

FRANCHISE DISCLOSURE DOCUMENT

WISDOM BUSINESS OWNERS LLC

A North Carolina Limited Liability Company
3622 Shannon Road, Suite 103, Durham, NC 27707
(919) 615-0020

www.wisdomseniorcare.com
charles@wisdomseniorcare.com



Wisdom Business Owners LLC sells franchises in which the franchisee will operate, under the name and mark “Wisdom Senior Care,” a business offering 24-hour, senior in-home care and support services, including companionship, personal care needs, dementia/Alzheimer’s care, geriatric care, home management and transportation.

The estimated total investment necessary to begin operation of a Wisdom Senior Care franchise ranges from \$67,680 to \$84,900. This includes \$46,200 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Charles Thurston at charles@wisdomseniorcare.com or (919) 615-0020.

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, such as a lawyer or an accountant.

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

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

Issuance Date: April 28, 2022

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.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A 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 Wisdom Senior Care business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Wisdom Senior Care franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 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 the franchisor by mediation, arbitration and/or litigation only in North Carolina. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in North Carolina than in your own state.
2. **Financial Condition.** The Franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the Franchisor's financial ability to provide services and support to you.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

The Franchisor is Wisdom Business Owners LLC. To simplify the language in this disclosure document, we refer to Wisdom Business Owners LLC as “we” or “us.” We refer to the individual or business entity buying the franchise as “you” or “your”, and if such person is a partnership, corporation, limited liability company or other entity, it includes both the entity and the entity’s owners.

Wisdom Business Owners LLC is a limited liability company formed in North Carolina on November 30, 2016. We maintain our principal place of business at 3622 Shannon Road, Suite 103, Durham, NC 27707. We have offered franchises for Wisdom Senior Care since December 13, 2016. We do not own any Wisdom Senior Care franchises directly, but we currently operate one Wisdom Senior Care franchise in Savannah, Georgia. We do not conduct any other business activities. We have not offered franchises in any other line of business.

We have several corporate affiliates that share common ownership with Wisdom Business Owners LLC. Our affiliate, Wisdom Senior Care, Inc., operates the original Wisdom Senior Care in Durham, North Carolina, as well as a second location, which opened in the Brier Creek area of Durham, North Carolina in 2022. We license from Wisdom Senior Care, Inc. the “Wisdom Senior Care” and “Keeping Wisdom at Home” trademarks and other intellectual property related to our franchise system. Wisdom Senior Care, Inc. changed its name from Wisdom HealthCare Solutions, Inc. in August of 2016. Our other related affiliate, Wisdom Business Management LLC, provides management services to us and provides management and administration services regarding the Brand Fund and technology services. We have an additional training affiliate, Wisdom Health Academy LLC, which is state-licensed to instruct on how to start an in-home care agency and how to remain in compliance once licensed. Wisdom Health Academy also trains people to become Certified Nursing Assistants (CNAs) as well as offering Nurse Aide classes. We have no other predecessors or affiliates. Our only affiliate that operates an in-home care agency is Wisdom Senior Care, Inc., which has operated the original Wisdom Senior Care since 2006 and a second location since 2022.

Agents for Service of Process

Our agent for service of process in North Carolina is Carolyn Thurston. Her principal business address is 3622 Shannon Road, Suite 103, Durham, NC 27707. Our agents for service of process in other states are listed on Exhibit E to this disclosure document.

The Franchise Offered

Your franchise will offer in-home care services to seniors, including 24-hour care and support services, companionship, personal care needs, dementia/Alzheimer’s care, geriatric care, home management and transportation, and may offer related non-medical and medical (skilled) care and health support services, depending on licensure availability in your state. If licensure is available in your state and you satisfy all requirements, our system allows you to participate in Medicaid reimbursement programs. You will operate your franchise (referred to in this disclosure document as the “Wisdom Franchise”) according to the terms of our franchise agreement in the form attached as Exhibit C to this disclosure document (“Franchise Agreement”) and according to our standards, as described below. The Wisdom Senior Care system (the

“System”) is identified by means of certain trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin, including the name “Wisdom Senior Care” and the phrase “Keeping Wisdom at Home” (the “Proprietary Marks”). We can add, eliminate, modify or substitute any of the Proprietary Marks at any time, in our sole discretion. Our System includes our methods, techniques, standards, specifications, policies and procedures relating to the operation of Wisdom Franchises as described in our confidential operational manual and other written directives (collectively, the “Manuals”).

Some states require additional licensure or training to provide companion care and other services. We will assist you in understanding these requirements to enable you to meet them as efficiently as possible. You will also have the option to offer in-home aide services that are of a skilled nature, if you desire and if not prohibited by your state. However, additional applications and licensure may be required by your state, and you will need to comply with our additional policies and procedures related to those services. Additionally, with proper certification, you may be eligible to participate in Medicaid programs. Some states have prohibitions or additional licensure related to these programs. You may have the choice to expand your service offerings as you grow, subject to availability of state licensing and compliance with our internal policies and Manuals, and state laws and regulations. We are here to assist you with your efforts in growing this business.

As a Wisdom Franchisee, you will receive a license or password, whichever is applicable at the time, to use Wisdom’s chosen web-based software solutions. We currently use ClearCare, which provides sophisticated scheduling, back office, workforce management and other client care support, and a proprietary application (the “Wisdom App”), which provides business tracking support, enabling all Wisdom Franchises to be on the same system and ensure a smooth and continuously high level of service. We reserve the right to change software providers at any time.

Wisdom Franchisees are required to adhere to a non-discrimination policy with regard to both caregivers and clients.

If you are interested in becoming a Wisdom Franchisee, we will ask you to complete a confidential application. We will ask you to provide the answers to a questionnaire, and to provide us with authorization to conduct certain background checks, including criminal and financial inquiries. We will keep the information provided confidential. If you are accepted as a Wisdom Franchisee, you will enter into a Franchise Agreement and pay the required Franchise Fee. If you wish to enter into the Franchise Agreement as an entity, such as a corporation or a limited liability company, we will ask for a personal guaranty from each of the owners of the entity to guaranty the payment of any fees required under the Franchise Agreement.

Market and Competition

The Wisdom Franchise will provide products and services to specific clients that register with the Wisdom Franchise. The market for companion care and sitters is a growing market, with the number of seniors growing at a rapid pace. According to the US Census Bureau, persons 65+ represented 14.1% of the population in 2013, but that number is expected to grow to 21.7% by 2040. A survey by AARP indicates that 84% of Americans want to stay in their homes as they age.

The in-home care provider market includes small companies, large regional or national companies, other franchise operations, and less formal, word-of-mouth providers. There are also hospitals and other agencies that may provide some degree of in-home care. All of these companies could be in competition with you as a Wisdom Franchisee. Although you will be granted a specific territory as a Wisdom Franchisee, you may also face competition from other Wisdom Franchisees in areas contiguous to yours. In many regions, there are not many well-known providers in the in-home care market. Also, in some states, including North Carolina, there are many senior care agencies that have chosen to focus on Medicaid and Medicare clients. Wisdom has chosen a blend of private care (95%) and Medicaid (5%) clients, where many competitors in the market are less likely to focus on private clients.

Industry-Specific Regulations

In addition to the laws, regulations and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, the Occupational Safety and Health Act, and the Health Insurance Portability and Accountability Act, you should consider that certain aspects of the in-home care business are regulated by state and local laws, rules and ordinances. Many states require a license to operate an in-home care business. Further, certain categories of care will require either a registered nurse or a certified nursing assistant on staff. In some states, only licenses for companion sitter and respite care are currently available. In other states, you can also receive a license for an in-home aide program. In North Carolina, there is currently a prohibition on obtaining a new in-home aide license, but there may be opportunities to purchase an existing license from a current holder. The availability of these licenses can impact the services that you will be able to provide through your Wisdom Franchise.

It will be your responsibility to ascertain and comply with all applicable laws and regulations. We do not assume any responsibility for advising you on these matters. You should consult with your attorney regarding the laws and regulations that may affect your Wisdom Franchise.

ITEM 2

BUSINESS EXPERIENCE

Carolyn Thurston — President

Carolyn Thurston serves as our President, and she has been in that position since the company's formation in November, 2016. She has served as the President of our affiliate, Wisdom Senior Care, Inc., since it formed in February, 2006 and has run the Wisdom Senior Care location in Durham, North Carolina since it first opened that same year. In addition, Ms. Thurston operates Wisdom Health Academy, which is state-licensed to instruct on how to start an in-home care agency in North Carolina and how to remain in compliance once licensed. Wisdom Health Academy also trains people to become Certified Nursing Assistants (CNAs) as well as offering Nurse Aide classes.

Charles Thurston — Treasurer and Chief Operating Officer

Charles Thurston serves as our Treasurer and Chief Operating Officer, and he has been in those positions since the company's formation in November, 2016. He has served as Marketing and Business Manager of

our affiliate, Wisdom Senior Care, Inc., since it formed in February, 2006, where he has been responsible for business development and for accounting functions including billing and payroll.

ITEM 3

LITIGATION

None.

ITEM 4

BANKRUPTCY

None.

ITEM 5

INITIAL FEES

Franchise Fee. You must pay us an initial franchise fee of \$45,000 (the “Franchise Fee”), due and payable to us as a lump sum when you sign the Franchise Agreement. While the Franchise Fee is normally imposed uniformly, we may reduce it in limited circumstances, such as (i) if you are buying an existing distressed or company-owned location from us, (ii) if you currently own a home-care business and are converting into a franchisee relationship, or (iii) if you are an existing Franchisee purchasing an additional franchise; however, we are not obligated to reduce it. The Franchise Fee is not refundable.

Initial Training Fee. You must pay us an initial training fee of \$1200, due and payable to us at the time you register for your initial training. The fee covers the initial training for up to 2 persons, and covers the training materials, including the operations manual. This fee is imposed uniformly and is not refundable. You are responsible for all expenses associated with attending training, including costs of transportation, lodging, meals, and wages, and these expenses are variable and payable to the vendors utilized.

If you are signing your Franchise Agreement to renew your existing franchise, you must pay a Renewal Fee in the amount of 5% of our then-current initial franchise fee when you sign your Franchise Agreement in lieu of the initial franchise fee described above.

ITEM 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Sales	Payable weekly on the Monday following the calendar week to which such payments relate	See Note 1.
Brand Fund	1.75% of Gross Sales per week	Payable weekly based on the prior week	See Notes 1 and 2.

Advertising Cooperative	Up to 2.25% of Gross Sales during any calendar year, unless two-thirds of the members of the Cooperative vote in favor of a greater contribution.	Payable to the Cooperative on demand pursuant to the terms of a written governing document.	Payable only if an advertising Cooperative is established in your area. Any payments you make to the Cooperative will be credited toward your required local advertising expenditure. See Notes 1, 2 and 6.
Inspection/Audit Expenses	Cost of audit or inspection, plus 18% APR interest (or the highest rate allowed by law, whichever is less) on underpayment.	On demand	Payable only if inspection or audit shows an understatement of Gross Sales. Actual audit costs may vary based on factors such as the audit firm used and the complexity of the audit. See Note 1.
Initial Training Fee	\$1200	Fees for the initial training are due at the time of registration for training	The initial training fee includes up to 2 persons attending training in Raleigh, NC. The training materials, including the operations manual, are included in the initial training fee. Franchisees are responsible for their expenses, including costs of transportation, lodging, meals, and wages, and these expenses are variable and payable to the vendors utilized.
Additional Training	Additional training is charged at an hourly rate of \$150 per hour.	Fees for additional training are due prior to the start of training	Hourly rates are payable only if additional training, beyond the initial, is requested and approved. Franchisees are responsible for their expenses, including costs of transportation, lodging, meals, and wages, and these expenses are variable and payable to the vendors utilized.
Site visit	Site visits are charged to the Franchisee at an hourly rate of \$150 per hour, plus reasonable expenses.	Due 30 days after billing	Up to 2 site visits per month are included at no charge until the Franchise reaches break-even point. After that, up to 1 site visit per month is included at no charge. Hourly rates and expenses are payable only if additional site visits are requested and approved. See Note 3.

Advertising materials	Advertising materials prepared by us	As incurred	See Note 4.
Insurance Fee	Amount of premium plus administrative fee equal to 10% of premium	On demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you. Premiums will be paid directly to the insurance vendor. See Items 7 & 8 for insurance requirements.
Renewal Fee	5% of our then-current initial franchise fee	When signing Renewal Agreement	Payable if you renew your franchise.
Interest/Late Fee	1.5% of the delinquent amount or the highest amount permitted by law, whichever is less, for each month the payment remains delinquent.	Continues to accrue until paid	Payable only if any sums due us are not paid promptly when due.
Manual Replacement Fee	\$500	When billed	Payable if you lose or misplace any part of the Manual and we replace it.
Transfer Fee	The greater of (a) \$5,000.00 or (b) 5% of the amount the Franchisee receives on the transfer or (c) the amount necessary to reimburse us for reasonable costs and expenses associated with reviewing the application for transfer.	Payable on or before the date the new franchise agreement is signed	Payable if you transfer/assign your franchise.
Software support fee	\$180 per month up to 10 clients; \$13/month/client for each additional client thereafter.	Payable directly to software provider on their agreed schedule	You are required to use our chosen software for scheduling, accounting and other back office functions. This fee is payable directly to the software provider and is subject to change. The chosen software is also subject to change.
Scheduling Service Fee	\$2,856/wk for 24/7 coverage	Payable weekly for each week Franchisee elects to use the service.	You have the option to use our caregiver scheduling service, provided by Wisdom or an affiliate.
Technology Services Fee	0.25% of Gross Sales. Fee includes up to 5 email addresses. Additional email addresses will be provided at an additional cost, currently \$12/address/month.	Payable weekly	You are required to use our technology services, provided by Wisdom or an affiliate, for creation and maintenance of a

			webpage and up to five (5) email addresses. See Note 1.
Additional Assistance	Then current rate. We currently charge \$150/hour.	When billed	At your request, we may provide additional advice and assistance to you.
Indemnification	Actual legal fees, costs, and expenses. Varies according to cost or loss incurred.	On demand	You must indemnify us and our affiliates from liability for any claim based on or arising from your operation of the Wisdom Franchise.
Default remedies	Actual legal fees, costs, and expenses. Varies according to cost or loss incurred.	On demand	Our expenses may include attorneys' fees, court costs, and other expenses reasonably incurred to protect us and our affiliates or to remedy your default.
Termination	Liquidated damages equal to the present value of your Royalty for the number of months remaining in the term of the Franchise Agreement	When billed	See Note 5.

* Except as otherwise indicated, all fees in Item 6 are imposed and collected by, and payable only to us, and are non-refundable and uniform for franchises currently being offered in this state.

Notes

- (1) Gross Sales means all revenues generated from sales of all products and services conducted at, from, by or with respect to the Wisdom Franchise, whether these sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales do not include the sale of products or services for which refunds have been made in good faith to customers or any sales taxes or other taxes collected from customers and paid directly to the appropriate taxing authority.
- (2) Your required contribution to the Brand Fund is in addition to the amount you must spend on local advertising per your Franchise Agreement. During the first 3 months of operation, you must spend at least \$1000 each month on local advertising, with the first month prorated if necessary, and for each subsequent month you must spend at least 2.25% of monthly Gross Sales. See Item 11 of this disclosure document for more information about the Brand Fund and your local marketing obligations.
- (3) While hourly rates are uniformly imposed, expenses will vary based on location, travel options, etc.

- (4) From time to time, we may make available point-of-sale materials and other advertising materials. We will offer you the right to purchase these materials at a reasonable cost.
- (5) Unless otherwise agreed in writing by us, and to the extent permitted by applicable law, you must pay to us, as liquidated damages and not as a penalty, an early termination fee if you terminate your franchise agreement prior to the end of the term. The amount will be paid as a lump sum, and will be equal to the present value of the estimated royalty fees for the number of months remaining in the term. If the Franchise Agreement terminates after the end of the second year, the liquidated damages will be calculated based on the average monthly gross sales of your Wisdom Senior Care location for the 12 months preceding the date of termination. If the Franchise Agreement terminates prior to the end of the second year, then the liquidated damages will be calculated based on the average monthly gross sales for all franchised and affiliate-owned Wisdom Senior Care locations. The discount rate for determining present value will be 110% of the long-term Applicable Federal Rate for monthly compounding published by the Internal Revenue Service immediately prior to termination.
- (6) If an advertising Cooperative is established, Franchisor-owned outlets would contribute to the same degree as franchisee-owned outlets, and would have equal voting rights to franchisee-owned outlets. See Item 11 for more information on advertising Cooperatives.

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
Initial Franchise Fee	\$45,000	Lump sum	When you sign your Franchise Agreement	Us
Initial Training Fee	\$1200	Lump sum	When you register for initial training	Us
Travel and Living Expenses (Note 1)	\$750 - \$3000	As incurred	During training	Airlines, Hotels, Restaurants, etc.
Rent or Real Estate (Not including Purchase of Property) (Note 2)	\$350 - \$1500	As arranged	Before opening	Lessor
State license (Note 3)	\$500 - \$1000	As incurred	Before opening	State agency
Furniture & Fixtures (Note 4)	\$500 - \$3000	As arranged	Before opening or as arranged with Vendors	Vendors
Supplies for Caregivers (Note 5)	\$80 - \$200	As arranged	Before opening or as arranged with Vendors	Vendors
Insurance (Note 6)	\$800 - \$2500	As arranged	Before opening	Insurance Companies
Signage (Note 7)	\$1000- \$3000	As arranged	Before opening or as arranged with Vendors	Vendors

Miscellaneous Opening Costs (Note 8)	\$2000 - \$2500	As incurred	Before opening	Suppliers, Utilities, etc.
Grand Opening Advertising	\$2000	As arranged	Within 30 days after opening	Distribution Service and Media
Computer Equipment and Software (Note 9)	\$2500 - \$4000	As arranged	Before opening and as arranged with Vendors	Vendors
Professional Fee (Note 10)	\$0 - \$3000	As arranged	As arranged	Vendors
Additional Funds - 5 month period (Note 11)	\$11,000 - \$13,000	As incurred	As incurred	Employees, Suppliers, Utilities
TOTALS	\$67,680 - \$84,900			

Notes

- (1) The figures in the chart represent estimated pre-opening expenses for one employee during our 4 week management training program. See Item 11 of this disclosure document for more information about our management training program. We will cover the cost of instructors and instructional materials, but you must pay your cost of travel, meals, lodging and salaries.
- (2) The figures in the chart reflect the estimated security deposit, which typically is calculated as one to two months' rent. You will purchase or lease real estate for the operation of the Wisdom Franchise. Lease costs will vary based on square footage, cost per square foot, location, length of lease, age of the leased property, local market conditions, zoning, and the size of the premises. You should consult a real estate professional in your geographic area before purchasing a franchise.
- (3) The cost for a license will vary depending on the state and the type of license required.
- (4) The figures in the chart represent estimated purchase costs of fixtures and furniture, including desks, chairs, and other office furniture. The furniture, fixtures and equipment will vary, depending on the size of the office and the number of employees.
- (5) The Figures in the chart reflect the estimated cost to purchase an initial inventory of gloves for caregiver use.
- (6) The estimated cost of annual premiums for the policies required by the Franchise Agreement will vary significantly based on your location and the claims experience of commercial businesses in the area, as well as your claims experience in other businesses you operate. The figures quoted assume deposits for one month's coverage.
- (7) The figures in the chart represent estimated costs to procure and install required signage at the office location.
- (8) These amounts reflect estimated costs for miscellaneous opening expenses, such as utilities deposits, paper, office supplies, etc.
- (9) See Item 11 for more information about computer hardware and software requirements.

- (10) These amounts only apply if you choose to employ professionals to review this Disclosure Document and the Franchise Agreement, and to assist with the organization and structuring of your business. These reflect our best estimate of legal and accounting fees associated with these activities. The costs may vary greatly depending on the level of review, difficulties that may arise, the type of structuring chosen, and the professionals employed.
- (11) These amounts are the minimum recommended levels to cover operating expenses, including employee salaries, for five months. However, we cannot guarantee that this amount will be sufficient. Additional working capital may be required if sales are low or fixed costs are high. The disclosure laws require us to include this estimate of all costs and expenses to operate your franchise during the "initial phase" of your business, which is defined as a 3 months or longer period if "reasonable for the industry." Based on our past experience, we believe that a five-month period is a reasonable period for the "initial phase" in the in-home care industry, so our disclosure covers a five-month period.
- (12) The payments described above that are payable to us are not refundable. We are not able to represent whether or not amounts that you pay to third parties are refundable.

* * *

As described in Item 1, you will need to obtain from the state in which you operate the Wisdom Franchise a license for the services provided. You will obtain other necessary permits and licenses directly from government authorities or through your contractors.

We have prepared these estimates based on our experience opening and operating Wisdom Senior Care, as well as our president's experience training and assisting other in-home care businesses to commence operations. Except as expressly indicated otherwise in the charts above, these estimates describe your initial cash investment up to the opening of your Wisdom Franchise. They do not provide for your cash needs to cover any financing incurred by you or your other expenses. You should not plan to draw income from the operation during the start-up and development stage of your Wisdom Franchise, the actual duration of which will vary materially from Franchisee to Franchisee and cannot be predicted by us for your Wisdom Franchise (and which may extend for longer than the 5 month "initial phase" described in Note 11 of the above charts). You must have additional sums available, whether in cash or through a bank line of credit, or have other assets which you may liquidate or against which you may borrow, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage, or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your Wisdom Franchise, which in turn will depend upon factors such as the demographics and economic conditions in the area in which your Wisdom Franchise is located, the presence of other Wisdom Franchises or other public awareness of our Wisdom Franchises and Proprietary Marks within the general vicinity of your Wisdom Franchise, your ability to operate efficiently and in conformance with our recommended methods of doing business, and competition. Because the exact amount of reserves will vary from operation to operation and cannot be meaningfully estimated by us, we urge you to retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for your particular operation.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases and Approved Suppliers

All products used, sold or offered for sale at the Wisdom Franchise, and other products, materials, supplies, paper goods, fixtures, furnishings and equipment used or sold at the Wisdom Franchise, must meet our standards and specifications, as established in the Manual or otherwise in writing. You must purchase all gloves from a supplier designated or approved by us. You must purchase all other supplies and materials for which we have established standards or specifications (through the Manual or in other written requirements) solely from suppliers (including manufacturers, distributors and other sources) which demonstrate the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us. Aside from what is provided above, we generally do not make our criteria for approving suppliers available to you. If you desire to purchase products from a party other than an approved supplier, you must submit to us a written request to approve the proposed supplier, together with evidence of conformity with our specifications as we may require. You must pay the reasonable costs of the evaluation of the proposed supplier. We will use our best efforts, within 30 days after our receipt of your completed request and completion of all required evaluation, to notify you of our approval or disapproval of the proposed supplier. Approval will not be unreasonably withheld. You may not sell or use any products of the proposed supplier until our written approval of the proposed supplier is received. We may at any time revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards.

We have the right to specify certain third parties as designated suppliers for specified products, materials, supplies, paper goods, fixtures, furnishings and equipment used or sold at the Wisdom Franchise, or to require that you purchase such items directly from us. You must purchase such items from our designated suppliers in order to assure the uniform quality and image associated with the Wisdom Franchise. Currently, we require that you use our technology services for webpage and email maintenance. You also have the option to use our Scheduling Services for scheduling caregivers. Neither we nor persons affiliated with us are approved suppliers of any other required products or services at this time.

We do not provide material benefits to you based on your purchase of particular products or services or your use of designated or approved suppliers, but we may terminate your Franchise Agreement if you purchase from unapproved sources in violation of your Franchise Agreement.

Advertising Approval

All advertising, including Internet advertising, must meet our specifications as set forth in our Operations Manual. You must submit all proposed advertising to us for our approval before use. You may not use any advertising not prepared or previously approved by us within the preceding 6 months. On written notice from us, you must immediately discontinue use of any unapproved, or approved and subsequently disapproved, advertising materials.

Computer and Software

As more fully described in Item 11, you must obtain and maintain during the term of the Franchise Agreement computer hardware and software meeting our specifications.

Insurance Policies

You must obtain before opening the Wisdom Franchise, and maintain in full force and effect at all times during the term of the Franchise Agreement, at your expense, insurance policies protecting you, us, and your and our respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense arising or occurring in connection with the Wisdom Franchise, including comprehensive general liability insurance, property and casualty insurance, business interruption insurance, statutory workers' compensation insurance, employer's liability insurance, and automobile insurance coverage for all vehicles used in connection with the Wisdom Franchise. These policies must be written by a responsible carrier or carriers acceptable to us and must name us as an additional insured, and must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement. We may require additional insurance coverages, as reasonably specified by us from time to time, in accordance with the Manual or otherwise specified in writing.

If you should fail to obtain or maintain the insurance required by the Franchise Agreement for any reason, we have the right and authority (without, however, any obligation to do so) to procure the insurance. If we do so, you must pay the full premium paid, plus an administrative surcharge of 10%.

Revenue from Franchisee Purchases from Designated Suppliers

We may negotiate purchase arrangements with some or all of the approved or designated suppliers and we may receive money or other benefits from approved or designated suppliers as a result of your purchases. Currently, we have not negotiated such purchase arrangements and we have not derived any revenues as a result of Franchisee required purchases; however, we retain the right to do so. No approved suppliers currently pay us or our affiliates any compensation or otherwise credit our account based on the amounts or percentages of purchases our Franchisees make from such suppliers; however, we retain the right to do so. None of our officers has an interest in any of our approved suppliers.

Cooperatives

As of the date of this disclosure document, there are no purchasing or distribution cooperatives.

Percentage of Total Purchases Represented by Required Purchases

We estimate that up to 50% of your initial expenditures for leases and purchases in establishing your Wisdom Franchise and up to 25% of your expenditures for leases and purchases on an ongoing basis will be for goods and services which are subject to sourcing restrictions (that is, for which suppliers must be approved by us, or which must meet our standards or specifications).

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	1.2, 5 and Exhibit B	Items 6, 8 and 11
b. Pre-opening purchases/leases	7.4 and 7.6	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	5, 7.6, 12.1 and Exhibit B	Items 6, 7 and 11
d. Initial and ongoing training	6	Items 6, 7, 8 and 11
e. Opening	5	Item 11
f. Fees	2.2.9, 4, 12.4, and 14.3.9	Items 5, 6 and 7
g. Compliance with standards and policies/operations manual	7.3, 7.4, 7.5, 7.6, and 9	Items 11, 14 and 16
h. Trademarks and proprietary information	8 and 10	Items 13 and 14
i. Restrictions on products/services offered	7.2, 7.3, 7.4, 7.5 and 7.15	Items 8 and 16
j. Warranty and customer service requirements	Not Applicable	Item 8
k. Territorial development and sales quotas	1.3	Item 12
l. Ongoing product/service purchases	7.4 and 7.5	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	2.2.2, 7.10, 7.11 and 7.13	Items 8 and 11
n. Insurance	13	Items 7 and 8
o. Advertising	12	Items 6, 8, and 11
p. Indemnification	20.3	Item 6
q. Owner's participation/management/staffing	6.1, 7.7, and 17.1	Items 1, 11, and 15
r. Records and reports	8.6 and 11	Item 6
s. Inspections and audits	3.9, 7.8, and 11.5	Items 6, 8, and 11
t. Transfer	14	Items 6 and 17
u. Renewal	2.2	Items 6 and 17
v. Post-termination obligations	16 and 17	Items 6 and 17
w. Noncompetition covenants	17.2 and 17.3	Item 17
x. Dispute resolution	25	Items 6 and 17
y. Other		
(i) Personal Guaranty	18.4 and Exhibit F	Item 1

ITEM 10

FINANCING

Neither we nor our affiliates or agents offer you, directly or indirectly, any financing arrangement, including loans, guarantees, leases and installment contracts.

ITEM 11

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

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

Pre-Opening Obligations

Before the Wisdom Franchise opens, we must provide the following to you:

1. We will designate your protected territory (Franchise Agreement, Section 1.3)
2. If you do not have an approved location prior to signing the Franchise Agreement and sign a site selection addendum, such site selection guidelines and consultation as we deem advisable (Franchise Agreement, Exhibit B, Paragraph 5);
3. If you do not have an approved location prior to signing the Franchise Agreement and sign a site selection addendum, such on-site evaluations as we deem advisable as part of our evaluation of your request for site approval. However, we will not provide on-site evaluations for any proposed site before our receipt of the information or materials required by the Franchise Agreement. If an on-site evaluation is deemed necessary and appropriate by us, we will conduct up to two on-site evaluations at our expense. For each additional on-site evaluation (if any), you must reimburse us for our reasonable expenses, including the costs of travel, lodging and meals (Franchise Agreement, Exhibit B, Paragraph 5);
4. We will provide initial training for 2 persons, as further described below (Franchise Agreement, Sections 3.2 and 6);
5. We will provide 1 representative to provide such on-site, pre-opening and opening assistance as we deem appropriate in our sole discretion (Franchise Agreement, Section 3.3);
6. We will make available to you advertising and promotional materials at your expense (Franchise Agreement, Sections 3.5 and 12);
7. We will loan you one copy of our Manual or make it available to you through a password protected website (Franchise Agreement, Sections 3.6 and 9);
8. We will approve or disapprove any advertising or promotional material to be used in your grand opening (Franchise Agreement, Section 12.1); and
9. We will designate or approve suppliers who shall make available to you for sale, products and supplies as we designate in the Manual or in writing. We do not deliver or install any items. (Franchise Agreement, Section 3.7).

Continuing Obligations

After the Wisdom Franchise opens, we must provide the following to you:

1. On your reasonable request, in our sole discretion, we will make available to you advice and assistance on the proper implementation of the System and operation of the Wisdom Franchise (Franchise Agreement, Section 3.4);
2. We will make available to you advertising and promotional materials at your expense (Franchise Agreement, Sections 3.5 and 12);

3. We will continue to designate or approve suppliers who will make available to you for sale, products and supplies used or offered for sale at the Wisdom Franchise (Franchise Agreement, Section 7.5);
4. We or our affiliate will maintain and administer a Brand Fund, as further described below (Franchise Agreement, Sections 3.8 and 12.4);
5. We or our affiliate will provide Scheduling Services. (Franchise Agreement, Section 3.11);
6. We or our affiliate will provide technology services, including maintaining a webpage and providing up to five (5) email addresses for use in the Wisdom Franchise. (Franchise Agreement, Section 3.12); and
7. We will approve or disapprove any advertising or promotional material to be used in your local advertising (Franchise Agreement, Section 12.6).

Manual

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate the Wisdom Franchise in accordance with the standards, methods, policies, and procedures specified in our Manual, which will be loaned to you for the term of the Franchise Agreement once you complete the initial training program to our satisfaction. The Manual may consist of multiple volumes of printed text, computer disks, other electronically stored data, DVDs, and/or videotapes. We may provide a portion or all of the Manual (including updates and amendments), and other instructional information and materials, in or via electronic media, including through the Internet. If your copy of the Manual is lost, stolen, or destroyed, you must obtain another copy of the Manual from us and pay us a replacement fee of \$500. A copy of the Table of Contents of the Manual is attached to this disclosure document as Exhibit B (Franchise Agreement, Section 9.1). The current number of pages in the Manual is 158, including 87 in the policies and procedures manual and 71 in the training manual.

Advertising

You must spend at least \$2000 on an initial, grand opening local advertising, marketing, and promotional program in the form and manner prescribed by us in the Manual or otherwise in writing within 30 days after the opening of the Wisdom Franchise. (Franchise Agreement, Section 12.1.)

In addition to the grand opening marketing program, during the first three months the Wisdom Franchise is open, you must spend at least \$1000 per month on local marketing, advertising, and promotion. During the remainder of the term of the Franchise Agreement, you must expend, on a monthly basis, an amount equal to 2.25% of Gross Sales on local marketing, advertising, and promotion as we may, in our sole discretion, direct in the Manual or otherwise in writing. (Franchise Agreement, Section 12.2.) We may, but are not obligated to, provide additional advertising within your Territory at our expense.

All advertising and promotion by you (including any design, advertisement, sign, or form of publicity) must be in the media and of a type and format as we may approve, including television, print media (including yellow pages), radio, and local promotional events, must be conducted in a dignified manner, and must conform to these standards and requirements as we may specify. You must not use any advertising or promotional plans or materials unless and until you have received written approval from us. (Franchise Agreement, Section 12.5.) You must submit to us for our prior approval samples of all advertising and

promotional plans and materials for any print, broadcast, cable, electronic, computer or other media (including the Internet) that you wish to use and that we have not prepared or previously approved within the preceding 6 months. You must not use these plans or materials until they have been approved in writing by us. If you do not receive written notice of approval from us within 15 days of the date of our receipt of these samples or materials, we will be deemed to have disapproved them. (Franchise Agreement, Section 12.6.)

We may make available to you periodically, at your expense, approved advertising and promotional materials, including merchandising materials, point-of-purchase materials, and materials for special promotions. (Franchise Agreement, Section 12.5.)

Brand Fund

You must pay to the Brand Fund a weekly fee in the amount of 1.75% of your Gross Sales from the preceding week. Your contribution to the Brand Fund is in addition to the required grand opening and local advertising described above. (Franchise Agreement, Section 12.4.) Wisdom Senior Care outlets owned and operated by us or our affiliates, if any, contribute to the Brand Fund in the same manner, and in the same amounts, as our franchised operations.

We or our affiliate will administer the Brand Fund, and will direct all advertising, marketing, and promotional programs and have sole discretion over all aspects of those programs, including the concepts, materials, and media used and the placement and allocation of them. (Franchise Agreement, Section 12.4.1.) The Brand Fund, all contributions to it, and any of its earnings, are used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System, including the costs of preparing and conducting radio, television, print, and Internet-based advertising campaigns; utilizing social and business networking media sites and other emerging media or promotional tactics; developing, maintaining, and updating a Website on the Internet; review of locally produced advertisements; door hangers, mailers, inserts and coupons; brochures and promotional materials; market research, market surveys, and sponsorships; web site design and maintenance; public relations and related retainers; mystery shoppers for the System and competitors; celebrity endorsements; trade shows (including costs of travel and personnel expenses, trade booths, and specialty entertainment); association dues; search engine optimization; employing advertising and/or public relations agencies; purchasing promotional items; providing promotional and other marketing materials and services to the businesses operating under the System; developing posters, banners, and signs; advertising for the sale of franchises. (Franchise Agreement, Section 12.4.2.) Media coverage for advertising expenditures will be local and regional.

A reasonable amount of the Brand Fund fees paid by all franchisees may be used to cover our or our affiliate's costs and overhead as may be incurred in activities reasonably related to the direction and implementation of the Brand Fund and advertising programs for franchisees and the System, including costs and salaries of personnel for creating and implementing advertising, promotional and marketing programs, accounting expenses, and other out of pocket expenses to third parties incurred by the Brand Fund. (Franchise Agreement, Section 12.4.3.) We will conduct advertising through third party advertising agencies as well as in-house marketing personnel. We do not anticipate any Brand Fund expenditures to be used principally to solicit new franchise sales.

During our most recent fiscal year ending December 31, 2021, the Brand Fund was primarily allocated as follows: Approximately 80% was used for advertising, including placing written advertising, conducting virtual promotional events and producing written and digital materials. The remaining 20% was used for marketing purposes, including optimizing SEO results for the Wisdom Senior Care brand.

Except as indicated above, neither we nor our affiliates receive payment for providing goods or services to the Brand Fund. We or our affiliate are not obligated, in administering the Brand Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or on a pro rata basis from expenditures or activities of the Brand Fund. (Franchise Agreement, Section 12.4.1.)

It is anticipated that all contributions to the Brand Fund will be expended for their intended purposes during the fiscal year in which contributions are made. To the extent any contributions are not expended by the end of the fiscal year, they will be expended no later than the end of the taxable year following the year of receipt. (Franchise Agreement, Section 12.4.4.) Although we intend that the Brand Fund will be of perpetual duration, we and our affiliates maintain the right to terminate the Brand Fund. The Brand Fund may not be terminated, however, until all monies in the Brand Fund have been expended for advertising and/or promotional purposes or returned to contributors on the basis of their respective contributions. (Franchise Agreement, Section 12.4.5.) We will maintain separate bookkeeping accounts for the Brand Fund and reserve the right to form an affiliated entity to control and administer the Brand Fund. The Brand Fund is not required to be audited but may be included in our annual audit in our discretion. We will make available to you once a year an annual accounting of the Brand Fund's expenditures upon written request.

Advertising Cooperative

We have the right, in our discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the Wisdom Franchise. If a Cooperative has been established in your area before you open the Wisdom Franchise, you must become a member of the Cooperative no later than 30 days after opening the Wisdom Franchise. If a Cooperative is established after you open the Wisdom Franchise, you must become a member of the Cooperative no later than 30 days after the date on which the Cooperative begins operation. If the Wisdom Franchise is within the territory of more than one Cooperative, you will not be required to be a member of more than one Cooperative within that territory. (Franchise Agreement, Section 12.9.) If a Cooperative is established in an area that includes a Wisdom Senior Care outlet owned and operated by us or our affiliates, such outlet will contribute to the Cooperative in the same manner, and in the same amounts, as our franchised operations.

Each Cooperative will be organized for the exclusive purpose of administering local and/or regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising. No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our approval. Each Cooperative will be administered by its members and will be governed by a written governing document, which will be available for review by any covered franchisee. Each Cooperative will have the right to require its members to make contributions to the Cooperative in an amount determined by the Cooperative, up to a maximum of 2.25% of Gross Sales during any calendar year, unless two-thirds of the members of the Cooperative vote in favor of a greater

contribution. Annual financial statements for each Cooperative will be available for review by the covered franchisees. Any payments you make to the Cooperative will be credited towards your required local advertising expenditure.

We will have the power to require the Cooperative to be formed, changed, dissolved, or merged. There are currently no established Cooperatives.

Advertising Council

There is presently no advertising council composed of franchisees that advises us on advertising policies.

Website

You may not establish a separate Website for the Wisdom Franchise unless approved by us. However, we have the right to require that you have one or more references or webpage(s), as designated and approved by us in advance, within our principal Website, currently www.wisdomseniorcare.com. The term "Website" means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including any account, page, or other presence on a social or business networking media site, such as Facebook, Twitter, Linked In, and on-line blogs and forums ("Networking Media Sites"). We have the right to require that you not have any Website other than the webpage(s), if any, made available on our principal Website. (Franchise Agreement, Section 8.8.)

Location and Lease

You must operate the Wisdom Franchise only at the location approved by us ("Approved Location"). You may not relocate the Wisdom Franchise without our prior written approval, which we may withhold in our sole discretion. (Franchise Agreement, Section 1.2.)

If you have an Approved Location at the time you sign the Franchise Agreement, you must begin operation of the Wisdom Franchise within 180 days after the date of the Franchise Agreement. If you do not have an Approved Location when you sign the Franchise Agreement, you must sign the Site Selection Addendum attached to the Franchise Agreement as Exhibit B and begin operation of the Wisdom Franchise within 180 days after obtaining an Approved Location. (Franchise Agreement, Section 5.3.)

If you sign the Site Selection Addendum, you must, at your expense, lease or acquire a location approved by us within 90 days of the date of the Franchise Agreement within the Site Selection Territory specified in the Site Selection Addendum. (Franchise Agreement, Section 1.2.) If you fail to obtain an Approved Location within 90 days after signing the Franchise Agreement or to open the Franchised Business within 180 days after signing the Franchise Agreement, we can terminate the Franchise Agreement. Under the terms of the Site Selection Addendum, you must submit your proposed site to us for approval within 60 days of signing the Franchise Agreement in the manner and form specified in the Franchise Agreement, and we will notify you in writing of our approval or disapproval of your proposed site within 30 days. When we review a proposed site, we will consider such factors as zoning and approval from appropriate agencies, noise restrictions, size, layout, and lease terms. (Franchise Agreement, Exhibit B.) However, we will not be responsible for assisting with conforming the premises to local building codes, zoning ordinances, or

obtaining any required permits related to such activities, or with construction, remodeling or redecorating the premises. (Franchise Agreement, Sections 5.1 and 5.2)

We will provide site selection guidelines and consultation that we deem advisable. We will conduct two on-site evaluations, as we deem necessary and appropriate and at our expense. For each additional on-site evaluation (if any), you must reimburse us for our expenses, including costs of travel, lodging and meals. Our approval of your proposed site will depend on the factors listed above. (Franchise Agreement, Exhibit B.)

Length of Time to Open Wisdom Franchise

We expect Wisdom Senior Care Franchises to open 6 months after the Franchise Agreement is signed or the location is approved. Factors which may affect the length of time between signing of the Franchise Agreement and opening for business include the time necessary to obtain necessary financing, to obtain permits and licenses necessary to operate the Wisdom Franchise, to complete construction or remodeling (as it may be affected by other conditions, shortages, delivery schedules and other similar factors), and to complete required training, as described below.

Computer System

You must purchase the required computer hardware, software, Internet connections and service, telephone lines, peripherals and accessories necessary to operate the software system specified by us, which may change from time to time (Franchise Agreement, Section 8.4). Currently, we use Clear Care software for our scheduling and other back office functions, and Card Point to process credit card payments. We also use a proprietary application, the Wisdom App, to provide business tracking support.

We estimate that your cost to purchase the computer system and software is between \$2500 and \$4000, depending on the size of the Wisdom Franchise territory and expected number of employees. Acceptable hardware is available from numerous manufacturers, and may be purchased from any source.

We have no proprietary interest in the Clear Care software or the Card Point system. We do have a proprietary interest in the Wisdom App that you will use for performance tracking and back office functionality. You will be required to pay a monthly fee to the Clear Care software provider, currently \$180 per month for up to 10 clients, and \$13 per client per month thereafter. Support and upgrades may be provided by the software provider, but we do not offer upgrades or maintenance services. You must maintain, upgrade, and update the computer system as we require and the franchise agreement does not restrict the frequency or expense of upgrades and maintenance.

We will have independent access to the business data only (e.g. customer data base, sales) which is stored in your computer system. There are no contractual limitations on our right to access this information.

You must pay to us a weekly fee in the amount of 0.25% of your Gross Sales from the preceding week for technology services. We will provide a webpage for the Wisdom Franchise and up to five (5) email addresses to be used within the Wisdom Franchise. If you need additional email addresses, there will be an additional fee associated with those addresses. The fee is currently \$12 per additional email address per month, and is subject to change. (Franchise Agreement, Section 3.12)

Initial Training Program

You and a manager of the Wisdom Franchise approved by us must successfully complete our initial training program (Franchise Agreement, Section 6). Our initial training program consists of approximately 4 days of classroom training in Raleigh, North Carolina, for approximately 6 hours per day, and 6 days of on-the-job training at a client site in or around Durham, North Carolina. Training must be completed to our satisfaction prior to opening the Wisdom Franchise.

The instructional materials used in the initial training program consist of our Manuals and other operational materials used in Wisdom Franchises. We charge an initial fee of \$1200 for the training and training-related materials in connection with our initial training program, but you are responsible for all training-related expenses incurred by all persons who attend training including costs of travel, lodging, meals, and wages.

Our training program is conducted by our President, Carolyn Thurston, who has served as President of Wisdom Senior Care, Inc. since it first opened. She also owns and operates a company that is licensed by the state of North Carolina to provide training for opening and operating in-home care businesses.

Our initial training program may change due to updates in materials, methods, manuals, and personnel, or other reasons, without advance notice to you. The subjects and time periods allocated to the subjects actually taught to a particular franchisee and its personnel may vary based on the experience of those persons being trained.

The following table is a summary of the subjects covered in our initial training program and an estimate of the number of hours of classroom and on the job training allocated to the initial training program.

Item 11 Table

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of Practical Training (on the Job)	Location
Introduction and Establishing a Business a. Mindset, Vision and Mission b. Office Set-up c. Business Fundamentals	6	12	Raleigh/Durham, NC
Office Procedures a. Scheduling b. Client Records c. Caregiver Records	6	18	Raleigh/Durham, NC
Service Procedures and Selling Services a. Admitting Client to Service b. Supervisory Visits c. Marketing	6	16	Raleigh/Durham, NC
Team Building and Leadership	6	0	Raleigh/Durham, NC

Total	24	46	
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Additional Training

You, your managers, and other employees shall also attend such additional courses, seminars and other training programs as we may reasonably require from time to time.

At your request, we will provide advice and assistance on the proper implementation of the System and operation of your Wisdom Franchise, or additional training sessions. We may impose reasonable fees for these services. Other than as described above, we do not provide any other mandatory or optional training courses.

ITEM 12

TERRITORY

If you do not already have a location when you sign your Franchise Agreement, you must purchase or lease a site for your Wisdom Franchise. Although you are solely responsible for locating the site for your Wisdom Franchise, the location is subject to our written approval. Our approval will be based upon a variety of factors which may include the viability of the then-current location and demographics. You may not relocate the Wisdom Franchise to any other location without our prior written consent. If we approve any relocation of your Wisdom Franchise, you must de-identify the former location. If you have an approved location when you sign the Franchise Agreement, you must begin operations of your Wisdom Franchise within 180 days after you sign your Franchise Agreement. If you do not have an approved location when you sign the Franchise Agreement, you must sign our standard Site Selection Addendum. Under the Site Selection Addendum, you must acquire a location within 90 days after you sign your Franchise Agreement and begin operations of your Wisdom Franchise within 180 days after obtaining an approved location.

You must submit your proposed lease to us for approval. We will only approve a lease if you and the landlord have signed a Conditional Assignment of Lease in the form attached as Exhibit G to your Franchise Agreement, which provides that we may assume the lease if you default under your lease or your Franchise Agreement.

You will be granted an exclusive territory, within a defined geographic area, which will be described in Exhibit A of your Franchise Agreement ("Territory"). Your Territory will be determined by us in our sole discretion as we consider appropriate under the circumstances, and will generally be a geographic area described by attaching a map, or by reference to streets, natural boundaries or zip codes.

During the term of your Franchise Agreement, we will not open or operate, or license others to own or operate, a Wisdom Senior Care Franchise in your Territory. We reserve all rights inside and outside the Territory except those we expressly grant in the Franchise Agreement, including the exclusive, unrestricted right, in our sole and absolute discretion, directly and indirectly: (a) to establish and operate, and license others to establish and operate, a Wisdom Senior Care Franchise under the System and the Proprietary Marks at any location outside the Territory; (b) to acquire and operate any business or store of any kind under different proprietary marks at any location (regardless of its proximity to your Wisdom Franchise) whether located within or outside the Territory; (c) within and outside the Territory to acquire, merge with,

or otherwise affiliate with, and then own and operate, and franchise or license others to own and operate, any business of any kind, including any business that offers products similar to those offered under the System or that uses the Proprietary Marks or any other system or marks; and (d) to advertise and sell the products and services authorized and associated with a Wisdom Franchise under the Proprietary Marks or any other system or marks through alternative channels of distribution including, without limitation, by electronic means such as the Internet and websites we establish, and under terms we deem appropriate, within and outside the Territory. We are not required to pay you if we exercise any of the rights specified above.

You are restricted from soliciting or providing services to customers outside your Territory. You do not have the right to use other channels of distribution, such as the Internet, telemarketing or other direct marketing, to make sales outside your Territory, unless permitted by us in writing.

Neither we nor our affiliates have plans to operate or franchise a business under a different trademark that will sell goods or services similar to those you will offer.

Under the Franchise Agreement, continuation of your location rights does not depend upon the volume of sales generated nor your penetration of the market potential. You do not have the right to acquire additional franchises, although you may apply for the right to operate additional Wisdom Franchises pursuant to separate franchise agreements.

ITEM 13

TRADEMARKS

Under the Franchise Agreement, you will be granted the right to establish and operate a Wisdom Senior Care Franchise under the Proprietary Marks, including "Wisdom Senior Care," "Keeping Wisdom at Home" and such other trademarks, trade names, and service marks as we may designate as part of the System. The following trademarks have been registered on the Principal Register of the United States Patent and Trademark Office:

MARK	REGISTRATION NUMBER	REGISTRATION DATE
Keeping Wisdom at Home	5,245,916	July 18, 2017
Wisdom Senior Care and logo design 	5,264,805	August 15, 2017

There are currently no effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court; or any pending infringement, opposition, or cancellation proceeding, or any pending material federal or state litigation involving the Proprietary Marks. We have filed all required affidavits. No renewal is yet required.

There are no agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to the franchise. We know of no superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks.

You may use the Proprietary Marks only for the purpose of operating and advertising the Wisdom Franchise, in accordance with our standards. You may not use the Proprietary Marks in your corporate name, and every use of the "Wisdom Senior Care" mark as a service mark or trade name or other identifier of the Wisdom Franchise must be in conjunction with the suffix or other words or phrases more specifically identifying the Wisdom Franchise in the exact format that we prescribe. You must comply with our requirements, and all requirements imposed by the jurisdiction in which you operate the Wisdom Franchise, concerning fictitious name usage.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use or to license others to use, or your right to use, the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, the cost of your defense, including the cost of any judgment or settlement, will be borne by us. However, if we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, the cost of your defense, including the cost of any judgment or settlement, will be your responsibility. In any litigation relating to your use of the Proprietary Marks, you must sign all documents and do such acts as we may require to effectively carry out your defense or prosecution, including becoming a nominal party to any legal action. We will reimburse you for your out-of-pocket expenses for these acts, except to the extent that the litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement.

We may designate new, modified or replacement marks for your use, and require you, at your own expense, to use them in addition to or instead of any of the previously designated Proprietary Marks. These requirements may include, among things, conducting business under a different trade name.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no registered patents or copyrights material to your operation of the franchise. There are no pending patent applications that are material to the franchise.

We do, however, claim common law copyright and trade secret protection for many elements of the System, including our confidential information (which includes our trade secrets, supplier information, operational standards, advertising, marketing and brand strategy information and other information relating to the establishment and operation of a Wisdom Senior Care Franchise that we designate as "Confidential Information"), our trade dress, copyrighted works and any designs or processes that may in the future be subject to a patent.

You may not, and you must use your best efforts to ensure that no other person discloses or uses (except as authorized by the Franchise Agreement) any of the contents of the Manual or any other trade secrets, whether during or after the term of your Franchise Agreement.

ITEM 15

OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

You must personally participate in the day-to-day operation of your Wisdom Franchise or Wisdom Franchises. Your day-to-day manager will be bound by certain provisions of the Franchise Agreement, including the confidentiality and non-compete provisions. Your manager need not have an equity interest in the franchise. Your initial manager must have completed the initial training program prior to beginning work. Any persons subsequently employed by you in the position of manager must attend and complete the initial training program within ninety (90) days of their date of hire.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell all products and services that we designate for sale and only those products and services that we authorize for sale. We have the right to change the products and service items that you must offer for sale.

We have the right to specify in the Manual or otherwise in writing certain third parties that may be designated suppliers for specified products, materials, supplies, paper goods, fixtures, furnishings and equipment used or sold at the Wisdom Franchise. You must purchase these items from those suppliers designated by us in order to assure the uniform quality and image associated with the Wisdom Franchise.

Unless expressly permitted by us, you may offer and provide products and services only within your Territory.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	2.1	10 years.
b. Renewal or extension of the term	2.2	You have the right to renew for 2 additional 10-year term(s) if certain conditions are met.

c. Requirements for franchisee to renew or extend	2.2	Conditions include timely delivery of written notice of your election to renew; your compliance with the Franchise Agreement and substantial compliance with the terms of the Franchise Agreement during the term; your satisfaction of all monetary obligations that you owe to us and our affiliates; satisfaction of all monies owed to trade creditors; your ability to remain in possession of the Wisdom Franchise premises for the duration of the renewal term; your execution of our then-current form of franchise agreement, which may have materially different terms and conditions than your initial franchise agreement; your execution (and your principals' execution) of a full and general release; your compliance with our then-current qualification and training requirements.
d. Termination by Franchisee	Not Applicable	Not Applicable
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with "cause"	15.1, 15.2, and 15.3	We can terminate the Franchise Agreement only if you default.
g. "Cause" defined — curable defaults	15.3	We can terminate the Franchise Agreement after providing you a 30-day cure period if you: fail to maintain the cleanliness of the leased premises; fail to substantially comply with the Franchise Agreement; fail to pay us monies owing under the Franchise Agreement; fail to maintain and observe our standards and specifications; fail to obtain our written approval when required; violate your lease; use marks confusingly similar to the Proprietary Marks; or receive a health code violation.
h. "Cause" defined — non-curable defaults	15.1, 15.2 and 15.4	The Franchise Agreement will terminate without an opportunity to cure if: you become insolvent or make a general assignment for the benefit of creditors; you file a voluntary bankruptcy petition; you are adjudicated bankrupt or insolvent; a bill in equity or other proceeding for the appointment of your receiver or other custodian for your business or assets is filed and consented to by you; a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; proceedings for a composition with creditors is instituted by or against you; a final judgment remains unsatisfied or of record for 30 days or longer; you are dissolved; execution is levied against the Wisdom Franchise business or property; suit to foreclose any lien or mortgage against the Wisdom Franchise premises or equipment is instituted against you and not dismissed within 30 days; the real or personal property of the Wisdom Franchise is sold after levy by any sheriff, marshal, constable or other government official; you fail to locate an approved site or open the Wisdom Franchise within the required time limits; you fail to successfully complete the initial training program; you abandon the Wisdom Franchise or lose your right to possession of the premises; you are convicted of a crime; you lose your state license(s); you violate any non-competition covenant; you disclose any confidential information; you submit false reports to us; you misuse the Proprietary Marks; you refuse to permit us to inspect the Wisdom Franchise; or you commit multiple defaults, whether or not

		cured. We can also terminate the Franchise Agreement if you default under another agreement with us that gives us the right to terminate that other agreement.
i. Franchisee's obligations on termination/non-renewal	16	You must stop operating the Wisdom Franchise; refrain from holding yourself out as a present or former Wisdom Senior Care franchisee; stop using all Confidential Information and Proprietary Marks; cancel all assumed names containing the Proprietary Marks; refrain from infringing on our Proprietary Marks; pay all sums that you owe to us and our affiliates; pay us liquidated damages; return the Manuals and all other Confidential Information; comply with the non-compete covenants; provide us a summary of your advertising and promotion schedule; offer us the option to purchase, or assume the lease for, as applicable, the Wisdom Franchise premises and to purchase the Wisdom Franchise's assets; assign to us all telephone numbers that you used in connection with the operation of the Wisdom Franchise; cancel or assign to us all Internet domain names, URLs and web site advertising containing or reflecting the Proprietary Marks.
j. Assignment of contract by Franchisor	14.1	We can transfer or assign the Franchise Agreement and all or any part of its rights or obligations to any person or legal entity, and any designated assignee of ours will become solely responsible for all obligations of ours under the Franchise Agreement from the date of assignment.
k. "Transfer" by Franchisee — defined	14.2	A transfer is when you sell, assign, transfer, convey, pledge, encumber, merge or give away any direct or indirect interest in the Franchise Agreement, in Franchisee, or in all or substantially all of the assets of the Wisdom Franchise.
l. Franchisor approval of transfer by Franchisee	14.2	Transfers require our prior written consent.
m. Conditions for Franchisor approval of transfer	14.3	You have satisfied all monetary obligations under the Franchise Agreement; you are not in default; the payment terms offered by the transferee are not excessive or unreasonable; you sign a general release; the transferee signs our then-current form of franchise agreement; the transferee is approved by us as a franchisee; and you pay us a transfer fee.
n. Franchisor's right of first refusal to acquire Franchisee's business	14.5	We can match any offer for your business by a third party.
o. Franchisor's option to purchase Franchisee's business	16.4, 16.5, and 16.11	Upon the termination or expiration of the Franchise Agreement, we can require you to assign your lease and/or telephone number to us. We also have the option of purchasing the assets of the Wisdom Franchise from you within 30 days, including equipment, furnishings, and signs.
p. Death or disability of Franchisee	14.6	Upon the death or physical or mental incapacity of any person with an interest in the Franchise Agreement, in Franchisee, or in all or substantially all of the assets of the Wisdom Franchise, the executor, administrator, or personal representative of such person must transfer the interest to a third party approved by us within 6 months, which will be subject to the same conditions as any other transfer.

q. Non-competition covenants during the term of the franchise	17.2	During the term of the Franchise Agreement, you may not own or have any interest in any business that offers in-home care services or similar services.
r. Non-competition covenants after the franchise is terminated or expires	17.3	For 2 years after expiration or termination of the Franchise Agreement, within your Territory or 60 miles of your Wisdom Franchise or any business operating under the Proprietary Marks, you may not own or have any interest in any business that offers in-home care services.
s. Modification of the Agreement	23	No amendment or change to the Franchise Agreement is binding on either you or us unless mutually agreed to by the parties and signed by their authorized officers or agents in writing.
t. Integration/merger clause	23	The Franchise Agreement and exhibits constitute the entire, full and complete agreement between you and us concerning the subject matter of the Franchise Agreement. Nothing in the Franchise Agreement is intended to disclaim any of the representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	25.2	All disputes must be litigated in the Courts of North Carolina.
w. Choice of law	25.1	North Carolina law governs all disputes.

ITEM 18

PUBLIC FIGURES

We do not currently use any public figures to promote our franchises, but we reserve the right to do so.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATION

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: (i) a franchisor provides the actual records of an existing outlet you are considering buying; or (ii) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Franchisor's management by contacting our Chief Operating Officer, Charles Thurston, at 3622 Shannon Road, Suite 103, Durham, NC 27707 or by phone at (919) 615-0020; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-Wide Outlet Summary

For Years 2019 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the end of the Year	Net Change
Franchised	2019	2	2	0
	2020	2	4	2
	2021	4	8	4
Affiliate-Owned (Note 1)	2019	1	1	0
	2020	1	1	0
	2021	1	1	0
Total Outlets	2019	3	3	0
	2020	3	5	2
	2021	5	9	4

Note 1: We do not have any company-owned outlets. See Item 1 regarding our affiliate that owns and operates a Wisdom Senior Care.

Table No. 2

Transfers of Outlets from Franchisee to New Owners (other than the Franchisor or an Affiliate)

For Years 2019 to 2021

State	Year	Number of Transfers
FL	2019	0
	2020	0
	2021	0
GA	2019	0
	2020	0
	2021	0
NC	2019	0
	2020	0
	2021	0
NY	2019	0
	2020	0
	2021	0
TOTAL	2019	0
	2020	0
	2021	0

Table No. 3**Status of Franchised Outlets****For Years 2019 to 2021**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor/Affiliate (Note 1)	Ceased Operations — Other Reasons	Outlets at the End of the Year
FL	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
GA	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
NC	2019	2	0	0	0	0	0	2
	2020	2	2	0	0	0	0	4
	2021	4	1	0	0	0	0	5
NY	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
TOTAL	2019	2	0	0	0	0	0	2
	2020	2	2	0	0	0	0	4
	2021	4	4	0	0	0	0	8

Note 1: The Georgia outlet is still owned by the Franchisee, but we are temporarily in operational control of the outlet.

Table No. 4**Status of Affiliate-Owned Outlets (Note 1)****For Years 2019 to 2021**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
FL	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
GA	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
NC	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1

	2021	1	0	0	0	0	1
NY	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
TOTAL	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1

Note 1: We do not have any company-owned outlets. See Item 1 regarding our affiliate that owns and operates a Wisdom Senior Care.

Table No. 5

Projected Openings As of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Opened in 2021	Projected New Franchise Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year (Note 1)
FL	0	3	0
GA	0	2	0
NC	0	2	0
NY	0	0	0
MD	0	1	0
SC	0	1	0
VA	0	1	0
TOTAL	0	10	0

Note 1: We do not have any company-owned outlets. See Item 1 regarding our affiliate that owns and operates a Wisdom Senior Care, and is opening a new location in 2022.

Current Franchisee Contact Information

Phillip Tan and Winnie Tong
Primapac, Inc. dba Wisdom Senior Care
150 Cornerstone Drive, Ste. 202
Cary, NC 27519
(919) 655-5068

Clarence Torain and David Riley
Dektos, LLC dba Wisdom Senior Care
1241 South Main Street, Suite 24B
Wake Forest, NC 27587
(919) 263-1165

Patricia Miller
365 Home Care LLC dba Wisdom Senior Care
288 East Street, Suite 1001-F4

Pittsboro, NC 27312
(919) 408-1852

Mel Westmoreland and Christal Vincent
West & Vincent LLC dba Wisdom Senior Care
1931 New Garden Road, Suite 204
Greensboro, NC 27410
(336) 338-7700

Ralph and Crystal Chandler
Chandler's BeLoved Home Care, LLC dba Wisdom Senior Care
100 Bull Street, Suite 223
Savannah, GA 31401
(912) 438-4474

Jamiammie Collins
Home Alone II L.L.C. dba Wisdom Senior Care
2455 Hollywood Blvd., Suite 205
Hollywood, FL 33020
(954) 408-4600

Brenetta Bethea
Davis Blessings Home Care Inc. dba Wisdom Senior Care
16501-D Northcross Drive
Huntersville, NC 28078
(980) 327-1188

Simone Galloway
Fidelity Senior Care LLC dba Wisdom Senior Care
1 Old Country Road, Suite 250, Rm. 17
Carle Place, NY 11514
(516) 388-7277

Former Franchisee Contact Information

We have no former franchisees.

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

Confidentiality Agreements

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. In the last 3 fiscal years, we have not entered into any agreements with franchisees that contain confidentiality clauses restricting their ability to communicate with you.

Franchisee Associations

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

ITEM 21

FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit A is a copy of our audited, fiscal year-end financial statements for the prior three years. Our fiscal year ends December 31.

ITEM 22

CONTRACTS

The following agreements and other required exhibits are attached to this disclosure document in the pages immediately following:

1. Operations Manual Table of Contents
2. Standard Form Franchise Agreement
3. State Specific Addenda
4. Receipts

ITEM 23

RECEIPT

Two copies of the Receipt for this disclosure document are attached to this disclosure document as Exhibit G. Please return one copy to us and retain one copy for your files.

EXHIBIT A TO FDD
FINANCIAL STATEMENTS

See attached

WISDOM BUSINESS OWNERS LLC AND AFFILIATE
(Limited Liability Companies)
COMBINED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

WISDOM BUSINESS OWNERS LLC AND AFFILIATE
(Limited Liability Companies)
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

To the Member
Wisdom Business Owners LLC and Affiliate

Opinion

We have audited the accompanying combined financial statements of Wisdom Business Owners LLC and Affiliate (limited liability companies), which comprise the combined balance sheets as of December 31, 2021 and 2020, and the related combined statements of operations and changes in member's deficit and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Wisdom Business Owners LLC and Affiliate as of December 31, 2021 and 2020, and the results of their combined operations and their cash flows for each of the years in the three-year period ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wisdom Business Owners LLC and Affiliate 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 combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wisdom Business Owners LLC and Affiliate's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Wisdom Business Owners LLC and Affiliate'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wisdom Business Owners LLC and Affiliate'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.



CERTIFIED PUBLIC ACCOUNTANTS

Melville, New York
April 27, 2022

WISDOM BUSINESS OWNERS LLC AND AFFILIATE
(Limited Liability Companies)
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 68,128	\$ 20,670
Receivables	<u>5,498</u>	<u>3,121</u>
Total current assets	<u>73,626</u>	<u>23,791</u>
TOTAL ASSETS	<u>\$ 73,626</u>	<u>\$ 23,791</u>
<u>LIABILITIES AND MEMBER'S DEFICIT</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 37,555	\$ 11,991
Deferred revenue - current	21,500	11,500
Funds designated for franchisee advertising	<u>-</u>	<u>2,376</u>
Total current liabilities	59,055	25,867
Long-term liability:		
Deferred revenue - net of current	<u>154,875</u>	<u>77,958</u>
Total liabilities	213,930	103,825
Commitments and contingencies (Notes 3 and 6)		
Member's deficit	<u>(140,304)</u>	<u>(80,034)</u>
TOTAL LIABILITIES AND MEMBER'S DEFICIT	<u>\$ 73,626</u>	<u>\$ 23,791</u>

See accompanying notes to combined financial statements.

WISDOM BUSINESS OWNERS LLC AND AFFILIATE
(Limited Liability Companies)
COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S
DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues:			
Royalties	\$ 96,358	\$ 43,966	\$ 20,761
Franchise fees	13,083	10,667	6,500
Scheduling fees	79,884	12,372	5,685
Franchisee brand fund fees	32,222	16,238	7,605
Technology fees	4,762	2,320	1,060
Other	<u>24,499</u>	<u>-</u>	<u>-</u>
Total revenues	250,808	85,563	41,611
Selling, general and administrative expenses	<u>304,178</u>	<u>126,933</u>	<u>36,141</u>
Income (loss) from operations	(53,370)	(41,370)	5,470
Other income	<u>-</u>	<u>5,035</u>	<u>-</u>
Net income (loss)	(53,370)	(36,335)	5,470
Member's equity (deficit) - beginning	(80,034)	(50,444)	7,861
Cumulative effect of change in accounting principle	-	-	(56,625)
Member contributions	4,000	9,805	1,000
Member distributions	<u>(10,900)</u>	<u>(3,060)</u>	<u>(8,150)</u>
MEMBER'S DEFICIT - ENDING	<u><u>\$ (140,304)</u></u>	<u><u>\$ (80,034)</u></u>	<u><u>\$ (50,444)</u></u>

See accompanying notes to combined financial statements.

WISDOM BUSINESS OWNERS LLC AND AFFILIATE
(Limited Liability Companies)
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:			
Net income (loss)	\$ (53,370)	\$ (36,335)	\$ 5,470
Adjustment to reconcile net income (loss) to net cash provided by operating activities:			
Changes in operating assets and liabilities:			
Receivables	(2,377)	(657)	(1,405)
Other current assets	-	-	6,477
Accounts payable and accrued expenses	25,564	7,241	1,813
Deferred revenue	86,917	39,333	(6,500)
Funds designated for franchisee advertising	<u>(2,376)</u>	<u>2,376</u>	<u>-</u>
Net cash provided by operating activities	<u>54,358</u>	<u>11,958</u>	<u>5,855</u>
Cash flows from financing activities:			
Member contributions	4,000	9,805	1,000
Member distributions	<u>(10,900)</u>	<u>(3,060)</u>	<u>(8,150)</u>
Net cash provided by (used in) financing activities	<u>(6,900)</u>	<u>6,745</u>	<u>(7,150)</u>
Net increase (decrease) in cash	47,458	18,703	(1,295)
Cash - beginning	<u>20,670</u>	<u>1,967</u>	<u>3,262</u>
CASH - ENDING	<u>\$ 68,128</u>	<u>\$ 20,670</u>	<u>\$ 1,967</u>

See accompanying notes to combined financial statements.

WISDOM BUSINESS OWNERS LLC AND AFFILIATE
(Limited Liability Companies)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021, 2020 AND 2019

NOTE 1. NATURE OF BUSINESS AND ORGANIZATION

Wisdom Business Owners LLC ("WBO") was formed on November 30, 2016, as a North Carolina limited liability company to sell franchises pursuant to a license agreement dated January 1, 2017, between WBO and Wisdom Senior Care, Inc. (the "Licensor"), an entity related to WBO by common ownership and control. Pursuant to WBO's standard franchise agreement, franchisees will operate businesses known as "Wisdom Senior Care" in the United States of America. Franchisees will be engaged in operating a business offering 24-hour, senior in-home care and support services, including companionship, personal care needs, dementia and Alzheimer's care, geriatric care, home management and transportation.

The accompanying combined financial statements include the accounts of WBO and Wisdom Business Management, LLC ("WBM"), a North Carolina limited liability company. WBM is owned by the same member as WBO and its purpose is to manage the expenditure of branding and marketing fees collected from franchisees. WBO and WBM are collectively referred to as the "Company."

As the Company consists of two limited liability companies, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Combination

The accompanying combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the accounts of WBO and WBM. All significant intercompany balances and transactions have been eliminated in combination.

Use of Estimates

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the combined financial statements, and the reported amounts of revenues and expenses during the reporting periods. These estimates may be adjusted due to changes in future economic, industry or other financial conditions. Estimates are used in accounting for, among other items, revenue recognition and certain income tax positions. Actual results may ultimately differ from these estimates.

Receivables

Receivables consist of amounts owed from franchisees for royalties, brand fund fees, technology fees and scheduling fees. Receivables are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of some of its franchisees to make required payments. Management considers the following factors when determining the collectibility of specific franchisee accounts: franchisee creditworthiness, past transaction history with the franchisee, and current economic industry trends. If the financial condition of the Company's franchisees were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required.

WISDOM BUSINESS OWNERS LLC AND AFFILIATE
(Limited Liability Companies)
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NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables (continued)

Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. The Company had no allowance for doubtful accounts at December 31, 2021 and 2020.

Revenue and Cost Recognition

The Company derives its revenues from franchise fees, royalty fees, brand fund fees, technology fees and other scheduling fees.

Franchise Fees and Royalties

Contract consideration from franchisees primarily consists of initial franchise fees, sales-based royalties, technology fees and scheduling fees. The initial franchise fees are nonrefundable and collected when the underlying franchise agreement is signed by the franchisee. Sales-based royalties, brand development fees and technology fees are payable weekly. Renewal and transfer fees are payable when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligations under the franchise agreement mainly include granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit. The Company has determined that the right to access its intellectual property and any preopening activities are highly interrelated and interdependent and, therefore, are accounted for as a single performance obligation, which is satisfied by granting certain rights to access our intellectual property over the term of each franchise agreement.

Initial franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties are earned based on a percentage of the franchisee's gross revenues. Franchise royalties represent sales-based royalties that are related entirely to the use of the Company's intellectual property and are recognized as franchisee sales occur and the royalty is deemed collectible.

Brand Fund

The Company maintains a brand fund established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Brand fund fees are collected from franchisees based on a percentage of franchisee gross revenues. The Company has determined that it acts as a principal in the collection and administration of the brand fund and therefore recognizes the revenues and expenses related to the brand fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand fund are highly interrelated and, therefore, are accounted for as a single performance obligation. As a result, revenues from the brand fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales

WISDOM BUSINESS OWNERS LLC AND AFFILIATE
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NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Cost Recognition (continued)

Brand Fund (continued)

occur. When brand fund fees exceed the related brand fund expenses in a reporting period, advertising costs are accrued up to the amount of brand fund revenues recognized.

Other Revenues

All other fees are recognized as services are rendered or when payment is received.

Incremental Costs of Obtaining a Contract

The Company capitalizes direct and incremental costs, principally consisting of commissions associated with the sale of franchises, and amortizes them over the term of the franchise agreements. No such costs have been incurred through December 31, 2021.

Income Taxes

The Company consists of two single-member limited liability companies that are disregarded entities for income tax purposes. Accordingly, no provision has been made for income taxes in the accompanying combined financial statements, since all items of income or loss are required to be reported on the income tax returns of the member, who is responsible for any taxes thereon.

The Company recognizes and measures its unrecognized tax benefits in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change. There were no uncertain tax positions recognized as of December 31, 2021 and 2020.

Advertising Costs

Advertising costs for the Company are expensed as incurred and are included in "Selling, general and administrative expenses" on the accompanying combined statements of operations and changes in member's deficit. Advertising costs amounted to \$67,236, \$10,875, and \$9,484 for each of the years in the three-year period ended December 31, 2021, respectively.

WISDOM BUSINESS OWNERS LLC AND AFFILIATE
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NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Franchised Outlets

The following data reflects the status of the Company's franchised outlets as of and for the year ended December 31:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Franchises sold	4	2	-
Franchises purchased	-	-	-
Franchised outlets in operation	5	4	2
Franchisor owned outlets in operation	-	-	-
Affiliate-owned outlets in operations	1	1	1

Reclassifications

Certain amounts in the prior year combined financial statements have been reclassified to conform to the current year presentation. These reclassification adjustments had no effect on the Company's previously reported net loss.

Recently Issued but not yet Effective Accounting Pronouncements

In February 2016, FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("ASU 2016-02"), which among other items, requires an entity to recognize lease assets and lease liabilities in the Company's combined balance sheets and to disclose key information about leasing transactions. In June 2020, FASB issued ASU No. 2020-05, which defers the effective date for annual reporting periods beginning after December 15, 2021. The Company is evaluating the effect that ASU 2016-02 will have on its combined financial statements and related disclosures.

Subsequent Events

The Company has evaluated subsequent events through April 27, 2022, the date on which these combined financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these combined financial statements.

NOTE 3. LIQUIDITY AND BUSINESS RISKS

The Company has sustained a net loss the past two years and, as a result, has an accumulated member's deficit at December 31, 2021. The Company is growing and, as such, is incurring expenditures in the near term to benefit the future as it looks to grow the franchisee base and expand into new markets. Such expenses could be reduced or eliminated in order to improve operating cash flows as needed.

As of the date these combined financial statements were available to be issued, the Company continues to focus on selling franchises, and royalties are expected to increase. The member has the intent and ability to continue funding the Company's operations, if necessary, should its cash flows from operations combined with its cash balances not be sufficient to meet its working capital needs. The Company believes that this will enable it to meet its funding requirements for one year from the date these combined financial statements were available to be issued.

WISDOM BUSINESS OWNERS LLC AND AFFILIATE
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DECEMBER 31, 2021, 2020 AND 2019

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated Revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States and the Company's ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors. Initial franchise fees are recognized over time, while royalties, scheduling fees and other franchise related fees are recognized at a point in time.

Contract Balances

Contract liabilities are comprised of unamortized initial franchise fees received from franchisees, which are presented as "Deferred revenue - current" and "Deferred revenue - net of current" on the accompanying combined balance sheets.

Deferred franchise revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2022	\$ 21,500
2023	21,500
2024	21,500
2025	21,500
2026	21,500
Thereafter	<u>68,875</u>
Total	<u>\$ 176,375</u>

Deferred franchise revenues consisted of the following:

	<u>2021</u>	<u>2020</u>
Franchise units not yet opened	\$ 89,250	\$ -
Opened franchise units	<u>87,125</u>	<u>89,458</u>
Total	<u>\$ 176,375</u>	<u>\$ 89,458</u>

NOTE 5. MARKETING FUND

Brand Fund

The Company reserves the right to charge its franchisees a brand fund fee equal to 1.75% of gross sales per month (the "brand funds"), in accordance with the Company's standard franchise agreement. The brand fund is to be utilized for the benefit of the franchisees through general promotion of the trademark, with a portion designated to offset the Company's costs for its administration of the fund. Pursuant to the standard franchise agreement, the Company is required to segregate and restrict monies collected on behalf of the brand fund. Brand funds collected totaled \$32,222, \$16,238 and \$7,605 for the years ended December 31, 2021, 2020 and 2019, respectively. As of December 31, 2021 and 2020, the Company had expended all brand fund amounts collected on behalf of franchisees for advertising and marketing.

WISDOM BUSINESS OWNERS LLC AND AFFILIATE
(Limited Liability Companies)
NOTES TO COMBINED FINANCIAL STATEMENTS
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NOTE 5. MARKETING FUND (CONTINUED)

Advertising Cooperative

The Company reserves the right to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative (the "Cooperative"). If the Cooperative is established, the Company may require franchisees to contribute an amount up to 2.5% of gross sales, determined by the respective regional cooperative. This contribution will count towards the local advertising amount required to be spent by the franchisee. As of December 31, 2021, the Company has not yet established a Cooperative.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Litigation

The Company may, from time to time, be involved in ordinary and routine litigation. Management presently believes that there are no proceedings, individually or in the aggregate, which will have a material adverse effect on the Company's combined financial position, results of operations or cash flows. Nevertheless, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include money damages and, in such event, could result in a material adverse impact on the Company's financial position, results of operations or cash flows for the period in which the ruling occurs. There is no pending litigation, or known threat of litigation, as of the date on which these combined financial statements were available to be issued.

NOTE 7. RELATED-PARTY TRANSACTIONS

License Agreement

On December 13, 2016, the Company entered into an exclusive license agreement with the Licensor for the use of the registered name "Wisdom Senior Care" and "Keeping Wisdom at Home" (the "License Agreement"), which is perpetual unless the Company terminates the License Agreement with a written notice. Pursuant to the License Agreement, the Company has acquired the right to sell Wisdom Senior Care franchises in the United States of America, and to collect franchise fees, royalties and other fees from franchisees. The Company is obligated to pay the Licensor a license fee based on the Company's gross revenue, as further defined in the License Agreement. There was no license fee expense for the years ended December 31, 2021, 2020 and 2019.

Other

The Company is owned by the same member as the Licensor. The Company maintains its administrative and training location in the same facilities as the Licensor. The Licensor provides facilities, administrative supplies and support, IT infrastructure and other supporting services to the Company. During the years ended December 31, 2021 and 2020, the Company was allocated \$13,200 and \$2,200, respectively, of rent expense, which is included in "Selling, general and administrative expenses" in the accompanying combined statements of operations and changes in member's deficit. The Company has no payables or receivables outstanding with the Licensor at December 31, 2021 and 2020.

EXHIBIT B TO FDD

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See attached

EXHIBIT B TO FDD – TABLE OF CONTENTS

TRAINING MANUAL AND POLICY AND PROCEDURES MANUAL



POLICY AND PROCEDURES MANUAL

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EXHIBIT C TO FDD
FRANCHISE AGREEMENT

See attached

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is made and entered into on _____, 20____, by and between Wisdom Business Owners LLC, a North Carolina limited liability company with its principal place of business at 3622 Shannon Road, Suite 103, Durham, NC 27707 ("Franchisor"), and _____, a _____ with its principal place of business at _____ ("Franchisee").

WITNESSETH:

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive system relating to the establishment, operation, and promotion of the Wisdom Senior Care in-home care business, which offers 24-hour, senior in-home care and support services, including companionship, personal care needs, dementia/Alzheimer's care, geriatric care, home management and transportation, and all of which may be changed, improved and further developed by Franchisor from time to time (the "System");

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive standards and specifications for products and services; uniform standards, specifications, and procedures for operations; procedures for screening, recruiting and training personnel; payroll and bookkeeping procedures and policies; training and assistance; marketing methods; and advertising and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin, including, but not limited to, the name "Wisdom Senior Care" and the logo design, and the phrase "Keeping Wisdom at Home," as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the "Proprietary Marks");

WHEREAS, Franchisee desires to enter into the business of operating a Wisdom Senior Care in-home care business under Franchisor's System and Proprietary Marks, and wishes to enter into an agreement with Franchisor for that purpose, and to receive the training and other assistance provided by Franchisor in connection therewith; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearances, and service and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications;

NOW, THEREFORE, the parties agree as follows:

1. GRANT

1.1 Grant of Franchise. Franchisor grants to Franchisee the right and Franchisee undertakes the obligation, upon the express terms and conditions set forth in this Agreement, to establish and operate a Wisdom Senior Care in-home care business under the Proprietary Marks and System (the "Wisdom Franchise" or "Franchised Business"), and to use the Proprietary Marks and the System,

as they may be changed and improved from time to time at Franchisor's sole discretion, solely in connection therewith.

1.2 Approved Location. Franchisee shall operate the Franchised Business only at the location identified in Exhibit A (the "Approved Location"). If, at the time of execution of this Agreement, a location for the Wisdom Franchise has not been obtained by Franchisee and approved by Franchisor, Franchisee shall lease or acquire a location within ninety (90) days after the date of this Agreement, subject to the Franchisor's approval, as provided for in the Site Selection Addendum attached hereto as Exhibit B. Franchisee shall not relocate the Wisdom Franchise without the prior written approval of Franchisor. Franchisor shall have the right, in its sole discretion, to withhold approval of relocation.

1.3 Franchisee's Territory. Except as otherwise provided in this Agreement, during the term of this Agreement Franchisor shall not establish or operate, nor license any other person to establish or operate, a Wisdom Franchise under the System and the Proprietary Marks at any location within the territory described in Exhibit A (the "Franchisee's Territory"). Franchisor and its affiliates further retain the rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein:

1.3.1 to establish and operate, and license others to establish and operate, a Wisdom Franchise under the System and the Proprietary Marks at any location outside the Franchisee's Territory;

1.3.2 to sell or distribute, directly or indirectly, or license others to sell or distribute, products or services the same as or similar to those offered under the System, and any other products or services, at any location other than a Wisdom Franchise (notwithstanding its proximity to the Approved Location) whether within or outside the Franchisee's Territory under the same or different Proprietary Marks;

1.3.3 to acquire and operate any business or store of any kind under different proprietary marks at any location (notwithstanding its proximity to the Approved Location) whether located within or outside the Franchisee's Territory; and

1.3.4 within and outside Franchisee's Territory, and notwithstanding any other provision hereof, to acquire, merge with, or otherwise affiliate with, and thereafter own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to those offered under the System or that uses the Proprietary Marks or any other system or marks.

1.4 Supplementing the System. Franchisee acknowledges that the System may be supplemented, improved, and otherwise modified from time to time by Franchisor; and Franchisee agrees to comply with all reasonable requirements of Franchisor in that regard, including, without limitation, offering and selling new or different products or services as specified by Franchisor.

2. TERM AND RENEWAL

2.1 Term. This Agreement shall be in effect upon its acceptance and execution by Franchisor and, except as otherwise provided herein, the term of this Agreement shall be ten (10) years from the date first above written.

2.2 Renewal. Franchisee may, subject to the following conditions, renew the rights granted under this Agreement for two (2) additional consecutive term(s) of ten (10) years. Franchisor may require, in its sole discretion, that any or all of the following conditions be met prior to such renewal:

2.2.1 Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the then-current term;

2.2.2 Franchisee shall make or provide for, in a manner satisfactory to Franchisor, such renovation and modernization of the premises of the Wisdom Franchise (the "Premises") as Franchisor may reasonably require, including, without limitation, installation of new equipment and renovation of signs, furnishings, fixtures, and décor to reflect the then-current standards and image of the System;

2.2.3 Franchisee and all of its affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates; and Franchisee and all of its affiliates shall have substantially complied with all the terms and conditions of such agreements during the terms thereof;

2.2.4 Franchisee and all of its affiliates shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates under this Agreement, and shall have timely met those obligations throughout the term of this Agreement;

2.2.5 Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises for the duration of the renewal term (including without limitation providing Franchisor a complete copy of Franchisee's lease and all exhibits and amendments thereto) or shall obtain Franchisor's approval of a new location for the Wisdom Franchise for the duration of the renewal term;

2.2.6 Franchisee shall, at Franchisor's option, execute Franchisor's then-current form of franchise agreement (but only for such renewal terms as are provided by this Agreement), which shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher royalty fee and advertising contribution and a smaller or modified Franchisee's Territory, except that Franchisee shall not be required to pay any initial franchise fee (but shall be required to pay the renewal fee set forth in Section 2.2.9 hereof);

2.2.7 Franchisee shall execute, and shall cause each of its affiliates to execute, a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, and employees;

2.2.8 Franchisee shall comply with Franchisor's then-current qualification and training requirements; and

2.2.9 Franchisee shall pay Franchisor a renewal fee in the amount of five percent (5%) of Franchisor's then-current initial franchise fee.

3. DUTIES OF FRANCHISOR

3.1 Plans and Specifications. Franchisor shall make available, at no charge to Franchisee, specifications for fixtures, furnishings and signs. Franchisee acknowledges that such specifications shall not contain the requirements of any federal, state or local law, code or regulation (including, without limitation, those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities).

3.2 Training. Franchisor shall provide training as set forth in Section 6 hereof.

3.3 Opening Assistance. Franchisor shall provide one (1) representative to provide such on-site, pre-opening and opening assistance as Franchisor, in its sole discretion, deems appropriate.

3.4 Additional Assistance. On Franchisee's reasonable request, and in Franchisor's sole discretion, Franchisor will make available to Franchisee advice and assistance on the proper implementation of the System and operation of the Wisdom Franchise. Franchisor shall have the right to charge a reasonable fee for such advice and assistance.

3.5 Advertising and Promotional Materials. Franchisor shall make available to Franchisee advertising and promotional materials as provided in Section 12 hereof.

3.6 Confidential Operating Manual. Franchisor shall provide Franchisee, on loan, one copy of Franchisor's Confidential Operating Manual (the "Manual"), as more fully described in Section 9 hereof.

3.7 Products. During the required time period of operations of the Wisdom Franchise, as specified by Franchisor in the Manual or otherwise in writing from time to time, Franchisor shall make available to Franchisee for sale, or designate or approve other suppliers who shall make available to Franchisee for sale, products and supplies as Franchisor may designate in the Manual or in writing from time to time.

3.8 Brand Fund. Franchisor shall administer an advertising and brand promotion fund in the manner set forth in Section 12 hereof.

3.9 Inspections. Franchisor shall have the right, as it deems advisable in its sole discretion, to conduct inspections of Franchisee's operation of the Wisdom Franchise, including annual inspections.

3.10 Performance by Designee. Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by any designee, employee, or agent of Franchisor, as Franchisor may direct.

3.11 Scheduling Services. Franchisor or its affiliate shall maintain and make available to Franchisee a scheduling service for the purpose of scheduling caregivers.

3.12 Technology Services. Franchisor or its affiliate shall provide technology services to Franchisee, including developing and maintaining a webpage for the Wisdom Franchise, and providing up to five (5) email addresses for use in the Wisdom Franchise.

4. FEES

4.1 Initial Franchise Fee. In consideration of the franchise granted herein, Franchisee shall pay to Franchisor, on execution of this Agreement, an initial franchise fee of Forty-Five Thousand Dollars (\$45,000). The entire initial franchise fee is fully earned and non-refundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to enter into this Agreement with others.

4.2 Royalty Fees. Franchisee shall pay to Franchisor a continuing royalty fee in an amount equal to five percent (5%) of Gross Sales for each week during the term of this Agreement, which shall be paid to Franchisor in accordance with Section 4.4 below.

4.3 Gross Sales. "Gross Sales" means all revenues generated from sales of all products and services conducted at, from, by or with respect to the Franchised Business, whether such sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales shall not include the sale of products or services for which refunds have been made in good faith to customers or any sales taxes or other taxes collected from customers and paid directly to the appropriate taxing authority.

4.4 Advertising Expenditures. Franchisee shall make monthly expenditures and weekly contributions for advertising and promotion as specified in Section 12 hereof.

4.5 Payments. All payments to Franchisor required by Section 4.2, Section 4.8 and Section 12.4 hereof shall be made weekly on the Monday following the calendar week to which such payments relate, each based on the Gross Sales from the preceding week. All such payments shall be made by direct deposit or electronic funds transfer. All such payments shall be accompanied by such Gross Sales reports as Franchisor requires under Section 11.2 below. Any payment or Gross Sales report not actually received by Franchisor on or before such date shall be deemed overdue. If any payment or Gross Sales report is overdue, Franchisee shall pay Franchisor immediately upon demand, in addition to the overdue amount, a "late charge" on such amount from the date it was due until received by Franchisor, at the rate of one and one-half percent (1.5%) per month on the overdue amount, or the maximum rate permitted by applicable law. Entitlement to such late charges shall be in addition to any other remedies Franchisor may have. Franchisee shall not be entitled to set off any payments required to be made under this Section 4 against any monetary claim it may have against Franchisor. Franchisor reserves the right to require Franchisee to make any or all payments under this Agreement to an affiliate of Franchisor.

4.6 Bank Account. Franchisee shall deposit all revenues from operation of the Wisdom Franchise into one bank account within two (2) days of receipt, including cash, checks, credit card receipts or the value of other forms of payment. Franchisee shall furnish to Franchisor, upon

Franchisor's request, such bank and account number, a voided check from such bank account, and written authorization for Franchisor to withdraw funds from such bank account via electronic funds transfer without further consent or authorization for all payments payable by Franchisee to Franchisor hereunder. Franchisee agrees to execute any and all documents as may be necessary to effectuate and maintain the electronic funds transfer arrangement, as required by Franchisor. Franchisee agrees to pay all costs associated with any such transfer. In the event Franchisee changes banks or accounts for the bank account required by this Section 4.6, Franchisee shall, prior to such change, provide such information concerning the new account and an authorization to make withdrawals therefrom. Franchisee's failure to provide such information concerning the bank account required by this Section 4.6 or any new account, or Franchisee's withdrawal of consent to withdrawals for whatever reason and by whatever method, shall be a breach of this Agreement.

4.7 Scheduling Services. If Franchisee chooses to use Franchisor's Scheduling Services, Franchisee shall pay to Franchisor a weekly fee for scheduling services, as set forth on Schedule 4.7 hereto, and as adjusted from time to time.

4.8 Technology Services. Franchisee shall pay to Franchisor a fee for technology services in an amount equal to 0.25% of Gross Sales for each week during the term of this Agreement.

5. OPENING OF FRANCHISED BUSINESS

5.1 Construction. Franchisee shall renovate or construct, and equip, the Wisdom Franchise at Franchisee's own expense. Before commencing any renovation or construction of the Wisdom Franchise premises, Franchisee, at its expense, shall have draft and final architectural drawings and specifications of the Premises created by a licensed architect or engineer. Such draft and final drawings and specifications shall be submitted to Franchisor for its prior written approval. The drawings and specifications shall not thereafter be changed or modified without the prior written approval of Franchisor. Franchisor's approval hereunder shall not relate to Franchisee's obligations with respect to any federal, state or local laws, codes or regulations including, without limitation, the applicable provisions of the ADA regarding the construction, design and operation of the Wisdom Franchise, which shall be Franchisee's sole responsibility.

5.2 Permits. Franchisee shall be responsible, at Franchisee's expense, for conforming the premises to local ordinances, building codes and the ADA, and for obtaining all zoning classifications, permits, and clearances, including, but not limited to, certificates of occupancy and certificates of health, which may be required by federal, state or local laws, ordinances, or regulations, or which may be necessary or advisable owing to any restrictive covenants relating to the premises or required by the lessor.

5.3 Opening Deadline. Franchisee shall obtain Franchisor's written approval prior to first opening the Wisdom Franchise, which approval shall not be unreasonably withheld. Franchisee shall commence operation of the Wisdom Franchise not later than one hundred eighty (180) days after the date of this Agreement, if Franchisee has selected a site prior to the execution hereof or, if Franchisee has executed the Site Selection Addendum, within one hundred eighty (180) days after obtaining an Approved Location. The parties agree that time is of the essence in the opening of the Wisdom Franchise.

6. TRAINING

6.1 Initial Training Program. Prior to the opening of the Wisdom Franchise, Franchisee (or, if Franchisee is a corporation, partnership or limited liability company, a principal of Franchisee approved by Franchisor) and one (1) other employee or manager of the Wisdom Franchise, approved by Franchisor, shall attend and complete to Franchisor's satisfaction the initial training program offered by Franchisor. Any persons subsequently employed by Franchisee in the position of manager shall also attend and complete Franchisor's training program, to Franchisor's satisfaction, within ninety (90) days of their date of hire. Franchisee, Franchisee's managers, and other employees shall also attend such additional courses, seminars and other training programs as Franchisor may reasonably require from time to time.

6.2 Training Expenses. All training programs required by Section 6.1 hereof shall be at such times and places as may be designated by Franchisor, and also may be conducted via Internet, intranet, conference call, or such other means as Franchisor determines in its sole discretion. For the initial training program, the Franchisee shall pay a fee of \$1200 upon course registration. For that Initial Training Fee, Franchisor shall provide instructors, training materials, and technical training tools, including the Operations Manual. Franchisee shall be responsible for any and all other expenses incurred by Franchisee and its employees in connection with the initial training program and any additional courses, seminars, and other training programs, including, without limitation, the costs of transportation, lodging, meals, and wages.

7. DUTIES OF FRANCHISEE

7.1 Operating Standards. Franchisee understands and acknowledges that every detail of the Franchised Business is important to Franchisee, Franchisor and other franchisees in order to develop and maintain high operating standards, to increase the demand for the products and services sold by all franchised businesses operating under the System, and to protect Franchisor's reputation and goodwill.

7.2 Premises Operations. Franchisee shall use the Premises solely for the operation of the business franchised hereunder; shall keep the Wisdom Franchise open and in normal operation for such minimum hours and days as Franchisor may specify; shall refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor; and shall operate the Wisdom Franchise in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manual or otherwise in writing. Franchisee shall maintain normal operating hours, generally defined as Monday through Friday, 8:30 AM - 5:30 PM. Franchisee will maintain "On Call" phone access after hours and during holidays, weekends and events of unplanned emergency situations, including extreme weather. Franchisee shall refrain from deviating from such standards, specifications, and procedures without Franchisor's prior written consent.

7.3 Adherence to Standards and Specifications. To insure that the highest degree of quality and service is maintained, Franchisee shall operate the Wisdom Franchise in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manual or otherwise in writing. Franchisee agrees:

7.3.1 To maintain in sufficient supply as Franchisor may prescribe in the Manual or otherwise in writing, and to use at all times, only such products and supplies acquired from a supplier or suppliers designated or approved by Franchisor, and such other products, materials, supplies, paper goods, fixtures, furnishings, equipment and signs as conform with Franchisor's standards and specifications, and to refrain from deviating therefrom by the use of nonconforming items, without Franchisor's prior written consent. Franchisor may designate itself or an affiliate to be an approved supplier, or the only approved supplier, of any products or other items.

7.3.2 To sell or offer for sale only such products or services as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all types of products or services specified by Franchisor; to refrain from any deviation from Franchisor's standards and specifications without Franchisor's prior written consent; and to discontinue selling and offering for sale any products or services which Franchisor may, in its discretion, disapprove in writing at any time.

7.3.3 To purchase products and supplies designated by Franchisor solely from Franchisor or such other designated sources as Franchisor may describe in the Manual or otherwise in writing from time to time.

7.3.4 That all products shall be stored, maintained and used in strict conformity with Franchisor's standards, specifications and procedures, as Franchisor may specify in the Manual or otherwise in writing from time to time.

7.3.5 To use, in the operation of the Franchised Business, such standards, specifications, and procedures as prescribed by Franchisor.

7.3.6 To refrain from selling or performing any services that require a license unless the proper license has been received, and any required RNs or CNAs are properly employed.

7.3.7 To refrain from selling or advertising any products or services hereunder on the Internet without Franchisor's prior, written approval.

7.3.8 To participate in Franchisor's gift certificate program, should it choose to have one, for all Wisdom Franchises operating under the System, as prescribed by Franchisor in the Manual or otherwise in writing from time to time, including, but not limited to, selling and offering for sale gift certificates which may be redeemed at any Wisdom Franchise for products or services; permitting customers who purchased gift certificates from another Wisdom Franchise or Franchisor to redeem their gift certificates for products or services at Franchisee's Wisdom Franchise; and participating in Franchisor's customer complaint program, which may require Franchisee's offering free gift certificates, at Franchisee's expense, to customers complaining about service at Franchisee's Wisdom Franchise. Franchisee must comply with all of Franchisor's policies regarding advertising and promotion, including the use and acceptance of coupons.

7.4 Fixtures, Furnishings, and Equipment. Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, supplies, equipment as Franchisor may reasonably direct from

time to time; and shall refrain from installing or permitting to be installed on or about the Premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, décor, signs or other items not previously approved by Franchisor.

7.5 Sources of Products. All products sold or offered for sale at the Wisdom Franchise, and other products, materials, supplies, paper goods, fixtures, furnishings and equipment used or sold at the Wisdom Franchise, shall meet Franchisor's then-current standards and specifications, as established in the Manual or otherwise in writing. Except as provided in Section 7.3 and 7.4 hereof, Franchisee shall purchase all supplies, materials, and other products and equipment used or offered for sale at the Wisdom Franchise for which Franchisor has established standards or specifications (through the Manual or otherwise in writing) solely from Franchisor, an affiliate of Franchisor, or suppliers (including manufacturers, distributors and other sources) which demonstrate the ability to meet Franchisor's standards and specifications, who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably, and who have been approved by Franchisor in the Manual or otherwise in writing. Franchisor reserves the right to require Franchisee to purchase any or all approved products, equipment, and merchandise solely from Franchisor or an affiliate of Franchisor. If Franchisee desires to purchase products from a party other than an approved supplier, Franchisee shall submit to Franchisor a written request to approve the proposed supplier, together with such evidence of conformity with Franchisor's specifications as Franchisor may reasonably require. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to Franchisor or to an independent testing facility designated by Franchisor. A charge not to exceed the reasonable cost of the evaluation and testing shall be paid by Franchisee. Franchisor shall use its best efforts, within thirty (30) days after its receipt of such completed request and completion of all required evaluation, to notify Franchisee in writing of its approval or disapproval of the proposed supplier. Franchisee shall not sell or offer for sale or use any products of the proposed supplier until Franchisor's written approval of the proposed supplier is received. Franchisor may from time to time revoke its approval of particular products or suppliers when Franchisor determines, in its sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee shall cease to sell or use any disapproved products and cease to purchase from any disapproved supplier. Franchisee agrees that it shall use products purchased from approved suppliers solely for the purpose of operating the Wisdom Franchise and not for any other purpose, including, without limitation, resale. Nothing in the foregoing shall be construed to require Franchisor to make available to prospective suppliers any information that Franchisor, in its sole discretion, deems confidential. Notwithstanding the above, Franchisor reserves the right, in its business judgment, to require Franchisee to purchase any or all approved products, equipment, merchandise, or services used in the Franchised Business solely from Franchisor or an affiliate of Franchisor.

7.6 Initial Inventory. At the time the Wisdom Franchise opens for the first time, Franchisee shall stock the initial inventory of products and supplies prescribed by Franchisor in the Manual or otherwise in writing. Thereafter, Franchisee shall stock and maintain all types of approved products in quantities sufficient to meet reasonably anticipated customer demand.

7.7 On-Premises Supervision. The Wisdom Franchise shall at all times be under the direct, on-premises supervision of an individual who has satisfactorily completed the training as required by Section 6.1 hereof. Franchisee shall maintain a competent, conscientious, trained staff, including a manager (who may be Franchisee) who has completed the training described in Section 6.1 hereof. Franchisee shall take such steps as are necessary to ensure that its employees preserve good customer relations; render competent, prompt, courteous and knowledgeable service; wear uniforms of the color, design, and other specifications that Franchisor requires; present a neat and clean appearance during all hours of operation; and meet such additional minimum standards as Franchisor may establish from time to time in the Manual. Franchisee and its employees shall handle all customer complaints, refunds, returns and other adjustments in a manner that will not detract from the name and goodwill of Franchisor. Franchisee shall take such steps as are necessary to ensure that its employees do not violate Franchisor's policies relating to the use of Networking Media Sites (as defined in Section 8.8 below), including, but not limited to, prohibiting employees from posting any information relating to Franchisor, the System, the Proprietary Marks, or the Franchised Business on any Networking Media Site that is inconsistent with such policies. Franchisee shall be solely responsible for all employment decisions and functions of the Wisdom Franchise, including, without limitation, those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of employees.

7.8 Inspections. Franchisee shall permit Franchisor and its agents to enter upon the Wisdom Franchise premises at any time during normal business hours for the purpose of conducting inspections; shall cooperate with representatives of Franchisor in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by Franchisor and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable to Franchisor upon demand. The foregoing shall be in addition to such other remedies Franchisor may have.

7.9 Advertising Materials. Franchisee shall ensure that all advertising and promotional materials, signs, decorations and other items specified by Franchisor bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor.

7.10 Maintenance of Premises. Franchisee shall maintain the Wisdom Franchise premises (including the adjacent public areas) in a clean, orderly condition and in excellent repair; and, in connection therewith, Franchisee shall, at its expense, make such additions, alterations, repairs and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment and décor as Franchisor may reasonably direct.

7.11 Refurbishment. At Franchisor's request, but no more than once every five (5) years, unless sooner required by Franchisee's lease, Franchisee shall refurbish the Wisdom Franchise premises, at its expense, to conform to the building design, trade dress, color schemes and presentation of the

Proprietary Marks in a manner consistent with the then-current image for new Wisdom Senior Care franchised businesses. Such refurbishment may include, without limitation, structural changes, remodeling, redecoration and modifications to existing improvements.

7.12 Changes to the System. Franchisee shall not implement any change, amendment or improvement to the System without the express prior written consent of Franchisor. Franchisee shall notify Franchisor in writing of any change, amendment or improvement in the System which Franchisee proposes to make, and shall provide to Franchisor such information as Franchisor requests regarding the proposed change, amendment or improvement. Franchisee acknowledges and agrees that Franchisor shall have the right to incorporate the proposed change, amendment or improvement into the System and shall thereupon obtain all right, title and interest therein without compensation to Franchisee.

7.13 Compliance With Lease. Franchisee shall comply with all the terms of its lease or sublease and all other agreements affecting the operation of the Wisdom Franchise; shall promptly furnish Franchisor a copy of its lease, upon request; shall undertake best efforts to maintain a good and positive working relationship with its landlord and/or lessor; and shall refrain from any activity which may jeopardize Franchisee's right to remain in possession of, or to renew the lease or sublease for, the Wisdom Franchise premises.

7.14 Health and Safety Standards. Franchisee shall meet and maintain the highest health and safety standards and ratings applicable to the operation of the Wisdom Franchise. Franchisee shall furnish to Franchisor within forty-eight (48) hours after receipt thereof, a copy of any violation or citation which indicates Franchisee's failure to maintain local health or safety standards in the operation of the Wisdom Franchise.

7.15 Pricing. Franchisor shall have the right to determine the prices of the products and services offered, sold, and advertised by Franchisee. Franchisor also shall have the right to establish minimum prices and/or maximum prices of the products and services offered, sold, and advertised by Franchisee. Franchisee shall strictly adhere to the prices (including minimum and/or maximum prices) established by Franchisor. Franchisor retains the right to modify the prices from time to time in its reasonable discretion.

8. PROPRIETARY MARKS AND TECHNOLOGY

8.1 Franchisor's Representations. Franchisor represents with respect to the Proprietary Marks:

8.1.1 Wisdom Senior Care, Inc. and Franchisor are the owner and licensee, respectively, of all right, title, and interest in and to the Proprietary Marks;

8.1.2 Franchisor has the right to use, and to license others to use, the Proprietary Marks in accordance with this Agreement; and

8.1.3 Franchisor has taken and will take all steps reasonably necessary to preserve and protect the ownership and validity of the Proprietary Marks.

8.2 Franchisee's Use of the Proprietary Marks. With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees that:

8.2.1 Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

8.2.2 Franchisee shall use the Proprietary Marks only for the operation of the Wisdom Franchise and only at the Approved Location, or in advertising for the Wisdom Franchise conducted at or from the Approved Location;

8.2.3 Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Wisdom Franchise only under the name "Wisdom Senior Care" and shall use all Proprietary Marks without prefix or suffix. Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name;

8.2.4 During the term of this Agreement and any renewal or extension hereof, Franchisee shall identify itself as the owner of the Wisdom Franchise (in the manner required by Franchisor) in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, and contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as Franchisor may designate in writing;

8.2.5 Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights and will entitle Franchisor to exercise all of its rights under this Agreement in addition to all rights available at law or in equity;

8.2.6 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

8.2.7 Franchisee shall execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability;

8.2.8 Franchisee shall promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to Wisdom Senior Care, Inc.'s ownership of, Franchisor's right to use and to license others to use, or Franchisee's right to use, the Proprietary Marks. Franchisee acknowledges that Wisdom Senior Care, Inc. and Franchisor have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. Franchisor shall defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. If Franchisor, in its sole discretion, determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisor. If Franchisor, in its sole discretion, determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisee.

In the event of any litigation relating to Franchisee's use of the Proprietary Marks, Franchisee shall execute any and all documents and do such acts as may, in the opinion of Franchisor, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for its out-of-pocket costs in doing such acts; and

8.2.9 Franchisee shall not attempt to register or otherwise obtain any interest in any Internet domain name or URL containing any of the Proprietary Marks or any other word, name, symbol or device which is likely to cause confusion with any of the Proprietary Marks.

8.3 Acknowledgements. Franchisee expressly understands and acknowledges that:

8.3.1 The Franchisor is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and Franchisor has the right to use, and license others to use, the Proprietary Marks;

8.3.2 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

8.3.3 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of Franchisor's ownership of, or Franchisor's right to use and to license others to use, the Proprietary Marks;

8.3.4 Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

8.3.5 Any and all goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to the benefit of Franchisor, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount shall be assigned to Franchisee or any of its principals, affiliates, subsidiaries, successors, licensees or assigns as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

8.3.6 Except as specified in Section 1.3 hereof, the license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor and its affiliates thus have and retain the rights, among others: (a) to use the Proprietary Marks itself in connection with selling products and services; (b) to grant other licenses for the Proprietary Marks; and (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to Franchisee; and

8.3.7 Franchisor reserves the right, in Franchisor's sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks, for use in identifying the System and the businesses operating thereunder. Franchisee agrees promptly to comply with such changes, revisions and/or substitutions, and to bear all the costs of

modifying Franchisee's signs, advertising materials, interior graphics and any other items which bear the Proprietary Marks to conform therewith.

8.4 Computer System and Required Software.

8.4.1 Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by Franchisee, including without limitation: (a) back office and point of sale systems, data, audio, and video, systems for use at the Franchised Business; (b) printers and other peripheral hardware or devices; (c) archival back-up systems; (d) Internet access mode and speed; and (e) physical, electronic, and other security systems (collectively, the "Computer System").

8.4.2 Franchisor shall have the right, but not the obligation, to develop or have developed for it, or to designate: (a) computer software programs that Franchisee must use in connection with the Computer System (the "Required Software"), which Franchisee shall install at its expense; (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install at its expense; (c) the tangible media upon which Franchisee shall record data; and (d) the database file structure of the Computer System.

8.4.3 At Franchisor's request, Franchisee shall purchase or lease, and thereafter maintain, the Computer System and, if applicable, the Required Software. Franchisor shall have the right at any time to remotely retrieve and use such data and information from Franchisee's Computer System or Required Software that Franchisor deems necessary or desirable. Franchisee expressly agrees to strictly comply with Franchisor's standards and specifications for all items associated with Franchisee's Computer System and any Required Software in accordance with Franchisor's standards and specifications. Franchisee agrees, at its own expense, to keep the Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as Franchisor directs from time to time in writing. Franchisee agrees that its compliance with this Section 8.4 shall be at Franchisee's sole cost and expense.

8.5 Data. All data provided by Franchisee, uploaded to Franchisor's system from Franchisee's system, downloaded from Franchisee's system to Franchisor's system, and/or obtained electronically or otherwise from Franchisee by Franchisor, is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. In addition, all other data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the Franchised Business (including but not limited to consumer and transaction data), is and will be owned exclusively by Franchisor during the term of, and following termination or expiration of, this Agreement. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the establishment and operation of the Franchised Business pursuant to this Agreement.

8.6 Privacy. Subject to applicable law, Franchisor may, from time-to-time, specify in the Manual (or otherwise in writing) the information that Franchisee shall collect and maintain on the Computer

System installed at the Franchised Business, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data pertaining to or derived from the Franchised Business (including, without limitation, data pertaining to or otherwise about customers) is and shall be the exclusive property of Franchisor, and Franchisor hereby grants a royalty-free non-exclusive license to Franchisee to use said data during the term of this Agreement. Franchisee shall abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information. Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent as to said policy.

8.7 Extranet. Franchisor may, but is not obligated to, establish an Extranet. The term "Extranet" means a private network based upon Internet protocols that will allow users inside and outside of Franchisor's headquarters to access certain parts of Franchisor's computer network via the Internet. If Franchisor does establish an Extranet, then Franchisee shall comply with Franchisor's requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Extranet and utilizing the Extranet in connection with the operation of the Franchised Business. The Extranet may include, without limitation, the Manual, training and other assistance materials, and management reporting solutions (both upstream and downstream, as Franchisor may direct). Franchisee shall purchase and maintain such computer software and hardware (including, but not limited to, telecommunications capacity) as may be required to connect to and utilize the Extranet. Franchisor shall have the right to require Franchisee to install a video, voice and data system that is accessible by both Franchisor and Franchisee on a secure Internet website, in real-time, all in accordance with Franchisor's then-current written standards as set forth in the Manual or otherwise in writing. Franchisee shall comply with Franchisor's requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between Franchisee's Computer System and Franchisor's Extranet and/or such other computer systems as Franchisor may reasonably require.

8.8 Websites. Unless otherwise approved in writing by Franchisor, Franchisee shall not establish a separate Website. However, Franchisor shall have the right to require that Franchisee have one or more references or webpage(s), as designated and approved in advance by Franchisor, within Franchisor's principal Website (currently, www.wisdomseniorcare.com) ("Franchisor's Website"). The term "Website" means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including, but not limited to, any account, page, or other presence on a social or business networking media site, such as Facebook, Twitter, Linked In, and on-line blogs and forums ("Networking Media Sites"). Franchisor shall have the right to require that Franchisee not have any Website other than the webpage(s), if any, made available on Franchisor's Website. However, if Franchisor approves a separate Website for Franchisee (which Franchisor is not obligated to approve; and, which approval, if granted, may later be revoked by Franchisor), then each of the following provisions shall apply:

8.8.1 Franchisee specifically acknowledges and agrees that any Website owned, established, or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement and will be subject to, among other things, Franchisor's prior review and approval;

8.8.2 Before establishing any Website, Franchisee shall submit to Franchisor, for Franchisor's prior written approval, a sample of the proposed Website domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including, without limitation, meta tags) in the form and manner Franchisor may reasonably require;

8.8.3 If approved, Franchisee shall not materially modify such Website without Franchisor's prior written approval as to such proposed modification;

8.8.4 Franchisee shall comply with the standards and specifications for Websites that Franchisor may periodically prescribe in the Manual or otherwise in writing;

8.8.5 If required by Franchisor, Franchisee shall establish such hyperlinks to Franchisor's Website and other Websites as Franchisor may request in writing;

8.8.6 Neither Franchisee, its principals, or any of Franchisee's employees shall make any posting or other contribution to a Networking Media Site relating to Franchisor, the System, the Proprietary Marks, or the Franchised Business that (a) is derogatory, disparaging, or critical of Franchisor, (b) is offensive, inflammatory, or indecent, (c) harms the goodwill and public image of the System and/or the Proprietary Marks, or (d) violates Franchisor's policies relating to the use of Networking Media Sites.

8.9 Domain Names. Franchisee acknowledges and agrees that if Franchisor grants its approval for Franchisee's use of a generic, national, and/or regionalized domain name, Franchisor shall have the right to own and control said domain name at all times and may license it to Franchisee for the term of this Agreement on such terms and conditions as Franchisor may reasonably require (including, but not limited to, the requirement that Franchisee reimburse Franchisor's costs for doing so). If Franchisee already owns any domain names, or hereafter registers any domain names, then Franchisee agrees that it shall notify Franchisor in writing and assign said domain names to Franchisor and/or a designee that Franchisor specifies in writing.

8.10 Online Use of Proprietary Marks and E-mail Solicitations. Franchisee shall not use the Proprietary Marks or any abbreviation or other name associated with Franchisor and/or the System as part of any e mail address, domain name, and/or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining Franchisor's written consent as to: (a) the content of such e-mail advertisements or solicitations; and (b) Franchisee's plan for transmitting such advertisements. In addition to any other provision of this Agreement, Franchisee shall be solely responsible for compliance with all laws pertaining to e-mails, including, but not limited to, the U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003").

8.11 No Outsourcing without Prior Written Approval. Franchisee shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of Franchisee's obligations without Franchisor's prior written approval. Franchisor's consideration of any proposed outsourcing vendor(s) may be conditioned

upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with Franchisor and Franchisee in a form that is provided by Franchisor. The provisions of this Section 8.11 are in addition to and not instead of any other provision of this Agreement.

8.12 Changes to Technology. Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Agreement were periodically revised by Franchisor for that purpose.

9. OPERATING MANUAL

9.1 Standards of Operation. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, Franchisee shall operate the Wisdom Franchise in accordance with the standards, methods, policies, and procedures specified in the Manual, one copy of which Franchisee shall receive on loan from Franchisor for the term of this Agreement upon completion by Franchisee of Franchisor's initial training program to Franchisor's satisfaction. The Manual may consist of multiple volumes of printed text, computer disks, other electronically stored data, DVDs, and/or videotapes. Franchisee acknowledges and agrees that Franchisor may provide a portion or all of the Manual (including updates and amendments), and other instructional information and materials, in or via electronic media, including, without limitation, through the Internet. If Franchisee's copy of the Manual is lost, stolen, or destroyed, Franchisee shall be required to obtain another copy of the Manual from Franchisor and pay Franchisor a replacement fee of Five Hundred Dollars (\$500).

9.2 Confidentiality. Franchisee shall treat the Manual, any other manuals created for or approved for use in the operation of the Wisdom Franchise, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person.

9.3 Exclusive Property. The Manual shall remain the sole property of Franchisor and shall be kept in a secure place on the Wisdom Franchise premises.

9.4 Revisions to Manual. Franchisor may from time to time revise the contents of the Manual, and Franchisee expressly agrees to comply with each new or changed standard. Franchisee shall ensure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copy maintained by Franchisor at Franchisor's home office shall be controlling.

10. CONFIDENTIAL INFORMATION

10.1 Confidential Information. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge or know-how

concerning the methods of operation of the business franchised hereunder, including, without limitation, the Manual, care procedures, customer lists, drawings, materials, or equipment which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement ("Confidential Information"). Franchisee shall divulge such Confidential Information only to such of its employees as must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know-how, techniques and other data which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement.

10.2 Confidentiality Agreements. At Franchisor's request, Franchisee shall require Franchisee's managers and other such personnel having access to any of Franchisor's Confidential Information to execute non-competition covenants and covenants that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Wisdom Franchise. Such covenants shall be in the form attached hereto as Exhibit C.

10.3 Irreparable Injury. Franchisee acknowledges that any failure to comply with the requirements of this Section 10 will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 10, or such other relief sought by Franchisor.

11. ACCOUNTING AND RECORDS

11.1 Gross Sales Reports. Franchisee shall record all sales on a point-of-sale recordkeeping and control system designated by Franchisor, or on any other equipment specified by Franchisor in the Manual or otherwise in writing. Franchisee shall maintain a record of all Gross Sales and expenses using such software or other means as specified by Franchisor in the Manual or otherwise in writing. Franchisee shall provide Franchisor with such Gross Sales records together with Franchisee's Royalty Fee payments as required by Section 4.5 hereof. Such reports shall be submitted to Franchisor by such means as designated by Franchisor in the Manual or otherwise in writing, including, but not limited to, a Web-based management system or other system that allows Franchisor instant, unrestricted access to Franchisee's sales information. Any report not actually received by Franchisor on or before the due date shall be deemed overdue. If a report is overdue, all payments to Franchisor for that month, whether or not timely received, shall be deemed overdue until such time as Franchisor has received the required report, and late charges shall be due as provided in Section 4.5. Franchisor shall have the right to access any business information or data collected and generated on Franchisee's point-of-sale system.

11.2 Other Reports. Franchisee shall submit to Franchisor within thirty (30) days after the close of each fiscal quarter, a quarterly profit and loss statement. Upon Franchisor's request, but not more often than once per month, Franchisee shall, at Franchisee's expense, submit to Franchisor in the form prescribed by Franchisor, within fifteen (15) days of Franchisor's request, unaudited financial statements showing the results of operations of the Franchised Business during the preceding calendar month, and such other forms, reports, records, information and data as Franchisor may reasonably designate.

11.3 Annual Financial Statements. Franchisee shall, at Franchisee's expense, submit to Franchisor in the form prescribed by Franchisor, within ninety (90) days after the end of each fiscal year, Franchisee's financial statements for the preceding fiscal year, including, without limitation, a complete and accurate profit and loss statement and balance sheet, which may be unaudited but, upon Franchisor's request, shall be reviewed in accordance with generally accepted accounting principles.

11.4 Preservation of Records. Franchisee shall prepare, and shall preserve for at least seven (7) years from the dates of their preparation (or such longer period as may be required under applicable law), complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

11.5 Inspection and Audit. **FRANCHISOR AND ITS DESIGNATED AGENTS SHALL HAVE THE RIGHT AT ALL REASONABLE TIMES TO EXAMINE AND COPY, AT FRANCHISOR'S EXPENSE, THE BOOKS, RECORDS, ACCOUNTS AND TAX RETURNS OF FRANCHISEE. FRANCHISOR SHALL ALSO HAVE THE RIGHT, AT ANY TIME, TO HAVE AN INDEPENDENT AUDIT MADE OF THE BOOKS OF FRANCHISEE. IF AN INSPECTION SHOULD REVEAL THAT ANY PAYMENTS HAVE BEEN UNDERSTATED IN ANY REPORT TO FRANCHISOR, THEN FRANCHISEE SHALL IMMEDIATELY PAY TO FRANCHISOR THE AMOUNT UNDERSTATED UPON DEMAND, IN ADDITION TO INTEREST FROM THE DATE SUCH AMOUNT WAS DUE UNTIL PAID, AT THE RATE OF EIGHTEEN PERCENT (18%) PER ANNUM, OR THE MAXIMUM RATE PERMITTED BY LAW, WHICHEVER IS LESS, PLUS ALL OF FRANCHISOR'S COSTS AND EXPENSES IN CONNECTION WITH THE INSPECTION, INCLUDING, WITHOUT LIMITATION, TRAVEL COSTS, LODGING AND WAGES EXPENSES, AND REASONABLE ACCOUNTING AND LEGAL COSTS. THE FOREGOING REMEDIES SHALL BE IN ADDITION TO ANY OTHER REMEDIES FRANCHISOR MAY HAVE.**

12. ADVERTISING AND PROMOTION

Recognizing the value of advertising and promotion, and the importance of the standardization of advertising and promotion programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

12.1 Grand Opening Advertising. At least sixty (60) days prior to the opening of the Franchised Business, Franchisee shall prepare and submit to Franchisor for its approval a grand opening advertising and promotional program in the form and manner prescribed by Franchisor in writing. Franchisee shall expend at least Two Thousand Dollars (\$2000) on such grand opening advertising and promotion within thirty (30) days after the opening of the Franchised Business.

12.2 Local Advertising and Promotion. During the term of this Agreement, except for the first three calendar months of operation of the Franchised Business, Franchisee shall expend, on a monthly basis, an amount equal to at least two and one-quarter percent (2.25%) of Franchisee's Gross Sales from the previous month on local marketing, advertising, and promotion. During the

first three months the Wisdom Franchise is open, you must spend at least \$1000 per month on local marketing, advertising, and promotion. All local marketing, advertising, and promotion shall be conducted in such manner as Franchisor may, in its sole discretion, direct in the Manual or otherwise in writing.

12.3 Verification of Advertising Expenditures. Franchisee shall submit verification of the expenditures required by Sections 12.1 and 12.2 hereof to Franchisor in the form and manner prescribed by Franchisor in the Manual or otherwise in writing from time to time.

12.4 Brand Fund Fee. During the term of this Agreement, Franchisee shall pay to the System's advertising and brand promotion fund (the "Brand Fund") a fee in an amount equal to one and three-quarters percent (1.75%) of Franchisee's Gross Sales from the preceding week. Such contributions to the Brand Fund shall be in addition to any expenditures made pursuant to Sections 12.1 and 12.2 hereof and shall be made in accordance with Section 4.5 hereof. The Brand Fund shall be maintained and administered by Franchisor or its affiliate as follows:

12.4.1 Franchisor or its affiliate shall direct all advertising, marketing and promotional programs, and have sole discretion over all aspects of those programs, including the concepts, materials, and media used and the placement and allocation of them. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize general public recognition, acceptance, and use of the System; and that Franchisor or its affiliate is not obligated, in administering the Brand Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or on a pro rata basis from expenditures or activities of the Brand Fund.

12.4.2 The Brand Fund, all contributions to it, and any of its earnings, shall be used exclusively to meet any and all costs of maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which Franchisor or its affiliate believes will enhance the image of the System, including, among other things, the costs of preparing and conducting radio, television, print, and Internet-based advertising campaigns; utilizing Networking Media Sites (as defined in Section 8.8 above) and other emerging media or promotional tactics; developing, maintaining, and updating a Website on the Internet; review of locally produced advertisements; door hangers, mailers, inserts and coupons; brochures and promotional materials; market research, market surveys, and sponsorships; web site design and maintenance; public relations and related retainers; mystery shoppers for the System and competitors; celebrity endorsements; trade shows (including costs of travel and personnel expenses, trade booths, and specialty entertainment); association dues; search engine optimization; employing advertising and/or public relations agencies; purchasing promotional items; providing promotional and other marketing materials and services to the businesses operating under the System; developing posters, banners, and signs; advertising for the sale of franchises.

12.4.3 All sums paid by Franchisee to the Brand Fund shall be maintained in an account separate from the other monies of Franchisor and shall not be used to defray any of Franchisor's or its affiliate's expenses, except for such reasonable costs and overhead, if any, as Franchisor

or its affiliate may incur in activities reasonably related to the direction and implementation of the Brand Fund and advertising programs for franchisees and the System, including, among other things, costs of personnel for creating and implementing advertising, promotional and marketing programs, accounting expenses, and other out of pocket expenses to third parties incurred by the Brand Fund. The Brand Fund and any earnings thereon shall not otherwise inure to the benefit of Franchisor or its affiliate. Franchisor shall maintain separate bookkeeping accounts for the Brand Fund and reserves the right to form an affiliated entity to control and administer the Brand Fund. Franchisee acknowledges that neither Franchisor nor its affiliate is a fiduciary to Franchisee of the monies in the Brand Fund.

12.4.4 It is anticipated that all contributions to and earnings of the Brand Fund will be expended for advertising and/or promotional purposes during the taxable year within which the contributions are made. To the extent any contributions are not expended by the end of the fiscal year, they will be expended no later than the end of the taxable year following the year of receipt, and expenditures in such following year will be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.

12.4.5 Although the Brand Fund is intended to be of perpetual duration, Franchisor or its affiliate maintains the right to terminate the Brand Fund. The Brand Fund shall not be terminated, however, until all monies in the Brand Fund have been expended for advertising and/or promotional purposes or returned to contributors on the basis of their respective contributions.

12.5 Advertising Materials. All advertising and promotion (including without limitation any design, advertisement, sign, or form of publicity) by Franchisee shall be in such media and of such type and format as Franchisor may approve, shall be conducted in a dignified manner, and shall conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any such advertising or promotional plans or materials unless and until Franchisee has received written approval from Franchisor, pursuant to the procedures and terms set forth in Section 12.6 hereof. Franchisor may make available to Franchisee from time to time, pre-approved advertising that Franchisee will be required to use during such season and at such times as Franchisor shall specify in writing. In addition, Franchisor may make available, at Franchisee's expense, such promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials.

12.6 Franchisor Approval. Franchisee shall submit to Franchisor samples of all advertising and promotional plans and materials (including without limitation any design, advertisement, sign, or form of publicity) and proposed coupons for any print, broadcast, cable, electronic, computer or other media (including, without limitation, the Internet) that Franchisee desires to use and that have not been prepared or previously approved by Franchisor within the preceding six (6) months (as provided in Section 21 hereof), for Franchisor's prior approval (including with respect to prices to be charged). Franchisee shall not use such plans or materials or coupons until they have been approved in writing by Franchisor. If written notice of approval is not received by Franchisee from

Franchisor within fifteen (15) days of the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have disapproved them.

12.7 Directory Listings. Franchisee shall, at its expense, obtain listings in the white and yellow pages of local telephone directories. Franchisee shall comply with Franchisor's specifications concerning the form and size of such listings, and the number of directories in which such listings shall be placed. Franchisee's expenditures for the advertising described in this Section 12.7 shall be in addition to any expenditures required under this Section 12.

12.8 Photographs of the Wisdom Franchise premises. Franchisor shall have the right to photograph the interior and exterior of the Wisdom Franchise premises and use such photographs in any advertising or promotional materials. Franchisor is not obliged to compensate Franchisee or Franchisee's employees for use of the Wisdom Franchise premises or Franchisee's employees in any advertising or promotional materials. Franchisee shall cooperate in securing the consent of persons photographed for such use.

12.9 Advertising Cooperative. Franchisor shall have the right, in its discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the Wisdom Franchise. If a Cooperative has been established applicable to the Wisdom Franchise at the time the Franchisee commences operations hereunder, Franchisee shall become a member of the Cooperative no later than 30 days after opening the Wisdom Franchise. If a Cooperative applicable to the Wisdom Franchise is established at any later time during the term of this Agreement, Franchisee shall become a member of such Cooperative no later than thirty (30) days after the date on which the Cooperative commences operation. If the Wisdom Franchise is within the territory of more than one Cooperative, Franchisee shall be required to be a member of only one such Cooperative.

12.9.1 Each Cooperative shall be organized and governed in a form and manner, shall commence operation on a date, and shall operate pursuant to written governing documents, all of which must be approved in advance by Franchisor in writing.

12.9.2 Each Cooperative shall be organized for the exclusive purpose of administering local and/or regional advertising programs and developing, subject to Franchisor's approval, standardized advertising plans and materials for use by the members in local advertising.

12.9.3 No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without the prior approval of Franchisor. All such plans and materials shall be submitted to Franchisor in accordance with the procedure set forth in Section 12.6 hereof.

12.9.4 Each Cooperative shall have the right to require its members to make contributions to the Cooperative in such amounts as determined by the Cooperative; provided, however, that Franchisee shall not be required to contribute to any Cooperative in excess of two and one-quarter percent (2.25%) of Gross Sales during any calendar year, unless two-thirds of the members of the Cooperative vote in favor of a greater contribution. Franchisee's payments made under this Section 12.9.4 shall be credited towards the expenditure required to be made

under Section 12.2 hereof. Each member franchisee shall submit to the Cooperative the amount invoiced by the Cooperative or Franchisor, as described in Section 4.5 hereof, its contribution as provided in this Section 12.9.4, together with such other statements or reports as may be required by Franchisor or by the Cooperative with Franchisor's prior approval.

12.9.5 Franchisor, in its sole discretion, may grant to any franchisee an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating the reasons supporting such exemption. Franchisor's decision concerning such request for exemption shall be final. If an exemption is granted to a franchisee, such franchisee shall be required to expend on local promotion and advertising in the full amount provided for in Section 12.2 hereof. Franchisor reserves the right to require Cooperatives to be changed, dissolved, or merged.

13. INSURANCE

13.1 Minimum Insurance Requirements. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee, Franchisor, and their respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Wisdom Franchise, including, but not limited to, comprehensive general liability insurance, property and casualty insurance, business interruption insurance, statutory workers' compensation insurance, employer's liability insurance, and automobile insurance coverage for all vehicles used in connection with the Wisdom Franchise. Such policy or policies shall be written by a responsible carrier or carriers acceptable to Franchisor, shall name Franchisor as an additional insured as specified by Franchisor, and shall provide at least the types and minimum amounts of coverage specified in Exhibit H attached hereto. Franchisor may require additional insurance coverages, as reasonably specified by us from time to time, in accordance with the Manual or otherwise specified in writing.

13.2 No Waiver. Franchisee's obligation to obtain and maintain the policy or policies in the amounts specified in the Manual shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 20.3 of this Agreement.

13.3 Franchisor Entitled to Recover. All public liability and property damage policies shall contain a provision that Franchisor, although named as an insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to Franchisor or its servants, agents or employees by reason of the negligence of Franchisee or its servants, agents or employees.

13.4 Certificates of Insurance. Prior to the commencement of any operations under this Agreement, and thereafter at least thirty (30) days prior to the expiration of any policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing the proper types and minimum amounts of coverage. All Certificates shall expressly provide that no less than thirty (30) days'

prior written notice shall be given Franchisor in the event of material alteration to or cancellation of the coverages evidenced by such Certificates.

13.5 Franchisor's Right to Procure. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Manual or otherwise in writing, Franchisor shall have the right and authority (but not the obligation) to procure such insurance and to charge same to Franchisee, which charges, together with an administrative surcharge of ten percent (10%), shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

14. TRANSFER OF INTEREST

14.1 Franchisor's Right to Transfer. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, and any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. Franchisee shall execute such documents of attornment or otherwise as Franchisor shall request.

14.2 Franchisee's Conditional Right to Transfer. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this franchise in reliance on Franchisee's (or, if Franchisee is a corporation, partnership, or limited liability company, its principals') business skill, financial capacity and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, limited liability company, corporation or other legal entity which directly or indirectly owns any interest in Franchisee or in the Franchised Business shall sell, assign, transfer, convey, pledge, encumber, merge or give away (collectively, "transfer") any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business without the prior written consent of Franchisor. Any purported assignment or transfer not having the written consent of Franchisor required by this Section 14.2 shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may immediately terminate without opportunity to cure pursuant to Section 15.2.6 of this Agreement.

14.3 Conditions of Transfer. Franchisee shall notify Franchisor orally and in writing sent by certified mail, return receipt requested, of any proposed transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business (a) prior to Franchisee's offering for sale (including, but not limited to, advertising the sale of) the Wisdom Franchise, or any assets of the Franchised Business, or any ownership interest in Franchisee; and (b) at least thirty (30) days before any transfer is proposed to take place. Franchisor shall not unreasonably withhold its consent to any transfer. Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval:

14.3.1 That all of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and its affiliates have been satisfied;

14.3.2 That Franchisee is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates;

14.3.3 That the consideration or payment terms offered by a proposed transferee are not excessive or unreasonable, based on the gross revenues of the Franchised Business and sale prices of other Wisdom Franchises in the System, in our reasonable business judgment;

14.3.4 That the transferor executes a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, shareholders, and employees;

14.3.5 That (1)(a) the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) enters into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement, or (b) the transferee executes, for a term ending on the expiration date of this Agreement and with such renewal term(s) as may be provided by this Agreement, the Franchisor's then-current form of franchise agreement and other ancillary agreements as Franchisor may require for the Franchised Business, which agreements shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher royalty fee and advertising contribution and a smaller or modified Franchisee's Territory, except that transferee shall not be required to pay any initial franchise fee; and (2) the transferee and/or its principals, in Franchisor's discretion, guaranty the performance of all such obligations in writing in a form satisfactory to Franchisor;

14.3.6 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) demonstrates to Franchisor's satisfaction that it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to operate the Franchised Business;

14.3.7 That Franchisee remains liable for all of the obligations to Franchisor in connection with the Franchised Business which arose prior to the effective date of the transfer and executes any and all instruments reasonably requested by Franchisor to evidence such liability;

14.3.8 That the transferee (or, if the transferee is a corporation, partnership or limited liability company, a principal of the transferee acceptable to Franchisor), or the transferee's manager (if transferee or transferee's principal will not manage the Wisdom Franchise), at the transferee's expense, completes any training programs then in effect upon such terms and conditions as Franchisor may reasonably require; and

14.3.9 That Franchisee pays to Franchisor a transfer fee equaling the greater of (a) \$5,000.00 or (b) 5% of the amount the Franchisee receives on the transfer or (c) the amount necessary to

reimburse the Franchisor for reasonable costs and expenses associated with reviewing the application for transfer. However, in the case of a transfer to a corporation formed by Franchisee for the convenience of ownership, no such transfer fee shall be required.

14.4 No Security Interest. Franchisee shall not grant a security interest in the Wisdom Franchise or in any of the assets of the Wisdom Franchise unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and, in the event Franchisor exercises such option, any acceleration of indebtedness due to Franchisee's default shall be void.

14.5 Franchisor's Right of First Refusal. If any party holding any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business desires to accept any bona fide offer from a third party to purchase such interest, Franchisee shall notify Franchisor as provided in Section 14.3 hereof, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing on such purchase shall occur within thirty (30) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor elects not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 14.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 14, with respect to a proposed transfer. In the event the consideration, terms and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, an independent appraiser shall be designated by Franchisor at Franchisor's expense, and the appraiser's determination shall be binding.

14.6 Death or Incapacity. Upon the death or physical or mental incapacity of any person with an interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six (6) months after such death or incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 14, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement, pursuant to Section 15.2.7 hereof.

14.7 No Waiver. Franchisor's consent to a transfer of any interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

15. DEFAULT AND TERMINATION

15.1 Automatic Termination. Franchisee shall be deemed to be in default under this Agreement, and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; if Franchisee is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if Franchisee is dissolved; if execution is levied against Franchisee's business or property; if suit to foreclose any lien or mortgage against the premises of the Franchised Business or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, constable or other government official.

15.2 Notice Without Opportunity to Cure. Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the provision of notice to Franchisee (in the manner provided under Section 22 hereof):

15.2.1 If Franchisee fails to locate an approved site or to construct and open the Wisdom Franchise within the time limits provided in the Site Selection Addendum or Section 5.3 hereof;

15.2.2 If Franchisee or Franchisee's designated trainees fail to complete the initial training program or additional training described in Section 6.1 hereof to Franchisor's satisfaction;

15.2.3 If Franchisee at any time ceases to operate or otherwise abandons the Franchised Business, or loses the right to possession of the premises of the Franchised Business, or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located. However, if, through no fault of Franchisee, the premises of the Franchised Business are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then Franchisee shall have thirty (30) days after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the premises of the Franchised Business, which approval shall not be unreasonably withheld;

15.2.4 If Franchisee is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or Franchisor's interest therein;

15.2.5 If a threat or danger to public health or safety results from the operation of the Franchised Business;

15.2.6 If any purported assignment or transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business is made to any third party without Franchisor's prior written consent, contrary to the terms of Section 14 hereof;

15.2.7 If an approved transfer is not effected within the time provided following death or mental incapacity, as required by Section 14.6 hereof;

15.2.8 If Franchisee fails to comply with the covenants in Section 17.2 hereof or fails to obtain execution of the covenants required under Section 10.2 hereof;

15.2.9 If, contrary to the terms of Sections 9 or 10 hereof, Franchisee discloses or divulges the contents of the Manual or other Confidential Information provided to Franchisee by Franchisor;

15.2.10 If Franchisee submits any false reports to Franchisor;

15.2.11 If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein;

15.2.12 If Franchisee refuses to permit Franchisor to inspect the Wisdom Franchise premises, or the books, records or accounts of Franchisee upon demand;

15.2.13 If Franchisee, upon receiving a notice of default under Section 15.3 hereof, fails to initiate immediately a remedy to cure such default; or

15.2.14 If Franchisee, after curing any default pursuant to Section 15.3 hereof, commits the same default again, whether or not cured after notice.

15.3 Notice With Opportunity to Cure. Except as otherwise provided in Sections 15.1 and 15.2 of this Agreement, upon any other default by Franchisee, Franchisor may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 22 hereof) stating the nature of the default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Franchisor's satisfaction, and by promptly providing proof thereof to Franchisor within the applicable cure period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the applicable cure period

or such longer period as applicable law may require. Defaults which are susceptible of cure hereunder include the following illustrative events:

15.3.1 If Franchisee fails to maintain the cleanliness of the Wisdom Franchise, or fails to comply with any of Franchisor's specifications;

15.3.2 If Franchisee fails to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be supplemented by the Manual, or fails to carry out the terms of this Agreement in good faith;

15.3.3 If Franchisee fails, refuses or neglects promptly to pay any monies owing to Franchisor or its affiliates when due, or to submit the financial or other information required by Franchisor under this Agreement;

15.3.4 If Franchisee fails to maintain or observe any of the standards, specifications or procedures prescribed by Franchisor in this Agreement, the Manual or otherwise in writing;

15.3.5 Except as provided in Section 15.2.6 hereof, if Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

15.3.6 If Franchisee acts, or fails to act, in any manner which is inconsistent with or contrary to its lease or sublease for the premises, or in any way jeopardizes its right to renewal of such lease or sublease;

15.3.7 If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks; or

15.3.8 If Franchisee receives any citation or notice of potential health code violation from the local board of health or Franchisor.

15.4 Cross-Default. Any default by Franchisee under any other agreement between Franchisor or its affiliates as one party and Franchisee or any of Franchisee's owners or affiliates as the other party that is so material as to permit Franchisor to terminate such other agreement, shall be deemed to be a default of this Agreement, and Franchisor shall have the right, at its option, to terminate this Agreement without affording Franchisee an opportunity to cure, effective immediately upon notice to Franchisee.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and:

16.1 Cease Operations. Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor. Immediately upon the expiration or termination hereof, Franchisee shall dispose of, and not sell, any proprietary or trade secret products sold hereunder, including, but not limited to, any products having the Proprietary Marks or contained in packaging having the Proprietary Marks.

16.2 Cease Use of Confidential Information and Marks. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; any Confidential Information; the Proprietary Mark "Wisdom Senior Care" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols and devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, products and any other articles which display the Proprietary Marks.

16.3 Cancellation of Registrations. Franchisee shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by Franchisee which contains the mark "Wisdom Senior Care" or any other Proprietary Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

16.4 Assignment of Lease. Franchisee shall, at Franchisor's option, assign to Franchisor any interest which Franchisee has in any lease or sublease for the Wisdom Franchise premises. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Wisdom Franchise premises, Franchisee shall make such modifications or alterations to the premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the premises from that of the Wisdom Franchise under the System, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section 16.4, Franchisor shall have the right to enter upon the premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

16.5 Assignment of Telephone Number. Franchisee must cease using all telephone numbers and directory or other business listings used in connection with the Wisdom Franchise. At Franchisor's option, Franchisee shall assign to Franchisor all rights to such telephone numbers and directory and other business listings, and shall sign all forms and documents required by Franchisor and any telephone company to effect such transfer. Franchisee hereby appoints Franchisor as Franchisee's true and lawful agent and attorney-in-fact with full power and authority for the sole purpose of taking such action as is necessary to complete such assignment, and Franchisee agrees to execute Exhibit E for such purpose. This power of attorney shall survive the expiration, termination or transfer of this Agreement. Franchisee is not entitled to any compensation from Franchisor if Franchisor exercises its rights or options under this Section 16.5.

16.6 Subsequent Use of Proprietary Marks Prohibited. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in Franchisor's sole discretion, is likely to cause confusion, mistake or deception, or which, in Franchisor's sole discretion, is likely to dilute Franchisor's rights in and to the Proprietary Marks. Franchisee further agrees not to utilize any designation of origin, description or representation (including but not limited to reference to the Franchisor, the System or the Proprietary Marks) which, in Franchisor's sole discretion, suggests

or represents a present or former association or connection with Franchisor, the System or the Proprietary Marks.

16.7 Payment. Franchisee shall promptly pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid-in-full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the premises operated hereunder at the time of default.

16.8 Liquidated Damages. In the event this Agreement is terminated prior to the end of its term due to Franchisee's default hereunder, in addition to the amounts set forth in Section 16.7 above, Franchisee shall promptly pay to Franchisor a lump sum payment (as damages and not as a penalty) for breaching this Agreement in an amount equal to the present value of the estimated royalty fees for the number of months then remaining in the current term of this Agreement. The average monthly royalty fees will be calculated as follows: (a) for Franchised Businesses that have been operating a minimum of 24 months, the average monthly continuing royalty fee payable by Franchisee under Section 4.3 above over the twelve (12) month period immediately preceding the date of termination or (b) for Franchised Businesses that have been operating less than 24 months, the average monthly royalty fee that would be due based on the average monthly gross sales for all franchised and affiliate-owned Wisdom Senior Care locations over the twelve (12) month period immediately preceding the date of termination. The discount rate for determining present value will be 110% of the long-term Applicable Federal Rate for monthly compounding published by the Internal Revenue Service immediately prior to termination. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light of the damages Franchisor will incur for Franchisee's premature termination of this Agreement. This lump sum payment shall be in lieu of any damages we may incur as a result of Franchisee's default, but it shall be in addition to all amounts provided above in Section 16.7 and any attorneys' fees and other costs and expenses to which Franchisor is entitled under the terms of this Agreement, including but not limited to, Section 25.7 below. Franchisee's payment of this lump sum shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies to enforce this Section 16 and the covenants set forth in Sections 10 and 17.

16.9 Return Manual. Franchisee shall immediately deliver to Franchisor the Manual and all other records, correspondence and instructions containing Confidential Information relating to the operation of the Wisdom Franchise (and any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be the property of Franchisor, and shall retain no copy or record of any of the foregoing, with the exception of Franchisee's copy of this Agreement, any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

16.10 Transfer Websites. Franchisee shall immediately irrevocably assign and transfer to Franchisor or its designee any and all interests Franchisee may have in the Website maintained by Franchisee in connection with the Franchised Business and in the domain name and home page

address related to such Website. Franchisee shall immediately execute any documents and perform any other actions required by Franchisor to effectuate such assignment and transfer and otherwise ensure that all rights in such Website revert to Franchisor or its designee, and hereby appoints Franchisor as its attorney-in-fact to execute such documents on Franchisee's behalf if Franchisee fails to do so. Franchisee may not establish any Website using any similar or confusing domain name and/or home page address.

16.11 Franchisor's Option to Purchase Assets. Franchisor shall have the option, to be exercised within thirty (30) days after termination, to purchase from Franchisee any or all of the equipment, furnishings, and signs related to the operation of the Wisdom Franchise at fair market value or at Franchisee's depreciated book value, whichever is less, and to purchase any or all supplies and inventory of the Franchised Business at Franchisee's cost or depreciated book value, whichever is less. If the parties cannot agree on the price of any such items within a reasonable time, an independent appraisal shall be conducted at Franchisor's expense, and the appraiser's determination shall be binding. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost of the appraisal, if any, against any payment therefor.

16.12 Compliance With Covenants. Franchisee shall comply with the covenants contained in Sections 10.1 and 17.3 of this Agreement.

17. COVENANTS

17.1 Best Efforts. Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee (or, if Franchisee is a corporation, partnership or limited liability company, a principal, general partner or member of Franchisee) or Franchisee's fully-trained manager shall devote full time and best efforts to the management and operation of the Wisdom Franchise.

17.2 In-Term Covenants. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable, specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

17.2.1 Divert or attempt to divert any present or prospective business or customer of any Wisdom Franchise to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

17.2.2 Employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment; or

17.2.3 Own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise) any business that offers, sells or provides in-home care services or other services that are the same as or similar to the services being offered by the Wisdom Franchise under the System.

17.3 Post-Term Covenants. Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, for a continuous uninterrupted period of two (2) years commencing upon the date of: (a) a transfer permitted under Section 14 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 17.3; or (e) any or all of the foregoing; either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business that: (i) sells or provides in-home care services or other services that are the same as or similar to the services being offered by the Wisdom Franchise under the System; and (ii) is, or is intended to be, located at or within:

17.3.1 the Approved Location or Franchisee's Territory; or

17.3.2 sixty (60) miles of the Approved Location; or

17.3.3 sixty (60) miles of any business operating under the Proprietary Marks;

provided, however, that Sections 17.2.3 and this Section 17.3 shall not apply to the operation by Franchisee of any business under the System which may be franchised by Franchisor to Franchisee under a written Franchise Agreement.

17.4 No Application to Equity Securities. Sections 17.2.3 and 17.3 shall not apply to ownership by Franchisee of a less than five percent (5%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

17.5 Reduction of Scope of Covenants. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 17.2 and 17.3, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 23 hereof.

17.6 No Defense. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 17. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 17.

18. CORPORATE, PARTNERSHIP OR LIMITED LIABILITY COMPANY FRANCHISEE

18.1 Franchisee Corporation. If Franchisee is a corporation, Franchisee shall comply with the following requirements:

18.1.1 Franchisee shall be newly organized and its charter shall at all times provide that its activities are confined exclusively to operating the Franchised Business.

18.1.2 Copies of Franchisee's Articles of Incorporation, Bylaws and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be promptly furnished to Franchisor.

18.1.3 Franchisee shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and each stock certificate of Franchisee shall have conspicuously endorsed upon its face a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement; provided, however, that the requirements of this Section 18.1.3 shall not apply to a publicly-held corporation.

18.1.4 Franchisee shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities or securities convertible into voting securities of Franchisee and shall furnish the list to Franchisor upon request.

18.2 Franchisee Partnership. If Franchisee or any successor to or assignee of Franchisee is a partnership, it shall comply with the following requirements:

18.2.1 Franchisee shall furnish Franchisor with a copy of its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

18.2.2 The partnership agreement shall at all times note conspicuously that partnership rights are held subject to, and that further assignment or transfer thereof are subject to, all restrictions imposed upon assignments by the Franchise Agreement.

18.2.3 Franchisee shall prepare and furnish to Franchisor, upon request, a list of all general and limited partners in Franchisee.

18.3 Franchisee Limited Liability Company. If Franchisee or any successor to or assignee of Franchisee is a limited liability company, it shall comply with the following requirements:

18.3.1 Franchisee shall furnish Franchisor with a copy of its articles of organization and operating agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

18.3.2 The articles of organization or operating agreement shall at all times note conspicuously that membership rights are held subject to, and that further assignment or transfer thereof are subject to, all restrictions imposed upon assignments by the Franchise Agreement.

18.3.3 Franchisee shall prepare and furnish to Franchisor, upon request, a list of all members in Franchisee.

18.4 Guaranty and Indemnification. If Franchisee is a corporation, partnership or limited liability company, or if any successor to or assignee of Franchisee is a corporation, partnership or limited liability company, then all of the principals thereof and their spouses shall execute a Guaranty, Indemnification, and Acknowledgment in the form attached hereto as Exhibit F.

19. TAXES, PERMITS, AND INDEBTEDNESS

19.1 Payment of Taxes. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, employer's portion of employment-related taxes (FICA, Medicare and unemployment taxes) and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business. Franchisee shall pay to Franchisor an amount equal to any state or local taxes, including, without limitation, sales, use, service, occupation, employment related, excise, gross receipts, income, property or other taxes, that may be imposed on Franchisor as a result of Franchisor's receipt or accrual of the initial franchise fee, royalty fees, advertising fees, renewal fees, and all other fees that are referenced in this Agreement, whether assessed against Franchisee through withholding or other means or whether paid by Franchisor directly, unless the tax is credited against income tax otherwise payable by Franchisor. In such event, Franchisee shall pay to Franchisor (or to the appropriate governmental authority) such additional amounts as are necessary to provide Franchisor, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that Franchisor would have received or accrued had such withholding or other payment, whether by Franchisee or by Franchisor, not been required.

19.2 Contesting Taxes. In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business, or any improvements thereon.

19.3 Permits and Licenses. Franchisee shall comply with all federal, state, and local laws, rules, and regulations (including, without limitation, the applicable provisions of the ADA, the Health Insurance Portability and Accountability Act, state laws regarding licensing for in-home care businesses), and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, health permits, building permits, handicap permits and fire clearances.

19.4 Notification of Adverse Action. Franchisee shall immediately notify Franchisor in writing of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of Franchisee.

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

20.1 Independent Contractor. Franchisor and Franchisee agree that this Agreement does not create a fiduciary relationship between them, that Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. Franchisee acknowledges and agrees that Franchisor's usual business is offering and selling rights to operate Wisdom Franchises using the Proprietary Marks and System, developing enhancements to the System, and providing assistance to Wisdom Senior Care franchisees, and, accordingly, Franchisor's usual business is different from Franchisee's usual business of operating a Wisdom Franchise. During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise agreement from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place at the premises of the Franchised Business, the content of which Franchisor reserves the right to specify.

20.2 No Authority to Contract. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its operation of the business franchised hereunder or for any claim or judgment arising therefrom against Franchisee or Franchisor.

20.3 Indemnification. Franchisee shall indemnify and hold harmless Franchisor and its affiliates, and their respective officers, directors and employees against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Franchised Business, the business conducted under this Agreement, or Franchisee's breach of this Agreement, including, but not limited to, those alleged to be caused by Franchisor's negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by Franchisor's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court with competent jurisdiction, as well as the costs, including reasonable attorneys' fees, of defending against them. In the event Franchisor incurs any costs or expenses, including, without limitation, legal fees, travel expenses, and other charges, in connection with any proceeding involving Franchisee in which Franchisor is not a party, Franchisee shall reimburse Franchisor for all such costs and expenses promptly upon presentation of invoices. Franchisee acknowledges and agrees that Franchisee's indemnification and hold harmless obligations under this Section shall survive the termination or expiration of this Agreement. Nothing herein shall preclude Franchisor from choosing its own legal counsel to represent it in any lawsuit, arbitration, or other dispute resolution.

20.4 Force Majeure. Neither Franchisor, Franchisor's affiliates, nor Franchisee shall be responsible or liable for any delays in the performance of any duties under this Agreement which are not the fault or within the reasonable control of that party including, but not limited to, fire, flood, natural disasters, acts of God, delays in deliveries by common carriers, governmental acts or orders, late deliveries of products or goods or furnishing of services by third party vendors, civil disorders, acts of terrorism, or strikes and any other labor-related disruption, and in any event said time period for the performance of an obligation hereunder shall be extended for the amount of

time of the delay or impossibility. Provided, however, this clause shall not apply to and not result in an extension of: (1) the time for payments to be made by Franchisee as required by Section 4.5 hereof; or (2) the term of this Agreement.

21. APPROVALS AND WAIVERS

21.1 Approvals and Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

21.2 No Warranties or Guarantees. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

21.3 No Waiver. No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms hereof. Waiver by Franchisor of any particular default of Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar, or different nature; nor shall any delay, force, or omission of Franchisor to exercise any power or right arising out of any breach of default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

22. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (which shall not include electronic communication, such as e-mail), to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Wisdom Business Owners LLC
3622 Shannon Road, Suite 103
Durham, NC 27707
Attn: Charles Thurston

Notices to Franchisee: [insert name]
[insert address]

[insert address]

Attn: [insert name]

23. ENTIRE AGREEMENT

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced Franchisee to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement or in any related agreement between Franchisor and Franchisee is intended to disclaim the representations in Franchisor's Franchise Disclosure Document.

24. SEVERABILITY AND CONSTRUCTION

24.1 Severability. If, for any reason, any section, part, term, provision, and/or covenant herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement.

24.2 Survival. Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), shall survive such expiration, termination or assignment, including but not limited to Sections 10, 17, and 26.

24.3 No Rights or Remedies Conferred. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, shareholders, agents, and employees, and such of Franchisor's successors and assigns as may be contemplated by Section 14 hereof, any rights or remedies under or by reason of this Agreement.

24.4 Promises and Covenants. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

25. APPLICABLE LAW AND DISPUTE RESOLUTION

25.1 Applicable Law. This Agreement shall be interpreted and construed exclusively under the laws of North Carolina. In the event of any conflict of law, the laws of North Carolina shall prevail, without regard to the application of North Carolina's conflict-of-law rules. If, however, any provision of this Agreement would not be enforceable under the laws of North Carolina, and if Franchisee is located outside of North Carolina and such provision would be enforceable under the laws of the state in which Franchisee is located, then such provision shall be interpreted and construed under the laws of that state.

25.2 Jurisdiction and Venue. Any action, whether or not arising out of, or relating to, this Agreement, brought by Franchisee (or any principal thereof) against Franchisor shall be brought in the U.S. District Court for the Middle District of North Carolina or, if such court lacks subject matter jurisdiction, in a state court located in such district. Franchisor shall have the right to commence an action against Franchisee in any court of competent jurisdiction. Franchisee hereby waives all objections to personal jurisdiction or venue for purposes of this Section 25.2 and agrees that nothing in this Section 25.2 shall be deemed to prevent Franchisor from removing an action from state court to federal court.

25.3 No Exclusivity. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

25.4 WAIVER OF RIGHT TO JURY TRIAL AND PUNITIVE DAMAGES. FRANCHISOR AND FRANCHISEE HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE AS FOLLOWS: (A) FRANCHISOR AND FRANCHISEE HEREBY EXPRESSLY AND IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING; AND (B) FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

25.5 LIMITATION OF CLAIMS. ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR, OR FRANCHISEE'S OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY FRANCHISEE AGAINST FRANCHISOR, SHALL BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE BARRED.

25.6 Injunctive Relief. Nothing herein contained (including, without limitation, Section 25.2 above) shall bar Franchisor's right to obtain injunctive relief from a court of competent jurisdiction against threatened conduct that will cause it loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

25.7 Costs and Expenses. Franchisee shall pay to Franchisor all damages, costs, and expenses, including all court costs, mediation costs, and reasonable attorney's fees, and all other expenses incurred by Franchisor in enforcing any obligation under, or in defending against any claim, demand, action, or proceeding related to, this Agreement, including, but not limited to the obtaining of injunctive relief.

26. FRANCHISEE'S ACKNOWLEDGEMENTS AND REPRESENTATIONS

26.1 Independent Investigation. Franchisee acknowledges that it has conducted an independent investigation of the business franchised hereunder, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee (or, if Franchisee is a corporation, partnership or limited liability company, the ability of its principals) as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

26.2 Acknowledgement of Receipt. Franchisee acknowledges that it received Franchisor's current Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed or Franchisee paid any money to Franchisor. Franchisee further acknowledges that it received a complete copy of this Agreement, the attachments hereto, and all related agreements attached to the Franchise Disclosure Document, and that Franchisee waited at least seven (7) calendar days prior to executing them if any changes to such agreements were unilaterally and materially made by Franchisor.

26.3 Acknowledgement of Understanding. Franchisee acknowledges that it has read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

26.4 Compliance With Anti-Terrorism Laws. Franchisee acknowledges that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the "Order"), Franchisor is prohibited from engaging in any transaction with any Specially Designated National or Blocked Person. "Specially Designated National" or "Blocked Person" shall mean (1) those persons designated by the U.S. Department of Treasury's Office of Foreign Assets Control from time to time as a "specially designated national" or "blocked person" or similar status, (2) a person engaged in, or aiding any person engaged in, acts of terrorism, as defined in the Order, or (3) a person otherwise identified by government or legal authority as a person with whom Franchisor is prohibited from transacting business. Currently, a listing of such designations and the text of the Order are published at the Internet website address, www.ustreas.gov/offices/enforcement/ofac. Accordingly, Franchisee represents and warrants to Franchisor that as of the date of this Agreement, neither Franchisee nor any person holding any ownership interest in Franchisee, controlled by Franchisee, or under common control with Franchisee is a Specially Designated National or Blocked Person, and that Franchisee (1) does not, and hereafter shall not, engage in any terrorist activity; (2) is not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and (3) is not

acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity. Franchisee agrees that Franchisee shall immediately provide written notice to Franchisor of the occurrence of any event which renders the representations and warranties in this Section 26.4 incorrect.

26.5 Site Approval. Franchisee hereby acknowledges and agrees that Franchisor's approval of a site does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for the Wisdom Franchise or for any other purpose. Franchisor's approval of a site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to Franchisor's approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a site or lease. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a site approved by Franchisor to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Wisdom Franchise at the site is based on its own independent investigation of the suitability of the site.

[Signature Page Follows]

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

FRANCHISEE

FRANCHISOR

[NAME OF ENTITY]

WISDOM BUSINESS OWNERS LLC

By: _____

By: _____

Name: _____

Name: Carolyn Thurston

Title: _____

Title: President

EXHIBIT A TO FRANCHISE AGREEMENT

APPROVED LOCATION AND FRANCHISEE'S TERRITORY

1. **Approved Location.** The Approved Location under the Franchise Agreement shall be: [insert location].
(Franchisor and Franchisee acknowledge that the Approved Location may not be determined until after the Franchise Agreement is signed.)

2. **Franchisee's Territory.** Franchisee's Territory under this Agreement shall consist of the following geographic area described below and on the map attached to this Exhibit A:

[insert description]

[insert description]

[insert description]

WISDOM BUSINESS OWNERS LLC

By: _____

Name: _____

Title: _____

Witness/Attest

FRANCHISEE [NAME OF ENTITY]

By: _____

Name: _____

Title: _____

Witness/Attest

EXHIBIT B TO FRANCHISE AGREEMENT

SITE SELECTION ADDENDUM

Wisdom Business Owners LLC (hereinafter the "Franchisor") and [insert name] (hereinafter "Franchisee"), have this date, [insert date], entered into a certain Wisdom Senior Care Franchise Agreement (the "Franchise Agreement") and desire to supplement its terms, as set forth below. The parties hereto therefore agree as follows:

1. Within ninety (90) days after Franchisee's execution of the Franchise Agreement, Franchisee shall obtain a site, at Franchisee's expense, for the Wisdom Franchise ("Wisdom Franchise") franchised under the Franchise Agreement, which premises shall be approved by Franchisor as hereinafter provided. The premises shall be within the following territory ("Site Selection Territory"):

[insert description]

[insert description]

2. Failure by Franchisee to obtain premises for the Wisdom Franchise within the time required in Paragraph 1 hereof shall constitute a default under the Franchise Agreement and this Site Selection Addendum. Time is of the essence.

3. Franchisor shall not establish, nor franchise another to establish, a Wisdom Franchise within the Site Selection Territory until Franchisor approves a location for the Wisdom Franchise, or until the time set forth in Paragraph 1 hereof expires, whichever event first occurs.

4. Prior to Franchisee's acquisition by lease or purchase of a site for the Wisdom Franchise, Franchisee shall submit to Franchisor, in the form specified by Franchisor, a completed site review form, such other information or materials as Franchisor may reasonably require, and a letter of intent or other evidence satisfactory to Franchisor which confirms Franchisee's favorable prospects for obtaining the proposed site. Recognizing that time is of the essence, Franchisee agrees that Franchisee must submit a proposed site, together with the information and materials required by this Paragraph 4, to Franchisor for its approval within sixty (60) days after execution of this Site Selection Addendum. Franchisor shall have thirty (30) days after receipt of such information and materials from Franchisee to approve or disapprove, in Franchisor's sole discretion, the site as a location for the Wisdom Franchise. No proposed site shall be deemed approved unless it has been expressly approved in writing by Franchisor.

5. Franchisor shall furnish to Franchisee the following:

a. Such site selection guidelines and consultation as Franchisor deems advisable;

b. Such on-site evaluation as Franchisor deems advisable as part of its evaluation of Franchisee's request for site approval; provided, however, that Franchisor shall not provide on-site evaluation for any proposed site prior to Franchisor's receipt of the information or materials required by Paragraph 4 hereof. If on-site evaluation is deemed necessary and appropriate by Franchisor, Franchisor shall conduct up to two

(2) on-site evaluations at Franchisor's expense. For each additional on-site evaluation (if any), Franchisee shall reimburse Franchisor for Franchisor's reasonable expenses, including, without limitation, the costs of travel, lodging and meals.

6. If Franchisee will occupy the premises of the Wisdom Franchise under a lease, Franchisee shall, prior to the execution thereof, (1) execute the Conditional Assignment of Lease and obtain the Lessor's execution of the Consent and Agreement of Lessor, in the forms attached as Exhibit G to the Franchise Agreement, and (2) submit the lease to Franchisor for its approval. Franchisor's approval of the lease may be conditioned upon the inclusion of the following terms and conditions:

a. That the initial term of the lease, or the initial term together with renewal terms, shall be for not less than ten (10) years;

b. That the lessor consents to Franchisee's use of such Proprietary Marks and initial signage as Franchisor may prescribe for the Wisdom Franchise;

c. That the use of the premises be restricted solely to the operation of the Wisdom Franchise;

d. That Franchisee be prohibited from subleasing or assigning all or any part of its occupancy rights or extending the term of or renewing the lease without Franchisor's prior written consent;

e. That lessor provide to Franchisor copies of any and all notices of default given to Franchisee under the lease;

f. That Franchisor have the right to enter the premises to make modifications necessary to protect the Proprietary Marks or the System or to cure any default under the Franchise Agreement or under the lease;

g. That Franchisor (or Franchisor's designee) have the option, upon default, expiration or termination of the Franchise Agreement, and upon notice to the lessor, to assume all of Franchisee's rights under the lease terms, including the right to assign or sublease.

7. Franchisee shall furnish Franchisor with a copy of any executed lease within ten (10) days after execution thereof.

8. After a site for the Wisdom Franchise has been approved in writing by Franchisor and obtained by Franchisee pursuant to Paragraph 4 hereof, the site shall constitute the Approved Location referred to in Section 1.2 of the Franchise Agreement.

9. Franchisee hereby acknowledges and agrees that Franchisor's approval of a site does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for the Wisdom Franchise or for any other purpose. Franchisor's approval of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to Franchisor's approval of a site, demographic and/or economic

factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a site or lease. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a site approved by Franchisor to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Wisdom Franchise at the site is based on its own independent investigation of the suitability of the site.

10. This Site Selection Addendum constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Site Selection Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Site Selection Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Site Selection Addendum on the date first above written.

FRANCHISEE

FRANCHISOR

[NAME OF ENTITY]

WISDOM BUSINESS OWNERS LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT C TO FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

(For execution by Franchisee's managers and other personnel having access to Franchisor's Confidential Information.)

In consideration of my position as _____ of _____
(the "Franchisee"), and One Dollar, receipt of which is acknowledged, I hereby acknowledge and agree that:

1. Wisdom Business Owners LLC (the "Franchisor"), as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive system relating to the establishment, operation, and promotion of the Wisdom Senior Care in-home care business, which offers 24-hour, senior in-home care and support services, including companionship, personal care needs, dementia/Alzheimer's care, home management and transportation, and all of which may be changed, improved and further developed by Franchisor from time to time (the "System").
2. As an employee of the Franchisee, I will receive valuable confidential information, disclosure of which would be detrimental to the Franchisor and the Franchisee, such as information relating to the Manual, customer lists, drawings, materials, or equipment of the Franchisor and the System related to the establishment and operation of Wisdom Franchises, which are beyond the present skills and experience possessed by me ("Confidential Information"). This list of confidential matters is illustrative only, and does not include all matters considered confidential by the Franchisor and the Franchisee.
3. I will hold in strict confidence all information designated by the Franchisor or the Franchisee as confidential. Unless the Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as an employee of the Franchisee. My undertaking not to disclose Confidential Information is a condition of my position with the Franchisee, and continues even after I cease to be in that position.
4. While in my position with the Franchisee, I will not do anything which may injure the Franchisee or the Franchisor, such as (a) divert or attempt to divert any present or prospective business or customer of any Wisdom Franchise to any competitor, by direct or indirect inducement or otherwise; (b) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Franchisor's marks and the System; or (c) employ or seek to employ any person who is at that time employed by the Franchisor or any franchisee of the Franchisor (including the Franchisee), or otherwise directly or indirectly induce such person to leave his or her employment.
5. While in my position with the Franchisee and for two (2) years after I cease to be in my position with the Franchisee, I will not own, maintain, operate, engage in, be employed by, provide any assistance or advise to, or have any interest in (as owner or otherwise) any business that: (a) sells or provides in-home care services or other services that are the same as or similar to the services being offered by the Wisdom Franchise under the System; and (b) is, or is intended to be, located at or within: (1) the Franchisee's Territory, the boundaries of which I acknowledge have been described to me; (2) a radius of sixty (60) miles

from the premises of the Franchisee's Wisdom Franchise; or (3) a radius of sixty (60) miles of any business operating under the Franchisor's marks.

6. The Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisor and/or the Franchisee may apply for the issuance of an injunction preventing me from violating this Agreement in addition to any other remedies it may have hereunder, at law or in equity; and I agree to pay the Franchisor and the Franchisee all the costs it/they incur/s, including without limitation attorneys' fees, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisor and the Franchisee, any claim I have against the Franchisor or the Franchisee is a separate matter and does not entitle me to violate, or justify any violation of, this Agreement. If any part of this Agreement is held invalid by a court or agency having valid jurisdiction, the rest of the Agreement is still enforceable and the part held invalid is enforceable to the extent found reasonable by the court or agency. I agree that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, and that such meaning has been explained to me.

7. The Franchisor may, in its sole discretion, reduce the scope of any covenant set forth in this Agreement, without my consent, effective immediately upon my receipt of written notice thereof; and I agree to comply with any covenant as so modified.

8. This Agreement shall be construed under the laws of the State of North Carolina. The only way this Agreement can be changed is in a writing signed by both the Franchisee and me.

ACKNOWLEDGED BY FRANCHISEE

By: _____

Name: _____

Title: _____

Date: _____

EMPLOYEE

By: _____

Name: _____

Title: _____

Address: _____

Date: _____

EXHIBIT D TO FRANCHISE AGREEMENT

DISCLOSURE OF PRINCIPALS

(To be completed if Franchisee is a Corporation, Partnership, or Limited Liability Company only)

1. Date: _____

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

Name: _____

Address: _____

Daytime Telephone No: _____

Evening Telephone No: _____

Facsimile No: _____

E-mail Address: _____

3. Franchisee Owners. The undersigned agree and acknowledge that the following is a complete list of all of the shareholders, partners, or members ("Owners") of Franchisee and the percentage interest of each individual:

<u>Name</u>	<u>Address</u>	<u>Position</u>	<u>Interest (%)</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

4. Change in Owners. Franchisee acknowledges and agrees that any proposed change in the Owners listed in Paragraph 3, above, shall require Franchisor's prior written consent in accordance with the terms of Section 14 of the Franchise Agreement.

IN WITNESS WHEREOF, the undersigned has duly executed this Disclosure of Principals on the date first above written.

FRANCHISEE

By: _____

Name: _____

Witness/Attest

Title: _____

EXHIBIT E TO FRANCHISE AGREEMENT

ASSIGNMENT OF TELEPHONE NUMBERS

_____ ("Franchisee" or "You") operates a Wisdom Franchise at _____ (the "Wisdom Franchise"). In consideration of the granting of a franchise to You and other valuable consideration paid by Wisdom Senior Care Inc. ("We" or "Us"), You assign to Us all telephone numbers and listings You use in the operation of the Wisdom Franchise. We assume the performance of all the terms, covenants and conditions of your agreement with the telephone company listed below concerning the telephone numbers and telephone listings with the full force and effect as if We had been originally issued the telephone numbers and telephone listings. We will hold this assignment and will deliver it to the telephone company or other interested third parties only upon termination of the Franchise Agreement between Us and You dated [insert date].

Dated this [insert day] day of [insert month and year]

WISDOM SENIOR CARE FRANCHISEE

By: _____

Name: _____

Title: _____

Telephone Company:

[Name of Telephone Company]

[Address]

[City, State, Zip]

TRANSFER OF TELEPHONE SERVICE AGREEMENT

In the event the Wisdom Franchise is discontinued for any reason, I hereby release to Wisdom Business Owners LLC or its designee the use of the following telephone number or numbers which were used in conjunction with the Wisdom Franchise:

By: _____

Name: _____

Title: _____ Date: _____

Sworn and Subscribed to before me, a Notary Public, by the said _____ (Franchisee)
on the _____ day of [insert month and year].

[Name]

Notary Public, State of _____

My Commission Expires: [Date]

EXHIBIT F TO FRANCHISE AGREEMENT

GUARANTY, INDEMNIFICATION, AND ACKNOWLEDGEMENT

As an inducement to Wisdom Business Owners LLC ("Franchisor") to execute the Franchise Agreement between Franchisor and _____ ("Franchisee") dated [insert date] (the "Franchise Agreement"), the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Franchisee's obligations under the Franchise Agreement will be punctually paid and performed.

Upon demand by Franchisor, the undersigned will immediately make each payment to Franchisor required of Franchisee under the Franchise Agreement. The undersigned hereby waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Franchise Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of the undersigned under this Guaranty, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Franchise Agreement and notice of demand for payment by Franchisee, and agree to be bound by any and all such amendments and changes to the Franchise Agreement.

The undersigned hereby agree to defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned hereby acknowledge and agree to be individually bound by all of the confidentiality provisions and non-competition covenants contained in Sections 10 and 17 of the Franchise Agreement.

This Guaranty shall terminate upon the termination or expiration of the Franchise Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Franchise Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guaranty, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Franchise Agreement, and shall be interpreted and construed in accordance with Section 25 of the Franchise Agreement. This Guaranty shall be interpreted and construed under the laws of the State of North Carolina. In the event of any conflict of law, the laws of North Carolina shall prevail, without regard to, and without giving effect to, the application of the State of North Carolina conflict of law rules.

The Guarantors agree that the dispute resolution and attorney fee provisions in Section 25 of the Franchise Agreement are hereby incorporated into this Guaranty by reference, and references to "Franchisee" and the "Franchise Agreement" therein shall be deemed to apply to "Guarantors" and this "Guaranty," respectively, herein.

Any and all notices required or permitted under this Guaranty shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which afford the sender evidence of delivery or rejected delivery, to the respective parties at the address set forth in Section 22 of the Franchise Agreement, unless and until a different address has been designated by written notice to the other party.

Any notice by a method which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given at the date and time of receipt or rejected delivery.

IN WITNESS WHEREOF, each of the undersigned has signed this Guaranty as of the date of the Franchise Agreement.

GUARANTORS

Owners:

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

EXHIBIT G TO FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") hereby assigns and transfers to Wisdom Business Owners LLC, a North Carolina limited liability company ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit 1 (the "Lease") respecting premises commonly known as _____ . This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under the franchise agreement for a Wisdom Franchise between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the premises demised by the Lease and expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

ASSIGNOR:

By: _____
Name:

WITNESS:

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the aforescribed Lease hereby:

Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Lessor of notice thereof in accordance with paragraph (a) above;

Consents to the foregoing Conditional Assignment and agrees that if Assignee takes possession of the premises demised by the Lease and confirms to Lessor the assumption of the Lease by Assignee as tenant thereunder, Lessor shall recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30-day period the defaults, if any, of Assignor under the Lease;

Agrees that Assignee may further assign the Lease to a person, firm or corporation who shall agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Lessor and upon such assignment Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise.

DATED: [insert date]

LESSOR:

[COMPANY NAME]

By: _____

Name:

Title:

EXHIBIT H TO FRANCHISE AGREEMENT

INSURANCE REQUIREMENTS



Liability Insurance

Commercial General Liability	Each Occurrence - \$1,000,000 Damages to Rented Premises - \$100,000 Med Exp. - \$5,000 Personal & Adv Injury - \$1,000,000 General Aggregate - \$3,000,000 Products – Comp/OP Agg - \$3,000,000
Automobile Liability	Combined Single Limit - \$1,000,000
Professional Liability	\$1,000,000
Aggregate	\$3,000,000
Physical Abuse	Each/Aggregate - \$100,000/\$300,000

SCHEDULE 4.7 TO FRANCHISE AGREEMENT

RATES FOR SCHEDULING SERVICES



You have the option to use the Caregiver Scheduling Service. Rates are subject to change upon 30 days' notice to Franchisee. The current rate schedule is as follows:

\$2,856/wk for 24/7 coverage.

Payment is due weekly for each week you choose to use the service.

EXHIBIT D TO FDD

STATE SPECIFIC ADDENDA AND FRANCHISE AGREEMENT RIDERS

See attached

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS AND FRANCHISE DISCLOSURE DOCUMENT FOR WISDOM BUSINESS OWNERS LLC

The following modifications are made to the Wisdom Business Owners Franchise Disclosure Document (“FDD”) and the Franchise Agreement and Supplemental Agreements. Certain states have laws governing the franchise relationship and franchise documents, and require modifications to the FDD, Franchise Agreement and Supplemental Agreements. The terms of this State Specific Addendum will modify these agreements to comply with these state laws. The terms of this State Specific Addendum will only apply to you if, and to the extent, your franchise is governed by the law of the referenced state. If your state requires these modifications, you will sign this State Specific Addendum along with the Franchise Agreement and any Supplemental Agreements.

MARYLAND

The following applies only to franchises governed by Maryland law.

Item 17.c. and 17.m. of the FDD, and the related provisions of the Franchise Agreement and Supplemental Agreements are amended to add the following:

The general release of claims required for renewal or transfer shall not apply to claims under the Maryland Franchise Registration and Disclosure Law (“MFRDL”).

Item 17.h. of the FDD, and the related provisions of the Franchise Agreement and Supplemental Agreements are amended to add the following:

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C. Sec. 101 et seq.).

Item 17.v. of the FDD, and the related provisions of the Franchise Agreement and Supplemental Agreements are amended to add the following:

A franchisee may bring a lawsuit in Maryland for claims arising under the MFRDL. Any claims arising under the MFRDL must be brought within three years after the grant of the Franchise.

The FDD, Franchise Agreement and Supplemental Agreements are amended to add the following:

All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the MFRDL.

The FDD, Franchise Agreement and Supplemental Agreements are amended to add the following:

The Maryland Securities Division requires us to defer payment of the initial franchise fee and other initial payments owed by Franchisees to the Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement.

NEW YORK

The following applies only to franchises governed by New York law.

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 G 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 THIS 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 of the FDD:

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

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.

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.

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.

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 injunction 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 at the end of Item 4 of the FDD:

Neither the Franchisor, its affiliate, its predecessor, officers or general partner during the 10- year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added at the end of Item 5 of the FDD:

The initial franchise fee constitutes part of our general operating funds and will be used for items like training assistance, enforcement of trademarks associated with our Franchise System, advisory assistance in the operation of your franchise, legal and accounting expenses, organizational and administrative costs, and other general operating items, in our discretion.

5. Item 17.c. and 17.m. of the FDD, and the related provisions of the Franchise Agreement and Supplemental Agreements are amended to add the following:

Any general release required under the Franchise Agreement will be limited by the following, “all rights arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York (“NYGBL”) and regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of NYGBL Sections 687.4 and 687.5 be satisfied.”

6. The following is added to the Summary section of Item 17.d. of the FDD:

Although the Franchise Agreement does not contain any specific provision permitting you to terminate the Franchise Agreement, you have the right to terminate the Franchise Agreement on any ground available pursuant to New York law.

7. A new provision is added to Section 15 of the Franchise Agreement as follows:

15.5 Franchisee’s Termination Rights. Notwithstanding anything to the contrary herein, Franchisee has the right to terminate the Franchise Agreement on any ground available pursuant to New York law.

8. A new provision is added to Section 1 of the Franchise Agreement as follows:

1.5. Franchisee’s Additional Rights. Notwithstanding anything to the contrary herein, if Franchisee is granted an exclusive territory under this Franchise Agreement, and Franchisor establishes another franchise in that exclusive territory that will use Franchisor’s trade name or trademark, Franchisee has the right to rescind or amend the Franchise Agreement.

9. The following is added to the Summary section of Item 17.j. of the FDD and to the end of Section 14.1 of the Franchise Agreement:

No assignment will be made except to an assignee who in the good faith judgment of the Franchisor, is willing and financially able to assume the Franchisor's obligations under the Franchise Agreement.

10. The following is added to the Summary section of Item 17.v. and Item 17.w. of the FDD:

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

11. The choice of law provisions of the Franchise Agreement and its exhibits are conditioned by the following: The 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.

12. The Franchisor represents that this prospectus does not knowingly omit any material fact or contain any untrue statement of material fact.

VIRGINIA

The following applies only to franchises governed by Virginia law.

1. Item 17.h. of the Franchise Disclosure Document is amended by adding the following sentence:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any 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.

2. An additional risk factor is added as follows: **Estimated Initial Investment**. The Franchisee will be required to make an estimated initial investment ranging from \$67,680 to \$84,900. This amount exceeds the franchisor’s stockholder’s equity as of December 31, 2021, which is \$(140,304).
3. The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by Franchisees to the Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this State Specific Addendum to the Franchise Agreement on the same date as the Franchise Agreement was executed.

State: _____

FRANCHISEE

[NAME OF ENTITY]

FRANCHISOR

WISDOM BUSINESS OWNERS LLC

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

[Signature page to State Specific Addenda and Franchise Agreement Riders]

EXHIBIT E TO FDD

STATE AGENCIES / AGENTS FOR SERVICE OF PROCESS

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. Listed here is the contact information for the state agencies having responsibility for franchising and registration in these states. We may not yet be registered to sell franchises in any or all of these states, but registrations may be pending in one or more of the states listed.

CALIFORNIA

Administrator and Agent for Service of Process:
Commissioner, Department of Business Oversight
320 W. 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
(866) 275-2677

HAWAII

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

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

ILLINOIS

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

INDIANA

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

NEW YORK

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

Agent for Service of Process:
Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA

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

RHODE ISLAND

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

SOUTH DAKOTA

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

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising

MARYLAND

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

Agent for Service of Process:
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

MICHIGAN

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

MINNESOTA

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

1300 E. Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

Agent for Service of Process:
Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON

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

Agent for Service for Process:
Director of Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

WISCONSIN

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

EXHIBIT F TO FDD

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Virginia	May 10, 2021
New York	November 23, 2021
Maryland	Pending

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.

In all other states without franchise registration laws, the effective date of this Franchise Disclosure Document is the issuance date of April 28, 2022.

EXHIBIT G TO FDD

ITEM 23: RECEIPTS

See attached

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 Wisdom Business Owners offers you a franchise, Wisdom Business Owners must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, Wisdom Business Owners or an affiliate in connection with the proposed franchise sale.

If you are in New York, the following applies: If Wisdom Business Owners offers you a franchise, Wisdom Business Owners must provide this disclosure document to you by the earliest of: (1) the first personal meeting to discuss our franchise; or (2) ten business days before the signing of a binding agreement; or (3) ten business days before a payment to Wisdom Business Owners or its agent. You must also receive a Franchise Agreement containing all material terms at least five business days before you sign a Franchise Agreement.

If Wisdom Business Owners does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to your state authority listed on Exhibit E.

The following is the name, principal business address and telephone number of each franchise seller offering this franchise:

Carolyn Thurston	Charles Thurston
3622 Shannon Road, Suite 103, Durham, NC 27707	3622 Shannon Road, Suite 103, Durham, NC 27707
(919) 615-0020	(919) 615-0020

Issuance Date: April 28, 2022.

I received a disclosure document dated April 28, 2022 that included the following Exhibits:

Exhibit A — Financial Statements
Exhibit B — Table of Contents of Manuals
Exhibit C — Franchise Agreement
Exhibit D — State Specific Addenda and Riders
Exhibit E — List of State Agencies / Agents for Service of Process
Exhibit F — State Effective Dates
Exhibit G— Receipts

Prospective Franchisee

Signature: _____

Print Name: _____

Date Disclosure Document Received: _____

Individually and on behalf of the following entity:

Company Name: _____

Title: _____

RETURN THIS COPY TO US (Please sign, date, and mail to us at the following address: Wisdom Business Owners, c/o Charles Thurston, 3622 Shannon Road, Suite 103, Durham, NC 27707)

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 Wisdom Business Owners offers you a franchise, Wisdom Business Owners must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, Wisdom Business Owners or an affiliate in connection with the proposed franchise sale.

If you are in New York, the following applies: If Wisdom Business Owners offers you a franchise, Wisdom Business Owners must provide this disclosure document to you by the earliest of: (1) the first personal meeting to discuss our franchise; or (2) ten business days before the signing of a binding agreement; or (3) ten business days before a payment to Wisdom Business Owners or its agent. You must also receive a Franchise Agreement containing all material terms at least five business days before you sign a Franchise Agreement.

If Wisdom Business Owners does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to your state authority listed on Exhibit E.

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Exhibit G— Receipts

Prospective Franchisee

Signature: _____

Print Name: _____

Date Disclosure Document Received: _____

Individually and on behalf of the following entity:

Company Name: _____

Title: _____

RETAIN THIS COPY FOR YOUR RECORDS (Please sign, date and retain this copy for your records)