Door Corporate has received cash and convertible securities as payment for the sale of the IP to DRC. Nurse Next Door Corporate is required to make a significant monthly payment to DRC for continued use of the IP. The IP license is for 99 years. The agreement between Nurse Next Door Corporate and DRC does not significantly limit our rights to use or license the Marks in any manner material to the franchise.

We know of no infringing or prior superior uses that could materially affect the use of the Marks in any state in which the Franchised Businesses are to be located. You do not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your Franchised Business. You must follow our rules when you use the Marks. You must use the Marks as the sole trade identification of the Franchised Business. You cannot use a name or Mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use any Mark in connection with the sale of any unauthorized products or services, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

While we are not required to defend you against a claim arising from your use of the Marks, we will reimburse you for all of your expenses reasonably incurred in defending any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Mark. We will not reimburse you for disputes where we challenge your use of a Mark.

If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We do not have to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, signs, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your Franchised Business for the new or modified Marks. You do not have to spend an amount unreasonably disproportionate to your initial investment during the initial term of the Franchise Agreement to conform your Franchised Business to changes to the Marks and other System modifications. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

You must obtain our consent to apply for your own trademark or service mark registrations. You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of our Marks or a trademark or service mark that is confusingly similar to any of our Marks.

You may not advertise on the Internet using, or establish, create or operate an Internet site or website using, any domain name containing, the words "Nurse Next Door" or any variation of "Nurse Next Door" without our prior written consent.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the Franchised Business and Nurse Next Door Corporate has no pending patent applications that are material to the Franchised Business. Nurse Next Door Corporate owns or licenses copyrights in the Manuals, our website, our marketing materials and holds sufficient rights in other items that are part of the Area Trainer System and the Unit Franchise System. While Nurse Next Door Corporate claims copyrights in these and similar items, it has not registered these copyrights with the United States Register of Copyrights. You may use these items only as we specify while operating the Franchised Business and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of the copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use, except that we license certain copyrights and proprietary information from Nurse Next Door Corporate for use in the United States under the terms of the License and Services Agreement referenced in Item 13. If the License and Services Agreement is terminated, you may be required to stop using the copyrights and other proprietary information, or your Franchise Agreement may be assigned to Nurse Next Door Corporate, at its option.

Nurse Next Door Corporate has developed certain trade secrets and other confidential information, including methods of business management, sales and promotion techniques and know-how, knowledge of, and experience in, operating a Franchised Business. These trade secrets and other confidential information will be provided to you during your initial training, in

the Manuals and as a result of the assistance furnished to you during the term of the Franchise Agreement. You may only use the trade secrets and other confidential information for the purpose of operating your Franchised Business. You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the Franchised Business. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your owners (and members of their immediate families and households), corporate, limited liability company and limited partnership directors, managers, general partners, officers and your operations managers, field representatives and other employees may be required to sign a non-disclosure, non-solicitation and non-competition agreement in a form the same as or similar to the Non-Disclosure Agreement in Exhibit A to this Disclosure Document. We will be a third-party beneficiary with the right to enforce those agreements.

All ideas, concepts, techniques or materials concerning the Franchised Business and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us or our licensor all right, title and interest in any intellectual property so developed without any compensation to you. Likewise, we will disclose to you concepts and developments of other franchisees that are made part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Manuals, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in Item 17.

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

Your controlling principal must participate personally in the direct operation of the Franchised Business.

Each of your owners must sign the Area Trainer Agreement and be personally liable for performance of your obligations under the Franchise Agreement.

As stated in Item 14, certain individuals with access to trade secrets or other confidential information, including your owners (and members of their immediate families and households), corporate, limited liability company and limited partnership directors, managers, general partners, officers and your operations managers, field representatives and other employees may be required to sign a non-disclosure, non-solicitation and non-competition agreement in a form the same as or similar to the Non-Disclosure Agreement in Exhibit A to this Disclosure Document. We will be a third-party beneficiary with the right to enforce those agreements.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only provide those services that we have approved. You must offer all the services that we designate as required for all area trainer franchisees. We have the unlimited right to change the types of authorized services offered by your Franchised Business as stated in Item 12. You may only provide such services to the first 5 or 10 (depending on the Area Trainer rights you purchased) Unit Franchises sold in your initial territory.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise	Summary
a. Length of the franchise term	Summary Pages	The term of the Franchise Agreement is from the Effective Date to the Expiration Date.
b. Renewal or extension of the term	Summary Pages; Sections 3.1	Subject to Section 3.1, upon 180 days prior written notice, you may renew the term, provided that the requirements of Section 3.1 are met. If you fail to meet any one of the conditions in Section 3.1, we may refuse to renew or extend the term of your Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 3.1	You may renew your Franchise Agreement for one additional 5 year term, if you: (i) provide your written intent to renew at least 180 days prior to the Expiration Date; (ii) are not in default of any provision of the Franchise Agreement or any amendment, or any other agreement between your Representatives and our Representatives; (iii) timely execute our then-current Franchise Agreement and an addendum to our-then current Franchise Agreement; (iv) sign a general release in a form as provided by us at least 180 days before the Expiration Date; and (vii) at our discretion attend additional training at least 180 days before the Expiration Date.
d. Termination by franchisee	Section 12.1	You may terminate the Franchise Agreement at any time upon giving up 90 days' prior written notice.
e. Termination by franchisor without cause	Not applicable	If you don't renew, the Franchise Agreement will terminate at expiration of Term.

f. Termination by franchisor with cause	Section 12.3	We may automatically terminate the Franchise Agreement upon the happening of an event of termination as defined in Section 12.3 or upon the default under the terms of another franchise agreement within our System. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.
g. "Breach" defined – curable defaults	Section 12.2	You will have 30 days after receiving notice of default to remedy in full any default of any obligation under the Franchise Agreement or other associated agreements. If any such default is not cured within that time, or such longer period may be required by applicable law, the Franchise Agreement, at our sole option, will terminate without further notice to the you effective immediately upon the expiration of the thirty (30) day period.
i. Franchisee's obligations on termination / non-renewal	Section 13	If the Franchise Agreement is terminated or not renewed, you: (i) will no longer have an right to service Unit Franchisees in the Territory and you will immediately cease operation of the Franchised Business and will not hold yourself out as a current or former Area Trainers of the Franchisor, expect as may be required by law; (ii) will immediately return Confidential Information together with all copies, including translations; (iii) will discontinue the use of the Marks and the System as relates to the Area Trainer Franchise Agreement, including but not limited to all signs, advertising materials, displays, stationery, forms and any other articles displaying the Marks; (iv) will deliver, in the form that we request, complete records of your Business including but not limited to (a) financial records, (b) copies of contracts, leases, options, guarantees, commitments, (c) statements of account, (d) copies of all correspondence with current and former Unit Franchisees, (e) minutes of meetings of any Unit Franchisee advisory council or association, advertising, or purchasing cooperatives, (f) summary of all claims, lawsuits, threats of litigation, government investigations and copies of any documents which relate to such claims, threats or investigations; (g) all other records relating to your Business we may request; (v) will cooperate with us in providing responses to questions, written or oral, relating to your Business as we may request; (vi) will

		not use similar Marks to those of the Franchise and, at our discretion, you will cancel or assign all telephone numbers, domain names, URLS, webpages, blogs, and assumed names used in connection with the Business; and (vii) will, if the Franchise Agreement is terminated due to any breach under Section 12 of the agreement, you will pay us, as requested, all damages that we sustain and will sustain in the next 90 days as a result of the termination of the Franchise Agreement, including our lost future profits.
j. Assignment of contract by franchisor	Section 11.6	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by franchisee-defined	Definitions	"Transfer" means and Asset Transfer or an Ownership Interest Transfer. An "Asset Transfer" is the voluntary, involuntary, direct or indirect sale, assignment, Transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter vivos Transfer, testamentary disposition or other disposition of the franchise, this Agreement or any interest in or right under this Agreement of all or substantially all of the assets of the Franchised Business or in an interest therein, including (1) any Transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law; (2) any Transfer upon your death or the death of any of your owners by will, declaration of or Transfer in trust or under the laws of intestate succession; or (3) any foreclosure upon the Business, or the Transfer, surrender or loss by you of possession, control or management of the Premises. An "Ownership Interest Transfer" is the voluntary, involuntary, direct or indirect sale, assignment, transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter vivos transfer, testamentary disposition or other disposition of any direct or indirect Ownership Interest in you or in revenues or income of the Business, including: (1) any transfer, redemption or issuance of a legal or beneficial Ownership Interest in you or any Business Entity that has a Controlling Interest in you or of any interest convertible to or exchangeable for a legal or

		beneficial Ownership Interest in you or any Business Entity that has a Controlling Interest in you; (2) any merger or consolidation between you or any Business Entity that has a Controlling Interest in you and another Business Entity, whether or not you are the surviving Business Entity; (3) any transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law; (4) any transfer upon your death or the death of any of the your owners by will, declaration of or transfer in trust or under the laws of intestate succession; or (5) any foreclosure upon the Business or the transfer, surrender or loss by you of possession, control or management of the premises.
l. Franchisor's approval of transfer by franchisee	Section 11.1	You may not make any Asset Transfer or Ownership Interest Transfer without our prior written consent and only as permitted under Section 11 of the Franchise Agreement.
m. Conditions for franchisor approval of transfer	Section 11.3	We will consent to a Partial Interest transfer if: (i) you are in full compliance with all of your obligations under the Franchise Agreement and all other related agreements; (ii) the controlling principal retains its controlling interest; (iii) the Transferee delivers to us a signed Guaranty and Assumption of Obligations; and (iv) you pay the Transfer Fee as specified on the Summary Pages.
	Section 11.4	We may restrict any Transfer. You agree that we have legitimate reasons for restricting Transfers, including the fact that the success of an Area Trainer is dependent upon your unique skills.
	Section 11.5	As an individual, you may notify us that you want to assign the Franchise Agreement to a Business Entity that owns one hundred percent (100%) of the Franchised Business. We will consent to the assignment, upon our receipt of such documentation and information concerning the Business Entity and its owners that we may request, and you pay us the Assignment Fee. The required documentation will include, but it not limited to, (i) a Guaranty and Assumption of Obligations signed by the owners, (ii) a copy of the Articles of Incorporation or Organization, bylaws or membership agreement and a copy of any documents filed with any government entity relating to establishment of the Business

		Entity, and (iii) an express assumption by the Business Entity of your obligations under this Agreement.
p. Death or disability of franchisee	Section 12.3.13	Your death or Permanent Disability, or that of your controlling principal, will result in automatic termination of the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 10.1	You are prohibited from competing with the Franchised Business during the term of the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Section 10.2	You are prohibited from competing with the Franchised Business for 2 years after the termination or expiration of the Franchise Agreement within your Territory.
s. Modification of the agreement	Sections 15.3	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Manuals without your consent.
t. Integration / merger clause	Section 14.9	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 or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.
u. Dispute resolution by arbitration or mediation	Section 14.2	Subject to certain exceptions and state law, claims must be presented and negotiated for a period of 30 days before mandatory mediation to be held at our Vancouver, British Columbia, Canada offices or such other site as we may designate. If a claim is not resolved by negotiation or mediation, it must be arbitrated.
v. Choice of forum	Section 14.2.5	Subject to potential limitations of applicable state law, arbitration must be in Seattle, Washington, except we may take action in other jurisdictions as may be necessary to obtain declaratory, injunctive, or other relief.
w. Choice of law	Section 14.1	Subject to potential limitations of applicable state law, Washington law applies for construction and interpretation of the Franchise Agreement but does not give rise to statutory or regulatory claims that would not otherwise apply.

ITEM 18. PUBLIC FIGURES

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our President and Chief Executive Officer, Cathy Thorpe, at Suite 300 – 1788 West 5th Avenue, Vancouver, British Columbia V6J 1P2, 604-228-4357; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Unless otherwise indicated, all numbers are as of September 30 each year.

Table No. 1
System-wide Outlet Summary
For Years 2022 to 2024 and Period Ending September 30, 2024

Outlet Type	Year	Outlets Open at Start of Year	Outlets Open at End of Year/Period	Net Change
Franchised	2022	0	0	0
	2023	0	1	+1
	2024	1	1	0
Company Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total	2022	0	0	0
	2023	0	1	+1

	2024	1	1	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024 and Period Ended September 30, 2024

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024 and Period Ended September 30, 2024

State	Year	Outlets Open at Start of Year	Outlets Opened	Termin -ations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations – Other Reasons	Outlets Open at End of Year/ Period
California	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Total	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1

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Table No. 4
Status of Company-Owned Outlets
For Years 2022 to 2024 and Period Ending September 30, 2024

State	Year	Outlets Open at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets Open at End of Year/Period
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

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

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Total:	0	1	0

Contact information for our current franchisee is set out in Exhibit C.

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

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We are not currently aware of any trademark-specific franchisee organization associated with our franchise system.

ITEM 21. FINANCIAL STATEMENTS

Our fiscal year end is September 30. Exhibit B to this disclosure document contains our audited financial statements for our fiscal years ended September 30, 2022, September 30, 2023, and September 30, 2024.

ITEM 22. CONTRACTS

Exhibit A to this Disclosure Document contains all proposed agreements regarding this franchise offering. Those agreements are as follows:

FRANCHISE AGREEMENT, WITH ATTACHED SCHEDULES
STATE-SPECIFIC ADDENDA/AMENDMENTS
FINAL DISCLOSURE QUESTIONNAIRE
GENERAL RELEASE
NON-DISCLOSURE AGREEMENT
ASSIGNMENT OF FRANCHISE AGREEMENT

We urge you to read carefully all agreements before signing them. This Disclosure Document cannot possibly contain or describe every term of the various agreements and the agreements impose legal duties and obligations that you will be required to fulfill.

ITEM 23. RECEIPTS

Please see Exhibit F to this disclosure document for receipt pages for confirming your receipt of this disclosure document. Please sign and date both, return one to us and retain one for your records.

Exhibit A

Franchise Agreement

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

AREA TRAINER AGREEMENT

AREA:

[LOCATION]

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SUMMARY PAGES

Franchisor: Nurse Next Door Home Healthcare Services (USA) Inc.

Address:

Telephone:
Facsimile:
Email:
Attention:

Area Trainer:

Address:

Telephone:
Facsimile:
Email:
Attention:

Territory: The Area Trainer will be temporarily assigned the __ designated Unit Franchisee territories described above, and its Territory under this Agreement will be the cumulative territory of the first __ Unit Franchisee territories that are sold out of the __ Unit Franchisee territories described above.

Effective Date: _____

Expiration Date: _____

Location: _____
_____
_____
_____

Required Number and Type of Field Trainers:

Franchise Fee: $75,000 (5 units)
$150,000 (10 units)

Due Date: Upon execution of the Area Trainer Agreement

Renewal Period: 5 years

Renewal Fee: $25,000

Due Date:	At least 180 days before Expiration Date with notice of renewal
Area Trainer Meeting Fee:	Up To $1,000
Due Date:	January 15th of each year
Business Non-Compliance Fee:	150% of the Franchisor's cost of providing services to a Unit Franchisee which a Franchise Agreement requires the Area Trainer to provide
Date Due:	Franchisor will deduct from amounts owing to the Area Trainer in the month after the Franchisor provides the service
Late Payment Fee:	100% of the corresponding royalty due to the Area Trainer, each time a Unit Franchisee in the Territory fails to timely submit payment to the Franchisor as required under a Franchise Agreement
Due Date:	Franchisor will deduct from amounts owing to the Area Trainer in the month after each Unit Franchisee within the Territory fails to timely make payment submit reports in the manner prescribed in the Manuals
Late Report Fee:	$100 on each occasion that a required report is not timely submitted by Area Trainer or a Unit Franchisee in the Territory, in the manner prescribed in the Manuals; and $100 per month until the report is submitted
Due Date:	Franchisor will deduct from amounts owing to the Area Trainer in the month after the report was overdue
Subsequent Training Fee:	$500 per day to a maximum of 5 days per instance
Due Date:	On receipt of invoice
Annual Convention Fees:	$1,000 (mandatory in any year an annual convention is offered)
Due Date:	On receipt of invoice
Report Dates:	As required in the Area Trainer Manuals
Insurance Procurement Fee	$500

DEFINITIONS

Affiliate - a Business Entity which is controlled by or under common control with another Business Entity.

Agreement or Area Trainer Franchise Agreement - this Agreement and all exhibits, schedules, ancillary documents and guarantees attached hereto.

Annual Convention Fee - the fee the Franchisor charges the Area Trainer to attend the Franchisor's annual convention, if held.

Annual Report Date - September 30th of each year of the Agreement.

Area Trainer - the Person who signs a Nurse Next Door Home Healthcare Services (USA) Inc. Area Trainer Franchise Agreement.

Area Trainer Business - the business operated by the Area Trainer pursuant to this Agreement.

Area Trainer Franchise Fee - a non-refundable fee which is payable in the amounts and at the times specified in the Summary Pages.

Area Trainer Manuals - the Franchisor's Manuals containing valuable and detailed information, forms and systems pertaining to the operation of the Area Trainer Business and Businesses.

Area Trainer System - the system established by the Franchisor for the support of Unit Franchisees by an area trainer in a territory, including the right to use the System while providing such support.

AT's Representatives – the Area Trainer's Affiliates and each of the Area Trainer's and the Area Trainers Affiliates' respective shareholders, members, partners, officers, directors, managers, employees, agents, attorneys and representatives, as applicable.

Asset Transfer - the voluntary, involuntary, direct or indirect sale, assignment, Transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter vivos Transfer, testamentary disposition or other disposition of the franchise, this Agreement or any interest in or right under this Agreement of all or substantially all of the assets of the Area Trainer Business or in an interest therein, including (1) any Transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law; (2) any Transfer upon the Area Trainer's death or the death of any of the Area Trainer's Principals by will, declaration of or Transfer in trust or under the laws of intestate succession; or (3) any foreclosure upon the Area Trainer Business, or the Transfer, surrender or loss by the Area Trainer of possession, control or management of the Premises.

Assignment Fee - a non-refundable fee specified on the Summary Pages which must be paid to the Franchisor as a condition of approving a permitted assignment under Section G.11.

Business Day - a day when banks are open for regular commercial business in the United States.

Business Entity - a corporation, a general or limited partnership, a limited liability company, trust, or any other type of business organization.

Business Non-Compliance Fee - a fee to compensate the Franchisor for providing services to a Unit Franchisee if the Area Trainer fails to provide services required by a Franchise Agreement, as specified on the Summary Pages.

Client - means a person who has contacted a Unit Franchise and who uses or has used a Unit Franchisee's services.

Company-owned Business - a Unit Franchise owned by the Area Trainer or its Affiliate which operates pursuant to a Franchise Agreement to which the Area Trainer or its Affiliate are a party.

Competitive Services - non-medical in-home personal care, Skilled Nursing Services or assisted living/residential care placement services which are not offered or sold using the System.

Confidential Information - means information relating to the operation of the System, including, without limitation, the standards, methods, procedures and specifications of the System, including the contents of the Manuals, Client lists, Client information, referral sources, prospect lists, information about Unit Franchisees and the operation of their businesses, information about suppliers and pricing, business plans, marketing plans, advertising programs, market research, and all other information which is used in the Area Trainer Business, which is derived from the Franchisor or other Unit Franchisees, and which has value to the Franchisor.

Controlling Ownership Interest - the possession, directly or indirectly, of the power to direct or cause the direction, of the management and policies of a Business Entity, whether through ownership of voting securities, by contract or otherwise.

Controlling Principal - an individual owner of at least a fifty-one percent (51%) interest in the Area Trainer, if the Area Trainer is a Business Entity, who is approved by the Franchisor and who is directly responsible for causing the Area Trainer to fulfill its duties under this Agreement.

CPI - the most current and common consumer price index in use in the Territory.

Effective Date - the date the Area Trainer Franchise Agreement is executed as stated on the Summary Pages.

Enforcement Fee - the fee that the Area Trainer is required to pay to reimburse the Franchisor if the Area Trainer fails to enforce any agreement with a Unit Franchisee or Developer in the Territory and includes, but is not limited to, the Franchisor's direct expenses, legal fees, costs, travel expenses, time and effort expended by its staff, including time spent traveling to and within the Territory, and lost opportunities caused by the Franchisor's inability to devote the resources used in enforcing agreements in the Territory to other development and operational opportunities and needs in other areas.

Expiration Date - the date the Area Trainer Franchise Agreement expires as stated on the Summary Pages.

Field Trainers - the individuals who the Area Trainer designates and the Franchisor approves as the individuals who are responsible for reviewing, supporting, and advising Unit Franchisees.

Force Majeure - strike, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, disease outbreak, epidemic, pandemic, riots, insurrection, war or other reasons of a like nature not the fault of such party.

Franchise - all forms of franchises the Franchisor grants in the Territory.

Franchise Agreement - an agreement which grants a Person a Franchise.

Franchised Business - a business which is authorized to operate in the Territory pursuant to a Franchise Agreement.

Franchisee Manuals - the manuals or policies developed by the Franchisor regarding or relating to the ongoing development, construction, opening, operation and maintenance of a Franchised Business. The term "Manuals" includes the Operations Manual, training manuals, development manual and other business manuals as may be prepared from time to time for use by the Unit Franchisees. The Manuals may be in printed or electronic format. The Manuals will remain the Franchisor's exclusive property and may not be duplicated, shared or re-distributed without the Franchisor's approval.

Franchisor - Nurse Next Door Home Healthcare Services (USA) Inc. and its successors and assigns.

Franchisor's Representatives - the Franchisor's Affiliates and each of the Franchisor's and the Franchisor's Affiliates' respective officers, directors, partners, members, managers, employees, agents, attorneys and representatives, as applicable.

Franchisor's Affiliate - a Business Entity which is controlled by or which is under common control with the Franchisor.

Gross Sales - the entire amount of all sales of services Unit Franchisees derive from operating Unit Franchises, and all other fees, charges, revenues, incomes, commissions and other consideration received or receivable by Unit Franchisees, directly or indirectly, in connection with the Franchised Businesses or otherwise and whether for check, cash, credit, charge accounts, exchange or otherwise. There shall be no deductions allowed for uncollected or uncollectible credit accounts and no allowances shall be made for bad debts. Gross Sales shall include the amount of all sales assumed to have been lost by the interruption of business, which the Franchisor may determine on the basis upon which proceeds of any business interruption insurance are paid or are payable to the Unit Franchisee. Gross Sales shall not include:

(i) the amount of any tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers if such tax is added to the selling price and actually paid by the Unit Franchisee to such governmental authority; and

(ii) the amount of the refund or credit given in good faith by the Unit Franchisee in respect of any products returned or exchanged by a customer for which a refund of the whole or a part of the

purchase price is made or for which a credit is given, provided that the selling price thereof was included in Gross Sales.

Guarantor - the Area Trainer, if the Area Trainer is an individual, and every person who executes, or whom the Franchisor requires to execute a Personal Guaranty and Assumption of Obligations.

Improvements - any improvements, modifications, adaptations, translations, inventions, copyrightable works, trademarks, discoveries, marketing programs, policies and procedures, advertising, prototype plans, manuals, Confidential Information, materials and training relating thereto made by the Area Trainer or any Unit Franchisee, or their employees or agents, in the operation of the Area Trainer Business or a Franchised Business and relating to the System.

Including - the word "including" as used in this Agreement is intended to be understood as meaning "including, without limitation."

Indemnitees - the Franchisor's Representatives.

Initial Franchise Fee - Initial fees paid for the right to enter into a Franchise Agreement.

Insurance Procurement Fee - the fee charged by the Franchisor to purchase insurance required of the Area Trainer if the Area Trainer does not purchase the insurance itself, as specified on the Summary Pages.

Intellectual Property or IP - the Marks, System, Confidential Information, copyrighted materials, software, domain names, URLs, meta tags, trade secrets or trade dress which the Franchisor makes available to the Area Trainer and to Unit Franchisees.

Late Payment Fee - the fee specified on the Summary Pages which the Area Trainer must pay the Franchisor by the Due Date if any Unit Franchisee in the Territory fails to timely pay amounts due to the Franchisor, as required under a Franchise Agreement.

Late Report Fee - the fee specified on the Summary Pages which the Area Trainer must pay the Franchisor by the Due Date if either the Area Trainer or any Unit Franchisee in the Territory fails to timely submit reports in the manner prescribed in the Manuals.

Management Team - the Area Trainer, the Controlling Principal and the Field Representatives who are responsible for executing the Area Trainer's duties under this Agreement.

Manuals - includes the Franchisee Manuals, the Area Trainer Manuals and all other written instructions from the Franchisor relating to the operation of the Area Trainer Business, whether in paper or electronic form.

Marks - includes the trade-marks, domain names, trade names, trade dress, service marks, goodwill, reputation, distinctive slogans, signs, symbols, and devices associated with the System.

National Accounts Contract - an agreement with a payor or other provider of services under which Unit Franchisees in multiple franchise territories deliver services to Clients.

Ownership Interest - any direct or indirect, legal or beneficial ownership interest of any type, including but not limited to (a) in relation to a corporation, the ownership of shares in the corporation; (b) in relation to a partnership, the ownership of a general partner or limited partnership interest; (c) in relation to a limited liability company, the ownership of a membership interest; or (d) in relation to a trust, the ownership of the beneficial interest of such trust.

Ownership Interest Transfer - the voluntary, involuntary, direct or indirect sale, assignment, transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter vivos transfer, testamentary disposition or other disposition of any direct or indirect Ownership Interest in the Area Trainer or in revenues or income of the Area Trainer Business, including: (1) any transfer, redemption or issuance of a legal or beneficial Ownership Interest in the Area Trainer or any Business Entity that has a Controlling Interest in the Area Trainer or of any interest convertible to or exchangeable for a legal or beneficial Ownership Interest in the Area Trainer or any Business Entity that has a Controlling Interest in the Area Trainer; (2) any merger or consolidation between the Area Trainer or any Business Entity that has a Controlling Interest in the Area Trainer and another Business Entity, whether or not the Area Trainer is the surviving Business Entity; (3) any transfer in, or as a result of, a divorce, insolvency, dissolution proceeding or otherwise by operation of law; (4) any transfer upon the Area Trainer's death or the death of any of the Area Trainer's Principals by will, declaration of or transfer in trust or under the laws of intestate succession; or (5) any foreclosure upon the Area Trainer Business or the transfer, surrender or loss by the Area Trainer of possession, control or management of the premises.

Partial Interest Transfer - a Transfer which is neither an Asset Transfer, a Transfer of this Agreement, nor a Transfer of a Controlling Ownership Interest.

Permanent Disability - any physical, emotional or mental injury, illness or incapacity which prevents the Area Trainer or Controlling Principal from performing the obligations set forth in this Agreement in the ordinary course of business for at least ninety (90) consecutive days, and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. If the Area Trainer or Controlling Principal disagrees with the Franchisor about whether the Area Trainer or Controlling Principal is permanently disabled, the existence of permanent disability shall be determined by a licensed practicing physician selected by the Franchisor, upon examination of the Area Trainer or Controlling Principal; or if the Area Trainer or Controlling Principal refuses to submit to an examination, then the person automatically shall be considered permanently disabled as of the date of refusal. The costs of any such examination shall be paid by the Franchisor.

Person - an individual or Business Entity.

Principal - collectively or individually, all Persons holding a direct or indirect Ownership Interest in the Area Trainer, in the Area Trainer Business, this Agreement or any interest in or right under this Agreement, all or substantially all of the assets of the Area Trainer Business or an interest therein or in the revenues or income thereof.

Skilled Nursing Services - services provided by a Unit Franchisee in a Client's home by or under the supervision of a registered nurse or a licensed professional nurse.

System - has the meaning provided in recital A. below. The System also includes the methods developed by the Franchisor for training and providing services to Unit Franchisees under an Area Trainer Franchise Agreement. The System may be modified at any time.

Term - the duration of this Agreement from the Effective Date and the earlier of the Expiration Date or the Termination Date.

Termination Date - the date upon which this Agreement ends pursuant to Section G.3.3.

Territory - the area specified on the Summary Pages within which the Area Trainer is authorized to support Unit Franchisees pursuant to the terms of this Agreement.

Transfer - an Asset Transfer or an Ownership Interest Transfer.

Transferee - any Person who wishes to acquire or who acquires an Ownership Interest.

Unit Franchisee - a Person who has executed a Franchise Agreement which grants that Person the right to operate a unit franchise using the System.

AREA TRAINER FRANCHISE AGREEMENT

THIS AREA TRAINER FRANCHISE AGREEMENT ("Agreement") is made this _____, 20___ by and between Nurse Next Door Home Healthcare Services (USA) Inc., a Washington corporation (hereinafter called the "Franchisor"), _____, a _____ (hereinafter called the "Area Trainer"), _____, an individual, and _____, an individual (individually, a "Principal" and collectively, the "Principals").

RECITALS

A. The Franchisor and its Affiliates have developed a system identified and distinguished by valuable formats, formulas, procedures, information, knowledge and practices used to provide non-medical care and skilled nursing services to clients with varying needs within their home and supplemental healthcare staffing to institutional clients, such as hospitals, retirement facilities and clinics, as well as providing ancillary and related services using the Nurse Next Door ® business system (the "**System**")

B. The Franchisor has the right to use certain proprietary interests, trademarks, trade names and logos to identify for the public the source of goods and services marketed under the System and to represent to the public high and uniform standards of quality, appearance and service;

C. The Franchisor and its Affiliates have established business reputation, demand for Services (as defined below) and built up valuable goodwill by reason of a uniform business format and system and high standards of quality and service;

D. The Franchisor and its Affiliates has also developed the Area Trainer System to be used by area trainers to operate an Area Trainer Business;

E. The Area Trainer desires to acquire the right to the Franchisor's Area Trainer Business for the Territory and to operate the Area Trainer Business which provides ongoing support to Unit Franchisees in the Territory, using the Area Trainer System.

F. Prior to the Area Trainer executing this or any other binding agreement or paying any non-refundable consideration, the Area Trainer acknowledges that it has had adequate opportunity to review this Agreement (with all blank spaces completed) with legal and accounting professionals of their own choosing and that it is aware of the business risks involved in entering into this Agreement and operating the Area Trainer Business (as defined above).

G. The Franchisor has agreed to grant the Area Trainer an Area Trainer Business for the Territory subject to the following terms and conditions.

AGREEMENT

Acknowledging the above recitals, the parties hereto agree as follows:

1. Appointment.

In consideration of payment of the Area Trainer Franchise Fee and of the other terms and provisions contained in this Agreement, the Franchisor hereby appoints the Area Trainer, and the Area Trainer hereby accepts the appointment, as an Area Trainer Franchisee for the Term described in the Summary Pages.

2. Limitations of Grant.

2.1 The Area Trainer shall have the exclusive right to use the Area Trainer System in the Territory and only in the Territory. The Area Trainer may not operate an Area Trainer Business with respect to Unit Franchises located outside the Territory.

2.2 Franchises shall be granted only by the Franchisor and on such terms as the Franchisor determines in its sole discretion. The Area Trainer may not enter into any agreements with prospective Unit Franchisees, offer, sell or negotiate Franchise Agreements. The Area Trainer may only operate Unit Franchises pursuant to Franchise Agreements which are executed with the Franchisor. This Agreement does not grant the Area Trainer the right to enter into Franchise Agreements.

2.3 This Agreement does not grant the Area Trainer the right to use the Area Trainer System, including the System, or the Marks for any purpose or in any channel of distribution other than servicing Unit Franchises. All rights not expressly granted to the Area Trainer in this Agreement are reserved to the Franchisor.

3. Commencement, Renewal and Expiration.

3.1 Term and Renewal. This Agreement shall commence on the Effective Date and end on the Expiration Date unless it is terminated earlier. Upon the expiration of the Agreement, the Area Trainer may extend the Agreement for the Renewal Period, as specified on the Summary Pages, provided:

3.1.1 The Area Trainer has given Franchisor written notice of its election to renew at least one hundred eighty (180) days prior to the Expiration Date, and has simultaneously paid the Franchisor the Renewal Fee specified on the Summary Pages.

3.1.2 The Area Trainer and the AT's Representatives are not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement with the Franchisor or the Franchisor's Representatives, and the Area Trainer and the AT's Representatives have complied with all of the terms and conditions of such agreements or any other during the terms thereof.

3.1.3 The Area Trainer shall have executed, at least one hundred eighty (180) days before the Expiration Date, the Franchisor's then-current form of renewal Area Trainer

Franchise Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement.

3.1.4 The Area Trainer shall execute a general release, in a form prescribed by the Franchisor, of any and all claims against the Franchisor and the Franchisor's Representatives at least one hundred eighty (180) days before the Expiration Date.

3.1.5 If required by the Franchisor, the Area Trainer shall comply with the Franchisor's then-current qualification certification and training requirements, including, without limitation, attending the then current training for new Unit Franchisees, online or at the Franchisor's corporate office, at the Area Trainer's expense and any training requirements specifically designed for renewing Area Trainer Businesses, at least one hundred eighty (180) days before the Expiration Date.

3.2 If the Franchisor Declines to Enter into a New Area Trainer Franchise Agreement. If the Franchisor declines to enter into a new Area Trainer Franchise Agreement because of the Area Trainer's failure to satisfy any of the conditions set forth above, the Franchisor will provide the Area Trainer with notice of its intention to end the Area Trainer Business relationship at least ninety (90) days before the Expiration Date and refund the Renewal Fee, less any amounts the Area Trainer owes to the Franchisor. If the Franchisor's notice is sent less than ninety (90) days before the Expiration Date, the Term shall be extended to grant the Area Trainer a full ninety (90) days' notice.

3.3 Expiration. If the parties have not entered into a new Area Trainer Franchise Agreement by the Expiration Date, this Agreement shall expire and the Area Trainer shall immediately cease operating the Area Trainer Business and shall perform the post-termination obligations described in Section 13 and shall comply with all covenants and other obligations of this Agreement which are intended to apply after its expiration.

4. Payments and Fees.

During the Term of this Agreement, the Area Trainer agrees as follows:

4.1 Area Trainer Franchise Fee. The Area Trainer shall pay to the Franchisor a non-refundable Area Trainer Franchise Fee in the amount and at the time specified in the Summary Pages.

4.2 Assignment Fee. If the Principals wish to make a Transfer of less than a Controlling Interest in the Area Trainer, he or she shall pay the Franchisor the Assignment Fee specified on the Summary Pages.

4.3 Area Trainer's Share of Gross Sales. The Franchisor shall pay the Area Trainer the following portion of the Gross Sales earned by each Unit Franchise in the Territory, except for any Unit Franchise owned by the Area Trainer or its Affiliate. Payment will be made, first as a credit to the existing unit franchise of the Area Trainer by the Franchisor to the Area Trainer by the end of the following month, provided the corresponding royalty payments are made by Unit Franchisees to the Franchisor by the 23rd of the month. The Franchisor may offset against the Area

Trainer's share of Gross Sales any amount owing to the Franchisor or its Affiliates by the Area Trainer or its Affiliates. The portion of Gross Sales is as follows:

> ½% on each Unit Franchise's Gross Sales up to that Unit Franchise's annual minimum performance requirement as set out in the applicable Unit Franchise Agreement; and
>
> 2% on each Unit Franchisee's Gross Sales in excess of that Unit Franchise's annual minimum performance requirement as set out in the applicable Unit Franchise Agreement, starting when the minimum performance requirement is achieved by that Unit Franchise.

The Area Trainer's right to a portion of Gross Sales earned by Unit Franchises in the Territory shall not affect the Franchisor's right to terminate a Unit Franchise or otherwise exercise its rights under an applicable Unit Franchise Agreement. Franchisor shall have no obligation to inform or consult the Area Trainer in advance of terminating a Unit Franchise or otherwise exercising its right under an applicable Unit Franchise Agreement and will have no obligation, monetary or otherwise, to the Area Trainer for doing so.

4.4 Referral Fee. The Franchisor will pay the Area Trainer a referral fee of $10,000 for each prospective franchisee that is introduced by the Area Trainer to the Franchisor and who subsequently signs a Franchise Agreement for a Unit Franchise within the Territory, except that Area Trainer will pay 50% of any broker's fee paid, up to a maximum of $10,000, for any prospective franchisee who was also introduced to the Franchisor by a franchise broker. The Area Trainer's contribution to the broker's fee will be deducted from the referral fee.

4.5 All Fees Payable Directly to Franchisor. The Area Trainer shall not solicit or accept fees payable under a Franchise Agreement or any other agreement with a Unit Franchise. All such fees must be paid directly to the Franchisor. If the Area Trainer ever receives a payment from a Unit Franchisee, it shall promptly remit the payment to the Franchisor and notify the Unit Franchisee to direct all future payments to the Franchisor. The Franchisor shall deduct from the amounts which it owes the Area Trainer pursuant to this Section 4 all amounts which are due from (i) the Area Trainer to the Franchisor or the Franchisor's Representatives under this Agreement, or (ii) any of the Area Trainer and its Affiliates to the Franchisor or any of the Franchisor's Representatives under any other agreement between the Area Trainer or its Affiliates and the Franchisor or the Franchisor's Representatives. If deductions are inadequate to pay such amounts in full, the Franchisor shall deduct the balance in succeeding months until it is paid in full, or shall invoice the Area Trainer or its Affiliates on a monthly basis for any shortfall. The Franchisor may assess interest on all unpaid balances.

5. Intellectual Property: Trademarks.

5.1 Ownership. The Area Trainer acknowledges that the Marks are owned by, and licensed to the Franchisor by, a third party licensor (the "Licensor"). The Area Trainer's right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by the Area Trainer pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed by the Franchisor. Any

unauthorized use of the Marks by the Area Trainer is a breach of this Agreement and an infringement of the rights of the Franchisor and the Licensor in and to the Marks. The Area Trainer's use of the Marks, and any goodwill created thereby, shall inure to the benefit of the Franchisor and the Licensor. The Area Trainer shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to the Area Trainer. The Area Trainer shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks. All goodwill created by the Area Trainer or by the Area Trainer's use of the Marks in operating the Area Trainer Business shall immediately vest to the Franchisor and the Licensor.

5.2 Limitations on Use. Without in any way restricting or limiting Section 5.1, the Area Trainer covenants and agrees as follows that the Area Trainer shall:

5.2.1 not use any Mark or portion of any Mark as part of any business entity name;

5.2.2 not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by the Franchisor;

5.2.3 give such notices of trademark and service mark registrations as the Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Area Trainer Business;

5.2.4 not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to the Area Trainer;

5.2.5 not use any Mark on any employment related document in a way that may imply that the Franchisor is the employer, including on pay checks or electronic payment notices; and

5.2.6 include on its letterhead, forms, cards, stationery, commercial premises, and upon the request of the Franchisor, upon any vehicles used to conduct the Area Trainer Business, the following prominent and conspicuous notice or such other notice as may be designated by the Franchisor in the Manuals:

> "This business is owned and operated independently by [proper legal name of the Franchisee] who is an authorized licensed user of the trademark Nurse Next Door®, which is a trademark sub-licensed to it by Nurse Next Door Home Healthcare Services (USA) Inc."

5.3 Notification of Infringement or Claims. The Area Trainer shall immediately notify the Franchisor if it becomes aware of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. The Area Trainer shall not communicate with any person other than the Franchisor and the Franchisor's counsel in

connection with any such infringement, challenge or claim; provided, however, the Area Trainer may communicate with the Area Trainer's own counsel at the Area Trainer's expense. The Franchisor has the right to take such action as it deems appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, claim or otherwise relating to any of the Marks. The Area Trainer shall execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of the Franchisor's counsel, be necessary or advisable to protect and maintain the Franchisor's or the Licensor's interests in any such litigation or other proceeding or to otherwise protect and maintain the Franchisor's or the Licensor's interests in the Marks.

5.4 Indemnification for Use of Marks. The Franchisor shall reimburse the Area Trainer for all expenses reasonably incurred by the Area Trainer in defending any trademark or similar proceeding disputing the Area Trainer's authorized use of any Mark, provided that the Area Trainer has complied with the provisions of Section 5.3 and has complied with this Agreement and the Franchisor's directions in responding to such proceeding. At the Franchisor's option, the Franchisor or its designee may defend and control the defense of any proceeding arising directly from the Area Trainer's use of any Mark. This indemnification shall not include the expense to the Area Trainer of removing signage or discontinuance of the use of the Marks. This indemnification shall not apply to litigation between the Franchisor and the Area Trainer wherein the Area Trainer's use of the Marks is disputed or challenged by the Franchisor. This indemnification shall not apply to any separate legal fees or costs incurred by the Area Trainer in seeking independent counsel separate from the counsel representing the Franchisor and the Area Trainer in the event of litigation disputing the Franchisor and the Area Trainer's use of the Marks.

5.5 Discontinuance of Use. If the Franchisor deems it necessary for the Area Trainer to modify or discontinue use of any of the Marks, or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, the Area Trainer shall comply with the Franchisor's directions within ten (10) business days after notice to the Area Trainer by the Franchisor and subject to the limitations in Section 5.2. The Franchisor shall not be required to reimburse the Area Trainer for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by the Area Trainer to promote a modified or substitute Mark.

6. Intellectual Property: Domain Name, System, Confidential Information.

6.1 Area Trainer's Domain Name Use. The Area Trainer shall not use, register or control a domain name to promote the Unit Franchises or the Marks in the Territory, without the Franchisor's approval. Any domain name registered by Area Trainer containing any of the Marks, or another mark confusingly similar to the Marks shall be the property of the Licensor. The Area Trainer shall claim no legal or equitable ownership interest, right, privilege or title thereto and shall execute any and all instrument and documents and do such acts and things as, in the opinion of the Licensor or the Franchisor, may be necessary or advisable to establish, protect and maintain the Licensor's or the Franchisor's interests therein, and to transfer and assign any such domain name to the Licensor or the Franchisor or to their designees. The Area Trainer appoints the Licensor and the Franchisor and their designees as its attorney in fact to carry out the Area Trainer's obligations hereunder.

6.1.1 The Area Trainer shall not have any Internet website, blog, extranet or any other electronic advertising or forum, except a website which is accessed through a website hosted by the Franchisor.

6.2 Licensor and Franchisor Own the System and All Adaptations and Translations. The Area Trainer recognizes and admits that all rights derived from any Improvements are the property of the Licensor or the Franchisor. The Area Trainer shall claim no legal or equitable ownership interest, right, privilege or title thereto and without charge to the Licensor or the Franchisor, the Area Trainer shall execute any and all instrument and documents and do such acts and things as the Licensor of the Franchisor's requests so as to establish, protect and maintain the Licensor's or the Franchisor's interest therein, and to transfer and assign any such rights derived from Improvements to the Licensor or the Franchisor.

6.3 Protect Confidential Information. The Area Trainer and the AT's Representatives shall maintain the absolute confidentiality of all Confidential Information both during the Term of the Agreement and after its termination or expiration. The Area Trainer and the AT's Representatives shall use the Confidential Information only to operate the Area Trainer Business. The Area Trainer and the AT's Representatives shall not disclose any Confidential Information for any reason whatsoever, except as provided herein.

6.3.1 The Area Trainer may disclose the Confidential Information to the AT's Representatives and to Unit Franchisees pursuant to this Agreement and the Unit Franchisee's Franchise Agreements to the extent necessary for the operation of the Area Trainer Business and Unit Franchises in compliance with this Agreement and the Unit Franchisees' Franchise Agreements. The Area Trainer and the AT's Representatives shall not use any Confidential Information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by the Franchisor either during the Term of this Agreement or after its termination or expiration.

6.3.2 The Area Trainer and the AT's Representatives shall be under no obligation under this Section 6.3 with respect to any information which (a) is, at the time of the disclosure, available to the general public; (b) becomes at a later date available to the general public through no fault of the Area Trainer or the AT' Representatives and then only after said date; or (c) the Area Trainer or the AT's Representatives can demonstrate was in its possession before it was received from the Franchisor.

6.3.3 The members of the Management Team, officers and general partners shall enter into confidentiality agreements using a form which is approved by the Franchisor.

7. Duties of the Area Trainer. During the Term of this Agreement, the Area Trainer agrees to:

7.1 Comply with the Manuals. The Area Trainer shall be governed by and shall operate its Area Trainer Business in accordance with the Manuals, which may be amended from time to time. The Manuals will contain mandatory and suggested standards and procedures that Franchisor develops for the Area Trainer System, including the System.

7.2 Appoint Field Representatives the Franchisor Approves. The Area Trainer shall employ the number and type of Field Representatives specified in the Summary Pages who are responsible for reviewing, supporting, and advising Unit Franchisees. The Field Representatives must be approved by the Franchisor, must meet the Franchisor's reasonable standards of business experience, ability, and integrity, which are subject to change from time to time, and must successfully complete the Franchisor's initial training program for Field Representatives and any other training programs the Franchisor requires from time to time, at the Area Trainer's expense. If the Area Trainer's relationship with a Field Representative terminates, the Area Trainer must promptly designate a replacement Field Representative that the Franchisor approves and meets the then-current qualifications for Field Representatives. If one or more Unit Franchisees in the Territory is authorized to and begins engaging in Skilled Nursing Services, the Area Trainer will be required to hire a full-time Field Representative who the Franchisor approves, is a registered nurse, has prior experience in Skilled Nursing Services operations, meets the Franchisor's minimum qualifications, and successfully completes the training program designated by the Franchisor for skilled nursing Field Representatives. The Franchisor may require the Area Trainer to obtain confidentiality and/or non-competition agreements from the Field Representatives.

7.3 Operate a Unit Franchise Within Territory. The Area Trainer or its Affiliate must operate at least one Unit Franchise within the Territory or at a location otherwise approved by the Franchisor. If the Area Trainer's Unit Franchise does not, or Unit Franchises in the Territory in the aggregate (excluding the Area Trainer's Unit Franchises) do not, earn $100,000 in Gross Sales each month during the term of this Agreement, the Franchisor may terminate this Agreement.

7.4 Complete Training. The Controlling Principal and the Area Trainer's Field Representatives shall satisfactorily complete such initial training programs required by the Franchisor, as applicable no later than fifteen (15) days after the Effective Date, as well as such ongoing training as the Franchisor requires.

7.5 Attend Area Trainer Meetings. An appropriate representative of the Area Trainer must attend, at Area Trainer's expense, at least three (3) meetings specified by the Franchisor during each calendar year, including but not limited to annual area trainer meetings, regional meetings, and annual conventions, each of which may be held virtually or in person at the Franchisor's discretion, and must attend all system-wide video calls. The Area Trainer is responsible for all travel and living expenses for its attendee(s). The Franchisor may charge an Annual Convention Fee in the amount listed in the Summary Pages for annual conventions in years in which a convention occurs, and a fee of up to Five Hundred Dollars ($500) for attendance at all other meetings. Attendance at the annual area trainer meeting is mandatory. Each Area Trainer is responsible for a pro-rata share of the cost of any scheduled regional meetings with Unit Franchisees.

7.6 Use Specified Communications Devices. The Area Trainer must obtain a mobile telephone, a business telephone, email address and a personal computer with high-speed internet connection in its office, within one (1) month after the Effective Date. The mobile telephone number, a business telephone number, and email address must be separate numbers and may not be combined, and must be provided to the Franchisor and to each Unit Franchisee within the Territory. The Area Trainer also must install, use and maintain at the Area Trainer's expense, only

the computer hardware and software systems which the Franchisor designates or approves for use in the Territory. The Area Trainer shall use all systems prescribed by the Franchisor for preparing and delivering reports to the Franchisor and shall cause all Unit Franchisees in the Territory to obtain and use such systems in the manner prescribed in the Manuals. The Area Trainer shall maintain all licenses required to use any hardware and software prescribed for its use. The Franchisor may modify these requirements.

7.7 Service Unit Franchises. The Area Trainer must teach its Field Representatives how to service Unit Franchises within the Territory in precisely the manner which the Franchisor prescribes or approves.

7.7.1 This responsibility shall include, but is not limited to: (i) inspecting Unit Franchises; (ii) inspecting the quality of services provided by Unit Franchisees; and (iii) providing business advice to Unit Franchisees, including with respect to implementing and following the systems described in the Franchisee Manuals.

7.7.2 The Area Representive shall immediately forward all leads for prospective Unit Franchisees to the Franchisor, including existing Unit Franchisees who would like to purchase an additional Unit Franchise. The Area Trainer shall not provide a Franchise Agreement or other agreement, FDD, advertisement or warranty to a prospective or existing Unit Franchisee, including existing Unit Franchisees who would like to purchase an additional Unit Franchise.

7.7.3 The Area Trainer shall make no representations to prospective Unit Franchisees, including existing Unit Franchisees who would like to purchase an additional Unit Franchise, about historical, projected or estimated sales, profits or earnings from operating Unit Franchises (earnings claim).

7.8 Train Unit Franchisees. The Area Trainer shall cause each new Unit Franchisee in the Territory to complete the Franchisor's Foundation Training Program and all eLearning programs. Each year, the Area Trainer shall provide the number and type of field training programs that are specified in the Manuals.

7.8.1 During the initial four (4) months following the opening of a Unit Franchise in the Territory, the Field Representatives shall visit with each Unit Franchisee in the Territory at least three (3) times at the Franchised Business to provide the Unit Franchisee with guidance in developing and operating the Franchised Business. Such visits shall occur quarterly per year thereafter.

7.9 Provide Ongoing Training. The Area Trainer shall provide ongoing training to Unit Franchisees as prescribed or approved by the Franchisor.

7.10 Support Unit Franchisees. The Area Trainer shall maintain a high degree of satisfaction of Unit Franchisees in the Territory. The Area Trainer must return all Unit Franchisee phone calls, emails and text messages within 24 hours and must personally meet with each Unit Franchisee at their Franchised Business location at intervals required by the Franchisor, for the purposes of business planning, quality and procedural inspections, business consultation, among other purposes as required by the Franchisor. Required satisfaction levels may be specified by

Franchisor in the Manuals and determined from time to time through surveys conducted by Franchisor with Unit Franchisees or other methodologies established by the Franchisor.

7.11 Meetings. The Area Trainer shall conduct meetings with the Unit Franchisees' CEOs and/or COOs and staff at such times as are specified in the Manuals. The Area Trainer shall attend the Franchisor's annual meeting each year and pay the Franchisor the Annual Convention Fees specified on the Summary Pages.

7.12 Maintain Staff. The Area Trainer shall hire and supervise Field Representatives, having the qualifications that the Franchisor may specify in the Manuals, necessary to support the Unit Franchises in the Territory, and at a minimum, must hire the number and type of full-time (minimum of 40 hours per week) Field Representatives specified in the Summary Pages. The Area Trainer alone is responsible for selecting, hiring and firing and controlling the activities of its personnel and will be exclusively responsible for the terms of their employment, work hours and compensation. All persons hired by or working for Area Trainer shall not, for any purpose, be deemed employees of Franchisor or subject to its control.

7.13 Approve Suppliers. The Area Trainer may neither sell products nor services to Unit Franchisees, nor enter into agreements with them which have not been approved in advance by the Franchisor. The Franchisor must approve any agreements between the Area Trainer and any supplier in which a supplier promises to contribute to the General Branding Fund. The Franchisor may condition its approval of any such arrangements on the payment of a fee to the Franchisor.

7.14 Do Not Solicit or Accept Commissions or "Kickbacks." The Area Trainer and the AT's Representatives shall neither solicit nor accept any bribe, kickback, commission or other payment payable from any Unit Franchisee or any vendor selling to a Unit Franchisee. The Area Trainer and the AT's Representatives shall not participate financially in or with any vendor selling to a Unit Franchisee nor shall it sell or lease any items to a Unit Franchisee without full and prior disclosure of the details of the Area Trainer's and the AT's Representative's involvement in the affairs or ownership of the vendor to the Franchisor, and without the approval by the Franchisor. The Franchisor may condition its approval of any such arrangements on the payment of a fee to the Franchisor.

7.15 Diligently Encourage Unit Franchisees to Comply with System Standards. The Area Trainer shall implement and uphold the provisions of the System to be followed by the Unit Franchisees in the Territory, shall diligently encourage and aid all Unit Franchisees in the Territory in complying with their Franchise Agreements and other agreements, and shall take such steps as the Franchisor prescribes or approves to aid in the enforcement of all Franchise Agreements in the Territory, at the Area Trainer's sole expense.

7.15.1 The Area Trainer shall not purport to waive a Unit Franchisee's duty to pay any fee or to otherwise comply with a Franchise Agreement without the Franchisor's written approval.

7.16 Assure That Unit Franchises Meet Standards. The Area Trainer shall be responsible for causing equipment, signage, fixtures and furnishings at Unit Franchises to meet

the Franchisor's brand standards for design, construction, appearance and function as specified in the Manuals.

7.17 Perform Quarterly Inspections and Reviews. The Area Trainer shall inspect and perform a business review of all Unit Franchises in the Territory using the standard evaluation form the Franchisor prescribes, at least once per calendar quarter, and report to the Franchisor whenever the services or products sold, the equipment utilized, or the appearance of the Unit Franchises are not in compliance with the Franchisor's standards as specified in the Manuals. As a part of these inspections, the Area Trainer shall inspect the quality of the services provided by Unit Franchisees, which may include going to the locations where the Unit Franchisees are providing services. Quarterly reports shall be delivered to the Franchisor no later than the 30th of January, March, June and September.

7.18 Meet Performance Obligations. The Area Trainer shall cause the number of Unit Franchises in the Territory at all times to meet or exceed the performance obligations set out on their Franchise Agreements.

7.19 Ensure that Unit Franchisees' Products and Services Comply with Applicable Laws. The Area Trainer shall ensure that the Products and Services offered by Unit Franchisees within the Territory comply with all legal requirements, including, without limitation, any privacy requirements imposed by any law or governmental agency within the Territory and that they comply with all requirements of any certifications, licenses, and contracts which apply to a Client of the Unit Franchisee.

7.19.1 The Area Trainer shall bear all costs and expenses related to obtaining any necessary governmental approvals for the sale of Products and Services in the Territory.

7.19.2 If any change to the design, labeling or fabrication of any Products or Services is required as a condition of any necessary governmental approval, or to comply with any applicable legal requirement the Area Trainer shall submit that change to the Franchisor for review. Any changes shall be undertaken at the Area Trainer's sole expense.

7.19.3 If the Franchisor determines that the required changes would be detrimental to or fundamentally alter the image of the System, the Franchisor may, at its option: (i) prohibit the sale or offering of the products or services at issue in the Territory; or (ii) propose a replacement products or services for which the Area Trainer, at its expense, must seek any required governmental approval and evaluate it for compliance with all legal requirements.

7.20 Notify Franchisor of Infringement. The Area Trainer shall notify the Franchisor in writing of any infringement or suspected infringement or any use of the Intellectual Property by a third party or by a Unit Franchisee which the Franchisor has not approved. The Franchisor shall, in its sole discretion, determine whether or not it wishes to take or to initiate any action, litigation, or administrative proceeding arising out of such alleged unauthorized use. The Franchisor alone shall control any litigation and settlement terms. The Area Trainer shall pay the Franchisor's legal and travel expenses associated with any acts taken by the Franchisor or its lawyers. The Area Trainer shall have no right to make any demand without the Franchisor's prior approval, or to prosecute any claim of any kind against such alleged infringer.

7.21 Provide Advertising and Marketing Assistance. The Area Trainer shall provide advertising and marketing advice, direction and training to Unit Franchisees in accordance with the guidelines established by the Franchisor. The Area Trainer shall review all advertising, promotional and public relations programs and materials proposed for use by Unit Franchisees, as well as any internet or other electronic advertising, promotions or public relations communications Unit Franchisees propose to use before they use them and only approve such communications or materials which meet the Franchisor's standards. The Area Trainer shall not approve any advertising, marketing promotion plan or material or any other use of the Marks which the Franchisor has not approved.

7.22 Business Information.

7.22.1 The Area Trainer shall use commercially reasonable efforts to cause Unit Franchisees to submit all financial and operational information, in the proper form, as required by the Franchisor under the applicable Unit Franchise Agreement.

7.22.2 No later than thirty (30) days after the end of each calendar quarter, the Area Trainer shall provide the Franchisor with such financial statements and business reports relating to the Area Trainer Business as the Franchisor shall prescribe. The Area Trainer must input the monthly profit and loss statements and other information that the Franchisor requests into the franchise management system designated by the Franchisor. The Franchisor may access by high speed internet connection (or other means specified by the Franchisor) all the Area Trainer's computer systems and the computer systems in all Unit Franchises within in the Territory to obtain any and all information the Franchisor deems necessary. All such information received by the Franchisor will be treated as Confidential Information, and will not be made available to any third party without the consent of the Area Trainer, except that comparative Franchised Business data may be distributed by the Franchisor to its other Unit Franchisees and area trainers and area developers. The Area Trainer shall submit to the Franchisor all financial and operating data and information as the Franchisor may request.

7.22.3 The Area Trainer shall pay the Franchisor a Late Report Fee, as specified on the Summary Pages, with respect to any report required by this Agreement (including under Section 7.22.1) that is not submitted when due.

7.22.4 The Franchisor's management team may at all reasonable times audit, examine and copy, at the Franchisor's expense, all books, financial records, receipts, bank statements and tax returns of the Area Trainer and the Controlling Principal. The Franchisor's management team may review, and make copies of, all business and accounting records maintained by the Area Trainer relating to the Area Trainer Business and to Unit Franchisees in the Territory. The Area Trainer consents to the Franchisor's obtaining financial and business information from the Area Trainer's Unit Franchisees, banks, suppliers, and other Persons with whom the Area Trainer does business to verify or substantiate information which the Area Trainer is required to report to the Franchisor.

7.22.5 The Area Trainer shall maintain and preserve during the Term of this Agreement and for not less than three (3) years after the expiration or termination of this

Agreement, full, complete and accurate books, financial records and accounts in the form and manner prescribed by the Manuals or otherwise in writing by the Franchisor

7.23 Submit Annual Business Plan and Document Updates. Within sixty (60) days of signing this Agreement, the Area Trainer shall submit to the Franchisor a business plan for the Area Trainer's first year of business. By the Annual Report Date specified on the Summary Pages, the Area Trainer shall submit to the Franchisor its business plan and budget for the Territory for the next year. The plan shall include a description of the Area Trainer's proposed operations and training activities. The plan shall include a Unit Franchisee budget.

7.23.1 Within thirty (30) days after its receipt of the information included in the report, the Franchisor and the Area Trainer shall discuss the proposed plan and changes to the documents. Within ten (10) days thereafter, the Franchisor shall provide the Area Trainer with its written approval of the changes and with any objections it may have to any proposed changes.

7.24 Comply with Applicable Laws and the Manuals. The Area Trainer shall operate its Area Trainer Business in compliance with applicable laws and government regulations. The Area Trainer agrees to cooperate with the Franchisor in connection with any dealings with governmental authorities relating to this Agreement.

7.24.1 The Area Trainer shall not submit any information relating to this Agreement to regulatory authorities without the Franchisor's prior approval.

7.25 Notify The Franchisor of Threatened Litigation. The Area Trainer shall promptly notify the Franchisor if it receives any verbal or written threat of litigation, of a government investigation or of a government enforcement action of any kind related to the Area Trainer, the Franchisor or to any Unit Franchisee.

7.26 Inform Franchisor of Law Changes in the Territory. The Area Trainer shall apprise the Franchisor of pending or enacted changes in any law in the Territory which will affect the operation of the Area Trainer Business and of Unit Franchises.

7.27 Comply with Data Protection Laws. During the Term of this Agreement, the Area Trainer shall:

7.27.1 Comply with all applicable data protection laws. With respect to the collection and use of Client data, the Area Trainer shall implement all measures necessary, including satisfaction of any Client notice and consent requirements, to comply with applicable laws;

7.27.2 Comply with all of the Franchisor's requirements regarding the data protection laws as set forth in the Manuals;

7.27.3 Refrain from putting the Franchisor or its Affiliates or any Unit Franchisees in breach of any of the data protection laws;

7.27.4 Do and execute, or arrange to be done and execute each act, document and thing necessary or desirable to keep the Franchisor and its Affiliates in compliance with any

of all applicable the data protection laws while making available to the Franchisor all information required by this Agreement and the Manuals; and

7.27.5 Permit the Franchisor and its Affiliates to use, in compliance with applicable data protection or privacy laws, any data or other information they gather concerning the Area Trainer, the AT's Representatives, Unit Franchisees and their owners, suppliers, Clients, financiers and other business associates in connection with the establishment, operation and franchising of Businesses.

7.27.6 Notify the Franchisor immediately upon discovery of any actual or suspected prohibited disclosure or use of confidential or proprietary information or any breach of these obligations. The Area Trainer will cooperate fully with Franchisor to prevent further prohibited use.

7.28 Use Designated Billing Software and Franchise Management System and Ensure Payment. The Area Trainer is the primary customer support for Unit Franchisees in its Territory. The Area Trainer shall become proficient in and use the franchise management system and the staffing and billing software designated by the Franchisor, which may be changed at any time. If in the Franchisor's opinion the Area Trainer is not providing full support for the designated franchise management system, billing and staffing software within ninety (90) days from the date the Second Franchise Agreement is executed in the Area Trainer's Territory, the Franchisor may require the Area Trainer to hire at least one (1) full-time customer service/technical support person for the Area Trainer's Territory, at the Area Trainer's sole expense. The Area Trainer will ensure that Unit Franchisees in the Territory timely submit payments due to Franchisor under their respective Franchise Agreements. The Area Trainer must pay the Franchisor the Late Payment Fee specified on the Summary Pages each time a Unit Franchisee in the Territory does not timely submit payments to the Franchisor as required.

7.29 Litigation Arising within Area Trainer's Territory. In the event any litigation or dispute involving Franchisor and any current or former Unit Franchisee (or its owners) arises from the operation of a Franchised Business, whether such litigation is initiated by a Unit Franchisee Franchisor or by any other party, Franchisor shall control all litigation and shall have the sole right to determine whether suit will be instituted-prosecuted or settled, the terms of settlement and whether any other action will be taken. The Area Trainer shall not make any demand, or prosecute any claim of any kind against a Unit Franchisee without the Franchisor's prior written consent, The Area Trainer shall reimburse Franchisor for one-half of the Franchisor's expenses associated with any such litigation, including but not limited to Franchisor's attorneys' fees, travel expenses and other costs of litigation. Area Trainer shall take reasonable steps, without compensation, to assist the Franchisor with any actions undertaken.

7.30 Refer Inquiries. The Area Trainer shall refer to the Franchisor all inquiries the Area Trainer receives from Persons interested in acquiring a Franchise.

8. Duties of the Franchisor.

8.1 Provide Initial Training. The Franchisor shall provide the Area Trainer and its initial roster of Field Representatives, at no additional charge, with its standard initial training

program at the Franchisor's HeartQuarters in Vancouver, British Columbia or virtually, at the Franchisor's discretion, at a mutually convenient time. The Area Trainer shall be liable for all travel and living expenses associated with the training.

8.2 Train Unit Franchisees. At the Franchisor's expense, the Franchisor shall provide its Countdown to Launch (which includes its Foundation Training Program) to all Unit Franchisees. All additional training shall be provided by the Area Trainer at Area Trainer's expense.

8.3 Provide Ongoing Training. The Franchisor shall provide the Area Trainer and its management-level staff with training sessions at its annual convention (if held), Area Trainer meeting (if held), and shall provide such other training as the Franchisor deems appropriate. The Franchisor shall determine when training is to be provided. At the Franchisor's option, the training may be offered either in the Territory or at other places selected by the Franchisor and may include training via the telephone and Internet. The Franchisor may charge the Area Trainer a fee for any such training. The training need not be specific to the Territory or to the Area Trainer Business, but may be general training for Area Trainers, Field Representatives and/or Unit Franchisees in North America.

8.4 Provide the Manuals. The Franchisor shall provide the Area Trainer with paper or electronic versions of the Manuals it has developed for the Area Trainer's use, and updates to it. The Franchisor also shall provide the Area Trainer with updated training materials whenever they are developed for its use in connection with providing Unit Franchisee training in the Territory.

8.5 Provide Ongoing Consultation. The Franchisor shall provide the Area Trainer on an ongoing basis without additional charge to the Area Trainer with telephonic and email consultation on issues relating to the operation of the Area Trainer Business under this Agreement, updates to the Manuals as they become available, and an annual review of the Area Trainer Business Plan. Consultation provided by Franchisor is to protect the Franchisor's interest in the Marks and System and is not intended to and does not constitute control over the day-to-day operations of the Area Trainer Business or supervision of the Area Trainer's employees.

9. Insurance and Indemnification.

9.1 Insurance Policies. The Area Trainer or its Affiliate shall maintain in full force and effect at all times during the Term of this Agreement, at the Area Trainer's or its Affiliate's expense, all insurance policies, specified as to coverage and policy limits prescribed by the Franchisor under the Area Trainer's or its Affiliate's Unit Franchise Agreement. The Area Trainer shall inform the Area Trainer's or its Affiliate's insurer that Area Trainer will be performing area training activities. The Area Trainer must be added as an additional named insured if its Affiliate carries the insurance prescribed under the Unit Franchise Agreement. The Area Trainer shall pay any increased insurance costs arising from the additional insured activities.

9.2 Area Trainer's Obligation to Maintain the Policies. The Area Trainer's or its Affiliate's obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by

the Franchisor; nor shall the Area Trainer's or its Affiliate's performance of that obligation relieve it of liability under the indemnity provisions of this Agreement.

9.3 Indemnification.

9.3.1 Except for losses and expenses incurred as a result of, or arising from, the Franchisor's or the Franchisor's Representatives' willful misconduct, the Area Trainer shall, at all times, indemnify and hold harmless to the fullest extent permitted by law the Franchisor and the Franchisor's Representatives ("Indemnitees"), from all losses and expenses, and interest on such expenses, incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following:

9.3.1.1 The infringement, alleged infringement, or any other violation or alleged violation by the Area Trainer or any of the AT's Representatives of any patent, trade-mark or copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to any right to use the Marks, any copyrights or other IP licensed hereunder pursuant to Section 5);

9.3.1.2 The violation, breach or alleged violation or breach by the Area Trainer or any of the AT's Representatives of any applicable law, regulation, ruling, standard or directive or any industry standard or the failure of the Area Trainer to pay any taxes due to any governmental agency;

9.3.1.3 Libel, slander or any other form of defamation of the Franchisor, the Franchisor's Representatives, the System or any Unit Franchisee by the Area Trainer or AT's Representatives;

9.3.1.4 The violation or breach by the Area Trainer or AT's Representatives of any warranty, representation, agreement or obligation in this Agreement or in any other agreement between the Area Trainer or any of AT's Representatives, and Franchisor or any of its Affiliates; and

9.3.1.5 Acts, errors or omissions of the Area Trainer and the AT's Representatives in connection with the establishment and operation of the Area Trainer Businesses, including, but not limited to, any acts, errors or omissions of any of the foregoing in the operation of any motor vehicle. The Franchisor cannot and will not exercise control over the manner of operation of any motor vehicles used by, or on behalf of, the Area Trainer.

9.3.2 Each of the Area Trainer and the AT's Representatives will give the Franchisor immediate notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation relating to or arising from the Area Trainer Business. At the expense and risk of the Area Trainer and the AT's Representatives, the Franchisor may elect to assume (but under no circumstance is obligated to undertake) or retain counsel of its own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by the Franchisor shall, in no manner or form, diminish the obligation of the Area Trainer to indemnify the Indemnitees and to hold them harmless.

9.3.3 The Franchisor may consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in the Franchisor's reasonable judgment, there are reasonable grounds to believe that:

9.3.3.1 Any of the acts or circumstances enumerated in Section 9.3. (above) have occurred;

9.3.3.2 Any act, error, or omission as described in Section 9.3. may result directly or indirectly in damage, injury, or harm to any Person or any property; or

9.3.3.3 That the costs or risks of pursuing claims or defenses are not acceptable.

9.3.4 Except for losses and expenses incurred as a result of, or arising from the Franchisor's or the Franchisor's Representatives' willful misconduct, all losses and expenses incurred under this Section 9.3. shall be chargeable to and paid by the Area Trainer pursuant to its obligations of indemnity under this Section 9.3, regardless of any actions, activity or defense undertaken by the Franchisor or the subsequent success or failure of such actions, activity, or defense, except as may be provided otherwise in this Section 9.3.

9.3.5 The Indemnitees do not assume any liability whatsoever for acts, errors, or omissions of any third party with whom the Area Trainer or the AT's Representatives, may contract, regardless of the purpose. The Area Trainer shall hold harmless and indemnify the Indemnitees for all losses and expenses which may arise out of any acts, errors or omissions of the Area Trainer or the AT's Representatives without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of the Franchisor, the Franchisor's Representatives or any other party or parties arising in connection therewith, except for losses and expenses incurred as a result of, or arising from the Franchisor's or the Franchisor's Representatives willful misconduct.

9.3.6 Under no circumstances shall the Indemnitees be required or obliged to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against the Area Trainer. The Area Trainer agrees that the failure to pursue such recovery or mitigate loss shall in no way reduce the amounts recoverable from the Area Trainer by the Indemnitees.

9.3.7 The Area Trainer expressly agrees that the terms of this Section 9.3 shall survive the termination, expiration or Transfer of this Agreement or any interest herein.

10. Covenants.

10.1 In Term Covenants. The Area Trainer covenants that during the Term, and except as approved in writing by the Franchisor, the Area Trainer and the AT's Representatives shall not directly or indirectly, for themselves or through, on behalf of or in conjunction with any individual, partnership, corporation or other legal entity:

10.1.1 Sell, promote, or recommend any franchise concept or system other than Nurse Next Door;

10.1.2 Own, manage, be employed by, advise, assist, invest in, make loans to, or have any interest in any business or in any division of a business that offers Competitive Services;

10.1.3 Attempt to divert any Clients of Unit Franchises to other businesses which compete with the Unit Franchises;

10.1.4 Solicit any Unit Franchisees or anyone who was a prospective Unit Franchisee during the twelve (12) months before the Termination Date or Expiration Date to enter into any business activity which is a Competitive Service; or

10.1.5 Divert any Unit Franchisees to any other franchised business or investment.

10.2 Post Termination and Post Expiration Covenants. The Area Trainer covenants that for a period of two (2) years following the Expiration Date or the Termination Date, and except as approved in writing by the Franchisor, the Area Trainer and the AT's Representatives shall not directly or indirectly, for themselves or through, on behalf of or in conjunction with any Person:

10.2.1 Sell, promote, or recommend any franchise concept or system that offers Competitive Services, other than the System within the Territory.

10.2.2 Own, manage, be employed by, advise, assist, invest in, make loans to, or have any interest in any business or in any division of a business that offers Competitive Services within the Territory. An investment in less than three percent (3%) of the publicly traded securities of such a business in not prohibited by this restriction.

10.3 Reasonable Restriction. If the period of time or the area specified above is adjudged by any arbitrator or court of competent jurisdiction to be unreasonable, then the period of time or the restricted area shall be reduced so that the restrictions are deemed reasonable and enforceable by the court.

10.4 Acknowledgement. The Area Trainer acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and that they will not impose any undue hardship on the Area Trainer or the AT's Representatives because they have other considerable skills, experience and education which afford them the opportunity to derive income from other endeavors.

10.4.1 The Area Trainer acknowledges that the covenants in this Section 10.4 are reasonable and necessary to protect the System, the Franchisor and the Franchisor's Representatives' and Unit Franchisees' investment in its franchising program. The Area Trainer further acknowledges that, before executing this Agreement the AT's Representatives were gainfully employed, and that the AT's Representatives shall be capable of finding gainful employment in other businesses following the termination or expiration of this Agreement.

10.4.2 The Area Trainer expressly agrees that the existence of any claims it may allege against the Franchisor or the Franchisor's Representatives, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by the Franchisor of the covenants in this Agreement.

10.5 Severability. The parties agree that each covenant in this section of this Agreement shall be construed as independent of any other covenant or provision contained in this section of this Agreement. If any one (1) covenant contained in this section is held unreasonable or unenforceable by a tribunal or court of competent jurisdiction, all other covenants deemed to be reasonable and enforceable shall remain in effect.

10.6 Scope. Notwithstanding anything to the contrary in this Agreement, the Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this section of this Agreement, without prior notice to the Area Trainer or the AT's Representatives without the Area Trainer's or the AT's Representatives' further consent. The reduction in scope of the covenants shall be effective immediately upon receipt by the Area Trainer of notice regarding the reduction, and the Area Trainer and the AT's Representatives agree that they shall comply with any covenant as it may be modified by the Franchisor.

11. Transfer and Assignment.

11.1 Transfers. The Area Trainer shall not make any Asset Transfer, and the Principals shall not make any direct or indirect Ownership Interest Transfer, except as permitted under this Section 11. Any Asset Transfer or Ownership Interest Transfer, or attempted Asset Transfer or Ownership Interest Transfer, without the Franchisor's prior written consent or which otherwise violates the requirements of this Section 11 shall be ineffective against the Franchisor and shall constitute a material breach of this Agreement under Section 12.3.

11.2 Involuntary Asset Transfers. No involuntary Asset Transfer or partitioning of the Area Trainer's or its Principals' interests in this Agreement, whether in connection with a bankruptcy, foreclosure, divorce or other proceeding, shall be effective against the Franchisor unless and until (i) the Transferee furnishes the Franchisor with a signed guaranty under which the Transferee agrees to jointly and severally liable for the payment of the Area Trainer's monetary obligations under this Agreement, whether or not such obligations are then delinquent, (ii) the Transferee agrees in writing to be personally bound by the confidentiality provisions and restrictive covenants in this Agreement, and (iii) if the Asset Transfer encompasses the Area Trainer's and its Principals' total interest in this Agreement or in the Area Trainer Business, they designate and appoint the Area Trainer to be the Transferee's agent and attorney in fact with whom the Franchisor may deal for all purposes expressed in or contemplated by this Agreement.

11.3 Conditions of Partial Interest Transfer. The Principals may make a Partial Interest Transfer with respect to the ownership interests of the Area Trainer, subject to the Franchisor's prior written consent, which shall be conditioned on the following:

11.3.1 At the time of the Partial Interest Transfer, the Area Trainer and the AT's Representatives are in full compliance with all of its obligations under this Agreement, and all other agreements between any of the Franchisor or the Franchisor's Representatives and any of the Area Trainer or the AT's Representatives, including payment of all monetary obligations due to the Franchisor.

11.3.2 The Controlling Principal retains its controlling interest in the Area Trainer.

11.3.3 The Transferee delivers to the Franchisor a signed Guaranty and Assumption of Obligations.

11.3.4 The Area Trainer pays the Transfer Fee, specified on the Summary Pages.

11.4 Restriction on Transfer. The Area Trainer and the Principals acknowledge that the Franchisor has legitimate reasons for restricting Asset Transfers and the Transfer of a Controlling Ownership Interest, including the fact that the success of an Area Trainer is dependent upon the unique skills of the Controlling Principal.

11.5 Transfer to a Business Entity Controlled by the Area Trainer. If the Area Trainer is an individual who at any time notifies the Franchisor that the Area Trainer wants to assign this Agreement to a Business Entity in which the Area Trainer shall own one hundred percent (100%) of the Ownership Interest, the Franchisor shall consent to the assignment, upon the Franchisor's receipt of such documentation and information concerning the Business Entity and its owners as the Franchisor may request and payment of the Assignment Fee by Area Trainer to the Franchisor. The required documentation shall include, without limitation, (i) a Guaranty and Assumption of Obligations signed by the Business Entity's owners, (ii) a copy of the Articles of Incorporation or Organization, bylaws or membership agreement and a copy of any documents filed with any government entity relating to establishment of the Business Entity, and (iii) an express assumption by the Business Entity of the Area Trainer's obligations under this Agreement.

11.6 Transfer by the Franchisor. The Franchisor or any holder of an Ownership Interest in the Franchisor may voluntarily, involuntarily, directly or indirectly sell, assign, transfer, license, sublicense, sublease, collaterally assign, grant a security, collateral or conditional interest, inter vivos transfer, testamentary disposition or other disposition of all or any part of the Franchisor's rights or obligations under this Agreement or any Ownership Interest in the Franchisor to any Person. The Area Trainer and the AT's Representatives agree not to interfere in or to attempt to interfere with a proposed Transfer by the Franchisor or by its owners. Specifically, and without limitation to the forgoing, the Franchisor may sell its assets, IP, or the System to a third party; may offer its securities privately or publicly; may merge, spin-off, acquire other Business Entities, or be acquired by another Business Entity; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring; and with regard

to any or all of the above sales, assignments, and dispositions, the Area Trainer and the AT's Representatives expressly and specifically waive any claims, demand, or damages against the Franchisor arising from or related to the transfer of the IP (or any variation thereof) or the System from the Franchisor to any other party. If the Franchisor assigns its right in this Agreement, the Franchisor shall be released from all further liability under this Agreement. Nothing contained in this Agreement requires the Franchisor to offer any services or products, whether or not bearing the Marks, to the Area Trainer if the Franchisor assigns its rights in this Agreement.

12. Default and Termination.

12.1 Early Termination by Area Trainer. The Area Trainer may terminate this Agreement at any time, by giving the Franchisor ninety (90) days' prior written notice. If the Area Trainer terminates this Agreement, it will not be entitled to any refunds of any kind.

12.2 Breach of Agreement. The Area Trainer shall have thirty (30) days after receiving the notice of default to remedy in full any default of any obligation under this Agreement, other than those described in Section 12.3. If any such default is not cured within that time, or such longer period may be required by applicable law, this Agreement, at the Franchisor's option, shall terminate without further notice to the Area Trainer effective immediately upon the expiration of the thirty (30) day period.

12.3 Automatic Terminations. The Area Trainer shall be in default under this Agreement, and all rights of the Area Trainer granted herein shall automatically terminate upon the Area Trainer's receipt of a notice of termination, and without the need to obtain any judicial or administrative resolution, ruling or award, and shall constitute good cause, if the Area Trainer:

12.3.1 Acknowledges that it is unable to pay its debts as they come due or commits any other affirmative act of insolvency, or files any petition or action of insolvency, or for appointment of a receiver or trustee, files a petition in bankruptcy or makes any assignment for the benefit of creditors, or fails to vacate or dismiss within thirty (30) days after filing any such proceedings commenced against Area Trainer by a third party;

12.3.2 Is subject to a dismissal of a liquidation proceeding pursuant to 11 U.S.C. Section 707, dismissal of a reorganization proceeding pursuant to 11 U.S.C. Section 1112, revocation of an order of confirmation pursuant to 11 U.S.C. Section 1330(b) or dismissal of a debt adjustment proceeding pursuant to 11 U.S.C. Section 1307;

12.3.3 Abandons the Area Trainer Business or fails to operate the Area Trainer Business for three (3) consecutive days without the Franchisor's prior approval;

12.3.4 Or its Affiliate sells the Unit Franchise required under Section 7.3, or that Unit Franchise fails to achieve Gross Sales of $100,000 in any month during the term of this Agreement.

12.3.5 Has a member of the Management Team who is convicted of, or pleads guilty to a felony;

12.3.6 Collects any money from a Franchisee without promptly forwarding it to the Franchisor;

12.3.7 Or any of the AT's Representatives purports to make a Transfer in violation of Section 11;

12.3.8 Or any of the AT's Representatives disclose or misuse or permits the disclosure or misuse of Confidential Information;

12.3.9 Or any of the AT's Representatives knowingly maintain materially inaccurate books or records;

12.3.10 Or any of the AT's Representatives make any misrepresentation in any report or document submitted to the Franchisor;

12.3.11 Receives three (3) or more notices of default within twenty-four (24) months, whether or not the defaults are timely cured;

12.3.12 Or any of the AT's Representatives cause any other Agreement between the Area Trainer or the AT's Representatives and the Franchisor or the Franchisor's Representatives to be terminated because of the Area Trainer's or any of the AT's Representatives' default thereunder; or

12.3.13 The death or Permanent Disability of the Area Trainer, if an individual, or the Controlling Principal.

12.4 Pay Franchisor a Business Non-Compliance Fee if Duties are Not Fulfilled. If the Area Trainer fails to perform services for Unit Franchisees in the Territory which the Area Trainer is required to perform under this Agreement the Franchisor may perform the service or hire a third party to perform the service, and the Area Trainer shall pay the Franchisor the Business Non-Compliance Fee described on the Summary Pages. The sum is required to reimburse the Franchisor for its direct expenses plus the time and effort expended by its staff, including time spent traveling to and within the Territory and the inability of the Franchisor to devote the resources used in enforcing agreements in the Territory, to other development and operational requirements of the Franchisor. The Franchisor only shall impose the Business Non-Compliance Fee after giving the Area Trainer at least fourteen (14) days' notice. The Franchisor shall deduct this amount from the amounts owed to the Area Trainer until the noncompliance has ended or until this Agreement has been terminated.

12.5 Force Majeure. In the event that any party hereto is delayed or hindered in the performance of any act required herein by reason of Force Majeure, then performance of such act shall be excused for the period of the delay and the period for performance of any such act shall be extended for a period equivalent to the period of such delay, up to a maximum of three (3) months. The provisions of this section shall not operate to excuse the Franchisee from the prompt payment of any fee or other payment due the Franchisor pursuant to the provisions of this Agreement.

13. Post Termination and Expiration Duties.

Upon termination or expiration of this Agreement for any reason, the following shall occur:

13.1 All Rights End. All rights granted hereunder to the Area Trainer shall terminate, without any liability of the Franchisor or the Franchisor's Representatives to the Area Trainer. The Area Trainer shall have no right to service Unit Franchises in the Territory. The Area Trainer shall immediately cease operation of the Area Trainer Business and shall not, directly or indirectly, represent to the public that the Area Trainer is a present or former franchisee of an Area Trainer Business of the Franchisor, except as may be required by the applicable law. The Area Trainer shall immediately deliver to the Franchisor the Confidential Information together with all copies of it, including any translations of such documents, if any, all of which are acknowledged to be the Franchisor's property, as well as all of the Confidential Information in the Area Trainer's or any AT's Representative's possession.

13.2 Discontinue Using the Marks and System. If Company-owned Businesses are being operated in full compliance with their Franchise Agreements subject to Section 11.7, they may continue to be operated by the Area Trainer or by its Affiliate(s). Except in connection with such Company-owned Businesses, the Area Trainer shall immediately and permanently cease to use, in any manner whatsoever, any aspect of the System and all the Marks. The Area Trainer shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, and any other articles which display the Marks.

13.3 Deliver all Records. Upon termination, the Area Trainer shall immediately deliver to the Franchisor in the form requested by the Franchisor, complete records of the Area Trainer Business in the form requested by the Franchisor, including but not limited to:

13.3.1 Complete financial records of the Area Trainer Business, copies of all documents filed with any governmental agency that relate to the operation of the Area Trainer Business and lists of the Area Trainer's employees and how they may be contacted;

13.3.2 Copies of all contracts, leases, option, guarantees, commitments, written or oral, which Area Trainer has with Unit Franchisees, their suppliers, landlords or financiers or which otherwise relate to the operation of the Area Trainer Business;

13.3.3 Statements of account showing all amounts owed by or to Unit Franchisees for any reason, all amounts due to the General Branding Fund and to any purchasing cooperative by the Area Trainer and by all Unit Franchisees;

13.3.4 Copies of all correspondence with current and former Unit Franchisees;

13.3.5 Minutes of meetings of any Unit Franchisee advisory council or association, advertising or purchasing cooperatives or advertising advisory groups;

13.3.6 A summary of all claims, lawsuits, threats of litigation, government investigations and copies of any documents which relate to the claims, threats or investigation; and

13.3.7 All other records relating to the Area Trainer Business which the Franchisor may request.

13.3.8 The cost of providing this information shall be paid by the Area Trainer.

13.4 Cooperate with Franchisor. The Area Trainer shall cooperate fully with Franchisor and the Franchisor's Representatives in providing such oral or written answers to questions relating to the Area Trainer Business as they may request.

13.5 Do Not Use Similar Trademarks; Transfer Telephone Numbers and Domain Names. The Area Trainer shall not use any copy, reproduction, counterfeit or colorable imitation of the Marks, or of any portion of the Marks, in the conduct of promotion of any business. The Area Trainer further agrees not to use any designation of origin or description or representation that falsely suggests or represents its association or connection with the Franchisor. At the Franchisor's option, the Area Trainer either shall cancel or assign to the Franchisor or to its designee, without charge, all telephone numbers, domain names, URLs, webpages, blogs and directory listings and assumed name or registrations which the Area Trainer has used in conducting business.

13.6 Obligations Continue After Termination or Expiration. All covenants, obligations and agreements of the parties under this Agreement that expressly or by reasonable implication impose obligations to be performed after the termination or expiration of this Agreement, shall survive the termination or expiration of this Agreement.

13.7 Pay Franchisor's Lost Future Profits. If this Agreement is terminated by Franchisor for Area Trainer's breach pursuant to Section 12, the Area Trainer shall pay Franchisor, on demand, all damages that Franchisor has sustained and will sustain for the next 90 days as a result of the termination of this Agreement; including Franchisor's lost future profits.

14. Governing Law; Dispute Resolution.

14.1 This Agreement shall be construed in accordance with and governed by the laws of the State of Washington without regard to principles of conflicts of law, except that no Washington statute or regulation shall apply or shall give rise to any right or claim unless the Area Trainer Business is in the State of Washington and such statute or regulation would apply to this Agreement by its own terms in the absence of any choice of law provision.

14.2 The following provisions shall apply to resolution of any disputes arising out of or relating to this Agreement:

14.2.1 Prior to initiating arbitration or mediation to resolve any dispute between the parties, each party agrees that it will notify the other party in writing of any dispute, claim or controversy arising out of or relating to this Agreement, the parties' relationship, or the Area Trainer Business, that the notifying party wishes to resolve. Such notice shall include a statement of the dispute, describing to the fullest extent possible the notifying party's version of the facts surrounding the dispute or claim together with an explanation of its position and all elements of any claim (the "Statement of Dispute"). The parties shall then use their best efforts to communicate with each other to try to resolve the dispute. each party agrees to first notify the other

party in writing of any dispute or claim arising out of or relating to this Agreement. The written notification shall specify, to the fullest extent possible, the notifying party's version of facts surrounding the dispute or claim. The Area Trainer agrees to use its best efforts to communicate with the Franchisor to attempt to resolve the dispute.

14.2.2 If the parties are unable to resolve their dispute within thirty (30) days after delivery of the Statement of Dispute, prior to initiating any arbitration or legal action to resolve the dispute, the parties agree to participate in non-binding mediation before a mutually agreeable mediator. Such mediation shall be held at the offices of the Franchisor, or such other site designated by the Franchisor, within a reasonable time after expiration of the thirty (30) day period following delivery of a Statement of Dispute. At least one principal of each party, with authority to settle the dispute, shall attend the mediation meeting. The Franchisor and the Area Trainer shall share equally the cost of the mediator. Except as otherwise required by this Agreement, the mediation shall be conducted consistent with the requirements of Washington State's Uniform Mediation Act, RCW 7.07 et seq.

14.2.3 Notwithstanding anything in this agreement to the contrary, any party may seek interlocutory injunctive relief to prevent it from incurring irreparable harm or injury pending the outcome of mediation and arbitration.

14.2.4 All disputes, claims or controversies arising out of or relating to this Agreement, the parties' relationship, or the Area Trainer Business that are not resolved following the required negotiation and mediation in this Sections 14, will be determined by binding arbitration in Seattle, Washington. The Parties agree that all issues of arbitrability, including the scope, validity, and enforceability of the arbitration clause, are delegated to the arbitrator and the arbitrator shall have full and complete authority to decide any such issues. The Federal Arbitration Act, not state law, governs the arbitration proceedings, as well as the scope, validity, and enforceability of the arbitration clause. Except as provided by this Agreement, the arbitration shall be conducted and administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. If JAMS is no longer in business at the time an arbitration demand is made, the parties agree to conduct their arbitration pursuant to the Commercial Rules of the American Arbitration Association. The parties will keep confidential all matters relating to or arising out of the arbitration and the arbitration award, except as necessary to comply with applicable law. The Franchisor and the Area Trainer both consent to the jurisdiction of the arbitrator to resolve all disputes arising out of or related to this Agreement. The parties agree that the arbitrator's award is conclusive, final, and binding, and that there will be no appeals of any awards even if allowed by the Comprehensive Arbitration Rules and Procedures. THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY, EXCEPT WHERE WAIVER IS PROHIBITED BY APPLICABLE FEDERAL OR STATE LAW.

14.2.5 The parties agree that any litigation initiated to seek relief as provided under this Section 14, or any action commenced following a determination by the arbitrator that the requirement to arbitrate is unenforceable, shall be brought in a court of competent jurisdiction situated in Seattle, King County, Washington. All other matters must be arbitrated pursuant to this Section 14. The arbitration provisions of this Agreement apply to claims by and against the Area Trainer and the AT's Representatives and the Franchisor and the Franchisor's Representatives (collectively referred to in this article as "Parties" or "Party" subject to arbitration). The arbitration

provisions shall survive the termination, expiration, or Transfer of this Agreement. To the extent litigation is necessary under this Section, the Area Trainer and the Franchisor each consent to the jurisdiction of the courts situated in Seattle, King County, Washington.

14.2.6 The Area Trainer will arbitrate or litigate each dispute with the Franchisor on an individual basis. The Area Trainer will not consolidate its dispute in any arbitration or litigation with a claim by any other area trainer, franchisee, or other individual, or entity. The Area Trainer knowingly and voluntarily agrees to waive its right to participate in any class action or mass action proceedings.

14.3 Except as set forth in Section 14.5 below, the parties agree as follows:

14.3.1 The parties on behalf of themselves and the Franchisor's Representatives and AT's Representatives, as applicable, agree to waive, to the fullest extent permitted by applicable law, the right to or any claim against the other for punitive or exemplary damages of any kind.

14.3.2 Subject to Section 14.6, below, the parties on behalf of themselves and the Franchisor's Representatives and the AT's Representatives, as applicable, agree that in the event of any dispute between them, the aggrieved party's sole and exclusive remedy shall be to terminate this Agreement and to recover monetary damages. If Franchisor is found to have materially breached this Agreement, Area Trainer's recoverable monetary damages shall be capped at the amount of the Area Trainer's share of Royalties paid for the previous twelve months.

14.3.3 Each party shall bear its own arbitration and litigation costs.

14.4 THE PARTIES ON BEHALF OF THEMSELVES AND THE FRANCHISOR'S REPRESENTATIVES AND AT'S REPRESENTATIVES, AS APPLICABLE, IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY OR THE FRANCHISOR'S REPRESENTATIVES OR THE AT'S REPRESENTATIVES, AS APPLICABLE, RELATING TO THE RELATIONSHIP BETWEEN THE PARTIES OR ARISING UNDER OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY RIGHT OR REMEDY HEREUNDER.

14.5 Notwithstanding any other provision in this Agreement, there shall be no monetary limitation on damages with respect to any claim by the Franchisor arising out of infringement of any of the Franchisor's intellectual property rights, unauthorized disclosure of the Franchisor's Confidential Information or trade secrets, or a Transfer in violation of Section 11. The Area Trainer and the AT's Representatives agree that violations of these provisions may cause irreparable harm to the Franchisor and to other area trainers and Unit Franchisees. Accordingly, the Area Trainer on behalf of itself and the AT's Representatives hereby consent to the entry of an injunction, without the necessity of the Franchisor posting a bond, or providing an undertaking in damages, which prohibits the Area Trainer and the AT's Representatives from engaging in such violations. The Franchisor may bring a proceeding in any court having jurisdiction in connection with any such claim, and pursue any remedy available under applicable law, including for

injunctive, mandatory, or other extraordinary relief. Notwithstanding the provisions of Section 14.3, with respect to any legal proceeding based entirely or in part on the terms of this Section 14.5, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with such action.

14.6 Except as provided in Section 14.2.6, all provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein; and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required, or the taking of some other action not required, the prior notice or other action required by such law or rule shall be substituted for the notice of requirements in this Agreement. Notwithstanding the foregoing, if the limitation of remedies set forth in Section 14.3.2(i) is found, for any reason, to be unenforceable then, in such event, the limitation of the remedies set forth in 14.3.2(ii) shall also be null and void, and vice versa. Likewise, if the limitation of remedies set forth in Section 14.3.3(ii) is found, for any reason, to be unenforceable then, in such event, the limitation of the remedies set forth in 14.3.3(i) shall also be null and void, and vice versa.

14.7 The Area Trainer agrees it shall not withhold payments of any fees or contributions or any other amounts of money owed to the Franchisor or the Franchisor's Representatives for any reason, including on the grounds of the alleged non-performance by the Franchisor of any obligation.

14.8 This Agreement is binding upon the Franchisor and the Area Trainer and their respective heirs, assigns, and successors in interest.

14.9 This instrument contains the entire Agreement between the Franchisor and the Area Trainer relating to the rights granted and the obligations assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect excepting a subsequent modification in writing and signed by the Franchisor and the Area Trainer. Nothing in this Agreement is intended to waive the Area Trainer's right to rely upon representations made in the Franchisor's FDD.

14.10 No notice, request, consent, approval, waiver or other communication which may be or is required or permitted to be given under this Agreement will be effective unless it is in writing and is delivered to the other party as a notice as set forth in Section 16.4.

14.11 This Agreement shall only become effective when it has been signed by the Franchisor. No amendment to this Agreement and no Transfer shall become effective until they have been approved by the Franchisor. No modification of this Agreement shall be binding upon either party unless and until the same has been made in writing and duly executed by both parties.

15. Miscellaneous Obligations.

15.1 Independent Contractor. The Area Trainer is, and shall be, an independent contractor and not an employee, agent or partner of the Franchisor. Nothing contained herein shall constitute a partnership between or joint venture by the parties or constitute either party the agent

of the other. Under no circumstances shall the Franchisor be liable for any act (including specifically, but not by way of limitation, any violation by the Area Trainer of any applicable franchise sales and disclosure laws), or any omission, debt, or other obligation of the Area Trainer or the AT's Representatives. The Area Trainer shall indemnify and hold the Franchisor and the Franchisor's Representatives harmless from any such claim and the cost of defending against such claim, including lawyers' fees, arising directly or indirectly in connection with the Area Trainers and the AT's Representatives activities.

15.2 Dealings with Third Parties. In all dealings with third parties, including without limitation, government authorities, employees, suppliers and Clients, the Area Trainer shall disclose in an appropriate manner acceptable to the Franchisor that the Area Trainer is an entity licensed by the Franchisor under this Agreement.

15.3 No Modifications. The Franchisor may modify or terminate any aspect of the System at any time, including but not limited to, the form and standards of Franchise Agreements, procedures, advertising, Products and Services offered and the design of Unit Franchises. The Franchisor shall notify the Area Trainer of any such modifications. The Area Trainer Franchise Agreement only may be modified only by mutual written agreement of the parties.

15.4 Qualification of Area Trainer. The Area Trainer is, or will be at the time of undertaking the duties described in this Agreement, duly qualified and authorized to do business in the Territory, and in compliance with all laws and regulations to operate in each jurisdiction in which it has business activities or in which the nature of the business conducted by it requires such qualification.

15.5 Area Trainer Is Not Third Party Beneficiary of other Agreements. The Area Trainer acknowledges that is not intended to be and is not a third party beneficiary of any agreement between the Franchisor and any another Area Trainer or any Unit Franchisee of the Franchisor.

16. Construction of Agreement.

16.1 No Waiver Because of Delay. No delay, waiver, forbearance, or omission of the Franchisor to exercise any power or right arising out of any breach or default by the Area Trainer of any of the terms, provisions, or covenants hereof, shall affect or impair the Franchisor's right to exercise the same, nor shall such constitute a waiver by the Franchisor of any right hereunder; or the right to declare any subsequent breach or default; or the right of the Franchisor to terminate this Agreement prior to the Expiration Date. Subsequent acceptance by the Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by the Franchisor of a preceding breach by the Area Trainer of any terms, covenants, or conditions of this Agreement.

16.2 Partial Invalidity Does Not Void Agreement. Except as provided herein, the parties agree that in the event that any provision of this Agreement is construed or declared to be invalid, such decision shall not affect the validity of any remaining portion which shall remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated. In the event that any provision of this Agreement shall be contrary to the law of any jurisdiction in which this Agreement shall have an operative effect, then the law of the jurisdiction shall take

precedence over that provision. If a court enters a binding order or judgment in any litigation between the Area Trainer and a Unit Franchisee or between the Area Trainer and the Franchisor, that any part, term or provision of this Agreement or any Franchise Agreement concerning the payment of monies due, directly or indirectly to Franchisor is in any manner or to any extent void, invalid, or unenforceable or which requires the Franchisor to materially increase its duties or to incur liabilities which exceed its previously stated interpretation of those duties, the Franchisor may terminate this Agreement immediately upon delivering notice to the Area Trainer.

16.3 Course of Dealing Is Not Applicable. No previous course of dealing or usage in the trade not specifically set forth in this Agreement shall be admissible to explain, modify or contradict this Agreement.

16.4 Notices. Whenever notice is required under the terms of this Agreement, the notice shall be given in writing in the English language and sent by reliable overnight courier for delivery on the next Business Day. All notices shall be sent to the parties addresses on the Summary Pages. All notices hereunder shall be deemed received on the second Business Day following the date on which they are deposited with a well-known overnight courier service, e.g. Federal Express, UPS or DHL.

16.5 Construction of Words. All terms and words used in this Agreement regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of this Agreement or any section, paragraph or clause herein may require, as if such words had been fully and properly written in the appropriate number or gender.

16.6 Obligations Are Joint and Several. The obligations and authorizations hereunder shall be joint and several.

16.7 Recitals Are Part of This Agreement. The recitals and preamble set forth above are hereby incorporated into and made a contractual part of this Agreement.

16.8 Time of the Essence. Time shall be of the essence of this Agreement and of each and every part of this Agreement.

17. Terrorist and Money Laundering Activities.

17.1 Representations. The Areas Trainer and the Principals represent and warrant to the Franchisor that none of them is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control. Further, the Area Trainer and the Prinicpals represent and warrant that they have not violated and agree not to violate any law prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S.A. Patriot Act, U.S. Executive Order 13224, or any similar law. The foregoing constitute continuing representations and warranties, and the Area Trainer and the Principals shall immediately notify the Franchisor in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

18. Franchisor Approval.

18.1 Approval. No notice, request, consent, approval, waiver or other communication which may be or is required or permitted to be given under this Agreement will be effective unless it is in writing and is delivered to the other party as a notice as set forth in Section 16.4.

18.2 Franchisor's Business Judgment. Notwithstanding any contrary provisions contained in this Agreement, the Franchisor and the Area Trainer acknowledge and agree that:

18.2.1 This Agreement (and the relationship of the parties which arises from this Agreement) grants the Franchisor the discretion to make decisions, take actions and/or refrain from taking actions that may affect favorably or adversely the Area Trainer's interests;

18.2.2 The Franchisor shall use its business judgment in exercising such discretion based on the Franchisor's assessment of the Franchisor's own interests and balancing those interests against the interests, promotion and benefit of the System and the franchise network generally (including the Franchisor's Representatives, area developers and Unit Franchisees), and specifically without considering the Area Trainer's individual interests or the individual interests of any other particular Unit Franchisee (examples of items that shall promote or benefit the System generally include, without limitation, enhancing the value of the Marks, improving Client satisfaction, improving quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System);

18.2.3 The Franchisor disclaims any fiduciary duty to the Area Trainer or the AT's Representatives. The Franchisor shall have no liability to the Area Trainer or the AT's Representatives for the exercise of its discretion in a manner which is consistent with this Agreement; and

18.2.4 Even if the Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification no trier of fact in any legal action shall substitute its judgment for the Franchisor's judgment so exercised and such action or decision shall not be subject to challenge for abuse of discretion.

IF THE FRANCHISOR TAKES ANY ACTION OR CHOOSES NOT TO TAKE ANY ACTION IN ITS DISCRETION WITH REGARD TO ANY MATTER RELATED TO THIS AGREEMENT AND ITS ACTION OR INACTION IS CHALLENGED FOR ANY REASON, THE PARTIES EXPRESSLY DIRECT THE TRIER OF FACT THAT THE FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF ITS DISCRETION, WITHOUT REGARD TO WHETHER OTHER REASONS FOR THE FRANCHISOR'S DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

18.2.5 In granting approval, designating suppliers or setting standards, the Franchisor shall exercise its reasonable business judgment. However, in the exercise of its business judgment, the Franchisor shall not be liable to the Area Trainer or the AT's Representatives, guarantors, Clients, suppliers or anyone else, if the Franchisor's exercise of its business judgment results in a business loss, or if a Unit Franchisee, transferee, advertising, lease,

location, products, service, equipment or software or any other item which the Franchisor approves fails to meet either the Franchisor's, the Area Trainer's or the Client's expectations. The Franchisor disclaims all warranties and liability for the acts or omissions of any contractors, vendors, suppliers, products or employees which the Area Trainer uses, purchases, retains or hires pursuant to the Area Trainer's exercise of its business judgment hereunder. Unless another time is prescribed by this Agreement, if the Franchisor has failed to approve a request or proposal submitted by the Area Trainer within thirty (30) days of its receipt, the request shall be deemed denied.

19. Additional Terms.

19.1 Compliance with Laws. The Area Trainer and its Principals understand and have been advised by its legal counsel of the need to investigate and understand the extent to which state and local laws may impact the ability of Area Trainer and its Unit Franchisees to conduct business under the System within the Territory. The Area Trainer has satisfied itself that it is willing and able to undertake the obligations under this Agreement in full compliance with all existing and future regulations which may impact the Area Trainer Business or its Unit Franchises. The Area Trainer shall comply with all applicable laws and regulations regarding the hiring and firing of employees.

19.2 Certification. The Area Trainer shall certify to the parties at least once per year, in a form approved by the Franchisor, that the Area Trainer is in full compliance with its obligations under this Agreement and all applicable laws..

19.3 Area Trainer Has No Claims Against Franchisor. The Area Trainer and the Principals attest, on behalf of themselves and AT's Representatives that as of the date of this Agreement that they have no legal claims against the Franchisor or the Franchisor's Representatives, of any kind, and they hereby release the Franchisor and the Franchisor's Representatives from any actions or omissions which have occurred before the date of this Agreement. This release is not intended to apply to any claims arising out of the sale of the Area Trainer Business. The Area Trainer and the Principals acknowledge that the Franchisor has relied upon this representation in executing this Agreement.

19.4 Remedies are Cumulative. The Franchisor's specification of a remedy for the Area Trainer's or the AT's Representatives' breach of this Agreement is not intended to restrict the Franchisor from every other remedy available to it under this Agreement, at law or in equity.

19.5 Licenses. The Area Trainer acknowledges that many jurisdictions require one (1) or more licenses, permits or other types of authorization before a party may engage in some or all of the activities which are undertaken by Nurse Next Door franchisees, and that the Area Trainer has consulted with a health care lawyer before entering into this Agreement.

19.6 Counterparts. This Agreement may be executed by the parties in one (1) or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement on the day and year first above written.

Nurse Next Door Home Healthcare Services (USA) Inc.	Area Trainer
By: _____	By: _____
Name: _____	Name: _____
Date: _____	Date: _____

Principals

_____
Name:

Date: _____

_____
Name:

Date: _____

Exhibit A

State-Specific Addenda/Amendments

STATE SPECIFIC ADDENDA/AMENDMENTS

The following modifications are made to the Nurse Next Door Home Healthcare Services (USA) Inc. Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

The following states have statutes that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise. The following is applicable to you only if you are covered by the franchise law of the referenced state: ARKANSAS [Stat. Section 70-807]; CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code tit. 6, Ch. 25, Sections 2551-2556], HAWAII [Rev.Stat. Section 482E-1], ILLINOIS [815 ILCS 705/1-44], INDIANA [Stat. Section 23-2-2.7 and 23-2-2.5], IOWA [Code Sections 523H.1-523H.17], MARYLAND [Maryland Franchise Registration and Disclosure Law, MD. CODE ANN., BUS. REG. Sections 14-201 to 14-233 (2010 Repl. Vol. and Supp. 2010)], MICHIGAN [Stat. Section 19.854 (27)], MINNESOTA [stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56.10-1], NORTH DAKOTA [N.D.C.C. Franchise Investment Law Section 51-19], RHODE ISLAND [Code 19-28.1-14], SOUTH DAKOTA [Codified Laws Section 37-5B], VIRGINIA [code §§ 13.1-557 through 13.1-574], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03].

These and other states may have court decisions that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise.

We reserve the right to challenge the application or enforceability of the Franchise Laws listed in this state specific Addenda/Amendments, the corresponding regulations, or any other laws not specified in the Franchise Agreement.

The following is applicable to you only if you are covered by the franchise law of the referenced state:

CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner of Corporations.

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 14 DAYS PRIOR TO EXECUTION OF ANY BINDING AGREEMENT OR THE RECEIPT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

You must comply with the California prohibition against Kickback, Fee Splitting and Referrals (See Business & Professions Code section 650 and California Health and Safety Code section 445).

You must comply with any Federal prohibition against Kickback, Fee Splitting and Referrals.

Franchisees in California will not control or interfere with the professional judgment of a licensed caregiver in providing medical care.

Neither we nor any person or franchise broker in Item 2 of the Disclosure Document 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.

Section 31125 of the Franchise Investment Law requires us to give you a disclosure document, in a form containing the information that the Commissioner of Corporations may by rule or order require, before we ask you to consider a material modification of your existing Franchise Agreement.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement 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.

The Franchise Agreement provides that you must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The Franchise Agreement requires application of the laws of the State of Washington. This provision may not be enforceable under California law.

The URL of our website is www.nursenextdoor.com. OUR WEB SITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEB SITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

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 of a forum outside the State of California.

The maximum statutory interest rate in California is 10%.

Recital F of the Franchise Agreement is hereby deleted.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

ILLINOIS ADDENDUM TO THE DISCLOSURE DOCUMENT and FRANCHISE AGREEMENT

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchises.

SEE THE LAST PAGE OF THIS EXHIBIT A FOR YOUR REQUIRED SIGNATURE.

KNOWLEDGMENT AND AGREEMENT:

You acknowledge that you have received and reviewed the foregoing State Law Addendum to the Disclosure Document and Franchise Agreement. Each provision of the foregoing State Law Addendum will be effective only to the extent that the jurisdictional requirements of the Illinois law applicable to the provision are met independent of the foregoing State Law Addendum. The foregoing State Law Addendum will have no force or effect if such jurisdictional requirements are not met. The foregoing State Law Addendum supersedes any inconsistent provision in the Disclosure Document and the Franchise Agreement, but only to the extent necessary to make the Disclosure Document and the Franchise Agreement consistent with the then valid requirements of an applicable and enforceable state law and only for so long as such state law remains in effect.

This Acknowledgment and Agreement may be signed in counterparts and delivered via electronic means.

ACKNOWLEDGED AND AGREED as of _____, 20__.

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.	**FRANCHISEE:**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

KANSAS

Section 9.7.1 of the Franchise Agreement states that you will indemnify and hold us harmless against any and all liabilities, losses, suits, claims, demands, costs, fines and actions of any kind or nature arising out of the operation of the franchised business. However, you are not required to indemnify us for claims resulting solely from our breach of this Agreement or other wrongs we commit. This provision may not be enforceable in Kansas unless separately negotiated and reasonable. By signing this Addendum, you hereby agree that you separately considered and had an opportunity to consult legal counsel concerning this indemnity, and that you consider it reasonable.

Section 9.1 of the Franchise Agreement requires that you name us as an additional named insured on certain insurance policies. This provision may not be enforceable in Kansas unless separately negotiated and reasonable. By signing this Addendum, you hereby agree that you separately considered and had an opportunity to consult legal counsel concerning this insurance clause, and that you consider it reasonable.

MARYLAND

Any provision of the Disclosure Document or in the Franchising Agreement requiring that you sign a general release as a condition of renewal, sale and assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law, to the extent required by this law.

Any representation requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of liability incurred under the Maryland Franchise Registration and Disclosure Law. The Franchise Agreement is amended accordingly to the extent required by law.

Any provision of the Disclosure Document or in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

You may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

All representations made in the Final Disclosure Questionnaire (Attachment A) requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

ACKNOWLEDGED AND AGREED as of _____, 20__.

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.	**FRANCHISEE:**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

MICHIGAN

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

(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 the Michigan Franchise Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits us to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include 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 us 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 us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 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 our intent not to renew the franchise.

(e) A provision that permits us to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside 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.

Michigan (cont'd.)

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

1. The failure of the proposed transferee to meet our then current reasonable qualifications or standards.

2. The fact that the proposed transferee is a competitor of us.

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

4. The failure of you or the proposed transferee to pay any sums owing us or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value of such assets if 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 us 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.

MINNESOTA

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. §80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

Notwithstanding anything to the contrary set forth in the Franchise Agreement, any general release you are required to assent to shall not apply to any liability we may have under the Minnesota Franchise Act.

Notwithstanding anything to the contrary set forth in the Franchise Agreement, we will indemnify you for all costs and expenses you incur in any action or proceeding brought against you by any third party as a result of your authorized use of our trademarks.

The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name, as required under Minn. Stat. §80C.12 Subd. 1(G). Minnesota considers it unfair to not protect the franchisee's right to use the trademarks.

You cannot consent to our obtaining injunctive relief. We may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

The limitations of claims section of the Franchise Agreement must comply with Minn. Stat. §80C.17, Subd. 5 and is amended accordingly.

NEW YORK

This addendum amends and revises the Nurse Next Door Home Healthcare Services (USA) Inc. disclosure document as follows:

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge

or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "***Choice of law***":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to the statute, have been determined to be unfair, unjust, or inequitable in North Dakota. Sections of the Disclosure Document and Franchise Agreement containing covenants restricting competition to which you must agree may not be enforceable under North Dakota law, and are amended accordingly to the extent required by law.

Sections of the Franchise Agreement requiring you to arbitrate or mediate disputes may require you to consent to a waiver of trial by jury. A waiver of trial by jury may not be enforceable under North Dakota law and any such provisions are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement requiring you to consent to the jurisdiction of courts outside of North Dakota or providing for resolution of disputes to be outside North Dakota may not be enforceable under North Dakota law, and are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement relating to choice of law, may not be enforceable under North Dakota law, and are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement requiring you to sign a general release upon renewal of the Franchise Agreement may not be enforceable North Dakota law, and are amended accordingly to the extent required by law.

Sections of the Franchise Agreement requiring you to consent to a limitation of claims may not be enforceable under North Dakota law, and any such provisions are amended accordingly to the extent required by law.

Sections of the Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under North Dakota law, and any such provisions are amended accordingly to the extent required by law.

Sections of the Disclosure Document and Franchise Agreement stipulating that you shall pay all costs and expenses incurred by us in enforcing the Franchise Agreement may not be enforceable under North Dakota law, and are revised to state that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

The Franchise Agreement contains a liquidated damages clause. It may be unenforceable under North Dakota law.

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The Disclosure Document and Franchise Agreement are amended accordingly to the extent required by law.

VIRGINIA

The following statements are added to Item 17.h. of the Disclosure Document:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for us 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.

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, FINAL DISCLOSURE QUESTIONNAIRE, AND RELATED AGREEMENTS

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by you 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 Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectible to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii)

soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

WISCONSIN

With respect to franchise agreements governed by Wisconsin law, the following shall supersede any inconsistent provision:

The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, nonrenewal or substantial change in the competitive circumstances of a dealership agreement without good cause. The Law further provides that 90 days' prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. The Disclosure Document and Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions in the Franchise Agreement that are inconsistent with that Law. Wis. Stats. Ch. 135, The Wisconsin Fair Dealership Law. SEC 32.06(3), Wis. Adm. Code.

ACKNOWLEDGMENT AND AGREEMENT:

You acknowledge that you have received and reviewed the foregoing State Law Addenda/Amendments. All parties agree that, to the extent applicable and required under state law, the foregoing provisions are added to supersede or modify the existing provisions of the Franchise Agreement, but only to the extent and for so long as they embody valid, enforceable, and obligatory state law then in effect.

This Acknowledgment and Agreement may be signed in counterparts and delivered via facsimile or other electronic means.

ACKNOWLEDGED AND AGREED as of _____, 20__.

FRANCHISEE:

[**FRANCHISEE NAME**]

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

(MUST BE SIGNED BY ALL OWNERS OF THE FRANCHISEE ENTITY)

FRANCHISOR:

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

By:_____

Title:_____

Date:_____

Exhibit A

Final Disclosure Questionnaire

FINAL DISCLOSURE QUESTIONNAIRE

As you know, Nurse Next Door Home Healthcare Services (USA) Inc. (the "**Franchisor**") and you are preparing to enter into a franchise agreement (the "**Franchise Agreement**") for the operation of a NURSE NEXT DOOR® franchise (the "**Franchised Business**"). Please review each of the following questions carefully and provide honest and complete responses to each question.

[California franchisees should not complete this Questionnaire. If any California franchisee completes this Questionnaire, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Questionnaire.]

1. Have you received and personally reviewed the Franchise Agreement and each exhibit attached to it?

   Tick one: Yes _____ No _____

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit attached to it?

   Tick one: Yes _____ No _____

   If no, what parts of the Franchise Agreement do you not understand? (attach additional pages, if necessary)

   _____

   _____

   _____

3. Have you received the Franchise Agreement you are to execute with all the blanks completed?

Tick one: Yes _____ No _____

If so, on what date did you receive the completed Franchise Agreement?

_____

4. Have you received and personally reviewed the franchise disclosure document ("**FDD**") which was provided to you?

Tick one: Yes _____ No _____

On what date did you receive the FDD?

_____

5. [**Have you been advised that the investigation and compliance with regulatory requirements in the operation of your franchised business are your sole responsibility**?]

Tick one: Yes _____ No _____

6. Did you sign a receipt for the disclosure document indicating the date you received it?

Tick one: Yes _____ No _____

7. Do you understand all of the information contained in the FDD?

Tick one: Yes _____ No _____

If no, which parts of the FDD do you not understand? (attach additional pages, if necessary)

_____

_____

_____

8. Have you discussed the benefits and risks of operating a Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks?

Tick one: Yes _____ No _____

If no, did you have the opportunity to do so?

Tick one: Yes _____ No _____

QUESTIONS 9 THROUGH 16 DO NOT RELATE TO INFORMATION YOU MAY HAVE BEEN GIVEN DIRECTLY BY ANY EXISTING FRANCHISEES OF THE FRANCHISOR

9. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise concerning **the actual revenues, profits or operating costs** of a Franchised Business?

Tick one: Yes _____ No _____

10. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise concerning **the amount of money you may earn** in operating the Franchised Business?

Tick one: Yes _____ No _____

11. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise regarding **the costs you may incur in operating** the Franchised Business?

Tick one: Yes _____ No _____

12. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise regarding **the costs you may incur in starting** the Franchised Business that is contrary to, or different from, the information contained in the FDD?

Tick one: Yes _____ No _____

13. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement or promise concerning **the likelihood of success that you should or might expect to achieve from operating** the Franchised Business?

Tick one: Yes _____ No _____

14. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement, promise or agreement concerning **the advertising, marketing,**

training, support services or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

Tick one: Yes _____ No _____

15. Has any employee, broker or other person speaking on behalf of the Franchisor made any written or oral statement, promise or agreement relating to any right you may have to acquire territory in addition to what will be initially granted to you under the Franchise Agreement?

Tick one: Yes _____ No _____

16. Has any employee, broker or other person speaking on behalf of the Franchisor made any other written or oral statement, promise or agreement relating to the Franchised Business that is contrary to, or different from, the information contained in the FDD?

Tick one: Yes _____ No _____

17. If you have answered "Yes" to any of question nine (9) through sixteen (16), please provide a full explanation of your answer in the following lines (attach additional pages, if necessary). If you have answered "No" to each of the foregoing questions, please leave the following lines blank.

_____

_____

_____

This Questionnaire does not waive any liability we may have under the Washington Franchise Investment Protection Act, RCW19.100, and the rules adopted thereunder.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND WE WILL RELY ON THEM.

BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

SIGNATURE _____

NAME (PRINT) _____

POSITION _____

NAME OF CORPORATION _____

DATE _____

Exhibit A

General Release

FORM OF RELEASE

This GENERAL RELEASE ("Release") is made this [Day] day of [Month], [Year], by [Franchise Name] ("Releasor"), as franchisee under and signatory to that certain Franchise Agreement dated [Date of Franchise Agreement] for the location of [Location] (the "Franchise Agreement") entered into by and between Nurse Next Door Home Healthcare Services (USA) Inc. ("Franchisor") and Releasor. This Release is being executed pursuant to the requirements of the Franchise Agreement as a condition of the rights granted by Franchisor to Releasor therein, and for other good and valuable consideration, the receipt of which is acknowledged by the parties. Releasor is **[transferring its franchised business to a successor-in-interest] OR [voluntarily ending its affiliation as a franchisee] OR [executing a successor agreement to continue the Franchised Business]**.

1. General Release. Releasor and the owners, affiliates, officers, agents, directors, shareholders, members, managers, trustees, partners, employees, attorneys, spouses, heirs and assigns of Releasor (collectively the "Releasing Parties"), hereby release, quit claim, and forever discharge Franchisor, its affiliates, and their respective owners, affiliates, officers, agents, directors, shareholders, members, managers, trustees, partners, employees, attorneys, insurers, spouses, heirs and assigns (collectively the "Released Parties") of and from any and all manner of action and actions, cause and causes of action, claims, suits, damages, controversies, judgments, costs, fees, executions, and demands of any kind and nature whatsoever, at law or in equity, that the Releasing Parties had or now have, whether known or unknown, or contingent or fixed, for or by reason of, arising out of, or related to any matter, cause or thing whatsoever up until and including the date hereof (the "Claims").

2. Representations and Warranties. Releasor represents and warrants to Company that, in entering into this Release, it (i) is doing so freely and voluntarily upon the advice of counsel and business advisor of its own choosing (or declined to do so, free from coercion, duress or fraud); (ii) has read and fully understands the terms and scope of this Release; (iii) realizes that it is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release; and (iv) has not assigned, transferred, or conveyed to any third party all or any part of or partial or contingent interest in any of the Claims which are called for to be released by this Release, that it is aware of no third party who contends or claims otherwise, and that it shall not purport to assign, transfer, or convey any such claim in the future.

3. Waiver of Statutory Preservation Provisions. Releasor and the Releasing Parties hereby expressly, voluntarily and knowingly waive, relinquish and abandon each and every right, protection and benefit to which Releasor and the Releasing Parties would be entitled, now or at any time hereafter under any statute, regulation, or common law principal of any jurisdiction, including Section 1542 of the Civil Code of the State of California, 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.

This waiver extends to any other statute or common law principle of similar effect in any applicable jurisdiction, including without limitation, California and or any other jurisdiction in which the Releasing Parties reside.

4. Indemnity. Without in any way limiting any of the rights and remedies otherwise available to any Released Party, Releasor shall defend, indemnify and hold harmless each Released Party from and against all Claims whether or not involving third party Claims, arising directly or indirectly from or in connection with (i) the assertion by or on behalf of Releasor or the Releasing Parties of any Claim or other matter purported to be released pursuant to this Release, (ii) the assertion by any third party of any Claim against any Released Party which Claim arises from, or in connection with, any Claim or other matter purported to be released pursuant to this Release; and (iii) any breach of representations, warranties or covenants by Releasor.

5. Miscellaneous.

(a) This Release cannot be modified, altered or otherwise amended except by an agreement in writing signed by all of the parties hereto.

(b) This Release, together with the agreements referenced in this Release, constitute the entire understanding between and among the parties with respect to the subject matter of this Release. This Release supersedes any prior negotiations and agreements, oral or written, with respect to its subject matter. No representations, warranties, agreements or covenants have been made with respect to this Release, and in executing this Release, none of the parties is relying upon any representation, warranty, agreement or covenant not set forth in this Release.

(c) This Release may be executed in counterparts and may be delivered by facsimile or other electronic means.

(d) This Release shall be binding upon and inure to the benefit of the parties to this Release and their respective successors and permitted assigns.

(e) All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Release may require. Neither this Release nor any uncertainty or ambiguity in this Release shall be construed or resolved against the drafter, whether under any rule of construction or otherwise. On the contrary, this Release has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties. If any provision of this Release is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

(f) Any provision of this Release which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

(g) Each of the parties acknowledges that it had the right and opportunity to seek independent legal counsel of its own choosing in connection with the execution of this Release, and each of the parties represents that it has either done so or that it has voluntarily declined to do so, free from coercion, duress or fraud.

(h) This Release shall be governed by and construed in accordance with the internal laws of the State of Washington, without reference to conflict of law principles.

(signature page to follow)

IN WITNESS WHEREOF, the parties have caused this General Release to be duly executed. **[This Form of Release will not be signed at the time the Franchise Agreement is executed. Sign an execution copy of this Form of Release only in conjunction with a transfer or other approved, voluntarily relinquishment by Franchisee of its Franchise Agreement.]**

FRANCHISOR:

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

By:_____

Name:_____

Its:_____

Date of Execution: _____

RELEASOR:

[Company Name]

[ ] a _____ general partnership;
[ ] a _____ limited partnership;
[ ] a _____ limited liability company;
[ ] a _____ corporation

By: _____

Name:_____

Its: _____

Date of Execution: _____

Exhibit A

Non-Disclosure Agreement

NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement (this "Agreement") is made as of the ____ day of _____, 20___, by and between Nurse Next Door Home Healthcare (USA) Inc. ("Franchisor"), with its principal place of business in Vancouver, British Columbia, Canada, and _____ ("Recipient"), in his/her capacity as _____ of Franchisee.

WHEREAS, Franchisor owns certain Confidential Information (as defined below) that Franchisor is interested in allowing the Recipient to receive and/or observe; and

WHEREAS, the Recipient is interested in receiving and/or observing the Confidential Information that Franchisor discloses hereunder, all upon the terms and conditions, and solely for the purpose, set forth herein.

NOW, THEREFORE, in consideration of the mutual promise of the parties hereunder and other good and valuable consideration, the Parties hereby agree as follows:

1. For the purposes of this Agreement, "**Confidential Information**" means information or data relating to the Franchisor, including without limitation information relating to tools and systems for home healthcare services, know-how, trade secrets, designs, purchasing, accounting, marketing, merchandising, selling, ideas, methods, processes, customer, business or financial data, plans, ideas or other information which is not generally and publicly known, and regardless of whether it is remembered or embodied in a tangible or electronic medium, but does not include information that:

(a) Is in the public domain at the time of the disclosure to the Recipient;
(b) Becomes part of the public domain subsequent to the disclosure to the Recipient through no fault of the Recipient;
(c) The Recipient establishes through written records that the Confidential Information was in his or her possession prior to the disclosure from Franchisor or a franchisee thereof and was not acquired directly or indirectly from Franchisor or its franchisee; and
(d) The Recipient is required by law to disclose; provided that the Recipient provides Franchisor sufficient advance notice of the Recipient's duty to disclose so Franchisor can take appropriate legal action to maintain the confidentiality of the Confidential Information.

2. The Recipient acknowledges that much of the Confidential Information is the property of Franchisor and licensed to _____ ("Franchisee"), a franchisee under the terms of a franchise agreement ("Franchised Business").

3. Except as may be required to properly carry out the Recipient's services and duties for the benefit of Franchisor and Franchisee, the Recipient shall not, at any time, whether during Recipient's tenure with the Franchisee or at any time thereafter, directly, indirectly or otherwise,

use, communicate, disclose, disseminate, lecture upon or publish concerning Confidential Information of the Franchisor without first obtaining the written consent of Franchisor.

4. Without limiting the obligations in Section 3, the Recipient shall not use, permit access to, possess any of the Confidential Information to the detriment or prejudice of Franchisor or the direct or indirect benefit of the Recipient and shall use best efforts to keep confidential and protect the Confidential Information and the interests of Franchisor and shall exercise the degree of care that the owner of such information would reasonably be expected to employ for its own benefit.

5. During the Recipient's tenure with the Franchisee, and for a period of two (2) years from and after the date of termination of said position with Franchisee or the termination of the relationship between Franchisee and Franchisor for any reasons whatsoever, the Recipient will not, either individually or in partnership or jointly or in conjunction with any person, firm, association, syndicate or corporation, as principal, agent, shareholder or in any manner whatsoever, directly or indirectly solicit, interfere with, induce, attempt to induce, or endeavor to cause any employee, agent, franchisee, vendor, client ,account, referral source or Care Services Center employee to leave his or her relationship with Franchisor (or affiliated entity), nor to do business with any third party that is concerned with or interested in any Competitive Business of Franchisor ("Competitive Business" is defined as any business that is engaged principally in providing the same or similar services offered by the Franchisor's franchisees, and includes the business that was operated by the Franchisee as part of the Franchised Business. Competitive Business includes a business that offers services similar to the Franchisor's palliative care services, back-up / emergency care services, its concierge services, corporate home health care services or long-distance services but does not include any nursing services that the Franchisee's principal(s) may provide as an employee of a hospital or not-for-profit organization or any nursing services substantially identical to the services provided by the Franchisee's principal(s) before entering into the franchise agreement with Franchisor)

6. The Recipient (in consideration of their position at Franchisee) covenants and agrees that, during the term of their tenure with Franchisee, Recipient shall not, without the prior written consent of the Franchisor, either individually or in partnership or jointly or in conjunction with any person, firm, association, syndicate or corporation, as principal, agent, shareholder or in any manner whatsoever, carry on or be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of or permit their names or any part thereof to be used or employed in any business operating in competition with or similar to the Franchised Business or businesses similar to the Franchised Business.

7. In the event of the termination of Recipient's position with Franchisee or termination of the Franchisee's relationship with Franchisor for any reason whatsoever, the Recipient (in consideration of Recipient's position with Franchisee) shall not, without the prior written consent of the Franchisor, at any time during the period of two (2) years from the date of such expiration or termination, either individually or in partnership or jointly or in conjunction with any person or persons, firm, association, syndicate, franchisor or syndication as principal, agent, shareholder or in any other manner whatsoever carry on, be engaged in or be concerned with or

interested in or advise, lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed by any person or persons, firm, association, syndicate, franchisor or corporation engaged in or concerned with or interested in any Competitive Business within the Territory or within a twenty (20) mile radius of the perimeter of the Franchisee's restricted territory or the perimeter of the restricted territory of any other franchisee of the Franchisor or any affiliate of the Franchisor.

8. The Recipient will not in any way enter into any discussions or communications which could reasonably be expected to disparage the reputation of the Franchisor, whether during the term of the Recipient's tenure with the Franchisee or at any time thereafter.

9. If any covenant or provision contained in this Agreement is determined to be void or unenforceable in whole or in part, it will be deemed not to effect or impair the enforceability or validity of any other covenant or provision of this Agreement or any part thereof.

10. The Recipient acknowledges and agrees that a breach by the Recipient of any of the covenants contained in this Agreement would result in damages to Franchisor, and that Franchisor could not be adequately compensated for such damages by monetary award. Accordingly, the Recipient agrees that in the event of any such breach, in addition to all other remedies available to Franchisor at law or equity, Franchisor will be entitled as a matter of right to apply to a court of competent equitable jurisdiction for such relief by way of restraining order, injunction, decree or otherwise as may be appropriate to ensure compliance by the Recipient with the provisions of this Agreement.

11. Only the Franchisor may at any time waive in whole or in part the benefit of any provision of this Agreement or any default by the Recipient hereunder; provided, however, that any waiver on any occasion will be deemed not to be a waiver of any subsequent default or a waiver of any other provision or default.

12. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Washington, and shall be binding upon the parties hereto in the United States. The federal and state courts within the State of Washington shall have exclusive jurisdiction to adjudicate any dispute arising out of this Agreement.

13. This Agreement constitutes the entire agreement between the parties and shall supersede all previous expectations, understandings, communications, representations and agreements whether verbal or written between the parties with respect to the subject matter.

14. No amendment to this Agreement shall be valid unless it is evidenced by a written agreement executed by all of the parties. This Agreement is personal to the Recipient and may not be assigned by him or her at any time. Franchisor may assign this Agreement at any time.

EXECUTED as of this _____ day of _____, 20___.

RECIPIENT

By: _____
(signature of Recipient)

NURSE NEXT DOOR HOME HEALTHCARE (USA) INC.

_____
By:

Its:_____

Exhibit A

Assignment of Franchise Agreement to a Controlled Corporation

ASSIGNMENT OF FRANCHISE AGREEMENT
TO A CONTROLLED CORPORATION

This assignment agreement (the "**Agreement**") made this [Day] day of [Month] [Year].

AMONG:

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC., a corporation incorporated under the laws of Washington, with an office located at Suite 300 – 1788 West 5th Avenue, Vancouver, BC, Canada, V6J 1P2

(the "**Franchisor**")

AND:

[**NAME OF INDIVIDUAL(S)]**
[123 Main Street
Vancouver, BC, Canada
V6M 3W6]

(together, the "**Assignor**")

AND:

[**NAME OF CONTROLLED CORPORATION]**
[123 Main Street
Vancouver, BC, Canada
V6M 3W6]

(the "**Assignee**")

WHEREAS:

A. The Franchisor and Assignor entered into a franchise agreement dated [Franchise Agreement Date] for the location of [Name of Location] (the "**Franchise Agreement**"), and an addendum to the Franchise Agreement dated [date], pursuant to which the Franchisor was the franchisor and the Assignor was the franchisee of a Franchised Business;

B. [IF SECOND LOCATION The Franchisor and Assignor entered into a franchise agreement dated [Date] for the location of [Name of Location] (the

"[**Location**]**Franchise Agreement**"), and an addendum to the Franchise Agreement dated [Date], pursuant to which the Franchisor was the franchisor and the Assignor was the franchisee of a Franchised Business;]

C. [IF SECOND LOCATION] The Franchisor and Assignor entered into an addendum dated [Date], amending the [Location] Franchise Agreement (the "**Addendum**") [delaying the start date of the [location] location];]

D. The Assignor entered into the Franchise Agreement and [the Addendum] (collectively, the "**Documents**") as an individual and wishes to assign the Documents to the Assignee, which is a corporation controlled by the Assignor; and

E. The Franchisor has consented to such assignment.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties covenant and agree as follows:

1. Except as otherwise provided in this Agreement, all capitalized terms used herein shall have the meanings ascribed to them in the Franchise Agreement.

2. Concurrent with the execution of this Agreement, the Assignor has provided the Franchisor with a copy of the Assignee's certificate of incorporation and current register of shareholders.

3. Effective as of the date first above written (the "**Effective Date**"), the Assignor assigns to the Assignee:

a. The Franchise Agreement; and

b. All assets, leases, intangibles (including without limitation, insurance contracts) and all other assets held by the Assignor that are necessary for or used in the Franchised Business;

such that the Franchise Agreement is amended so that the Assignee shall be the Franchisee thereunder and the Assignor shall be the principal thereunder.

4. From and after the Effective Date, the Assignee will observe and perform all covenants and agreements of the Franchisee contained in the Franchise Agreement as though the Assignee were the Franchisee originally named therein.

5. The Assignor represents, warrants, covenants and agrees with Franchisor that the Assignor:

a. Is possessed of, and will retain at all times during the Term and any exercised Renewal Term, the legal and beneficial ownership of, and the power to vote not less than 75% of the outstanding voting shares of, the Assignee;

b. Will remain at all times the principal officer, director, member or partner of the Assignee, as applicable;

c. Has full power and authority to enter into the transactions contemplated by this Agreement and all consents obtained necessary for the transactions contemplated by this Agreement have in fact been obtained; and

d. Without limiting section 5(c) of this Agreement, to the extent any consents to the transfer of any of the assets or leases of the Assignor have not been obtained, the Assignor declares that such assets or leases are held in trust for the Assignee and the Assignor will use its best efforts to obtain such consents as soon as possible.

OR

The undersigned signatories for the Assignor jointly and severally represent, warrant, covenant and agree with Franchisor that each of them:

a. Together with the other, is possessed of and will retain at all times during the Term and any exercised Renewal Term, the legal and beneficial ownership of, and the power to vote not less than 75% of the outstanding voting shares of, the Assignee;

b. Will remain at all times a principal officer, director, member or partner of the Assignee, as applicable;

c. Has full power and authority to enter into the transactions contemplated by this Agreement and all consents obtained necessary for the transactions contemplated by this Agreement have in fact been obtained; and

d. Without limiting section 5(c) of this Agreement, to the extent any consents to the transfer of any of the assets or leases of the Assignor have not been obtained, declares that such assets or leases are held in trust for the Assignee and each of them will use its best efforts to obtain such consents as soon as possible.

6. The Assignee represents, warrants, covenants and agrees with the Franchisor that the Assignee:

a. Has the corporate power and capacity to enter into and perform this Agreement, and to observe and perform the Franchise Agreement and all other documents which the Franchisor requires it to execute, and that execution and performance of this Agreement, the Franchise Agreement and such documents have been duly authorized by the Assignee;

b. Will concurrently herewith and from time to time hereafter complete and execute a certificate of corporate status in the form provided by the Franchisor to the Assignee;

c. Will at all times maintain its corporate existence and will obtain and maintain registration to carry on business in the jurisdiction in which the Franchised Business is located; and

d. Currently observes and conforms to and will continue to observe and conform to all applicable laws and will obtain and maintain in good standing all licenses, permits and approvals in order to maintain its corporate existence and operate the Franchised Business.

7. The Assignee will not without the prior written consent to the Franchisor:

a. Create or issue to anyone not currently a registered shareholder of the Assignee any share of any class or kind in the capital of the Assignee or issue any instrument capable of being converted into a share in such capital;

b. Permit the transfer, assignment, gift or other disposition of any share in the capital of the Assignee to any person not currently a registered shareholder of the Assignee;

c. Redeem any of its shares or reduce its capital;

d. Enter into any corporate reorganizations, whether by way of amalgamation, merger, wind-up, subscription, exchange or acquisition;

e. Change its memorandum, articles of incorporation or its name; or

f. Take any step to wind-up or dissolve, assign into bankruptcy or receivership or do or fail to do anything else which might otherwise impair its existence or its ability to operate the Franchised Business in full compliance with the Franchise Agreement.

8. The Franchisor consents to the assignment provided in section 3 hereof on the strict understanding and condition that nothing in this Agreement shall create a novation of the Franchise Agreement or otherwise release the Assignor from any of his or her covenants and agreements as the Franchisee named in the Franchise Agreement; such covenants and agreements of the Assignor shall continue in full force and effect hereafter. From and after the Effective Date, the Assignor and the Assignee agree that they will be jointly and severally liable to the Franchisor for the observance and performance of all covenants and agreements of the Franchisee contained in the Franchise Agreement.

9. This Agreement shall enure to the benefit of and shall be binding upon the parties and their respective heirs, personal representatives, successors and assigns (permitted successors and permitted assigns in the cases of the Assignor and Assignee). If the

Assignor is comprised of more than one person, then all covenants and agreements of the Assignor are joint and several.

10. Each party will, at that party's own cost and expense, execute and deliver any further agreements and documents and provide any further assurances, undertakings and information as may be reasonably required by the requesting party to give effect to this Agreement and, without limiting the generality of this Section 10, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required at any time by all governmental authorities having jurisdiction over the affairs of a party or as may be required at any time under applicable law.

11. This Agreement will be construed in accordance with and governed by the laws of the State of Washington without regard to principles of conflicts of law, except that no Washington statute or regulation will apply or shall give rise to any right or claim unless the territory contemplated under this Agreement is in the State of Washington and such statute or regulation would apply to this Agreement by its own terms in the absence of any choice of law provision.

12. This Agreement may be signed in counterparts and delivered via facsimile or other electronic means.

(signature page to follow)

EXECUTED as of the Effective Date.

ASSIGNOR:

_____
[**Name of Individual**]

_____
[**Name of Individual**]

ASSIGNEE:

[**CONTROLLED CORP. NAME**]

By: _____

Name: _____

Title: _____

(for the Assignee, and in a personal capacity as to the representations in section 5)

FRANCHISOR:

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA), INC.

By: _____

Name: _____

Title: _____

Exhibit B

Financial Statements

IF INTERIM FINANCIAL STATEMENTS ARE ATTACHED IN ADDITION TO THE ANNUAL FINANCIAL STATEMENTS, PLEASE NOTE THAT THESE INTERIM FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE INTERIM FINANCIAL STATEMENTS OR EXPRESSED HIS/HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.

Financial Statements
(Expressed in United States dollars)

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

And Independent Auditors' Report thereon

Years ended September 30, 2024 and 2023

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Nurse Next Door Home Healthcare Services (USA) Inc.:

Opinion

We have audited the financial statements of Nurse Next Door Home Healthcare Services (USA) Inc. (the Company), which comprise the balance sheets as of September 30, 2024 and 2023, and the related statements of income (loss) and comprehensive income (loss), changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
November 29, 2024

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

Balance Sheets
(Expressed in United States dollars)

September 30, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash	$ 345,399	$ 284,645
Restricted cash	-	10,000
Accounts receivable (note 4)	2,360,116	2,732,647
Current portion of loans receivable (note 5)	699,650	1,149,278
Prepaid expenses	122,203	170,194
Current portion of contract asset	39,288	34,616
	3,566,656	4,381,380
Long term accounts receivable (note 4)	1,228,854	736,000
Long term prepaid expenses	54,864	-
Due from parent company (note 6)	1,855,905	1,316,332
Contract asset	157,879	188,722
Deferred tax asset (note 9(b))	763,890	833,905
Loans receivable (note 5)	500,981	914,923
	$ 8,129,029	$ 8,371,262
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 579,015	$ 607,141
Income taxes payable	43,636	10,580
Loan (note 7)	60,057	47,972
Current portion of contract liability	1,367,538	1,337,284
	2,050,246	2,002,977
Other long-term payable	42,500	-
Contract liability	5,635,017	6,211,118
	7,727,763	8,214,095
Stockholder's equity:		
Capital stock (note 8)	55,001	55,001
Additional paid in capital	386,000	386,000
Deficit	(39,735)	(283,834)
	401,266	157,167
Subsequent events (note 12)		
	$ 8,129,029	$ 8,371,262

See accompanying notes to financial statements.

Approved on behalf of the Board:

_____ Director

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in United States dollars)

Years ended September 30, 2024 and 2023

	2024	2023
Revenue:		
Initial franchise and set up fees	$ 1,490,433	$ 1,676,273
Ongoing fees	3,033,740	1,849,702
Branding Fund contributions	275,274	165,028
	4,799,447	3,691,003
Expenses:		
Compensation	95,552	-
Franchising	1,171,826	979,305
Branding Fund expenses	287,354	231,205
Licensing and services fee (note 10)	3,135,883	2,448,401
	4,690,615	3,658,911
Income before the undernoted	108,832	32,092
Interest income and other income (note 11)	112,177	100,247
Interest and other expenses	181,937	(125,825)
Income before income taxes	402,946	6,514
Income taxes (note 9(a)):		
Current income tax expense	88,832	95,934
Deferred income tax expense (recovery)	70,015	(83,049)
	158,847	12,885
Net income (loss) and comprehensive income (loss)	$ 244,099	$ (6,371)

See accompanying notes to financial statements.

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

Statements of Changes in Stockholder's Equity
(Expressed in United States dollars)

Years ended September 30, 2024 and 2023

	Common shares		Additional paid		
	Shares	Amount	in capital	Deficit	Total
Balance, September 30, 2022	55,100	$ 55,001	$ 386,000	$ (277,463)	$ 163,538
Net loss	-	-	-	(6,371)	(6,371)
Balance, September 30,2023	55,100	55,001	386,000	(283,834)	157,167
Net income	-	-	-	244,099	244,099
Balance, September 30, 2024	55,100	$ 55,001	$ 386,000	$ (39,735)	$ 401,266

See accompanying notes to financial statements.

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

Statements of Cash Flows
(Expressed in United States dollars)

Years ended September 30, 2024 and 2023

	2024	2023
Cash provided by (used in):		
Operating:		
Net income (loss)	$ 244,099	$ (6,371)
Items not involving cash:		
Present value adjustments to loans receivable	(170,952)	121,728
Allowance for credit losses/ doubtful debts:		
Accounts receivable	421,681	435,910
Loans receivable	191,791	50,000
Current income tax expense	88,832	95,934
Deferred income tax recovery	70,015	(83,049)
	845,466	614,152
Income taxes paid	(55,776)	22,659
Changes in non-cash operating working capital:		
Accounts receivable	(542,004)	(2,126,623)
Prepaid expenses	(6,873)	12,167
Contract asset	26,171	(48,102)
Loans receivable (note 5)	842,731	728,318
Accounts payable and accrued liabilities	(28,126)	59,453
Loan	12,085	47,972
Contract liability	(545,847)	1,659,790
	547,827	969,786
Financing:		
Change in due from parent company	(539,573)	(1,454,526)
Other long-term payable	42,500	-
	(497,073)	(1,454,526)
Increase (decrease) in cash and restricted cash	50,754	(484,740)
Cash and restricted cash, beginning of year	294,645	779,385
Cash and restricted cash, end of year	$ 345,399	$ 294,645

See accompanying notes to financial statements.

1. Operations:

Nurse Next Door Home Healthcare Services (USA) Inc. (the "Company") was incorporated on February 17, 2010 under the laws of the State of Washington and is a wholly-owned subsidiary of Nurse Next Door Professional Homecare Services Inc. ("Corporate" or "Parent Company"). The Company's principal business activities include offering and selling franchise rights for the operation of businesses that provide home healthcare services in the United States of America.

The following table presents the number of operating franchisees, franchise territories that become operational and operating franchise territories that were closed during the year:

As at September 30	2024	2023
Operating franchises	73	74
Franchise territories that became operational	18	30
Operating franchise territories that were terminated/non-operational	19	6

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements are presented in United States dollars and have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP").

(b) Restricted cash:

Restricted cash consists of funds that are received from franchisees from states that are in deferral status. Once a franchisee in a deferral state is ready to operate the cash become unrestricted. The Company has presented restricted cash separately from cash in the balance sheets.

(c) Revenue recognition:

The Company applies ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). The revenue from initial franchise fees is recognised upon the provision of the two performance obligations under the franchise agreements:

- the initial training program to the franchisee; and
- access of the licence and territory.

Revenue attributed to the initial training program and pre-opening services is recognised at the time provided, whereas revenue attributed to the access of the licence and territory is recognised over the related term of the franchise agreements as the services are provided.

2. Significant accounting policies (continued):

(c) Revenue recognition (continued):

Revenue from renewal agreements and additional territories are deferred and recognized over the related term of the franchise agreement renewal or additional territory as the services are provided.

In the event that the Company refunds all or part of the initial franchise fee previously recognized as revenue, the amount refunded would be accounted for as a reduction of revenue in the period in which the franchise is repossessed. Any additional expenses incurred related to repossession are expensed as incurred.

Ongoing fees include royalty and client service center fees, which are based on a fixed percentage of gross revenue earned by franchise locations, are recognized as they are earned and ultimate collection is reasonably assured. Costs related to supporting and administering franchises are expensed as incurred.

Funds received and receivable recognized in advance of revenue being recognized are recorded as contract liability.

(d) Contract asset:

Under ASC 606, broker fees are expensed in direct proportion to the initial franchise fees and set up fees to which they relate. The deferred portion is recorded as contract asset in the balance sheets, to be expensed at the same rate at which the related revenue is recognised.

(e) Allowance for credit losses:

On October 1, 2023, the Company adopted a new accounting standard that requires the measurement of expected credit losses under Topic 326.

CECL requires estimated credit losses to be determined for the expected life of the asset, as compared to an incurred loss model which was in effect for periods prior to 2023. Accordingly, allowance for credit loss disclosures for 2023 are not necessarily comparable to prior periods.

The Company records an allowance for credit losses (ACL) under Subtopic 326-20 Financial Instruments-Credit Losses – Measured at Amortized Cost for the current expected credit losses (CECL) inherent in its financial assets measured at amortized cost and contract assets. The ACL is a valuation account deducted from the amortized cost basis to present the net amount expected to be collected. The estimate of expected credit losses includes expected recoveries of amounts previously written off as well as amounts currently expected to be written off.

2. Significant accounting policies (continued):

(e) Allowance for credit losses (continued):

The estimate of expected credit losses is based on the Company's historical loss experience, adjusted for current and reasonable and supportable forecasts of economic conditions and other pertinent factors affecting the Company's customers such as known credit risk or industry trends. The allowance is estimated over the contractual term of the financial asset adjusted for expected prepayments. The Company does not have any off-balance sheet credit exposures.

The Company incorporates forward-looking information through the use of a macroeconomic scenario applied over the entire contractual term of the financial asset. This macroeconomic scenario is based on gross domestic product levels, as that has historically been a key driver of increases and decreases in credit losses. The Company's estimate is based on the single economic scenario that it considers most likely.

Subsequent changes (favorable and unfavorable) in expected credit losses each period are recognized immediately in net income (loss) as a credit loss expense or a reversal of credit loss expense.

(f) Accounts receivable:

The Company uses an aging schedule to estimate the ACL for trade accounts receivable. This method categorizes trade receivables into different groups based on industry and the number of days past due. Past-due status is measured based on the number of days since the invoice date. The trade receivables are evaluated individually for expected credit losses if they no longer share similar risk characteristics. Trade accounts receivable balances are deemed uncollectible and written off as a deduction from the allowance after all means of collection have been exhausted.

Trade accounts receivable are recorded at the contractual prices, net of an allowance for credit losses (allowance for doubtful accounts prior to 2023) and do not bear interest. Amounts collected on trade accounts receivable are included in net cash provided by operating activities in the consolidated statements of cash flows.

(Policy applicable until September 30, 2023)

The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and the Company's customers' financial condition, the amount of receivables in dispute, and the current receivables aging and current payment patterns.

The Company reviews its allowance for doubtful accounts on an ongoing basis. Past due balances for all customer balances are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

2. Significant accounting policies (continued):

(g) Loans receivable:

Loans receivable are initially recorded at the amount to be received from franchisee less, when material, a discount to reduce the loans receivable to fair value. Subsequently, loans receivables are measured at amortized cost using the effective interest rate method less a provision for impairment, if any.

(h) Branding fund:

The Company has determined that ASC 606 requires a gross presentation on the statements of income (loss) and comprehensive income (loss) for fees received and related costs for the Branding Fund.

(i) Income taxes:

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on temporary differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in the statement of income and comprehensive income in the period that includes the enactment date.

The Company's tax positions are subject to income tax audits. The Company recognizes the tax benefit of an uncertain tax position only if it is more likely than not that the position is sustainable upon examination by the taxing authority, solely based on its technical merits. The tax benefit recognized is measured as the largest amount of benefit which is greater than 50 percent likely to be realized upon settlement with the taxing authority. The Company recognizes interest accrued and penalties related to unrecognized tax benefits in the income tax provision.

Valuation allowances are established when necessary to reduce deferred tax assets to the amounts that are more likely than not expected to be realized based on the weighting of positive and negative evidence. Future realization of deferred tax assets ultimately depends on the existence of sufficient taxable income of the appropriate character (for example, ordinary income or capital gain) within the carryback or carryforward periods available under the applicable tax law. The Company regularly reviews the deferred tax assets for recoverability based on historical taxable income, projected future taxable income, the expected timing of the reversals of existing temporary differences and tax planning strategies. The Company's judgments regarding future profitability may change due to many factors, including future market conditions and the ability to successfully execute its business plans and/or tax planning strategies. Should there be a change in the ability to recover deferred tax assets, the tax provision would increase or decrease in the period in which the assessment is changed.

2. Significant accounting policies (continued):

(j) Use of estimates:

The preparation of these financial statements in accordance with accounting principles generally accepted in the United States 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 balance sheet and the reported amounts of revenue and expenses during the year. Significant items, subject to such estimates and assumptions, include collectability of accounts receivable and loans receivable, and valuation of deferred income taxes. Actual results could differ from those estimates.

(k) Foreign currency transactions:

The Company's reporting and functional currency is the U.S. dollar. The U.S dollar is used as the functional currency as U.S. dollars are the primary economic environment in which the Company operates.

The monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates in effect at the balance sheet date. Revenue and expense transactions denominated in foreign currencies are translated into U.S. dollars at the approximate exchange rate in effect at the time of the transaction.

Foreign exchange gains and losses are included in the statements of income and comprehensive income.

(l) Commitments and contingencies:

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(m) Newly adopted accounting standard:

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments*, which requires a financial asset (or a group of financial assets) measured at amortized cost to be presented at the net amount expected to be collected. The ASU is intended to improve financial reporting by requiring earlier recognition of credit losses on certain financial assets including trade and financing receivables. The ASU replaces the current incurred loss impairment model that recognizes losses when a probable threshold is met with a requirement to recognize lifetime expected credit losses immediately when a financial asset is originated or purchased. Additionally, from 2016 through 2023, the FASB issued additional related ASUs that provide further guidance and clarification and become effective for the Company upon the adoption of ASU 2016-13.

2. Significant accounting policies (continued):

(m) Newly adopted accounting standard (continued):

The Company adopted ASU 2016-13 and its related ASUs (collectively referred to as Topic 326) effective October 1, 2023 using a modified retrospective transition approach. As a result, the Company was not required to adjust its comparative period financial information for effects of the standard or make the new required credit loss allowance disclosures for periods before the date of adoption. Prior-period amounts continue to be presented in accordance with previously applicable GAAP. The Company recorded a cumulative effect adjustment of nil in deficit as of the effective date.

(n) Recent accounting pronouncements not yet adopted:

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes: Improvements to Income Tax Disclosures. The ASU focuses on income tax disclosures for effective tax rates and cash income taxes paid. The ASU requires all entities to disclose the amount of net income taxes paid and the portions for federal, state, and foreign jurisdiction. The ASU is effective for the Company for fiscal years beginning after December 15, 2025. Management is in the process of assessing the impact, if any, of the new standard.

3. Financial instruments:

(a) Fair value of financial instruments:

The Company's financial instruments include cash, restricted cash, accounts receivable, loan receivable, accounts payable and accrued liabilities, and due to parent company. It is management's opinion that the fair values of these instruments approximate their carrying value.

The fair value of loans receivable approximates its carrying value based on prevailing market interest rates in the year that the loan was entered into. The fair value of loans receivable as of the balance sheet date differs from the carrying value due to changes in market interest rates since the loan inception.

The standard establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

These tiers include:

- Level 1 - defined as quoted prices in active markets for identical instruments;
- Level 2 - defined as observable prices in active markets for similar instruments, prices for identical or similar instruments in non-active markets, directly observable market inputs, or market inputs not directly observable but derived from or corroborated by observable market data; and
- Level 3 - defined as unobservable inputs based on an entity's own assumptions.

Cash and restricted cash have been categorized as Level 1.

3. Financial instruments (continued):

(b) Interest rate risk:

All the Company's financial assets and liabilities are non-interest bearing with the exception of the loans receivable, majority of which bear interest at fixed rates and are thus not exposed to interest rate fluctuations, however some are at variable rates tied to the prime interest rate (note 5).

(c) Credit risk:

The financial instruments that potentially subject the Company to concentrations of credit risk are accounts receivable and loans receivable. Allowances are maintained for potential credit losses consistent with the credit risk of specific franchisees. As at September 30, 2024, 6% (2023 – 13%) of accounts receivable were from one (2023 – two) franchise.

4. Accounts receivable:

	2024	2023
Gross amount receivable	$ 4,269,473	$ 3,933,935
Less allowance for doubtful accounts	-	(465,288)
Less allowance for credit losses	(680,503)	-
Accounts receivable	3,588,970	3,468,647
Less current portion of accounts receivable	(2,360,116)	(2,732,647)
	$ 1,228,854	$ 736,000

The movements in the allowance for doubtful accounts / allowance for credit losses in respect of account receivables during the reporting periods ended September 30, 2024 and September 30, 2023 were as follows:

	2024	2023
Balance, beginning of year	$ 465,288	$ 29,378
Allowance for credit allowance / doubtful debts	421,681	435,910
Write off balance	(206,466)	-
Balance, end of year	$ 680,503	$ 465,288

5. Loans receivable:

	2024	2023
Gross loans receivable	$ 1,442,422	$ 2,114,201
Less allowance for doubtful accounts	-	(50,000)
Less allowance for credit losses	(241,791)	-
Loans receivable	1,200,631	2,064,201
Less current portion of loans receivable	(699,650)	(1,149,278)
	$ 500,981	$ 914,923

All loans receivable are unsecured and bear interest between 4% and 13.5% per annum. The current portion represents the estimated amount to be collected in the subsequent fiscal year based on the terms of the agreement and the expected operations of the franchisee. Repayment periods for the non-current portion range from 14 months to 81 months (2023– 13 months to 81 months) after the balance sheet date.

The movements in the allowance for doubtful accounts / allowance for credit losses in respect of loans receivables during the reporting periods ended September 30, 2024 and September 30, 2023 were as follows:

	2024	2023
Balance, beginning of year	$ 50,000	$ -
Allowance for credit losses / doubtful debt	191,791	50,000
Balance, end of year	$ 241,791	$ 50,000

The impact to cash flows from the changes in loans receivable is comprised as follows:

	2024	2023
Issuance of loans receivable related to franchise sales	$ (667,500)	$ (380,340)
Repayment received for:		
Loans receivable related to franchise sales	547,979	393,961
Settlement receivable	26,062	96,197
Loans receivable reclassified to accounts receivable	936,190	618,500
Net impact on cash flows	842,731	728,318
Revaluation to present value for loans issue in the current year	(170,952)	121,728
Amount allowed for	191,791	50,000
Total change in loans receivable	$ 863,570	$ 900,046

6. Due from parent company:

The amount due from parent company is non-interest bearing and unsecured. The amount is considered a long-term asset as the Company and Corporate, respectively, have waived the right to demand the amount, or part of the amount, within the next fiscal year.

7. Loan:

During the year ended September 30, 2024, the Company financed its insurance payments with interest rate of 8% (2023 – 6%). The balance as at September 30, 2024 is $60,057 (2023 - $47,972).

8. Capital stock:

	2024	2023
Authorized:		
10,000,000 common shares, no par value		
Issued:		
55,100 common shares (2023 - 55,100)	$ 55,001	$ 55,001

9. Income taxes:

(a) Tax rate reconciliation:

A reconciliation of income tax expense for the years ended September 30, 2024 and 2023 with the reported earnings is as follows:

	2024	2023
Income before income taxes	$ 402,946	$ 6,514
Statutory rate in United States	25.65%	25.17%
Expected income tax expense	$ 103,356	$ 1,640
Withholding taxes paid in United States	7,224	10,932
Other	48,267	313
	$ 158,847	$ 12,885

9. Income taxes (continued):

(b) Composition of deferred income tax asset:

The Company's deferred income tax asset:

	2024	2023
Deferred income tax asset balance:		
Deferred revenue	$ 626,243	$ 513,012
Taxable losses carry forward	102,384	259,608
Other temporary differences	35,263	61,285
Net deferred income tax asset	$ 763,890	$ 833,905

In the normal course of business, the Company is subject to audits by the taxing authorities in the United States. Tax years ranging from 2018 to 2024 remain subject to examination in the United States.

10. License and services agreement:

The Company and Corporate entered into an amended and restated license and services agreement dated October 1, 2014 (the "Agreement"). Under the Agreement, the Company has been granted a revocable, exclusive, non-transferable license solely in the United States to grant sublicenses to third parties in accordance with a franchise agreement and to use certain intellectual property of Corporate amongst other things, and the Company agrees to provide certain services to Corporate. The Company will pay a license fee to Corporate of all gross revenues recognized by the Company less the fee for services provided by the Company, which is equal to the Company's cost of services plus 7%.

During the year ended September 30, 2024, the Company was charged a license fee of $3,135,883 (2023 - $2,448,401) by Corporate.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the consideration established and agreed to between Corporate and the Company.

11. Other income:

One franchisee mutually terminated their franchise agreements in the year ended September 30, 2024 (2023 – two). Income of $55,505 received in relation to these mutual terminations is included in other income for the year ended September 30, 2024 (2023 - $50,000).

12. Subsequent events:

The Company evaluated subsequent events through November 29, 2024, the date these financial statements were issued, and concluded there were no events requiring adjustment or disclosure.

Financial Statements
(Expressed in United States dollars)

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

And Independent Auditors' Report thereon

Years ended September 30, 2023 and 2022

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Nurse Next Door Home Healthcare Services (USA) Inc.

Opinion

We have audited the financial statements of Nurse Next Door Home Healthcare Services (USA) Inc. (the Company), which comprise the balance sheets as of September 30, 2023 and 2022, and the related statements of (loss) income and comprehensive (loss) income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
November 27, 2023

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

Balance Sheets
(Expressed in United States dollars)

September 30, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash	$ 284,645	$ 769,385
Restricted cash	10,000	10,000
Accounts receivable (note 4)	2,732,647	1,777,934
Current portion of loans receivable (note 5)	1,149,278	1,423,734
Prepaid expenses	170,194	182,361
Income taxes receivable	-	108,013
Current portion of contract asset	34,616	16,310
	4,381,380	4,287,737
Long term accounts receivable (note 4)	736,000	-
Loans receivable (note 5)	914,923	1,540,513
Due from parent company (note 6)	1,316,332	-
Contract asset	188,722	158,926
Deferred tax asset (note 9(b))	833,905	750,856
	$ 8,371,262	$ 6,738,032
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 607,141	$ 547,688
Income taxes payable	10,580	-
Loan (note 7)	47,972	-
Current portion of contract liability	1,337,284	693,295
	2,002,977	1,240,983
Due to parent company (note 6)	-	138,194
Contract liability	6,211,118	5,195,317
	8,214,095	6,574,494
Stockholder's equity:		
Capital stock (note 8)	55,001	55,001
Additional paid in capital	386,000	386,000
Deficit	(283,834)	(277,463)
	157,167	163,538
Subsequent events (note 12)		
	$ 8,371,262	$ 6,738,032

See accompanying notes to financial statements.

Approved on behalf of the Board:

_____ Director

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

Statements of (Loss) Income and Comprehensive (Loss) Income
(Expressed in United States dollars)

Years ended September 30, 2023 and 2022

	2023	2022
Revenue:		
Initial franchise and set up fees	$ 1,676,273	$ 1,471,982
Ongoing fees	1,849,702	1,225,869
Branding Fund contributions	165,028	107,741
	3,691,003	2,805,592
Expenses:		
Franchising	979,305	493,942
Branding Fund expenses	231,205	114,417
Licensing and services fee (note 10)	2,448,401	2,122,349
	3,658,911	2,730,708
Income before the undernoted	32,092	74,884
Interest income and other income (note 11)	100,247	62,005
Interest and other expenses	(125,825)	(29,440)
Income before income taxes	6,514	107,449
Income taxes (note 9(a)):		
Current income tax expense	95,934	23,412
Deferred income tax recovery	(83,049)	(9,942)
	12,885	13,470
Net (loss) income and comprehensive (loss) income	$ (6,371)	$ 93,979

See accompanying notes to financial statements.

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

Statements of Changes in Stockholder's Equity
(Expressed in United States dollars)

Years ended September 30, 2023 and 2022

	Common shares		Additional paid		
	Shares	Amount	in capital	Deficit	Total
Balance, September 30, 2021	55,100	$ 55,001	$ 386,000	$ (371,442)	$ 69,559
Net income and comprehensive income	-	-	-	93,979	93,979
Balance, September 30,2022	55,100	55,001	386,000	(277,463)	163,538
Net loss and comprehensive loss	-	-	-	(6,371)	(6,371)
Balance, September 30, 2023	55,100	$ 55,001	$ 386,000	$ (283,834)	$ 157,167

See accompanying notes to financial statements.

NURSE NEXT DOOR HOME HEALTHCARE SERVICES (USA) INC.

Statements of Cash Flows
(Expressed in United States dollars)

Years ended September 30, 2023 and 2022

	2023	2022
Cash provided by (used in):		
Operating:		
Net (loss) income	$ (6,371)	$ 93,979
Items not involving cash:		
Present value adjustments to loans receivable	121,728	21,862
Bad debt expense - accounts receivable	435,910	55,553
Bad debt expense - loans receivable	50,000	-
Current income tax expense	95,934	23,412
Deferred income tax recovery	(83,049)	(9,942)
	614,152	184,864
Income taxes received (paid)	22,659	(417,693)
Changes in non-cash operating items:		
Accounts receivable	(2,126,623)	(935,819)
Prepaid expenses	12,167	(95,733)
Contract asset	(48,102)	(27,972)
Loans receivable (note 5)	728,318	(316,123)
Accounts payable and accrued liabilities	59,453	(48,539)
Loan	47,972	(52,514)
Contract liability	1,659,790	2,774,637
	969,786	1,065,108
Financing:		
Change in due from/to parent company, net	(1,454,526)	(706,483)
(Decrease) increase in cash and restricted cash	(484,740)	358,625
Cash and restricted cash, beginning of year	769,385	420,760
Cash and restricted cash, end of year	$ 284,645	$ 769,385

See accompanying notes to financial statements.

1. Operations:

Nurse Next Door Home Healthcare Services (USA) Inc. (the "Company") was incorporated on February 17, 2010 under the laws of the State of Washington and is a wholly-owned subsidiary of Nurse Next Door Professional Homecare Services Inc. ("Corporate"). The Company's principal business activities include offering and selling franchise rights for the operation of businesses that provide home healthcare services in the United States of America.

As at September 30, 2023, the Company had 74 (2022 - 50) operating franchises in the United States of America and 30 (2022 - 21) franchise agreements became operational during the year then ended, while six (2022 - four) franchise agreements were closed.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements are presented in United States dollars and have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP").

(b) Revenue recognition:

The Company applies ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). The revenue from initial franchise fees are recognised upon the provision of the two performance obligations under the franchise agreements:

- the initial training program to the franchisee; and
- access of the licence and territory.

Revenue attributed to the initial training program and pre-opening services is recognised at the time provided, whereas revenue attributed to the access of the licence and territory is recognised over the related term of the franchise agreements as the services are provided.

Revenue from renewal agreements and additional territories are deferred and recognized over the related term of the franchise agreement renewal or additional territory as the services are provided.

In the event that the Company refunds all or part of the initial franchise fee previously recognized as revenue, the amount refunded would be accounted for as a reduction of revenue in the period in which the franchise is repossessed. Any additional expenses incurred related to repossession are expensed as incurred.

Ongoing fees include royalty and client service center fees, which are based on a fixed percentage of gross revenue earned by franchise locations, are recognized as they are earned and ultimate collection is reasonably assured. Costs related to supporting and administering franchises are expensed as incurred.

Funds received and receivable recognized in advance of revenue being recognized are recorded as contract liability.

2. Significant accounting policies (continued):

(c) Contract asset:

Under ASC 606, broker fees are expensed in direct proportion to the initial franchise fees and set up fees to which they relate. The deferred portion is recorded as contract asset in the balance sheets, to be expensed at the same rate at which the related revenue is recognised.

(d) Accounts receivable:

Accounts receivable are recorded at contractual prices.

The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and the Company's customers' financial condition, the amount of receivables in dispute, and the current receivables aging and current payment patterns.

The Company reviews its allowance for doubtful accounts on an ongoing basis. Past due balances for all customer balances are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

(e) Loans receivable:

Loans receivable are initially recorded at the amount to be received from franchisee less, when material, a discount to reduce the loans receivable to fair value. Subsequently, loans receivables are measured at amortized cost using the effective interest rate method less a provision for impairment, if any.

(f) Branding fund:

The Company has determined that ASC 606 requires a gross presentation on the statements of (loss) income and comprehensive (loss) income for fees received and related costs for the Branding Fund.

(g) Income taxes:

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on temporary differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in the statement of income and comprehensive income in the period that includes the enactment date.

2. Significant accounting policies (continued):

(g) Income taxes (continued):

The Company's tax positions are subject to income tax audits. The Company recognizes the tax benefit of an uncertain tax position only if it is more likely than not that the position is sustainable upon examination by the taxing authority, solely based on its technical merits. The tax benefit recognized is measured as the largest amount of benefit which is greater than 50 percent likely to be realized upon settlement with the taxing authority. The Company recognizes interest accrued and penalties related to unrecognized tax benefits in the income tax provision.

Valuation allowances are established when necessary to reduce deferred tax assets to the amounts that are more likely than not expected to be realized based on the weighting of positive and negative evidence. Future realization of deferred tax assets ultimately depends on the existence of sufficient taxable income of the appropriate character (for example, ordinary income or capital gain) within the carry back or carry forward periods available under the applicable tax law. The Company regularly reviews the deferred tax assets for recoverability based on historical taxable income, projected future taxable income, the expected timing of the reversals of existing temporary differences and tax planning strategies. The Company's judgments regarding future profitability may change due to many factors, including future market conditions and the ability to successfully execute its business plans and/or tax planning strategies. Should there be a change in the ability to recover deferred tax assets, the tax provision would increase or decrease in the period in which the assessment is changed.

(h) Use of estimates:

The preparation of these financial statements in accordance with accounting principles generally accepted in the United States 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 balance sheet and the reported amounts of revenue and expenses during the year. Significant items, subject to such estimates and assumptions, include collectability of accounts receivable and loans receivable, and allocation of revenue consideration to performance obligations for initial franchise fees. Actual results could differ from those estimates.

(i) Foreign currency transactions:

The Company's reporting and functional currency is the U.S. dollar. The U.S dollar is used as the functional currency as U.S. dollars are the primary economic environment in which the Company operates.

The monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates in effect at the balance sheet date. Revenue and expense transactions denominated in foreign currencies are translated into U.S. dollars at the approximate exchange rate in effect at the time of the transaction.

2. Significant accounting policies (continued):

(i) Foreign currency transactions (continued):

Foreign exchange gains and losses are included in the statements of (loss) income and comprehensive (loss) income.

(j) Commitments and contingencies:

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(k) Recent accounting pronouncements not yet adopted:

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments* which significantly changes the way entities recognize impairment of many financial assets by requiring immediate recognition of estimated credit losses expected to occur over their remaining life, instead of when incurred. In November 2018, the FASB issued ASU 2018-19, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses*, which amends Subtopic 326-20 (created by ASU 2016-13) to explicitly state that operating lease receivables are not in the scope of Subtopic 326-20. Additionally, in April 2019, the FASB issued ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*; in May 2019, the FASB issued ASU 2019-05, *Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief*; in November 2019, the FASB issued ASU 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*, and ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*; and in March 2020, the FASB issued ASU 2020-03, *Codification Improvements to Financial Instruments*, to provide further clarifications on certain aspects of ASU 2016-13 and to extend the non-public entity effective date of ASU 2016-13. The changes (as amended) are effective for the Company for annual and interim periods in fiscal years beginning after December 15, 2022. The entity may early adopt ASU 2016-13, as amended, for annual and interim periods in fiscal years beginning after December 15, 2018.

The Company is in the process of assessing the impact of adoption of ASU 2016-13 on its financial statements.

3. Financial instruments:

(a) Fair value of financial instruments:

The Company's financial instruments include cash, restricted cash, accounts receivable, loan receivable, accounts payable and accrued liabilities, and due to parent company. It is management's opinion that the fair values of these instruments approximate their carrying value due to their short-term period to maturity.

The fair value of loans receivable approximates its carrying value based on prevailing market interest rates in the year that the loan was entered into. The fair value of loans receivable as of the balance sheet date differs from the carrying value due to changes in market interest rates since the loan inception.

The standard establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

These tiers include:

- Level 1 - defined as quoted prices in active markets for identical instruments;
- Level 2 - defined as observable prices in active markets for similar instruments, prices for identical or similar instruments in non-active markets, directly observable market inputs, or market inputs not directly observable but derived from or corroborated by observable market data; and
- Level 3 - defined as unobservable inputs based on an entity's own assumptions.

Cash and restricted cash have been categorized as Level 1.

(b) Interest rate risk:

All the Company's financial assets and liabilities are non-interest bearing with the exception of the loans receivable, which bear interest at fixed rates and are thus not exposed to interest rate fluctuations (note 5).

(c) Credit risk:

The financial instruments that potentially subject the Company to concentrations of credit risk are accounts receivable and loans receivable. Allowances are maintained for potential credit losses consistent with the credit risk of specific franchisees. As at September 30, 2023, 13% (2022 - 11%) of accounts receivable were from two (2022 - one) franchises.

4. Accounts receivable:

	2023	2022
Gross amount receivable	$ 3,933,935	$ 1,807,312
Less allowance for doubtful accounts	(465,288)	(29,378)
Accounts receivable	3,468,647	1,777,934
Less current portion of accounts receivable	(2,732,647)	(1,777,934)
	$ 736,000	$ -

The movements in the allowance for doubtful accounts in respect of trade account receivables and unbilled revenue during the reporting periods ended September 30, 2023 and September 30, 2022 were as follows:

	2023	2022
Balance at start of year	$ 29,378	$ 29,378
Bad debt expense - accounts receivable	435,910	-
Total	$ 465,288	$ 29,378

5. Loans receivable:

	2023	2022
Gross loans receivable	$ 2,114,201	$ 2,964,247
Less allowance for doubtful accounts	(50,000)	-
Loans receivable	2,064,201	2,964,247
Less current portion of loans receivable	(1,149,278)	(1,423,734)
	$ 914,923	$ 1,540,513

All loans receivable are unsecured and bear interest at either 4% or 6% per annum. The current portion represents the estimated amount to be collected in the subsequent fiscal year based on the terms of the agreement and the expected operations of the franchisee. Repayment periods for the non-current portion range from 13 months to 81 months (2022 - 13 months to 56 months) after the balance sheet date.

5. Loans receivable (continued):

The movements in the allowance for doubtful accounts in respect of loans receivables during the reporting periods ended September 30, 2023 and September 30, 2022 were as follows:

	2023	2022
Balance at start of year	$ -	$ -
Bad debt expense - loans receivable	50,000	-
Balance, end of year	$ 50,000	$ -

The impact to cash flows from the changes in loans receivable is comprised as follows:

	2023	2022
Issuance of loans receivable related to franchise sales	$ (380,340)	$ (1,018,500)
Repayment received for:		
Loans receivable related to franchise sales	393,961	469,041
Settlement receivable	96,197	233,336
Loans receivable reclassified to accounts receivable	618,500	-
Net impact on cash flows	728,318	(316,123)
Revaluation to present value for loans issued in the current year	121,728	21,862
Amount allowed for	50,000	-
Total change in loans receivable	$ 900,046	$ (294,261)

6. Due from/to parent company:

The amount due from/to parent company is non-interest bearing and unsecured. The amount is considered a long-term asset or liability as the Company and Corporate, respectively, have waived the right to demand the amount, or part of the amount, within the next fiscal year.

7. Loan:

During the year ended September 30, 2023, the Company financed its insurance payments for April 2022 - March 2023 with interest rate of 6%. The balance as at September 30, 2023 is $47,972 (2022 - nil). The loan is repaid through monthly installments of $8,199 with the last payment being made on March 31, 2024.

8. Capital stock:

	2023	2022
Authorized:		
10,000,000 common shares, no par value		
Issued:		
55,100 common shares (2022 - 55,100)	$ 55,001	$ 55,001

9. Income taxes:

(a) Tax rate reconciliation:

A reconciliation of income tax expense for the years ended September 30, 2023 and 2022 with the reported earnings is as follows:

	2023	2022
Income before income taxes	$ 6,514	$ 107,449
Statutory rate in United States	25.17%	24.85%
Expected income tax expense	$ 1,640	$ 26,701
Withholding taxes paid in United States	10,932	-
Other	313	(13,231)
	$ 12,885	$ 13,470

(b) Composition of deferred income tax asset:

The Company's deferred income tax asset:

	2023	2022
Deferred income tax asset balance:		
Deferred revenue	$ 513,012	$ 200,159
Taxable losses carry forward	259,608	604,633
Other temporary differences	61,285	(53,936)
Net deferred income tax asset	$ 833,905	$ 750,856

In the normal course of business, the Company is subject to audits by the taxing authorities in the United States. Tax years ranging from 2018 to 2023 remain subject to examination in the United States.

10. License and services agreement:

The Company and Corporate entered into an amended and restated license and services agreement dated October 1, 2014 (the "Agreement"). Under the Agreement, the Company has been granted a revocable, exclusive, non-transferable license solely in the United States to grant sublicenses to third parties in accordance with a franchise agreement and to use certain intellectual property of Corporate amongst other things, and the Company agrees to provide certain services to Corporate. The Company will pay a license fee to Corporate of all gross revenues recognized by the Company less the fee for services provided by the Company, which is equal to the Company's cost of services plus 7%.

During the year ended September 30, 2023, the Company was charged a license fee of $2,448,401 (2022 - $2,122,349) by Corporate.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the consideration established and agreed to between Corporate and the Company.

11. Other income:

Two franchisees mutually terminated their franchise agreements in the year ending September 30, 2023 (2022 - one). Income of $50,000 received in relation to these mutual terminations is included in other income for the year ended September 30, 2023 (2022 - $49,962).

12. Subsequent events:

The Company evaluated subsequent events through November 27, 2023, the date these financial statements were issued, and concluded there were no events requiring adjustment or disclosure.

Exhibit C

Current and Certain Former Franchisees

CURRENT FRANCHISEES
(as of September 30, 2024)

Franchised Units Operational as of September 30, 2024

State	Territory	Address	Company Name	Phone Numbers
California	Burbank, East Pasadena, Rosemead, Pomona, and Rowland Heights	6832 Salvaterra Circle Elk Grove, CA, USA 95757	KMK Care Enterprises, Inc.	(916) 524 7020

Franchise Agreement Executed but Not Opened as of September 30, 2024

None.

Exhibit D

Manual Table of Contents

Nurse Next Door®
home care services

Area Trainer Manual - Outline

This manual will serve as a reference document for Area Trainers who are coaching and developing beyond minimum performance. It outlines the Area Trainer's responsibilities and the responsibilities of Global HeartQuarters. It also delivers on the terms out lined in the Area Trainer Agreement. **Approximate page count: 125.**

- Introduction (3 pages)
- Legal disclaimer (2 pages)
- Program overview (3 pages)
- The role and responsibilities of the Area Trainer (24 pages)
- The role and responsibilities of Systems Performance at Global HeartQuarters (22 pages)
- Our Bold Kind Culture (10 pages)
- Business and Finance (10 pages)
- Marketing and Sales (10 pages)
- Clinical Operations (10 pages)
- Field Operations (25 pages)
- The Franchisee Journey (3 pages)
- Operational Cadence (3 pages)
- Tools & Resources (included in each chapter via hyperlinks)

Exhibit E

State Regulatory Authorities and Agents for Service of Process in Certain States

NAMES AND ADDRESSES OF STATE REGULATORY AUTHORITIES AND AGENTS FOR SERVICE OF PROCESS IN CERTAIN STATES

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
California	Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 (866) 275-2677	Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 (866) 275-2677
Connecticut	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	[Not Applicable]
Florida	Dept of Agriculture & Consumer Services Division of Consumer Services 2005 Apalachee Pkwy. Tallahassee, FL 32399-6500 (850) 410-3800	[Not Applicable]
Hawaii	Business Registration Division Department of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii, Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street Room 203 Honolulu, HI 96813 (808) 586-2722
Illinois	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465
Indiana	Indiana Secretary of State Securities Division, E-111 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 (410) 576-6360	Maryland Securities Commissioner at the Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 (410) 576-6360
Michigan	Consumer Protection Division, Antitrust and	Michigan Department of Consumer and

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
	Franchising Unit Michigan Department of Attorney General G. Mennen Williams Building, 1st Floor 525 W. Ottawa Street Lansing, MI 48933 (517) 373-7117	Industry Services Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, MI 48909 (517) 241-6470
Minnesota	Minnesota Commerce Department 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Minnesota Commerce Department 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
Nebraska	Staff Attorney Department of Banking and Finance Commerce Court 1230 "O" Street, Suite 400 Lincoln, NE 68508-1402 (402) 471-3445	[Not Applicable]
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, NY 10005 (212) 416-8222 (Phone)	New York Secretary of State 99 Washington Avenue Albany, NY 12231 (518) 473-2492
North Dakota	North Dakota Securities Department Fifth Floor 600 East Boulevard Avenue State Capitol, Fifth Floor, Department 414 Bismarck, ND 58505 (701) 328-4712	North Dakota Securities Commissioner Fifth Floor 600 East Boulevard, Department 414 Bismarck, ND 58505 (701) 328-4712
Oregon	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	[Not Applicable]
Rhode Island	Department of Business Regulation in the Service of Process, Disclosure Document and State Administrators Sections Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, RI 02920 (401) 222-3048	Director Department of Business Regulation State of Rhode Island Securities Division 1511 Pontiac Avenue John O. Pastore Center Cranston, RI 02920 (401) 462-9588
South Dakota	Division of Insurance	Division of Insurance

STATE	STATE REGULATORY AUTHORITY	AGENT FOR SERVICE OF PROCESS
	Securities Regulation 124 S Euclid, Suite 104 Pierre SD 57501 (605) 773-3563	Securities Regulation 124 S Euclid, Suite 104 Pierre SD 57501 (605) 773-3563
Texas	Secretary of State Statutory Document Section 1019 Brazos Austin, Texas 78701 (512) 475-0775	[Not Applicable]
Utah	Division of Consumer Protection Utah Department of Commerce 160 East 300 South Salt Lake City, UT 84111 (801) 530-6601	[Not Applicable]
Virginia	State Corporation Commission Division of Securities and Retail Franchising Ninth Floor 1300 East Main Street Richmond, VA 23219 (804) 371-9051	Clerk, State Corporation Commission 1300 East Main Street, First Floor Richmond, VA 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501 (360) 902-8760	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200
Wisconsin	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4th Floor Madison, WI 53703 (608) 261-9555	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4th Floor Madison, WI 53703 (608) 261-9555
Federal Trade Commission	Bureau of Consumer Protection 600 Pennsylvania Avenue, NW Washington, D.C. 20580 (877)-382-4357	[Not Applicable]

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

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

STATE EFFECTIVE DATES

The following states require that the franchise disclosure document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This franchise disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California:	Pending
Hawaii:	
Illinois:	
Indiana:	
Maryland:	
Michigan:	
Minnesota:	
New York:	
North Dakota:	
Rhode Island:	
South Dakota:	
Virginia:	
Washington:	
Wisconsin:	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Exhibit F

Receipts

EXHIBIT F
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 Nurse Next Door offers you a franchise, it must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we 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 we 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 we do 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 state agency listed on Exhibit E.

The franchise sellers for this offering are: □ Arif Abdulla, **□ Alexander Mitchell**, **□ Daire McAnallen**, **□ Varun Saini, □ Other.** Their business address is #300 – 1788 West 5th Avenue, Vancouver, BC V6J 1P2. Their phone number is 604-228-4357.

Issuance Date: November 29, 2024

See Exhibit E for a list of registered agents authorized to receive service of process.

I received a Disclosure Document dated November 29, 2024 that included the following Exhibits:

A	Contracts: Franchise Agreement with attached Schedules State-Specific Addenda/Amendments Final Disclosure Questionnaire General Release Non-Disclosure Agreement Assignment of Franchise Agreement to a Controlled Corporation	C	Current and Certain Former Franchisees
		D	Manual Table of Contents
		E	State Regulatory Authorities and Agents for Service of Process in Certain States
		F	Receipts
B	Audited Financial Statements for the years ended September 30, 2022, September 30, 2023 and September 30, 2024.		

Keep this copy

Date of receipt (print)	Name (print)
Name of corporation, LLC or partnership (print)	Signature (individually or as an officer, member or partner of)
State of organization (print)	

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B	Audited Financial Statements for the years ended September 30, 2022, September 30, 2023 and September 30, 2024.		

Return this copy to us

Date of receipt (print)	Name (print)
Name of corporation, LLC or partnership (print)	Signature (individually or as an officer, member or partner of)
State of organization (print)	

You may return the signed receipt to us by signing and dating it and emailing a copy to Nurse Next Door Home Healthcare Services (USA) Inc. at legal@nursenextdoor.com