

FRANCHISE DISCLOSURE DOCUMENT



SYNERGY HomeCare Franchising, LLC

1757 E. Baseline Road

Bldg 6, Suite 124

Gilbert, Arizona 85233

(480) 659-7771

franinfo@synergyhomecare.com

www.synergyhomecare.com

www.synergyhomecarefranchise.com

As a franchisee, you will operate a business that provides non-medical, in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medication reminders, medical and social appointment scheduling and management, organizational and bill paying assistance, housecleaning services and light home maintenance to seniors, the convalescing, disabled persons and others who need help with daily living activities.

The total investment necessary to begin operation of a SYNERGY HomeCare franchise is \$38,991 to \$160,718. This includes \$27,000 to \$94,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Contracts Administrator, at 1757 E. Baseline Road, Bldg 6, Suite 124, Gilbert, AZ 85233, 480-659-7771 or fdd@synergyhomecare.com.

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

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

ISSUANCE DATE: April 24, 2020

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit B.
How much will I need to invest?	Items 5 and 6 list fees that 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 E 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 SYNERGY HomeCare 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 SYNERGY HomeCare franchisee?	Item 20 or Exhibit B and F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand the 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 investment 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 franchisor or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

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

Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve any disputes with the franchisor by mediation, arbitration, and/or litigation only in Arizona. 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 Arizona than in your own state.

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

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

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

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

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

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

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

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

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, Consumer Protection Division – Franchise Section, P.O. Box 30213 Lansing, Michigan 48913, Telephone (517) 373-7117.

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

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EXHIBITS

- A. List of State Administrators and State Agents for Service of Process
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- C. Franchise Agreement
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ITEM 1**THE FRANCHISOR AND ANY PARENT, PREDECESSORS, AND AFFILIATES****The Franchisor**

To simplify the language in this Disclosure Document, the words “we,” “us” and “our” refer to SYNERGY HomeCare Franchising, LLC, the franchisor of this business. The words “you” and “your” refer to the person to whom we grant a franchise, whether you are a sole proprietorship, limited liability company, corporation or other business entity. If you are a limited liability company, corporation or other business entity, certain provisions of our Franchise Agreement also apply to your owners and will be noted.

We were organized in the State of Arizona on December 19, 2003 under the name AZHC Franchising, LLC, for the sole purpose of offering SYNERGY HomeCare® franchises. We changed our name to SYNERGY HomeCare Franchising, LLC on December 16, 2004. Our principal business address is 1757 E. Baseline Road, Bldg 6, Suite 124, Gilbert, Arizona 85233, and we do business only under the name SYNERGY Homecare Franchising, LLC.

Our Business Activities

We grant franchises for the operation of businesses in conjunction with the service mark “SYNERGY HomeCare®” and certain associated trade names, trademarks, service marks and logos that we refer to as the “Marks.” We refer to these businesses as “SYNERGY HomeCare Businesses” and we refer to the SYNERGY HomeCare Business you will operate as the “Franchised Business.”

SYNERGY HomeCare Businesses currently offer non-medical, in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medication reminders, medical and social appointment scheduling and management, organizational and bill paying assistance, housecleaning services and light home maintenance to seniors, the convalescing, disabled persons and others who need help with daily living activities. A SYNERGY HomeCare Business must occupy a minimum of approximately 250 square feet in a shared office or executive office environment, including receptionist and mail services and access to a conference room, in a facility with easy access to major highways. You must have a minimum of two full-time employees (other than caregivers), one of which may be you. You must ensure that telephone lines and facsimile lines, both which must belong to you, are answered live at all times. If you elect to use a third-party vendor to answer your phone, you must use a vendor approved by us. If you elect to operate the Franchised Business through a Designated Manager instead of yourself, you must notify us of that election. We do not permit absentee-ownership. You will operate the Franchised Business according to our System, which is described in greater detail in our Franchise Agreement attached as Exhibit C to this Disclosure Document.

We previously entered into “Area Representative Agreements” (each an “Area Representative Agreement”) with certain “Area Representatives” (each an “Area Representative”) to act as an independent contractor in a stated geographic area to help us find qualified prospective franchisees. We ceased offering Area Representative Agreements in April 2013 and Area Representatives ceased operating in December 2017.

We have offered franchises for SYNERGY HomeCare Businesses since March 2005. We also granted certain qualified applicants Area Representative Agreements from October 2005 through March 2006 and from December 15, 2010 through April 2013 in those states that so permitted. We do not offer and have not previously offered franchises in any other line of business under our current or former name and we are not engaged in any other line of business. We do not currently own or operate a business of the type being franchised.

We may pay an existing franchisee a referral fee for referring a prospective franchisee to SYNERGY HomeCare who becomes a franchisee. Existing franchisees may receive a fee if they speak to a prospective franchisee who becomes a franchisee. These fees are reviewed and may be terminated or modified at any time.

Our Parent and Affiliates

Our prior parent company was Boom Brands LLC (“Boom Brands”). Boom Brands was formed in Arizona in September 2012. Boom Brands shares our principal business address. On April, 2, 2018, Boom Brands, LLC sold a controlling interest in us to Synergy Acquisition, LLC, a Delaware limited liability company, which became our direct parent company (“Parent”). The principal business address of our Parent is in c/o NexPhase Capital, 600 Lexington Avenue, 12th Floor, New York, New York 10022.

Our Parent is owned by Synergy HomeCare Holdings, LLC, a Delaware limited liability company, whose parents (through the chain of ownership) are NP/Synergy Holdings, LLC, a Delaware limited liability company, whose managing member is NexPhase Capital Fund III, LP, a Delaware limited partnership, whose general partner is NexPhase Capital II GP, LP, a Delaware limited partnership, whose general partner is NexPhase Holdings, LLC, a Delaware limited liability company. Together we refer to all of our indirect parent companies as the “NexPhase Capital Parents.” The principal address for each of our NexPhase Capital Parents is in c/o NexPhase Capital, 600 Lexington Avenue, 12th Floor, New York, New York 10022.

Three P’s Holdings, LLC d/b/a Elite Backgrounds is our affiliate and was formed in Arizona in February 2007 and is located at 1757 E. Baseline Road, Bldg. 6, Suite 122, Gilbert, Arizona 85233 (“Elite Affiliate” or “Affiliate”). This affiliate offers and sells background check services (including DMV, criminal background checks, and sex offender screening) to SYNERGY HomeCare franchisees. It does not operate a business that is similar to the one being offered here. Elite Affiliate does not offer and has not previously offered franchises in this or in any other line of business.

Other than as described above, we have no parent, predecessor or affiliates required to be disclosed.

Market and Competition

SYNERGY HomeCare Businesses target the sale of their services primarily to the elderly, although SYNERGY HomeCare Businesses provide services to all ages. We believe the market for in-home personal services, such as elderly care, is a developing market that will become increasingly competitive in the years to come. There are several other franchise systems and a number of independently owned and operated companies providing in-home personal care services to the elderly and convalescing or disabled persons, and you will likely face competition from these businesses.

Industry Specific Regulations

Some states and federal agencies have laws regulating one or more of the services offered by SYNERGY HomeCare Businesses. Some states require you to be licensed or certified to provide required services under the Franchise Agreement such as companionship care, homemaking, personal care, and child care services. This license or certification process is often done through health agencies or other state agencies. You should consult with your attorney and investigate whether these laws will apply to the Franchised Business or its employees and you should investigate whether there are other laws or regulations in your state that are specific to the services offered by SYNERGY HomeCare Businesses and that will apply to the Franchised Business or its employees.

Additionally, you must comply with all laws, rules and regulations governing the operation of the Franchised Business and obtain all permits and licenses necessary to operate the Franchised Business.

States and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Franchised Business, including those which: (a) establish general standards, specifications and requirements for the construction, design and maintenance of the business site and premises; (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements, restrictions on smoking, availability of and requirements for public accommodations, including restroom facilities and public access; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness; and (e) regulate the proper use, storage and disposal of waste or other hazardous materials. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Franchised Business and should consider both their effect and cost of compliance.

There are a number of federal laws prohibiting certain activities and arrangements related to services or items that are reimbursable by Medicare or Medicaid. While Medicare and Medicaid laws may not apply to your Franchised Business, these laws may apply to those facilities, including laws prohibiting Medicare- or Medicaid-participating facilities, from employing providers excluded from those programs. If a practitioner is an excluded provider from Medicare or Medicaid, he or she will be prohibited from receiving payment from that facility. It is your responsibility to determine whether and to what extent employees of your Franchised Business need to be screened for their possible excluded status in these or other payment programs.

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

We require all our franchisees to be compliant with the portions of the Health Insurance Portability and Accountability Act (“HIPAA”) which requires health care providers to submit transactions related to payment in standard electronic formats and regulate the security and privacy of health data, and HIPAA’s implementing regulations, including the HIPAA Privacy Rule, HIPAA Breach Notification Rule, HIPAA Security Rule, HITECH Act, and Omnibus Rule. Under HIPAA’s privacy and security regulations, you must implement privacy and security policies and safeguards, designate a privacy and security officer, inform individuals of how their health information is used and disclosed, provide access to health information, and give notice of certain breaches of protected data. To help you comply, we have designated an optional, but not required, third-party supplier to provide you with various tools for implementing your own compliance program (ITEM 11). In addition, if you engage a third party to perform functions that require access to a patient’s personal information, you are required to execute a business associate agreement.

Agents for Service of Process

Our agent for service of process in Arizona is Peter Tourian, 1757 E. Baseline Road, Bldg 6, Suite 124, Gilbert, Arizona 85233. Our agents for service of process in other states are listed in Exhibit A to this Disclosure Document. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process.

ITEM 2
BUSINESS EXPERIENCE

Founder, Executive Chairman, and Board of Managers Member: Peter Tourian

Peter Tourian is our Founder and Executive Chairman since April 2020. Prior to that, Mr. Tourian served as Chief Executive Officer since our organization was created in December 2003. Additionally, he is the Founder and CEO of the Elite Affiliate since 2007. In addition, Mr. Tourian served as the Founder and CEO of Cut Advertising, LLC from March 2013 to December 2017. He was the Founder and CEO of Boom Brands from March 2013 through December 2017, and served as the Founder and CEO of Clean Franchising, LLC d/b/a Araya Clean from November 2010 to November 2015 in Gilbert, Arizona, and as the Founder and CEO of RAFI, LLC d/b/a Tourian Autos from October 2008 to December 2017 in Gilbert, Arizona. In addition, Mr. Tourian serves on the Board of Managers for SYNERGY Homecare Holding, LLC since April 2018.

Board of Managers Member: Ted Yun

Ted Yun is a member of the Board of Managers of SYNERGY HomeCare Holdings, LLC and has been so since April 2018. Mr. Yun also serves as the Managing Partner, Private Equity Investments of NexPhase Capital and has done so since January 2016 to the present in New York, New York. Prior to joining NexPhase Capital, Mr. Yun served as the Managing Partner, Private Equity Investments of Moelis Capital Partners from March 2010 to December 2015 in New York, New York.

Board of Managers Member: Barbara Hill

Barbara Hill is a member of the Board of Managers of SYNERGY HomeCare Holdings, LLC and has been so since April 2018. Ms. Hill also serves as an Operating Partner for NexPhase Capital and has done so since January 2016 in New York, New York. Prior to joining NexPhase Capital, Ms. Hill served as the Operating Partner for Moelis Capital Partners from March 2011 through December 2015 in New York, New York.

Board of Managers Member, Assistant Secretary & Treasurer: Andy Kieffer

Andy Kieffer is a member of the Board of Managers of SYNERGY HomeCare Holdings, LLC and has been so since April 2018. Mr. Kieffer also serves as a partner at NexPhase Capital from January 2016 to the present in New York, New York. Mr. Kieffer also serves as the Assistant Secretary & Treasurer for SYNERGY HomeCare Franchising, LLC and has held that position since April 2018.

Assistant Secretary & Treasurer: Chip Robie

Chip Robie serves as the Assistant Secretary & Treasurer of SYNERGY HomeCare Franchising, LLC and has held that position since April 2019. Mr. Robie also serves as a principal of NexPhase Capital and has held that position since January 2016 to the present in New York, New York. Prior to joining NexPhase Capital, Mr. Robie served as a Principal at Moelis Capital Partners from July 2012 through December 2015 in New York, New York.

Chief Executive Officer: Charles G. Young

Charles G. Young is our Chief Executive Officer and has been since April 2020. Prior to joining us, Mr. Young served as the President and Chief Executive Officer of Coldwell Banker from September 2016 to March 2020 in Madison, New Jersey. Prior to that, Mr. Young served as President and Chief

Executive Officer of ERA Franchise Systems from April 2009 through August 2016 and as Chief Operating Officer of ERA from February 2009 to April 2009 in Madison, New Jersey.

Chief Financial Officer: Chad Ainsworth

Chad Ainsworth has been our CFO since October 2019. Prior to joining us, Mr. Ainsworth served as Vice President and Chief Accounting Officer of Mobile Mini, Inc. from August 2016 to September 2019 in Phoenix, Arizona. From December 2013 to August 2016, Mr. Ainsworth served as Vice President – Finance & Controller for Origami Owl in Chandler, Arizona.

General Counsel: Michael Coccaro

Michael Coccaro has been our General Counsel since December 2014 and served as our Chief Operating Officer from September 2017 to April 2019. Between May 2019 and April 2020 Mr. Coccaro served as our Chief Administrative Officer. Mr. Coccaro also served as General Counsel for Clean Franchising, LLC d/b/a Araya Clean from December 2014 to November 2015 in Gilbert, Arizona. From September 2007 through November 2014, Mr. Coccaro was a commercial litigation attorney with the law firm of Snell & Wilmer, L.L.P. in Phoenix, Arizona. Mr. Coccaro also served as General Counsel for Boom Brands from December 2014 through December 2017.

Chief Partnership Officer: Rich Paul

Rich Paul is our Chief Partnership Officer since January 2019. Prior to joining us, Mr. Paul was the Chief Partnership Officer, Employer/Federal for Beacon Health Options in Boston, Massachusetts from December 2014 through January 2019. Prior to joining Beacon Health Options, Mr. Paul was the Chief Product & Customer Strategy Officer for ValueOptions in Norfolk, Virginia from January 2000 through December 2014.

Vice President of Franchise Development: Mike Steed

Mike Steed is our Vice President of Franchise Development since November 2019. Prior to joining us, Mr. Steed served as the Vice President of North American Franchising for New Horizons Computer Learning Centers from February 2019 to November 2019 in Anaheim, California. Prior to that, Mr. Steed served as the Vice President of U.S. Sales and Operations for Mathnasium Learning Centers from October 2015 to October 2018 in Los Angeles, California. Prior to that, Mr. Steed was the National Accounts Manager for Starbucks from March 2009 through July 2015 in Seattle, Washington.

Director of Marketing: Heather Reid

Heather Reid is our Director of Marketing since March 2016. Prior to joining us, Ms. Reid served as National Director of Marketing for Pump It Up from July 2015 to March 2016 in Tempe, Arizona. Prior to that, Ms. Reid was Local Store Market Manager for Pump It Up from June 2014 to July 2015 in Tempe, Arizona. Prior to that, Ms. Reid was a National Account Marketing Manager at Pointsmith from October 2011 to May 2014 in Katy, Texas.

Vice President of Operations: Alex Zai

Alex Zai is our Vice President of Operations since March 2020. Prior to joining us, Mr. Zai served as the CEO of Zai Enterprises in Franktown, Colorado from 2018 to 2020. Prior to serving as CEO of Zai Enterprises, Mr. Zai served as an Executive Vice President of Annex Brands from 2016 to 2018 in Centennial, Colorado. Prior to joining Annex Brands, Mr. Zai served in various positions, but

most recently Chief Executive Officer of Pakmail Centers of America, Inc. from 1994 to 2016 in Centennial, CO.

ITEM 3
LITIGATION

Pending Actions:

None.

Concluded Actions:

SYNERGY HomeCare Franchising, LLC v. Carol Thompson, CGT Enterprises, Inc., and Anytime Care, LLC, Case No. 20-0453-CB (State of Michigan, Circuit Court for the County of Macomb, 16th Judicial Circuit Court). We filed a verified complaint against Carol Thompson and CGT Enterprises, Inc., who are former franchisees of ours and Anytime Care, LLC (collectively, the “Defendants”) who we alleged to be a competing business on February 4, 2020. We alleged that Carol Thompson and CGT Enterprises, Inc. have violated the post-term covenant not to compete by setting up Anytime Care, LLC and operating inside the former protected territory of Carol Thompson and CGT Enterprises. We brought a claim of breach of contract against Carol Thompson and CGT Enterprises, LLC and a claim of tortious interference with contract against Anytime Care, LLC. We sought an injunction and damages in an amount to be proven. On March 2, 2020, the Court held a hearing and entered a permanent injunction against Carol Thompson, CGT Enterprises, Inc. and Anytime Care, LLC enjoining them from owning, operating or having any interest (as an owner, partner, director, officer employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in Anytime Care or any Competitive Business or from otherwise violating the post-termination obligations of the Franchise Agreement.

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

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

You must pay an initial Franchise Fee when you sign the Franchise Agreement. The Franchise Fee is \$52,000 for one Protected Territory which will include approximately 20,000 persons who are age 65 or over (Items 11 and 12), as of the date of the Franchise Agreement.

If the Protected Territory has less than 20,000 persons who are aged 65 or older, then the Franchise Fee shall be reduced by \$2.50 per person, but not below a minimum territory size of 10,000 persons who are aged 65 or older.

You may purchase an additional Protected Territory at a discounted price if (i) you do so in conjunction with the purchase of your initial Protected Territory, and (ii) if approved by us (which approval may be granted or denied for any reason or no reason at all). The price of the additional

Protected Territory shall be calculated as set forth in the above paragraph, but will also receive a 20% discount.

See Item 12 for further information about how Protected Territories are determined.

If the franchise agreement is fully executed within the consideration period after attending our Meet the Team Day, we will reduce your Franchise Fee by \$2,000 for each Protected Territory you purchase.

VetFran Program

We also participate in the International Franchise Association's VetFran program. You may qualify for the International Franchise Association's VetFran program if you are a qualified veteran of the United States Armed Forces. If you qualify for the International Franchise Association's VetFran Program, the Franchise Fee is reduced by fifteen percent.

We reserve the right to change, modify, or discontinue the referral program and the VetFran program at any time.

The Franchise Fee is nonrefundable except as described below. The Franchise Fee is payment, in part, for expenses incurred by us in furnishing assistance and services to you as described in the Franchise Agreement and for costs incurred by us, including general sales and marketing expenses, training, legal, accounting and other professional fees.

We will refund 50% of the received Franchise Fee remaining after deduction of any broker fees, taxes, or commissions paid as a result of the sale to you, if we, in our discretion, determine that you are unable to satisfactorily complete the training program described in Item 11 of this Disclosure Document and if we terminate the Franchise Agreement as a result of making that determination. Even though it was terminated, the restrictive covenants of the Franchise Agreement will remain in effect.

Except as described here, you are not required to pay us any other money before you open.

ITEM 6 **OTHER FEES**

Franchisee

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Sales	Weekly	See definition of Gross Sales ¹
Minimum Royalty Fee	The difference between (a) 5% of Gross Sales from the prior month, and (b) the Royalty Fee that would have been payable had you obtained the Minimum Sales Quota	Monthly, if applicable.	Beginning in the seventh month after your Franchised Business opens, only if you do not obtain your Minimum Monthly Sales Quota for the prior month you must pay us the Minimum Royalty Fee. The Minimum Royalty Fee shall be paid monthly. ²
Marketing Fund Contribution	2% of Gross Sales	Weekly	We reserve the right to reduce or suspend the Marketing Fund Contributions. We may also require Marketing Fund Contributions to be used in Cooperative Advertising.

Type of Fee	Amount	Due Date	Remarks
Minimum Local Advertising Requirement	The greater of \$300 or at least 2% of Gross Sales per month	Monthly	If the Franchisee fails to spend the minimum every month, we reserve the right to collect the required Minimum Local Advertising Requirement from you, to charge our then current Advertising Service Fee, and to cause the money collected to be spent on behalf of you in your Protected Territory. We may require Local Advertising expenditures to be used in Cooperative Advertising.
Advertising Service Fees and Costs	Our then-current fee (which now is \$250 per month) plus the cost to use an advertising firm in your Protected Territory	Monthly	Payable to us and collected only if you fail to spend the Minimum Local Advertising Requirement and we are forced to collect it. ³
Technology Fee	Our then current fee which currently is \$72.12 per week.	Weekly beginning four months after the Effective Date of the Franchise Agreement.	Payable to us. We may increase this fee at any time upon 60 days' written notice. (See Item 11). ⁴
Software Fees	Currently \$150 - \$500 per month	Monthly	You must pay us or our designated supplier the then-current fees for access to the scheduling software.
Computer Maintenance and Updates	Approximately \$150 to \$1,500 for maintenance and approximately \$500 to \$2,000 to replace computer	As required	You must maintain and keep the computer system in good working order. Such maintenance may occur at any time and would be payable to third parties.
Software Support and on-line data storage and backups	Approximately \$200 to \$1,000	As required	You must maintain the software with all patches. If you need support to operate your software, you may be required to pay for it through the software manufacturer. You must use on-line data storage and backups. We have no schedule for such updating. The updating is deliverable by an approved vendor (Item 11).
Audit Expenses	Cost of audit	Upon demand	Audit costs are payable to us only if the audit shows an understatement in amounts due of at least 3%.
Late Fees	The highest rate allowed by law, plus collection costs	Upon demand	Applies to all overdue Royalty Fees, Marketing Fund Contributions and other amounts due to us. Also applies to any understatement in amounts due revealed by an audit.

Type of Fee	Amount	Due Date	Remarks
Expansion Fee	For Protected Territories with at least 20,000 persons who are age 65 or older: \$52,000 for the first Protected Territory and \$42,000 for a subsequent Additional Protected Territory if both Protected Territories are purchased at the same time or our then-current Franchise Fee, whichever is greater. For Protected Territories between 10,000 and 19,999 persons who are 65 or older: \$27,000 for the first 10,000 people over the age of 65 and \$2.48 for each additional person or our then-current Franchise Fee, whichever is greater. For Protected Territories with less than 10,000 persons who are 65 or older: \$27,000 or our then-current Franchise Fee, whichever is greater	When incurred	If Franchisee desires to purchase an additional Protected Territory after the Franchise Agreement has been executed and Franchisor has approved Franchisee's request, Franchisee will pay this Expansion Fee.
Insurance Policies	Amount of unpaid premiums plus our expenses in obtaining coverage for you	Upon demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Transfer Fee	For Protected Territories with at least 20,000 persons who are age 65 or older: \$19,500 For Protected Territories with between 10,000 and 19,999 persons who are age 65 or older: \$15,000 For Protected Territories with less than 10,000 persons who are age 65 or older: \$10,000	A deposit of 50% of the transfer fee due when you notify us that you intend to sell your Franchised Business. The remaining 50% is due at the time of transfer	The transfer fee will not be charged if you transfer your interest in the franchise agreement to an entity controlled by you. The transfer fee is nonrefundable and due for each transfer request. You will be informed of the then-current Franchise Fee at the time the transfer is approved.
Customer Service	All costs incurred in assisting your customers	Upon demand	You must reimburse us if we determine it is necessary to service your customers.
System Modifications	This amount will vary depending upon the type of modification made	As required	We cannot estimate the minimum or maximum amount of the cost for such modification because we have no set schedule for any such modifications. If we decide to modify the System by requiring new equipment, fixtures, software, trademarks, etc., you must make the modifications at your expense. We may periodically make modification and there is no limit on the number of modifications that we may make during the term of the Franchise Agreement. We will provide you with 60 days' prior written notice of a modification.

Type of Fee	Amount	Due Date	Remarks
Cost of Enforcement System	All costs including attorneys' fees and expenses.	Upon demand	You must reimburse us for all costs related to your default and termination and enforcing obligations under the Franchise Agreement.
Indemnification	All costs including attorneys' fees and expenses.	Upon demand	You must defend lawsuits at your cost and hold us harmless against lawsuits arising from your operation of the Franchised Business. You must reimburse us for all costs related to your default and termination and enforcing obligations under the Franchise Agreement.
Franchisor's Investigative Fee	Then current fee (now \$150 an hour) plus attorneys' fees and costs.	Upon demand	Incurred if you service clients in another franchisee's territory without permission and are given notice.
Violation Fees	The greater of (1) \$2,500 for each client serviced in the territory of another franchisee without permission, or (2) the net profit the other franchisee would have realized had it serviced the client.	Upon demand.	If you service a client in the territory of another franchisee without permission. Each fee will be split equally between the franchisee whose protected territory was violated and us. Incurred if you service clients in another franchisee's territory without permission and you are given notice.
Background Check Fees	Will vary. Currently between \$13 and \$75 per caregiver.	Upon demand	May be from any approved vendor.
Ongoing Training	Varies.	Time of program/meeting	We do not charge for ongoing training programs, but you must attend mandatory training programs and pay your own expenses in training.
Ongoing Training Non-Attendance Fee	\$1,500	Upon demand	If you fail to attend mandatory training, you must pay us a nonattendance fee in the amount of \$1,500.
Annual Franchise Meeting (AFM)	\$350 for three people; \$125 for each additional person.	Time of program/meeting	You must attend the AFM we host and pay for the conference and your own expenses in attending. If you fail to attend the AFM, you must pay us a non-attendance fee. We may increase this fee at any time with 60 days' written notice to you. (See Item 11).
Annual Franchise Meeting (AFM) Non-Attendance Fee	\$1,500	Upon demand	If you fail to attend the AFM, you must pay us a nonattendance fee in the amount of \$1,500.
Manual Replacement Fee	\$5,000	Upon Demand	The confidential manuals remain at all times the sole property of us and must be returned to us within thirty (30) days upon the expiration or termination of the agreement. Failure to return any confidential manuals will result in a \$5,000 charge plus any costs associated with Cost of Enforcement.
Additional E-Mail Fees	\$144	Yearly	We will provide you with three approved e-mail addresses in connection with the operation of the Franchised Business. If you would like more than three approved e-mail addresses, you must pay to us \$144 per year for each additional approved e-mail address.
Compliance Guidance Fee	\$1,000	Upon Demand	You must purchase access to an online resource of compliance with state and federal laws regarding operating a home care agency. ⁶

The above is a detailed description of other recurring or isolated fees or payments that you must pay to us or our affiliates or that we or our affiliates impose or collect in whole or in part for a third party under the terms of the Franchise Agreement. Unless otherwise noted, all fees are payable to us. Unless otherwise noted, all fees payable to us will be deducted automatically by us from your operating account via ("Electronic Funds Transfer" or "EFT") in a manner more fully described in the Manuals. We reserve the right to change the method of collection at any time. No other fees or payments are to be paid to us or

our affiliates, and we or our affiliates do not impose or collect any other fees or payments for any other third party. All fees are generally non-refundable.

NOTES:

¹ “Gross Sales” means the aggregate of all sales of services and products from all sources in connection with the Franchised Business whether for check, cash, credit or otherwise, including all proceeds from any business interruption insurance but excluding all refunds made in good faith, any sales and equivalent taxes that you collect for or on behalf of, and pay to, any governmental taxing authority, and the value of any allowance issued or granted to any client of the Franchised Business that you credit in full or partial satisfaction of the price of any services and products offered in connection with the Franchised Business. For purposes of calculating Gross Sales, the sale is made at the earlier of delivery of the service or product or creation of the customer invoice by you.

² Starting in the seventh month after your Franchised Business opens, if you did not obtain your Minimum Monthly Sales Quota for the prior month, you will pay the Minimum Royalty Fee. The Minimum Royalty Fee is the difference between (1) 5% of Gross Sales for the prior month, and (2) the Royalty Fee that would have been earned had you obtained your Minimum Monthly Average Sales Quota. For Protected Territories with 20,000 or more people age 65 or older, the Minimum Monthly Average Sales Quota is:

Year of Operation	Minimum Monthly Average Gross Sales
Year 1 Monthly Average	\$8,000
Year 2 Monthly Average	\$15,000
Year 3 Monthly Average	\$25,000
Year 4 Monthly Average	\$35,000

For Protected Territories with less than 20,000 people age 65 or older, the Minimum Monthly Average Sales Quota is:

Year of Operation	Minimum Monthly Average Gross Sales
Year 1 Monthly Average	\$4,000
Year 2 Monthly Average	\$7,500
Year 3 Monthly Average	\$12,500
Year 4 Monthly Average	\$17,500

The Minimum Monthly Average Sales quota is not intended to be a financial performance representation. See Item 19 of this Franchise Disclosure Document for the financial performance representations.

³ This fee may increase at any time as our costs to supply the services (including our administrative costs) change. There is no limit on the amount that this fee may be. The fee will never be less than \$250 per month.

⁴ The Technology Fee is currently \$72.12 per week. We may change the Technology Fee at any time upon 60 days' notice and there is no limit on the amount that this fee may be. The Technology Fee is paid weekly beginning with the fourth month after the Effective Date of the Franchise Agreement. It is used to pay for Franchise Technology Services which may include access to the SYNERGY HomeCare dashboard and extranet, e-mail addresses, and other technology services used to support and promote the SYNERGY HomeCare system, SYNERGY HomeCare franchisees, and SYNERGY HomeCare Businesses. The Technology Fee is non-refundable.

⁵ We have partnered with a premier provider of federal and state compliance guidance regarding owning a home care agency. The information covers federal and state laws, sample agreements, model policies and forms, a survey on state laws on home care companions and other domestic workers, presentations on wage and hour issues, agency investigations, and other areas impacting the industry, guidelines to help small business comply with federal, state, and local employment laws. The Compliance Guidance Fee is a one-time fee for access to this information that is updated on an on-going basis by our preferred partner.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (Low – High)	Method of Payment	When Due	To Whom Payment Is To Be Made
Franchise Fee ¹	\$27,000 to \$94,000	Cashier's Check or wire transfer	Upon Signing Franchise Agreement	Us
Real Estate/Rent ²	\$1,200 to \$5,500	As Arranged	Before Beginning Operations	Lessor
Utility Deposits ³	\$0 to \$300	As Arranged	Before Beginning Operations	Utilities
Leasehold Improvements ⁴	\$0 to \$1,500	As Arranged	Before Beginning Operations	Third Parties
Furniture, Fixtures & Equipment ⁵	\$500 to \$3,000	As Arranged	Before Beginning Operations	Third Parties
Software ⁶	\$750 to \$1,000	As Arranged	Before Beginning Operations	Third Parties
Computers and Printer ⁷	\$1,000 to \$3,500	As Arranged	Before Beginning Operations	Third Parties
Insurance (including Fidelity/Crime Coverage) ⁸	\$1,375 to \$4,600	As Arranged	Before Beginning Operations	Third Parties
Signage ⁹	\$100 to \$1,000	As Arranged	Before Beginning Operations	Third Parties
Office Equipment & Supplies ¹⁰	\$750 to 3,000	As Arranged	Before Beginning Operations	Third Parties
Training ¹¹	\$1,000 to \$2,500	As Arranged	Before Beginning Operations	Third Parties
Licenses & Permits ¹²	\$0 to \$5,000	As Arranged	Before Beginning Operations	Licensing Authority
Legal & Accounting ¹³	\$500 to \$3,000	As Arranged	Before Beginning Operations	Attorneys and Accountants
Compliance Guidance ¹⁴	\$1,000 to \$1,000	As Arranged	Before Beginning Operations	Third Parties
Dues & Subscriptions ¹⁵	\$0 to \$500	As Arranged	Before Beginning Operations	Third Parties
Additional Funds – 3 Months ¹⁶	\$3,816 to \$31,318	As Arranged	As Necessary	You Determine
TOTAL¹⁷	\$38,991 to \$160,718			

We anticipate that you will incur the above estimated initial expenditures in the establishment of your Franchised Business. All fees paid to our Affiliates or us are non-refundable under any circumstances once paid except as provided in Item 5. Fees paid to vendors or other suppliers may or may not be refundable depending on your vendors and suppliers.

NOTES

(1) Franchise Fee: The Franchise Fee is described in greater detail in Item 5 of this Disclosure Document.

(2) Real Estate/Rent: You must lease or otherwise provide a suitable facility for the operation of the Franchised Business. You will need approximately 250 square feet of space in a shared office or executive office environment. Your lease costs can vary based upon variances in square footage, cost per square foot and required maintenance costs. We assume that you will have to pay the first month's rent and a security deposit equal to one month's rent in advance. The rent you pay is typically not refundable, but your security deposit may be under certain circumstances. This covers rent for three (3) months.

(3) Utility Deposits: If you are a new customer of your local utilities, you may have to pay deposits with local utilities for services such as electric, telephone, gas and water. The deposit will vary depending upon the policies of the local utilities.

(4) Leasehold Improvements: You may need to make certain improvements to your office space to accommodate your Franchised Business or to comply with our standards and specifications. The cost of leasehold improvements will vary based upon size, condition and location of the premises, local wage rates and material costs.

(5) Furniture, Fixtures & Equipment: You will be required to purchase or lease office furniture and any equipment necessary for providing the various services offered by SYNERGY HomeCare Businesses. Although some of these items may be leased, the range shown represents the actual purchase price.

(6) Software: You must purchase a license to use scheduling software from us or our approved vendor. Currently, you will sign a scheduling software license agreement with the approved vendor and pay the vendor all applicable fees. We will pay the initial start-up license fee and training fee (\$500) for you to use the scheduling software. You must pay the vendor the monthly usage fee for the scheduling software. The current monthly usage fee ranges from \$150 - \$500 per month, and is subject to change by the software vendor. You must also purchase QuickBooks, the cost of which will vary depending on competition among suppliers, among other things. See Item 11 for a description of the software you must purchase.

(7) Computers and Printer: You must purchase certain computers and printers to operate the software and QuickBooks. See Item 11 for a description of the computers and printers you must purchase.

(8) Insurance (including Fidelity/Crime Coverage): You must secure policies for the following types of insurance: "all-risk" property, business interruption, general liability, automotive liability, professional liability, employment practice liability, wage and hour insurance, worker's compensation, cyber liability, coverage under the Franchise Agreement's indemnity provisions, and a fidelity/crime insurance (or the equivalent), as required by Section 15 of the Franchise Agreement or any other insurance as required by law. Your cost of insurance may vary based on the location of the Franchised Business, value of the leasehold improvements, amount of inventory, number of employees and other factors. Typically, you will pay quarterly for insurance (including fidelity/crime insurance) coverage. The estimated cost is first 3 months of insurance (including fidelity/crime insurance) coverage.

(9) Signage: This range includes the cost of all signage used in the Franchised Business, which may include a plaque or lettering for an office door, and magnetic signs or custom painting on service vehicles, or auto wraps. The costs will vary based upon the size, location of the Franchised Business, local wage rates and other factors.

(10) Office Equipment and Supplies: You must purchase general office supplies including stationery, business cards and typical office equipment, such as a computer and printer. Factors that may affect your cost of office equipment and supplies include local market conditions, the size of the Franchised Business, suppliers and other factors.

(11) Training: The cost of initial training is included in the Franchise Fee, but you are responsible for transportation and expenses for food and lodging while attending training. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose.

(12) Licenses & Permits: Local government agencies typically charge fees for such things as business licenses. Depending on your local laws, you may also be required to obtain licenses to perform certain services such as in-home companionship, homemaking, personal care, or child care, for example. Your actual costs may vary from the estimates based on the requirements of local government agencies. You are required to understand and comply with all federal, state, and local laws.

(13) Legal & Accounting: You will need to use the services of an attorney, an accountant and other consultants to assist you in establishing your Franchised Business. These fees may vary from location to location depending upon the prevailing rate of attorneys', accountants' and consultants' fees.

(14) Compliance Guide Fee: We have partnered with a premier provider of federal and state compliance guidance regarding owning a home care agency. The information covers federal and state laws, sample agreements, model policies and forms, a survey on state laws on home care companions and other domestic workers, presentations on wage and hour issues, agency investigations, and other areas impacting the industry, guidelines to help small business comply with federal, state, and local employment laws. The Compliance Guidance Fee is a one-time fee for access to this information that is updated on an on-going basis by our preferred partner.

(15) Dues & Subscriptions: We recommend, but you are not required, to join local organizations such as the Chamber of Commerce for networking and marketing purposes.

(16) Additional Funds: This estimates additional funds necessary for the first three (3) months of your business operations, and does not include an owner's salary or personal or living expenses. These figures are estimates and we cannot guarantee that you will not incur additional expenses starting the Franchised Business. Your costs will depend on factors such as: how closely you follow our methods and procedures; your management skills, experience and business acumen; local economic conditions; local regulation compliance; the local market for SYNERGY HomeCare Businesses in your area; the prevailing wage rate; competition from other sellers of similar services in your area during this period. This includes a variety of expenses and working capital items during your start-up phase such as: legal and accounting fees; advertising, promotional expenses and materials; employee salaries (including a salary for the second employee and any necessary licenses or permits); and other miscellaneous costs. However, this excludes your salary and also excludes any sales, use or similar taxes that may be assessed by your state or local authorities. Please check with your local and state governmental agencies for any taxes that may be assessed.

(17) **Total:** In compiling the chart, we have relied on our 17 years of experience in the industry. The amounts shown are estimates only and may vary for many reasons including the size of your Franchised Business, the capabilities of your management team, where you locate your Franchised Business and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting the Franchised Business.

ITEM 8 **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

Except as indicated below, you are not required to purchase or lease products or services from us or any Affiliate or from suppliers approved by us or under our specifications.

Specifications/Approved Suppliers

You must equip the Franchised Business according to our standards and specifications. All signs, equipment, and other items used in the operation of the Franchised Business must comply with our specifications and quality standards and, if we require, must only be purchased from Approved Suppliers that we designate. We or one of our Affiliates may be an Approved Supplier. We will provide you, in the Manual or other written or electronic form, a list of specifications for equipment, supplies, and other materials and, if required, a list of designated or Approved Suppliers for some or all of these items, which may include us or our Affiliates. From time to time we may modify the list. We formulate and modify our specifications and standards for products and services based upon our industry knowledge.

If you would like to use any item or service in establishing or operating the Franchised Business that we have not approved (for items or services that require supplier approval), you must first send us sufficient information, specifications and/or samples for us to determine whether the item or service complies with our standards and specifications or the supplier meets our Approved Supplier criteria. We will not charge you to evaluate whether your proposed item or service meets our Approved Supplier criteria. We will decide and notify you in writing within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease such items or services from such supplier. We apply the following general criteria in approving a proposed supplier: the ability to provide sufficient quantity of product; quality of products and/or services at competitive prices; production and delivery capability; and dependability and general reputation of the supplier. From time to time, we may review our approval of any item, service or supplier. We may revoke the approval of a supplier if it fails to continue to meet our standards. We will notify you if we revoke our approval of an item, service or supplier, and you must immediately stop purchasing disapproved items or services or from a disapproved supplier.

You must pay us the Franchisee Technology Fee (Items 7 and 11). Neither we nor any Affiliates are the only supplier of any other products or services. Our Elite Affiliate is a supplier of background checks, but it is not the only Approved Supplier of background checks. One of our officers owns an interest in us and our Affiliates. None of our officers owns an interest in any other suppliers.

Computer Hardware and Proprietary Software

You are required to purchase computer hardware and software that meet the specifications described in Item 11. We receive no other rebates, discounts or other benefits from your purchase of computer hardware, but we may derive revenue from future arrangements with suppliers based on franchisee purchases.

You are required to use software and related technology that we own or that is owned by our affiliate or a third party, and to pay us the Technology Fee (Items 7 and 11).

Insurance

At your expense you must purchase and maintain in effect during the term of the Franchise Agreement for each Franchised Business you operate: (i) "all risk" property insurance with fire, vandalism and malicious mischief coverage on all assets of the Franchised Business for full replacement value and business interruption insurance; (ii) comprehensive general liability insurance with minimum coverage of at least \$1,000,000 per occurrence and at least \$3,000,000 aggregate; (iii) automobile liability insurance (if you use any vehicles in operating the Franchised Business) with a combined single limit of at least \$1,000,000; (iv) professional liability insurance with minimum coverage of at least \$1,000,000 per occurrence and at least \$3,000,000 aggregate, which must include abuse and molestation coverage; (v) employment practice liability insurance and wage and hour insurance with a minimum coverage of at least \$100,000; (vi) workers' compensation and other insurance to meet statutory requirements; (vii) cyber liability coverage with a limit of at least \$500,000; (viii) indemnity insurance to cover your indemnification in the Franchise Agreement; and (viii) other insurance as we designate to provide coverage for services and products you offer in reasonable amounts.

You must also procure and maintain first and third-party fidelity/crime insurance (or its equivalent) in a minimum amount of at least \$25,000 with coverage for you and us, or with higher minimum terms and coverage which we may specify.

If state law requires higher insurance limits, you must purchase and maintain at least the minimum required by state law. Also, lenders and lessors may require you to purchase and maintain insurance. Your insurance policies must name us as an additional insured and/or loss payee and contain a waiver of subrogation rights against us.

At this time we receive no rebates, discounts or other benefits from your purchase of insurance, but we may derive revenue from future arrangements with suppliers based on franchisee purchases.

Miscellaneous

We may negotiate group rates, including price terms, for the purchase of equipment and supplies necessary for the operation of the Franchised Business. Presently, no such purchase or supply agreements are in effect and there are no purchasing or distribution cooperatives that you are required to join. In the year ended December 31, 2019 we received approximately \$133,600 of revenue as a result of franchisee purchases from vendors, which we used to support the cost of other services we provide to franchisees. This represents approximately 0.9% of our total revenue of \$14,353,560. In addition, our Elite Affiliate received \$186,500 in revenue as a result of franchisee purchases. We may derive revenue from future arrangements with suppliers based on franchisee purchases.

We estimate that approximately 10% to 30% of your expenditures for leases and purchases in establishing your Franchised Business will be for goods and services that must be purchased either from us, our Affiliates or an Approved Supplier, or in accordance with our standards and specifications. We estimate that approximately 20% to 30% of your expenditures on an ongoing basis will be for goods and services that must be purchased from either us, our Affiliates, an Approved Supplier or in accordance with our standards and specifications.

We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional Franchised Businesses) based on whether or not you purchase through the sources we designate or approve; however, purchases of unapproved products or from unapproved suppliers in

violation of the Franchise Agreement will allow us, among other things, to terminate the Franchise Agreement.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement 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.

Franchise Agreement

Obligation	Section in the Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 5	Items 7 and 11
b. Pre-opening purchases/leases	Sections 5 and 15	Item 8
c. Site development and other pre-opening requirements	Sections 5 and 8	Item 6, 7 and 11
d. Initial and ongoing training	Section 8	Item 11
e. Opening	Sections 5 and 11	Item 11
f. Fees	Sections 3, 5, 8, 10, 11, 12, 13, 15, 18, 21 and 22	Items 5, 6 and 7
g. Compliance with standards and policies/Operating Manual	Sections 6, 7, 9, 11, 12, 13 and 15	Item 11
h. Trademarks and proprietary information	Sections 6, 7 and 9	Items 13 and 14
i. Restrictions on products/services offered	Sections 5, 6, 9 and 13	Items 11 and 16
j. Warranty and customer service requirements	Section 13	Items 11 and 16
k. Territorial development and sales quotas	Sections 2, 4 and 16	Item 12
l. Ongoing product/service purchases	Section 13	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 10 and 13	Item 11
n. Insurance	Section 15	Items 7 and 8
o. Advertising	Sections 3 and 11	Items 6, 7 and 11
p. Indemnification	Section 21	Item 6
q. Owner's participation/management/staffing	Section 13	Items 11 and 15
r. Records and reports	Sections 3 and 12	Item 11
s. Inspections and audits	Sections 12 and 13	Item 6
t. Transfer	Section 18	Item 17
u. Renewal	Section 4	Item 17
v. Post-termination obligations	Section 17	Item 17
w. Non-competition covenants	Sections 7 and 17	Item 17
x. Dispute resolution	Section 23	Item 17

ITEM 10 **FINANCING**

Except as stated below, we, our agents, and our affiliates offer no financing arrangements, and we, our agents, and our affiliates do not receive payment or other consideration for the placing of financing or do not guaranty any note, lease, or obligation you enter into for your SYNERGY HomeCare Business.

We do not guarantee your lease or other obligations. SYNERGY HomeCare franchisees may be eligible for expedited Small Business Administration (the “SBA”) loan processing through the SBA’s Franchise Registry Program, www.franchiseregistry.com.

ITEM 11 **FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

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

For the Franchisee, from time to time, we shall have the right to and will delegate the performance of any portion or all of our obligations and duties to a third party who is approved by us to deliver such services and perform such duties, whether these providers are agents of ours or as independent contractors which we have contracted with to provide such services. The Franchisee agrees in advance to any such delegation by us of any portion or all of its obligations and duties hereunder.

A. PRE-OPENING ASSISTANCE

Before you open the Franchised Business, we will:

1. Designate the Protected Territory within which you will operate the Franchised Business (Franchise Agreement, Section 2.4). See Item 12 for additional information on the Protected Territory.

2. If we have not already approved a site that you have selected prior to signing the Franchise Agreement, provide you with our criteria for site selection and approve the site you have selected for the location of the Franchised Business (Franchise Agreement, Section 5.1).

Neither we nor any of our employees have special expertise in selecting sites. We make no representations that the Franchised Business will be profitable or successful by being located at the “Approved Location” (this Item 11). Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience.

3. Provide approximately 5 days of initial training program. This training is described in detail later in this Item. (Franchise Agreement, Section 8.1)

4. At our discretion, provide on-site assistance and guidance. (Franchise Agreement, Section 8.2)

5. Loan to you one copy of, or make available electronically via the Internet, the SYNERGY HomeCare Operations Manual. (Section 9.1) The Table of Contents of the Operations Manual, along with number of pages devoted to each section, is included as Exhibit D to this Disclosure Document. The total number of pages in the Operations Manual is 369.

6. Deliver to you the Franchisee Technology Services (Franchise Agreement, Section 3.4)

B. ASSISTANCE DURING THE OPERATION

After the opening of the Franchised Business, we will:

1. From time to time, advise and offer general guidance to you by telephone, e-mail, facsimile, newsletters, webinars, and/or online training and other methods. (Franchise Agreement, Section 14.1)

2. At our discretion, we may make periodic visits to the Franchised Business for the purposes of consultation, assistance and guidance in various aspects of the operation and management of the Franchised Business. We may prepare written reports outlining any suggested changes or improvements in the operations of the Franchised Business and detail any areas for improvement or deficiencies that become evident as a result of our visit. If we prepare a report, we will notify you in writing or orally that we prepared a report, and you may request a copy from us. If no written report is prepared, we will discuss our findings with you orally. (Franchise Agreement, Section 14.2)

3. Make available to you operations assistance and ongoing training as we deem necessary (Franchise Agreement, Sections 8.2 and 8.5).

4. Make available to you changes and additions to the System as generally made available to all franchisees. (Franchise Agreement, Section 14.3)

5. Provide to you, at our discretion, advertising and promotional materials including ad-slicks, brochures, fliers and other materials for use in the operation of the Franchised Business. (Franchise Agreement, Section 14.4)

6. Provide the Franchisee Technology Services (Franchise Agreement, Section 3.4).

C. ADVERTISING AND PROMOTION

You will continuously promote the Franchised Business. Every month, you will spend the greater of \$300 or at least 2% of the previous month's Gross Sales on advertising, promotions and public relations within the Protected Territory ("Minimum Local Advertising Requirement"). Such expenditures will be made directly by you, subject to our approval and direction. We will provide general guidelines for conducting Local Advertising so as to better assist you. We will define what constitutes local advertising in the Operations Manual. You agree to send us, in a manner we prescribe, an accounting of local advertising expenditures at such times, and for such reporting periods, as we may specify from time to time. If you do not spend at least the Minimum Local Advertising Requirement on a monthly basis; then, within 30 days after such time as we specify, you will pay us the difference between the actual expenditures on local advertising, promotions and public relations and the Minimum Local Advertising Requirement. If we do collect the amount of the Minimum Local Advertising Requirement, we will also charge the Franchisee its then-current "Advertising Service Fee" (currently \$250 per month), plus the cost to use an advertising firm in your Protected Territory to place the advertising for you.

We have a system-wide Marketing Fund, and you are required to contribute 2% of your Gross Sales to the Marketing Fund. (Franchise Agreement, Section 11.2) We may adjust the percentage from time to time, but your contribution will not exceed 2% of your Gross Sales to the Marketing Fund. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet or other media

for advertisements and promotions. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Marketing Fund. We may use your contributions to meet the costs of, or reimburse us for our expenses related to, the general promotion of the Marks and the System, including producing, maintaining, administering and directing consumer advertising (including the cost of preparing and conducting television, radio, Internet, magazine and newspaper advertising campaigns and other public relations activities; developing and/or hosting an Internet web page or site and other forms of electronic media and advertising activities; research; employing advertising, public relations and other third party agencies to assist us; and promotional brochures and other marketing materials to franchisees and the advertising cooperatives); and soliciting and the promotion of System products and services to National Referral Agencies or National Accounts (including Medicare Advantage plans) as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in activities associated with the promotion of the Marks and the System. We may retain the services for, or purchase from, one or more of our Affiliates to provide services and products in connection with the Marketing Fund and may pay for the services and products from the Marketing Fund. We may use a national or regional advertising agency to meet some of our needs as well.

We will maintain your contributions in a separate account from our funds and we will not use them for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the promotion of the Marks and the System, including the actual costs of salaries and fringe benefits paid to employees. We will not use Marketing Fund Contributions for the direct solicitation of franchise sales. Any Marketing Funds not spent in any year will be carried over to and available for use in the following year.

We may, at our discretion, allow contributions to accumulate in the Marketing Fund or to disburse contributions as necessary. We will use any interest or other earnings of the Marketing Fund before using current contributions. We intend for the Marketing Fund to be continual and perpetual, but we have the right to suspend (and subsequently reinstate) or terminate it if necessary. We will not terminate the Marketing Fund until all contributions and earnings have been used for advertising and promotional purposes or have been returned to our franchisees on a pro rata basis.

All SYNERGY HomeCare Businesses owned by us or our Affiliates are required to make similar contributions to the Marketing Fund as required of franchisees.

We will have an unaudited accounting of the Marketing Fund prepared each year in a format we determine and we will provide you with a copy of the unaudited accounting from the prior fiscal year if you request it. Should you request an audited copy, we may require you to pay for the cost of the audit.

The Marketing Fund is not a trust and we assume no fiduciary duty in administering the Marketing Fund.

During 2019, we spent the Marketing Fund contributions as follows: Production – 62%; Media Placement – 8%, Administration – 30%.

Although we are not obligated to do so, we may create a Cooperative Advertising program for the benefit of all SYNERGY HomeCare Businesses located within a particular region or defined market. We have the right to (a) allocate any portion of the Marketing Fund to a Cooperative Advertising program; and (b) collect and designate all or a portion of the Local Advertising for a Cooperative Advertising program. We will determine the geographic territory and/or defined market areas for each Cooperative Advertising program. You must participate in any Cooperative Advertising program established in your region and/or defined market. If a Cooperative Advertising program is implemented in a particular region or defined market, we may establish an advertising council for franchisees in that region or defined

market to self-administer the program. You must participate in the council according to the council's rules and procedures and you agree to be bound by the council's decisions. Upon approval by the council, you must pay (and we may, but we are not obligated to, collect from you on the Cooperative Advertising program's behalf) contributions to the Cooperative Advertising program, in the amount approved, even if the contributions required exceed the Minimum Local Advertising Requirement (Franchise Agreement, Section 11.3). Any amounts paid by you to the Cooperative Advertising program in any month will be applied toward your Minimum Local Advertising Requirement for the month.

Currently, we do not have an advertising council composed of franchisees.

You must list the telephone number (which must be a landline and not a mobile number) for the Franchised Business in your local print and on-line directories as we specify. You must own your telephone lines but assign them to us upon the expiration or termination of your agreement. You must place the listings together with other Franchised Businesses operating within the distribution area of the directories. (Franchise Agreement, Section 11.5).

D. COMPUTER SYSTEM

You must purchase and use any and all computer software programs that we may develop or designate for use by the System, and to purchase all computer hardware necessary for the efficient operation of the software (Franchise Agreement, Section 12.5). In addition to the below, we may require you to purchase other computer hardware, software, firmware, dedicated telephone and power lines, modem(s), printer(s), and other computer-related accessories or peripheral equipment as Franchisor may later specify in Franchisee Manuals or otherwise in writing.

Currently, your computer hardware and software must operate under the latest version Microsoft Windows Operating System, and must be loaded with the most current editions of Microsoft Office Small Business Edition and QuickBooks Professional. The Approved Suppliers for computer hardware are identified in the Operations Manual. We reserve the right to specify other computer hardware or software and to specify other computer-related standards in the future.

We reserve the right to provide you with access to a dedicated telephone phone number that you must use in your Business that we own. You also must have a color printer, a fax machine and copier.

Franchisee will be required to use our "Franchisee Technology Services" for which you will pay the Technology Fee (Items 6 and 7). The Franchisee Technology Services may include access to the SYNERGY HomeCare dashboard and extranet, email addresses, and other technology services used to support and promote the SYNERGY HomeCare system, SYNERGY HomeCare franchisees and SYNERGY HomeCare Businesses. The Technology Fee will also be used for maintenance of the Franchisee Technology Services. The Technology Fee is currently \$72.12 per week. We may change the Technology Fee at any time upon 60 days' notice.

In addition, you must purchase and use the software we require, including our designated scheduling software. Currently, you must pay approximately \$150 - \$500 per month for access to the scheduling software to our designated vendor. We may change the fee for access to the software we require as the fee the designated vendor charges us changes.

If you are in default under the Franchise Agreement, we may prohibit or limit your access to the Franchisee Technology Services or the scheduling software.

Franchisee must have access to the internet through a DSL, cable or faster internet connection available in your service area. Franchisee must have an electronic mail address approved by us and must

routinely (but no less than on a daily basis) check email and the portion of our web site devoted to franchise owners.

The cost of the computer hardware and software for the Franchisee is estimated to range between \$1,750 to 4,500.

Franchisee must arrange for and pay the costs for software support and on-line data storage and backups (Item 6). If you need support for software, you may be required to pay the software manufacturer for such support. The cost of on-line backup and storage will vary depending upon the vendor. We have no requirements for you to use any particular vendor. As services vary depending upon on-line data storage used and the vendor, there can be no estimate of this cost.

You must protect yourself from viruses, computer hackers, and other communications and computer-related problems, and have a data backup system in place. You may not sue us for any harm caused by such computer-related problems. You must also take reasonable steps to verify that any person or entity upon whom you rely is reasonably protected, including establishing firewalls and access code protection and protecting passwords.

The computer system must be maintained to ensure good working order. Such maintenance may occur at any time. Such maintenance could cost between \$150 and \$1,500. You may be required to purchase new computer hardware no more often than once each five (5) years. Such cost could be between \$500 and \$2,000. All software must be maintained with such patches as the manufacturers may require from time to time. As this is dependent upon the manufacturer's requirements there can be no estimate for such costs. You may be required to update the software. We have no schedule for this and as such we cannot estimate the cost of such updates. You shall not update, modify, enhance, or upgrade any computer hardware or software without Franchisor's written consent, which shall not be unreasonably withheld.

We have the right at any time to independently access your Franchised Business computer(s) and software, including any software provided by a third party supplier, without notifying you first. We have the right to and will at our sole discretion access all franchisee files, and any other files found on the computers, and will use all such information for any purpose, both during and after the expiration or termination of the Franchise Agreement. If your system is password controlled or has limited access, you must grant us the permission necessary to access your computers and software. This must be done before you open or upon request

E. METHODS USED TO SELECT THE LOCATION OF THE BUSINESS

As for the Franchisee, if you have a potential site for the Franchised Business, you may propose the location for our consideration. We may consent to the site after we have evaluated it. If you do not have a proposed site, we will furnish you with our general site selection criteria. You are solely responsible for locating and obtaining a site that meets our standards and criteria and that is acceptable to us. (Franchise Agreement, Section 5.1).

The general site selection and evaluation criterion that we consider in approving the Franchisee's site includes condition of the premises, proximity to other SYNERGY HomeCare Businesses, proximity to major roads and overall suitability. We will provide you with written notice of our approval or disapproval of any proposed site within a reasonable time after receiving all requested information, which usually does not exceed 30 days. If you and we cannot agree on a suitable site for the Franchised Business, we may terminate the Franchise Agreement. If we do not notify you that we do not approve a proposed office within 30 days after all required information about the proposed office is sent to us, then the proposed office will be deemed to be approved and will be the "Approved Location".

Neither we nor any of our employees have special expertise in selecting sites. Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience. Our approval of a location does not infer or guarantee the success or profitability in any manner.

F. TYPICAL LENGTH OF TIME BEFORE OPERATION

The typical length of time between the signing of the Franchise Agreement and the opening of your Franchised Business is approximately ninety (90) days. If the delay is due to delays in obtaining necessary licenses and permits, we may allow you a reasonable period of additional time for opening if you can demonstrate that you have expeditiously worked to obtain them and that the governmental authority issuing them is likely to do so within normal time frames for its jurisdiction. Factors that may affect how long it takes you to open the Franchised Business include your ability to secure licenses, permits, zoning and local ordinances, weather conditions, delays in installation of equipment and fixtures, and unforeseen circumstances. (Franchise Agreement, Section 5.4)

G. TRAINING PROGRAM

Prior to the opening of the Franchised Business, (i) you (or your owner if you are a corporation or other business entity) and (ii) the Designated Manager if you hire a Designated Manager other than you (or your owner if you are a corporation or other business entity), must attend and successfully complete an initial training program to our satisfaction. Although initial training is mandatory for you and any Designated Manager you hire, it is also available for one additional person. The initial training program lasts approximately 5 days and covers all material aspects of the operation of a SYNERGY HomeCare Business, including such topics as sales and marketing methods; financial controls; maintenance of quality standards; customer service techniques, record keeping and reporting procedures, employee recruitment and screening, other operational issues and on-the-job training. Initial training programs are held approximately every month. Prior to attending our training program you may be provided with information for your review and assignments you must complete. If you replace your Designated Manager, your new Designated Manager must attend and complete our training program at the next available session or upon our request. We do not charge for the initial training. You are responsible for training your own employees and other management personnel. You are responsible for salary, travel, lodging, and meals of all attendees.

We can increase or decrease the number of days for training depending upon the experience and abilities of any attendee in training. Further, we can reasonably change the dates of training from those that had previously been approved with the understanding that if a trainee has already incurred a commercially reasonable expense in reliance upon the previous date and provide written proof of the same, the Franchisor will reimburse the trainee for such expense.

FRANCHISEE TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Welcome and Introduction	1	0	Our Headquarters or other location we designate
The SYNERGY HomeCare Culture and Support Team Overview	1.5	0	Our Headquarters or other location we designate

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Setting Goals for Business	1	0	Our Headquarters or other location we designate
Operations Introduction to Business Tools	1.5	0	Our Headquarters or other location we designate
Lunch	0	0	Our Headquarters or other location we designate
Understanding the HomeCare Marketplace	1.5	0	Our Headquarters or other location we designate
Recap Day 1	0.5	0	Our Headquarters or other location we designate
Sales Plan	3.5	0	Our Headquarters or other location we designate
Lunch	0	0	Our Headquarters or other location we designate
Sales Series Video/Role Playing	2.5	0	Our Headquarters or other location we designate
Making the Sales Call	1	0	Our Headquarters or other location we designate
Recap Day 2	0.5	0	Our Headquarters or other location we designate
Sales Team - Hiring and Managing	2	0	Our Headquarters or other location we designate
Phone Management	0.5	0	Our Headquarters or other location we designate
Inquiry Call Process	1.5	0	Our Headquarters or other location we designate
Lunch	0	0	Our Headquarters or other location we designate
Mystery Shops and Review	1.5	0	Our Headquarters or other location we designate
Setting up for Home Assessment	1	0	Our Headquarters or other location we designate
Recap Day 3	0.5	0	Our Headquarters or other location we designate
Home Assessments	3	0	Our Headquarters or other location we designate
Client Paperwork	1	0	Our Headquarters or other location we designate
Lunch	0	0	Our Headquarters or other location we designate
The Art of Scheduling	1	0	Our Headquarters or other location we designate

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Quality Assurance	1.5	0	Our Headquarters or other location we designate
Caregivers - Recruiting, Hiring and Orientation	1.5	0	Our Headquarters or other location we designate
Recap Day 4	0.5	0	Our Headquarters or other location we designate
Accounting Review	2	0	Our Headquarters or other location we designate
Vendor Review	2	0	Our Headquarters or other location we designate
Lunch	0	0	Our Headquarters or other location we designate
Time Management	2	0	Our Headquarters or other location we designate
Q and A	3.5	0	Our Headquarters or other location we designate
Recap Day 5	0.5	0	Our Headquarters or other location we designate
Total	40.0	0	

Heather Reid, Cheryl Riggs, and Chad Ainsworth will provide training. Heather Reid is our Director of Marketing and has been with us since March 2016. Ms. Riggs is a Franchise Business Consultant and has been with us since June 2015. Mr. Ainsworth has been our Chief Financial Officer (CFO) since October 2019 and will provide training in accounting and finance.

All instructors will provide training in various aspects of client operations and business management.

From time to time Franchisor may provide, and if it does, has the right to require that the Designated Manager attend, ongoing training programs (in-person and/or on-line), seminars or meetings during the Initial Term of this Agreement, any Interim Period and Successor Terms. We will not charge a fee for any mandatory ongoing training, except for the Annual Franchise Meeting (“AFM”). An attendance fee of \$350 for three people and \$125 for each additional person as we determine is required to attend the AFM and will be paid at least 30 days prior to attending the AFM or as we designate. If you fail to attend an AFM, you must pay us on demand a nonattendance fee of \$1,500.

You are responsible for all travel costs, living expenses and employees' salaries incurred in connection with the Designated Manager's attendance at such training. If you or your Designated Manager fails to attend any mandatory ongoing training program, we have the right to charge you a fee of \$1,500, which is due and payable on demand, for each mandatory ongoing training program that you or your Designated Manager fails to attend. If you fail to attend two (2) or more mandatory ongoing training programs during the Initial Term of this Agreement and any Interim Period, we also have the right to terminate the Franchise Agreement.

The instructional material is primarily the Operations Manual together with the business startup checklist and a pre-class workbook.

Ongoing training programs or refresher courses are or may be required (Franchise Agreement, Section 8.5).

ITEM 12 TERRITORY

You must operate the Franchised Business only from the Approved Location listed on Exhibit A of the Franchise Agreement, which should be a leased facility or shared office in a suitably located area. The Approved Location must be within your Protected Territory. Although we may assist you in selecting a location, you are solely responsible for selecting the Approved Location and negotiating the terms of the lease.

We will also grant you a Protected Territory, subject to the National Accounts Program described below. Each Protected Territory will include contiguous zip codes or other physical, political or natural boundaries. The number of persons in your Protected Territory will be determined by a recognized third-party provider selected by us based using the most currently available information from the U.S. Census Bureau. If that third party provider makes an unintentional error in determining the Protected Territory, we may modify the Protected Territory. The Protected Territory will be defined by and exist within the zip codes or other physical, political or natural boundaries as set forth in Exhibit B of the Franchise Agreement. If the Protected Territory is determined by zip codes and the geographic area included within any zip code on the boundary of your Protected Territory changes after the effective date of the Franchise Agreement, then the Protected Territory will be deemed to be amended to include any additional area included within such zip codes so long as this area is not already included in the protected territory of any other franchisee.

We have the right, without compensation to you, to: (a) establish, own or operate, and license others to establish, own or operate, SYNERGY HomeCare Businesses outside of the Protected Territory as we deem appropriate; (b) establish, own or operate, and license others to establish, own or operate, other businesses under other systems using other proprietary marks at locations inside and outside of the Protected Territory and on such terms and conditions as we deem appropriate; (c) provide services and sell any products authorized for SYNERGY HomeCare Businesses using the Marks or any other trademark, service marks and commercial symbols through alternate channels of distribution including joint marketing with partner companies, all forms of Internet sales, catalog sales, telemarketing and other direct marketing, on such terms and conditions as we deemed appropriate; and (d) engage in any other activities not expressly prohibited by the Franchise Agreement.

We may periodically designate in the Manual or elsewhere certain National Accounts (the "National Accounts Program"). We have the exclusive right to negotiate and enter into agreements or approve forms of agreements related to any national accounts. If we obtain a national account with a service location within your Protected Territory, we will refer that business to you. If you refuse to provide products or services to a national account in your Protected Territory, are unable to provide the products and services requested by the account and according to our standards, to protect the reputation of the System and preserve the account, we may service that national account in your Protected Territory and/or may license or appoint another person to service that account in your Protected Territory (including another SYNERGY HomeCare franchisee or a company that is not affiliated with us).

Your Protected Territory is exclusive and we will not operate locations or grant franchises for other SYNERGY HomeCare Businesses within your Protected Territory unless you fail to meet your Minimum Monthly Average Sales Quota as described below or are in breach of any other terms of the Franchise Agreement.

You must achieve and maintain the minimum levels of average monthly Gross Sales (the “**Minimum Monthly Average Sales Quota**”) set forth below for each Protected Territory during the following Months of Operation:

For a Protected Territory with 20,000 or more people age 65 or older:

Year of Operation	Minimum Monthly Average Gross Sales
Year 1 Monthly Average	\$8,000
Year 2 Monthly Average	\$15,000
Year 3 Monthly Average	\$25,000
Year 4 Monthly Average	\$35,000

For a Protected Territory with less than 20,000 or more people age 65 or older:

Year of Operation	Minimum Monthly Average Gross Sales
Year 1 Monthly Average	\$4,000
Year 2 Monthly Average	\$7,500
Year 3 Monthly Average	\$12,500
Year 4 Monthly Average	\$17,500

“Year of Operation” will be defined by the 12 calendar month periods that commence on the first day of the first full calendar month after your grand opening. After the last month of each Year of Operation period in the above chart, we will evaluate if you have satisfied the Monthly Average Sales Quota for that year. If you have failed to satisfy the Minimum Monthly Average Sales Quota for the Year of Operation, we have the right to reduce the size or eliminate the Protected Territory, establish other franchises within the territory, permit other franchisees to provide services to clients in the Protected Territory, fashion some other remedy, or terminate the Franchise Agreement, as we determine to be appropriate.

For any Successor Franchise Agreement, the Minimum Monthly Average Sales Quota for each Year of Operation for each Protected Territory will be the greater of the Year 4 Monthly Average or the highest Minimum Monthly Average Sales Quota in our then current Successor Franchise Agreement.

The Minimum Monthly Average Sales quota is not intended to be a financial performance representation. See Item 19 of this Franchise Disclosure Document for the financial performance representations.

You do not have any rights of first refusal or similar rights to acquire additional franchises or any Additional Protected Territories. In addition, we do not have to provide you with any notice or offer you the right to acquire Protected Territories adjacent or near your Protected Territory prior to entering into a Franchise Agreement with another franchisee for such Protected Territories.

If after you sign the Franchise Agreement, you wish to purchase additional Protected Territories and we have approved your request pursuant to Sections 2.4 and 3.1 of the Franchise Agreement (which request may be granted or denied for any reason or no reason at all), you will pay us an additional fee (each being an “Expansion Fee”). The Expansion Fee is as follows:

For additional Protected Territories containing at least 20,000 persons age 65 or older: \$52,000 for the first additional Protected Territory and \$42,000 for the second Additional Protected Territory for Protected Territories, or our then-current Franchise Fee, whichever is greater.

For additional Protected Territories containing between 10,000 and 19,999 persons age 65 or older: \$27,000 for the first 10,000 people and \$2.48 for each additional person or our then-current Franchise Fee, whichever is greater.

For additional Protected Territories containing less than 10,000 persons over the age 65 or older: \$27,000 or our then-current Franchise Fee, whichever is greater.

If we do not approve your request within 30 days after you have submitted the request, (unless Franchisor has notified you in writing that we need additional time to consider the request), then your request to add Additional Protected Territories will be deemed to have been denied.

If you purchase an Additional Protected Territory, you will be required to open and staff a separate office to service that Additional Protected Territory if that Additional Protected Territory is not contiguous with your existing Territory. If the Additional Protected Territory is contiguous, you may be required to open and staff a separate office.

If we approve your request, then we will provide you a copy of the then-current FDD that will also contain the then-current franchise agreement. Your right to open and operate in the additional Protected Territory will not be effective until: (i) the appropriate waiting period required by state and/or federal law (Waiting Period) has passed since you signed the Receipt for the FDD; (ii) you sign a copy of the franchise agreement identical to the one included in the FDD; and (iii) you pay the Expansion Fee. If Franchisee has not signed the franchise agreement and paid the Expansion Fee within 30 days after the end of the Waiting Period, then the approval will be rescinded and you will have to reapply for the award of the additional Protected Territory.

You may be considered for more than 2 Protected Territories at our discretion only under the following conditions:

- a. you have been operating each of the current Protected Territories for at least one (1) year each;
- b. you have met or exceeded the Minimum Monthly Average Sales Quota for each Year of Operation for each Protected Territory;
- c. you provide us with a written request that you wish to expand into a third territory;
- d. you have the commercially reasonable financial ability to expand into an additional territory; and,
- e. We approve your written request. Any such request can be approved or denied by us for any reason or for no reason at all.

There is absolutely no guarantee that any franchisee will be permitted to own more than one (1) Protected Territory

Except as described below, or in connection with our express written permission in connection with servicing a national account, you may not directly market to or solicit, or provide services to, clients whose principal residence is inside the protected territory of any other SYNERGY HomeCare Business. If you have our prior written approval, you have the right to accept orders for services and perform services for clients whose principal residence is outside of your Protected Territory so long as: (a) the client's principal residence is not inside the protected territory of any other SYNERGY HomeCare Business; and (b) the Franchised Business is able to perform services for the client according to the

standards described in the Manual. Except as part of Cooperative Advertising, you may not advertise in any media whose primary circulation does not include or overlap with your Protected Territory without our prior written approval. We retain the sole right to market on the Internet, and you may not establish a presence on, or market using, the Internet in connection with the Franchised Business without our prior written consent, which approval we may rescind if you are not in compliance with the Franchise Agreement. You may not use any alternative channels of distribution, such as catalog sales, to market or make sales, whether inside or outside your Protected Territory.

Except with our prior written approval, you may not (i) solicit potential sources of client referrals or directly market to Referring Agencies or National Accounts with offices located outside of the Protected Territory or (ii) solicit clients or market to clients outside the Protected Territories. “Referring Agencies” means any governmental or private agency, organization or institution that can or does refer the Franchised Business to persons that need or want any of the services provided by the Franchised Business, or can or does refer such persons to the Franchised Business.

You may not directly solicit “National Referral Agencies” or National Accounts to perform services for clients whose principal residence is inside of the Protected Territory without prior approval from Franchisor. “National Referral Agencies” means Referring Agencies with offices or facilities in more than one geographic area that Franchisor has approved by designation in National Referral List file. Franchisor has the right to amend the list of approved National Referral Agencies at any time without prior notice to Franchisee. If any client’s principal residence later becomes part of another SYNERGY HomeCare Business’s protected territory, you may continue to perform services for that client, but you must refer any new clients who are within another SYNERGY HomeCare Business’s protected territory to that SYNERGY HomeCare Business.

If you wish to relocate the Franchised Business, you must obtain our approval for a substitute Approved Location. We follow the same general site selection and evaluation criteria as for approval of your initial site, and consider the condition of the premises, proximity to other SYNERGY HomeCare Businesses, proximity to major roads and overall suitability.

ITEM 13 **TRADEMARKS**

You must operate the Franchised Business under the name “SYNERGY HomeCare.” You may also use any other current or future Mark to operate the Franchised Business that we designate in writing, including the logo on the front of this Disclosure Document. By “Mark,” we mean any trade name, trademark, service mark or logo used to identify SYNERGY HomeCare Businesses. The Marks are owned by us.

The following Marks have been registered on the Principal Register of the U.S. Patent and Trademark Office (“PTO”):

Mark	Filing Date	Registration Number	Registration Date
 SYNERGY HomeCare (design plus words)	November 12, 2003	2958593	May 31, 2005
SYNERGY HomeCare (standard character mark)	July 16, 2004	3066796	March 7, 2006
SYNERGY HomeCare (standard character mark)	October 25, 2010	4147375	May 22, 2012
ARMS AROUND FAMILY CAREGIVERS (standard character mark)	August 18, 2010	4258131	December 11, 2012
 SYNERGY HomeCare C.A.R.E. TEAM COORDINATED AND RESPONSIVE ENGAGEMENT (design plus words)	October 10, 2013	4643625	November 25, 2014
 SYNERGY HomeCare (design plus words)	April 17, 2014	4702669	March 17, 2015
SYNERGY 360° (standard character mark)	October 10, 2013	4533538	May 20, 2014

As to the above Marks, there are currently no effective material determinations of the PTO, trademark trial and appeal board, the trademark administrator of this state or any court; pending infringement, opposition or cancellation; or pending material litigation involving any of the Marks. All required affidavits have been filed.

As to the above Marks: (i) there are no infringing or prior superior uses actually known to us that could materially affect the use of the Marks in this state or any other state in which the Franchised Business may be located; and, (ii) there are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

You will not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your Franchised Business. You may only use the Marks in accordance with our standards,

operating procedures and specifications. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You may not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You may not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us as soon as you become aware of any apparent infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you may not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We may take whatever action we deem appropriate in these situations; we have exclusive control over settlement, litigation or PTO or other proceeding arising out of any alleged infringement, challenge or claim or otherwise concerning any Mark. You must take any actions that, in the opinion of our counsel, may be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks. We have no obligation to indemnify you or reimburse you for your expenses incurred in connection with any litigation or proceeding in connection with your use of the Mark.

We can require you to modify or discontinue use of any Mark or use one or more additional or substitute trademarks or service marks. We will not be required to reimburse you for your expenses to modify or discontinue the use of a Mark or to substitute a trademark or service mark for a discontinued Mark. We are not obligated to reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

You must use the Marks as the sole trade identification of the Franchised Business, but you may not use any Mark or part of any Mark as part of your corporate name in any modified form. You may not use any Mark in connection with the sale of any unauthorized products or services, or in any other manner that we do not authorize in writing. You must obtain fictitious or assumed name registrations as required by applicable law.

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

You may not establish, create or operate an Internet site or website using any domain name containing the words “SYNERGY HomeCare” or any variation thereof without our prior written consent.

We retain the sole right to advertise on the Internet and create websites using the “SYNERGY HomeCare” domain name and any other domain names we may designate in the Manual.

ITEM 14 **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

No patents are material to the Franchise Agreement.

We have obtained the following Copyright from the United States Copyright Office (“Copyright Office”)

Copyright	Expiration	Registration Number	Registration Date
 SYNERGY HomeCare Cycle of Success	August 21, 2108	VA-1-882-113	September 4, 2013

There are no rights to renew this copyright after it expires on August 21, 2108.

The SYNERGY HomeCare Cycle of Success summarizes seven key categories of operations that you will use to operate your Franchised Business.

We own certain copyrights in all Manuals, marketing materials and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights and need not do so to protect them. You may use these items only as we specify while operating the Franchised Business and you must stop using them if we direct you to do so.

There are currently no effective determinations of the Copyright Office (Library of Congress) or any court regarding the copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain Confidential Information, certain trade secrets, methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a SYNERGY HomeCare Business. We will provide our Confidential Information to you during training, in the Manual and through our on-line support portal, and as a result of the assistance we furnish you during the term of the franchise. You may only use the Confidential Information for the purpose of operating your Franchised Business. You may only divulge Confidential Information to employees who must have access to it in order to fulfill their employment role in your Franchised Business. You are responsible for enforcing the confidentiality provisions with your employees.

Certain individuals with access to Confidential Information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements the same as or similar to the form attached as Exhibit E to the Franchise Agreement.

All ideas, concepts, techniques or materials concerning the Franchised Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

You must immediately notify us as soon as you become aware of any apparent infringement of or challenge to your use of, any copyright, or any claim by any person of any rights in any copyrights, and you may not communicate with any person other than us and our counsel regarding any infringements, challenges, or claims unless you are legally required to do so, however, you may communicate with your own counsel and your own expense. We may take whatever action we deem appropriate in these situations; we have exclusive control over settlement, litigation, or Copyright Office or other proceeding arising out of any alleged infringement, challenge, or claim or otherwise concerning any copyright. You must take any actions that, in the opinion of our counsel, may be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the copyrights. We have no obligation to indemnify you or reimburse you for your expenses incurred in connection with any litigation or proceeding in connection with your use of the copyrights.

We can require you to modify or discontinue use of any copyright or use one or more additional or substitute copyrights. We will not be required to reimburse you for your expenses to modify or discontinue the use of the copyrights or to substitute a copyright for a discontinued copyright. We are not obligated to reimburse you for any loss of goodwill associated with a modified or discontinued copyright.

As to the above copyrights, there are currently no effective material determinations of the Copyright Office, or a court regarding the copyrights. There are no agreements currently in effect that significantly limit our rights to use or license the use of the copyrights in any manner material to the franchise.

ITEM 15 **OBLIGATION TO PARTICIPATE IN THE ACTUAL** **OPERATION OF THE FRANCHISED BUSINESS**

The Franchised Business must always be under the direct full-time supervision of a Designated Manager, which is you if you are an individual, or is an individual you select if you are a business entity. The Designated Manager does not need to have an equity ownership interest in the franchise, but may if you so desire. You and your Designated Manager must attend and satisfactorily complete our initial training program before opening the Franchised Business. If you are a corporation or other business entity and the Franchised Business is under the supervision of a Designated Manager, he or she does not have to be one of your owners, but you must at all times maintain direct supervision of the Designated Manager and the Franchised Business.

As described in Item 11, all shareholders (and members of their immediate families and households), officers, directors, partners, members, managers, executives, employees and staff, and other individuals having access to Confidential Information may be required to sign nondisclosure and non-competition agreements the same as or similar to the form attached as Exhibit E to the Franchise Agreement. We will be a third party beneficiary with the right to enforce the agreements.

If you are a business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Guaranty and Assumption of Obligations attached to the Franchise Agreement as Exhibit C.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only use the Approved Location for the operation of the Franchised Business and you must not use, or permit the use of, the premises for any other purpose or activity without our written consent. You must operate the Franchised Business in strict conformity with those methods, standards and specifications in the Manual and as we may require otherwise in writing. You may not deviate from these standards, specifications and procedures without our written consent.

You must offer only the services and products we specify from time to time, in strict accordance with our standards and specifications, including services such as house cleaning and light maintenance, meal preparation, infant and child care, personal care, medication reminders, medical and social appointment scheduling and management, assistance with the management of household affairs and expenses, transportation services, care management, and companionship services. You may not sell any services or products that we have not authorized and you must discontinue offering any services or products that we may, in our sole discretion, disapprove in writing at any time.

We may periodically change required and/or authorized products or services. There are no limits on our right to do so. If we modify the System, you may be required to add or replace equipment, signs and fixtures, and you may have to make improvements or modifications as necessary to maintain uniformity with our current standards and specifications.

From time to time, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based upon such factors as we determine, including test marketing, your qualifications, and regional or local differences. You will be required to participate in test marketing no more than 1 time every 3 years. You will not be required to make any payments to us for test marketing and if any goods are to be purchased as a component of any test marketing program, they will be sold to you at our cost. Any costs associated with test marketing will not apply to the Minimum Local Advertising Requirement.

You have the sole discretion as to the prices to be charged to your customers, but we will offer you guidelines and advice. For certain national accounts, however, we may set the maximum price that you may charge for defined services. You have the option not to participate in any national account program. If you elect not to participate, we may authorize another party, including another System Franchisee, to perform the work in your Protected Territory requested by a national account.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

The Franchise Relationship

Provision	Section in the Franchise Agreement	Summary
a. Length of the franchise term	Section 4.1	The initial term is 5 years.
b. Renewal or extension of the term	Section 4.2	You may extend your rights to operate the Franchised Business for 5 additional terms of 5 years each, subject to (c) below.
c. Requirements for you to renew or extend	Section 4.2	You may extend your rights to operate the Franchised Business if you: have substantially complied with the provisions of the Franchise Agreement; have the right to maintain possession of the Approved Location or an approved substitute location for the Subsequent Term; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us or any Affiliate; (you or any of your employees) have not been the subject of any criminal investigation or civil or administrative proceedings arising from providing in-home services; have not had fidelity/crime insurance revoked or terminated, and your insurance has not paid any claims against the fidelity/crime insurance; have met the Minimum Monthly Average Sales Quota; are not in default of any provision of the Franchise Agreement or any other agreement between you and us; have given timely notice of your intent to extend your rights to operate the Franchised Business; sign a then-current Successor Franchise Agreement which may have materially different terms and conditions than your original franchise agreement; comply with current qualifications and training requirements; and sign our form of general release.
d. Termination by you	Section 16.1	You may terminate the Franchise Agreement if you are in compliance with it and we materially breach it and we fail to begin to cure our breach within 90 days of receiving your written notice.
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	Section 16.2	We may terminate the Franchise Agreement only if you default.

Provision	Section in the Franchise Agreement	Summary
g. "Cause" defined-curable defaults	Section 16.3	<p>You can avoid termination of the Franchise Agreement if you cure the following defaults within:</p> <p>You have an immediate cure period of within twenty four (24) hours to cure defaults for your violations of our social media policy regarding posting content containing public displays of affection, confidential information, violations of health or safety standards, foul or obscene language, or images that have not been consented to.</p> <p>You have cure period of forty-eight (48) hours to cure defaults of your violations of (1) any law, regulation, or order, or (2) our policy regarding posting defamatory or offensive comments on social media sites.</p> <p>You have five (5) days to cure any defaults regarding your failure to (1) pay us monies owing to us, or (2) maintain insurance.</p> <p>You have fourteen (14) days to cure other defaults if there is no time specified, except those which have no cure period.</p> <p>You have thirty (30) days to cure after receiving a notice for that you failed to meet the Minimum Monthly Average Sales Quota.</p> <p>If a statute in a state or municipality in which your SYNERGY HomeCare Franchised Business is located requires application of that state or municipal law, and that statute requires a cure period for the applicable default which is longer than the cure period listed in the Franchise Agreement, the statutory cure period will apply.</p>

Provision	Section in the Franchise Agreement	Summary
h. "Cause" defined-non-curable defaults	Section 16.2	<p>We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to establish and equip the Franchised Business; fail to satisfactorily complete training; make a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Franchised Business; or any fidelity/crime insurance required to be procured and maintained by you is revoked or terminated; use the Manual or Confidential Information in an unauthorized manner; abandon the Franchised Business for 5 or more consecutive days; surrender or transfer of control of the Franchised Business in an unauthorized manner; fail to maintain the Franchised Business under the supervision of a Designated Manager if you die or become disabled; submit reports on 2 separate occasions understating any amounts due by more than 3%; fail on 2 or more occasions to follow any term of the agreement, are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use of the Marks, copyrights or Confidential Information; fail on 2 occasions within any 12 months to submit reports or records or to pay any fees due us or any Affiliate; fail to meet the Minimum Monthly Average Sales Quota; violate any health, safety or other laws or conduct the Franchised Business in a manner creating a health or safety hazard, or allow a license or permit necessary for the operation of the Franchised Business to lapse or providing SYNERGY HomeCare services to be revoked or suspended for a period exceeding 10 days; engage in conduct which reflects materially and unfavorably upon the operations and reputation of SYNERGY HomeCare, or default under any other agreement between you and us (or our Affiliates) such that we (or our Affiliates) have the right to terminate the Franchise Agreement; and/or service the client of another franchisee without permission.</p>
i. Your obligations on termination/non-renewal	Section 17.1	<p>If the Franchise Agreement is terminated or we do not extend your rights to operate the Franchised Business, you must: stop operating the Franchised Business; stop using any Confidential Information, the System and the Marks; if requested, assign your interest in the Approved Location to us; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the termination provisions of the Franchise Agreement; return or destroy the Manual and all other Confidential Information at our direction, including electronic files; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.</p>
j. Assignment of contract by us	Section 18.1	<p>There are no restrictions on our right to assign our interest in the Franchise Agreement.</p>
k. "Transfer" by you-definition	Section 18.2	<p>"Transfer" includes transfer of ownership in the franchise, the Franchise Agreement, the Approved Location, the Franchised Business's assets or the franchisee entity.</p>
l. Our approval of transfer by you	Section 18.2	<p>You may not transfer your interest in any of the above without our prior written consent.</p>

Provision	Section in the Franchise Agreement	Summary
m. Conditions for our approval of transfer	Section 18.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed our form of general release; the prospective transferee meets our then-current business and financial standards; the transferee and all persons owning any interest in the transferee sign the then-current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee of \$19,500, provide training to the transferee and reimburse us for our administrative expenses and legal fees; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed our form of non-competition agreement; and before assuming management of the operation of the Franchised Business, the transferee's Designated Manager has completed the initial training program.
n. Our right of first refusal to acquire your Franchised Business	Section 19	We may match an offer for your Franchised Business or an ownership interest you propose to sell.
o. Our option to purchase your Franchised Business	Section 17.5	Except as described in (n) above, we do not have the right to purchase your Franchised Business; however, when the Franchise Agreement expires or terminates, we may purchase assets at fair market value, less the value of any goodwill associated with our trademarks and other intangible assets.
p. Your death or disability	Section 18.6	If you (or one of you owners) die or become incapacitated, your representative must transfer, subject to the terms of the Franchise Agreement, your interest in the Franchised Business within 180 days of death or incapacity or we have the option to terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 7.3	You, your owners (and members of their families and households) and your officers, directors, executives managers, professional staff or employees are prohibited from: attempting to divert any business or customer of the Franchised Business to a Competitive Business or causing injury or prejudice to the Marks or the System; owning or working for a Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.4	For 2 years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives managers, professional staff and employees (excluding caregivers) are prohibited from: owning or working for a Competitive Business operating within the Protected Territory or within 35 miles of the Protected Territory.
s. Modification of the agreement	Section 22.8	The Franchise Agreement can be modified only by written agreement between you and us. We may unilaterally modify the Manual if the modification does not materially alter your fundamental rights.
t. Integration/merger clause	Section 22.7	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and the executed Franchise Agreement may not be enforceable.

Provision	Section in the Franchise Agreement	Summary
u. Dispute resolution by mediation or arbitration	Sections 23.7 and 23.8	Except for claims relating to the Marks, Confidential Information, covenants not to compete, money due on contracts and termination for violations of health or safety regulations, all disputes first will be subject to non-binding mediation at our corporate headquarters at the time the mediation is filed, then (if not resolved) to binding arbitration in Maricopa County, Arizona.
v. Choice of forum	Section 23.2	Any litigation must be pursued in courts located in Maricopa County, Arizona at the time the litigation is filed. This section may be superseded by a specific state addenda. See Exhibit H of this Franchise Disclosure Document for more details.
w. Choice of law	Section 23.1	Arizona law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.). This section may be superseded by a specific state addenda. See Exhibit H of this Franchise Disclosure Document for more details.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

For the purposes of this Item 19, each SYNERGY HomeCare “Unit” refers to a single Protected Territory. Many SYNERGY HomeCare Businesses operate more than one SYNERGY HomeCare Unit because they have multiple Protected Territories. As of December 31, 2019, there were a total of 142 SYNERGY HomeCare Businesses in operation with a total of 303 Units. The following is a statement of the “Average Annual Gross Sales” of 129 SYNERGY HomeCare Businesses consisting of 283 Units that have been in operation for 1 year or more as of December 31, 2019, for the period from January 1, 2019 to December 31, 2019. The remaining 13 SYNERGY HomeCare Businesses consisting of 20 Units, were not included in the information below because the SYNERGY HomeCare Businesses had not been in operation for 1 year or more as of December 31, 2019 or the businesses closed during the 2019 calendar year. “Average Annual Gross Sales” was calculated by taking the total Gross Sales (as defined in Note 1 of Item 6) reported for each SYNERGY HomeCare Business by a franchisee during the 2019 calendar year and dividing it by the number of SYNERGY HomeCare Businesses in the Number of Years of Operation. We have presented Average Annual Gross Sales by SYNERGY HomeCare Businesses instead of by individual Units because our franchisees report Gross Sales by business and not by Units. Of the SYNERGY HomeCare Businesses in the statement, 48 of them operated one Unit and the rest operated two or more Units.

These statements have not been prepared in accordance with generally accepted accounting principles. The figures were compiled from data received from the SYNERGY HomeCare franchisees using a uniform system of reporting Gross Sales to us. All of the SYNERGY HomeCare Businesses offered substantially the same services to the public. Substantially the same services were offered by us to the SYNERGY HomeCare Businesses upon which the data is based.

Multi-Unit Franchise Businesses

Number of Years in Operation	Number of SYNERGY HomeCare Businesses	Average Annual Gross Sales(7) per Business	Median Annual Gross Sales per Business	Maximum Annual Gross Sales per Business	Minimum Annual Gross Sales per Business	Average Gross Profit Margin (8)
Over 10 years(1)	21	\$2,154,108	\$2,010,124	\$4,553,277	\$893,961	47%
6 to 9 years(2)	36	\$1,551,343	\$1,471,564	\$4,807,717	\$309,987	50%
1 to 5 years(3)	24	\$933,541	\$756,866	\$2,922,701	\$21,931	48%

Single-Unit Franchise Businesses

Number of Years in Operation	Number of SYNERGY HomeCare Businesses	Average Annual Gross Sales(7) per Business	Median Annual Gross Sales per Business	Maximum Annual Gross Sales per Business	Minimum Annual Gross Sales per Business	Average Gross Profit Margin (8)
Over 10 years(4)	11	\$1,579,909	\$1,156,464	\$3,857,637	\$299,916	51%
6 to 9 years(5)	15	\$1,098,333	\$696,325	\$2,144,527	\$329,788	51%
1 to 5 years(6)	22	\$705,402	\$506,766	\$2,165,549	\$132,870	50%

(1) These SYNERGY HomeCare Businesses opened between January 1, 2005 to December 31, 2009. These 21 SYNERGY HomeCare Businesses operated 72 units. Of the 21 SYNERGY HomeCare Businesses, 9 Businesses (43%) met or exceeded the average annual Gross Sales and these Businesses operated a total of 32 Units. Of the 21 SYNERGY HomeCare Businesses, 12 Businesses (57%) met or exceeded the Average Gross Profit Margin and these Businesses operated a total of 47 Units.

(2) These SYNERGY HomeCare Businesses opened between January 1, 2010 and December 31, 2013. These 36 SYNERGY HomeCare Businesses operated 105 Units. Of the 36 SYNERGY HomeCare Businesses, 17 Businesses (47%) met or exceeded the average annual Gross Sales and these Businesses operated a total of 53 Units. Of the 36 SYNERGY HomeCare Businesses, 21 Businesses (58%) met or exceeded the Average Gross Profit Margin and these Businesses operated a total of 63 Units.

(3) These SYNERGY HomeCare Businesses opened between January 1, 2014 and December 31, 2018. These 24 SYNERGY HomeCare Businesses operated 58 Units. Of the 24 SYNERGY HomeCare Businesses, 10 Businesses (42%) met or exceeded the average annual Gross Sales and these Businesses operated a total of 26 Units. Of the 24 SYNERGY HomeCare Businesses, 16 Businesses (67%) met or exceeded the Average Gross Profit Margin and these Businesses operated a total of 36 Units.

(4) These SYNERGY HomeCare Businesses opened between January 1, 2005 and December 31, 2009. These 11 SYNERGY HomeCare Business operated 11 Units. Of the 11 SYNERGY HomeCare Businesses, 4 Businesses (36%) met or exceeded the average annual Gross Sales and these Businesses operated a total of 4 Units. Of the 11 SYNERGY HomeCare Businesses, 5 Businesses (45%) met or exceeded the Average Gross Profit Margin and these Businesses operated a total of 5 Units.

(5) These SYNERGY HomeCare Businesses opened between January 1, 2009 and December 31, 2013. These 15 SYNERGY HomeCare Businesses operated 15 Units. Of the 15 SYNERGY HomeCare Businesses, 6 Businesses (40%) met or exceeded the average annual Gross Sales and these Businesses operated a total of 6 Units. Of the 15 SYNERGY HomeCare Businesses, 8 Businesses (53%) met or exceeded the Average Gross Profit Margin and these Businesses operated a total of 8 Units.

(6) These SYNERGY HomeCare Businesses opened between January 1, 2014 and December 31, 2018. These 22 SYNERGY HomeCare Businesses operated 22 Units. Of the 22 SYNERGY HomeCare Businesses, 9 Businesses (41%) met or exceeded the average annual Gross Sales and these Businesses operated a total of 9 Units. Of the 22 SYNERGY HomeCare Businesses, 10 Businesses (45%) met or exceeded the Average Gross Profit Margin and these Businesses operated a total of 10 Units.

(7) Gross Sales has the meaning described in Item 6.

(8) This section identifies our franchisees' average gross profit margin for 2019. Average gross profit margin is defined as gross margin divided by revenues. Gross margin is defined as Revenues less Cost of Goods Sold. Cost of Goods Sold includes only wages paid to caregivers, excluding state and federal payroll taxes and worker's compensation insurance.

The information described above is based on SYNERGY HomeCare Businesses open and operating for at least 1 year and does not include information based on SYNERGY HomeCare Businesses that have been operating for less than 1 year.

Except as explained in Note 8, these figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your SYNERGY HomeCare Business. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

You are responsible for developing your own business plan for your business. You should contact a professional of your own choosing to help you read this Item 19 (and the entire FDD) and to help you determine your costs and expenses.

Some SYNERGY HomeCare Businesses have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

Written substantiation of the data used in preparing this Statement will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet however, we may

provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future revenue and/or income, you should report it to the franchisor's management by contacting Peter Tourian, SYNERGY HomeCare Franchising, LLC at 1757 E. Baseline Road, Bldg. 6, Suite 124, Gilbert, Arizona, 85233, (480) 659-7771, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
UNITS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Unit Summary
For Years 2017-2019*

Unit Type	Year	Units at the Start of the Year	Units at the End of the Year	Net Change
Franchisees	2017	306	312	+6
	2018	312	317	+5
	2019	317	336	+19
Company-Owned	2017	0	0	0
	2018	0	0	0
	2019	0	0	0
Total Units	2017	306	312	+6
	2018	312	317	+5
	2019	317	336	+19

Table No. 2
Transfers of Franchised Units
For Years 2017-2019*

State	Year	Number of Transfers
Arizona	2017	9
	2018	0
	2019	0
California	2017	1
	2018	3
	2019	0
Colorado	2017	2
	2018	1
	2019	0
Georgia	2017	2
	2018	0
	2019	0
Illinois	2017	1
	2018	0
	2019	0

State	Year	Number of Transfers
Oregon	2017	0
	2018	3
	2019	0
Missouri	2017	0
	2018	1
	2019	0
South Carolina	2017	0
	2018	0
	2019	0
Texas	2017	1
	2018	2
	2019	2
Wisconsin	2017	1
	2018	0
	2019	0
Totals	2017	17
	2018	10
	2019	2

Table No. 3
Status of Franchised Units
For Years 2017-2019*

State	Year	Units at Start of the Year	Units Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Units at End of the Year
Alabama	2017	7	0	0	0	0	0	7
	2018	7	0	0	0	0	0	7
	2019	7	0	0	0	0	0	7
Arizona	2017	20	0	0	0	0	0	20
	2018	20	0	0	0	0	0	20
	2019	20	0	0	0	0	3	17
Arkansas	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
California	2017	28	1	0	0	0	0	29
	2018	29	1	0	0	0	1	29
	2019	29	3	0	0	0	3	29
Colorado	2017	13	0	0	0	0	0	13
	2018	13	0	0	0	0	0	13
	2019	13	0	0	0	0	0	13
Connecticut	2017	6	2	0	0	0	1	7
	2018	7	0	0	0	0	0	7
	2019	7	0	0	0	0	1	6
Florida	2017	16	1	0	0	0	3	14
	2018	14	1	0	0	0	4	13
	2019	13	1	1	0	0	0	13
Delaware	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0

State	Year	Units at Start of the Year	Units Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Units at End of the Year
	2019	0	1	0	0	0	0	1
Georgia	2017	14	0	0	0	0	0	14
	2018	14	1	0	0	0	0	15
	2019	15	0	0	0	0	0	15
Illinois	2017	15	2	1	0	0	0	16
	2018	16	0	0	0	0	0	16
	2019	16	3	0	0	0	0	19
Iowa	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Indiana	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Kansas	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Maryland	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
Massachusetts	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Michigan	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	0	5
	2019	5	2	0	0	0	1	6
Minnesota	2017	11	0	0	0	0	0	11
	2018	11	2	0	0	0	3	10
	2019	10	2	0	0	0	0	12
Missouri	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	1	4
	2019	4	0	0	0	0	0	4
Montana	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Nebraska	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Nevada	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	1	0

State	Year	Units at Start of the Year	Units Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Units at End of the Year
New Hampshire	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
	2019	2	0	0	0	0	0	2
New Jersey	2017	18	5	0	0	0	0	23
	2018	23	1	0	0	0	0	24
	2019	24	1	0	0	0	0	25
New York	2017	24	0	0	0	0	0	24
	2018	24	0	0	0	0	0	24
	2019	24	1	0	0	0	0	25
North Carolina	2017	12	0	0	0	0	0	12
	2018	12	0	0	0	0	0	12
	2019	12	0	0	0	0	0	12
Ohio	2017	7	2	0	0	0	0	9
	2018	9	0	0	0	0	0	9
	2019	9	1	0	0	0	0	10
Oklahoma	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Oregon	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Pennsylvania	2017	12	0	0	0	0	0	12
	2018	12	1	0	0	0	0	12
	2019	13	0	0	0	0	0	13
South Carolina	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	4	0	0	0	0	6
South Dakota	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Tennessee	2017	5	0	0	0	0	5	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Texas	2017	34	3	0	0	0	0	37
	2018	37	0	0	0	0	0	37
	2019	37	5	0	0	0	0	42
Utah	2017	3	0	0	0	0	2	1
	2018	1	0	0	0	0	0	1
	2019	1	4	0	0	0	0	5
Vermont	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Virginia	2017	5	1	0	0	0	0	6
	2018	6	2	0	0	0	0	8
	2019	8	0	0	0	0	0	8

State	Year	Units at Start of the Year	Units Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Units at End of the Year
Washington	2017	14	0	0	0	0	0	14
	2018	14	0	0	0	0	0	14
	2019	14	0	0	0	0	0	14
Wisconsin	2017	6	0	0	0	0	0	6
	2018	6	1	0	0	0	0	7
	2019	7	0	0	0	0	0	7
Wyoming	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Total	2017	306	18	1	0	0	11	312
	2018	312	12	0	0	0	7	317
	2019	317	29	1	0	0	9	336

Table No. 4
Status of Company-Owned Units
For Years 2017-2019*

State	Year	Units at Start of Year	Units Opened	Units Reacquired From Franchisee	Units Closed	Units Sold to Franchisee	Units at End of Year
Total Units	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0

Table No. 5
Projected Franchise Openings as of
December 31, 2019*

State	Franchise Agreements Signed But Unit Not Opened	Projected New Franchised Units in the Next Fiscal Year	Projected New Company-Owned Units in the Next Fiscal Year
Alabama		0	0
Arizona		1	0
Arkansas		1	0
California	3	3	0
Colorado		0	0
Connecticut		1	0
Delaware	1	1	0
Florida	1	3	0
District of Columbia		0	0
Georgia		1	0
Idaho		1	0
Illinois		1	0
Indiana		2	0
Iowa		1	0
Kansas		1	0
Kentucky		0	0

State	Franchise Agreements Signed But Unit Not Opened	Projected New Franchised Units in the Next Fiscal Year	Projected New Company-Owned Units in the Next Fiscal Year
Maine		0	0
Maryland		0	0
Massachusetts		1	0
Michigan	2	0	0
Minnesota		1	0
Mississippi		1	0
Missouri		0	0
Nebraska		0	0
Nevada		0	0
New Hampshire		0	0
New Jersey		0	0
New Mexico		1	0
New York	16	0	0
North Carolina		0	0
Ohio		1	0
Oklahoma		1	0
Oregon		1	0
Pennsylvania		1	0
Rhode Island		0	0
South Carolina	2	2	0
Tennessee		1	0
Texas		1	0
Utah		1	0
Vermont		0	0
Virginia		1	0
Washington		1	0
West Virginia		0	0
Wisconsin		0	0
Wyoming		0	0
Totals	25	32	0

*Each SYNERGY HomeCare “Unit” refers to a single Protected Territory. Many SYNERGY HomeCare Businesses operate more than one SYNERGY HomeCare Unit because they have multiple Protected Territories.

A list of names of all franchisees and the addresses and telephone numbers of SYNERGY HomeCare Franchisees are listed in Exhibit B to this Disclosure Document. The name and last known home address and telephone number of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the date of this Disclosure Document are listed in Exhibit F to this Disclosure Document. If you buy a SYNERGY HomeCare franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some of our current and former franchisees have signed confidentiality clauses in the last three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the SYNERGY HomeCare System. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you.

The following independent franchisee organizations have asked to be included in this disclosure document:

Independent Association of SYNERGY HomeCare Franchisees (IASHF)
A Chapter of the American Association of Franchisees & Dealers
PO Box 10158
Palm Desert, CA 92255-1058
Phone: 619-209-3775
Fax: 866-855-1988
Email: iashf@aafchapters.org

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit E you will find our audited financial statements for our fiscal years ended December 31, 2017, December 31, 2018, and December 31, 2019.

ITEM 22
CONTRACTS

The SYNERGY HomeCare Franchise Agreement is attached to this Disclosure Document as Exhibit C.

The SYNERGY HomeCare Guaranty and Assumption of Obligations is attached to the Franchise Agreement as Exhibit C.

The SYNERGY HomeCare National Accounts Program Participation Addendum is attached to the Franchise Agreement as Exhibit E.

The SYNERGY HomeCare Nondisclosure and Non-Competition Agreement is attached to the Franchise Agreement as Exhibit F.

The SYNERGY HomeCare Protection of Client Health Information Agreement is attached to the Franchise Agreement as Exhibit G.

The SYNERGY HomeCare Renewal Addendum is attached to the Franchise Agreement as Exhibit H.

The SYNERGY HomeCare General Release is attached to the Franchise Agreement as Exhibit I.

The SYNERGY HomeCare Directory Listing Assignment is attached to the Franchise Agreement as Exhibit J.

The SYNERGY HomeCare Electronic Funds Authorization is attached to the Franchise Agreement as Exhibit K.

The SYNERGY HomeCare Multi-State Addendum is attached to the Franchise Agreement as Exhibit L.

We provide no other contracts or agreements for your signature.

ITEM 23
RECEIPT

The last page of this Disclosure Document, as **Exhibit I**, is a detachable Receipt to be signed by you, dated and delivered to us. A copy of the Receipt for your records is also included in **Exhibit I**.



EXHIBIT A

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE

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

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Department of Business Oversight Department of Business Oversight	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 500 St. Paul, MN 55101-2198
New York (State Administrator)	New York State Department of Law Bureau of Investor Protection and Securities	120 Broadway, 23rd Floor New York, NY 10271
New York (Agent)	Secretary of State of the State of New York	41 State Street, Second Floor Albany, NY 12231
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920
South Dakota	Division of Insurance, Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219 804-371-9733
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 201 W. Washington Avenue, Suite 300 Madison, WI 53703



EXHIBIT B

LIST OF FRANCHISEES

EXHIBIT B TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES AS OF DECEMBER 31, 2019

As of December 31, 2019, we have the following Franchisees^{†*}:

Full Name	Business Address	City, State	Business Phone
<u>Alabama</u>			
Stan Solomon	114 Trade Center Dr., Ste A	Birmingham, AL 35244	(205) 987-0555
Brooke Hartner & Andy Luedecke	1048 Stanton Rd., Ste D	Daphne, AL 36526	(251) 621-1900
Scott and Lynn Slocum	3320 Skyway Dr., Ste 801	Opelika, AL 36801	(334) 203-1850
<u>Arizona</u>			
Mike Endredy	1855 W. Baseline Rd., Ste 202	Mesa, AZ 85202	(480) 377-6770
Sarah & Kelly Engelhardt	10505 N. 69 th St., #201	Paradise Valley, AZ 85253	(480) 947-1234
Alan and Liz Wikman	7762 E. Florentine Rd., Ste. D	Prescott Valley, AZ 86324	(928) 515-3318
Steve Thompson	10240 W. Bell Rd., Suite A	Sun City, AZ 85351	(623) 875-7100
Lisa and Randy Geyen	1050 E. River Rd., Ste. 100	Tucson, AZ 85718	(520) 327-2771
Rob & Melissa Dunn	1405 W. 16th St., Suite A	Yuma, AZ, 85364	(928) 817-7172
<u>Arkansas</u>			
Angelo Volpi & Lorel Wilhelm-Volpi	300 South Rodney Parham, Ste 7	Little Rock, AR 72205	(501) 313-2811
<u>California</u>			
Ken and Anna Kuck	1101 California Ave, Ste 100	Corona, CA 92881	(951) 280-9808
Ravi, Sonia, Navi Sandhu	2595 E. Perrin Ave., Ste 103	Fresno, CA 93720	(559) 765-4687
Ben Budraitis	7317 El Cajon Blvd, Ste 204A	La Mesa, CA 91942	(619) 462-2273
Nia Garcia	2760 E Spring St., Ste 204	Long Beach, CA 90806	(562) 426-9100
Omar Bataineh	10250 Constellation Blvd. Ste. 2300	Los Angeles, CA 90067	(310) 465-6400
Christine Sorgman	2003-A Opportunity Drive, Ste 6	Roseville, CA 95678	(916) 899-5925
Duke & Teresa Chadsey	1181 Puerta Del Sol, Ste 140	San Clemente, CA 92673	(949) 331-9400
Jon Noceda	3200 Fourth Ave., Ste. 205	San Diego, CA 92103	(619) 542-0337
Saili Gosula	1710 S Amphlette Blvd, Ste 128	San Mateo, CA 94402	(650) 703-6087
Jim Welch	43460 Ridge Park Dr, Ste 200	Temecula, CA 92590	(951) 296-2214
Larry Hogan	2335 W Foothill Blvd, Ste 8	Upland, CA 97186	(909) 920-0333
Jeb Butler*	251 N City Dr., Ste 128F	San Marcos, CA 92078	(760) 990-4289
<u>Colorado</u>			
Ben Budraitis	8771 Wolff Court, Ste 100	Westminster, CO 80031	(303) 465-4663
Greg Rodolph	19751 E. Main St. Ste. 247	Parker, CO 80138	(303) 953-9924
Ian and Brooke McClintock	4740 Flintridge Dr., Ste. 205	Colo. Springs, CO 80918	(719) 203-5848
Tom Yetzer & Shanna Tourtlotte	12211 W Alameda Pkwy, Ste 203	Lakewood, CO 80228	(720) 263-6060
Tom Yetzer	5721 S Spotswood Street	Littleton, CO 80120	(303) 756-9322
Lorri and Larry Flint	2919 17 th Ave, Ste 215	Longmont, CO 80503	(720) 204-5788
<u>Connecticut</u>			
Jim Crossett	36 Mill Plain Rd, Ste 206	Danbury, CT 06811	(203) 731-2560
Gordon Wall & Margaret Rubano	152 Saltonstall Pkwy, Unit B	East Haven, CT 06512	(203) 691-5071
Jay Kiley	141 Kings Highway E	Fairfield, CT 06825	(203) 923-8866

Caleena Namdev	1200 Summer St. Ste 105	Stamford, CT 06905	(203) 661-6969
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Delaware

Bill & Cristina Rambo*	364 East Main Street, Ste 344	Middletown, DE 19709	(302) 272-9218
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Florida

Vish Rajan Claudia Cardenal, Claudia Garcia de Jones and Lucia Robelo Robert Solomon	601 N. Congress Ave, Ste 429 9732 Commerce Center Court, Ste C Ft. Myers, FL 33908	Delray Beach, FL 33445 (561) 276-9985 (239) 990-2935
Lucia & Jorge Robelo Kevin Sobolewski Dale Dalbey Jeff and Cheryl Tremblay Donia Rassas & Alessandro Piotti*	3761 San Jose Pl, Ste 20 1627 SW 37 th Ave., #100 7366 NW 5 th St. 35008 Emerald Coast Pkwy #401 812Pinebrook Rd	Jacksonville, FL 32257 Miami, FL 33145 Plantation, FL 33317 Destin, FL 32541 Venice, FL 34285
	6853 NE 2 nd Avenue, Ste 303	North Miami Beach, FL 33162 (786) 320-5353

Georgia

Amit & Priyanka Patel Stacy Fotos & Sue McCormick Dan and Jennifer Armstead& Joel and Julius Bagley Chris Broyles Barbara & Nancy Bour Doris Combs-Marshall Sheba Harris	4500 South Main Street, Ste.106 11380 Southbridge Pkwy, Ste 225	Acworth, GA 30101 Alpharetta, GA 30022	(770) 766-8787 (770) 777-4781
	2550 Hamilton Mill Rd. Ste. 600 1540 Highway 138 SE, Ste 3A 1456 A McLendon Dr., Ste. C2 5604 Wendy Bagwell Pkwy, Ste 321 125 Commons Way., Ste. 104	Buford, GA 30519 Conyers, GA 30013 Decatur, GA 30033 Hiram, GA 30141 Villa Rica, GA 30180	(770) 783-2323 (678) 806-3801 (404) 270-9032 (678) 909-3043 (770) 881-8509

Illinois

Diego & Ana Uribe Jim & Gaye Aaberg Frank Shannon Mark Gould Ruchir Patel Kevin Little Nick Preys Kishor & Lalaine Thope Paul and Shelley Fisher Bill O'Meara	426 N. Hough St. 2407 G.E. Road, Ste. 3 1802 W Berteau Ave, Ste 202 800 Roosevelt Rd, Ste 222 223 N Route 21 15127 South 73 rd Avenue, Ste H2 1515 N Harlem, Ste 307-2 7324 N. University Ave 200 W Higgins Rd, Ste 332 10024 Skokie Blvd, Ste 234	Barrington, IL 60010 Bloomington, IL 61704 Chicago, IL 60613 Glen Ellyn, IL 60137 Gurnee, IL 60031 Orland Park, IL 60462 Oak Park, IL 60302 Peoria, IL 61614 Schaumburg, IL 60195 Skokie, IL 60077	(847) 304-0123 (309) 808-3047 (773) 868-3183 (630) 517-0068 (847) 388-0014 (708) 247-9056 (708) 848-4520 (309) 222-8656 (630) 237-4460 (847) 236-1242
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Indiana

Tom and Mindy Deckard	659 South A Street	Richmond, IN 47374	(765) 939-2818
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Iowa

Jake Hughes and Julie Hughes	1239 1 st Ave, SE, Ste D	Cedar Rapids, IA 52402	(319) 775-2920
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Kansas

Doug and Teri West	9240 Glenwood St., Ste. B.	Overland Park, KS 66212	(913) 685-9700
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Maryland

Francis McAndrews Ross Fierman Mark Decker Steve & Jennifer Diamond	420 ChinquapinRound Rd, Ste I 11140 Rockville Pike, Ste 400 108 E. Wheel Rd. Ste. 101 100 W. Padonia Rd. Ste. 2A	Annapolis, MD 21401 Rockville, MD 20852 Bel Air, MD 21015 Timonium, MD 21093	(410) 263-4050 (301) 200-9292 (410) 569-3302 (410) 339-7260
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Massachusetts

Peter Sakellariou 257 Washington Street, Ste 2 Westwood, MA 02090 (781) 762-1114

Michigan

Nicole Greer	140 W. Middle St, Ste A	Chelsea, MI 48118	(734) 433-9007
Jeanne Atkinson	23290 Farmington Rd	Farmington, MI 48336	(248) 919-1244
Jeff Schultz	2268 10 th St.	Wyandotte, MI 48192	(734) 258-8896
Jerry Sowik	410 W. University Drive	Rochester, MI 48307	(248) 608-3970
Shafiq Bari & Tahsina Ahmed	14800 Farmington Rd, Ste 107	Livonia, MI 48154	(734) 469-4255

Minnesota

Brian McDonald	9380 Central Ave NE, Ste 202	Blaine, MN 55434	(763) 205-4440
Eric & Susan Larson	2999 W. County Rd 42, Ste 200	Burnsville, MN 55306	(952) 808-6961
Mitch Bloom	7575 Golden Valley Rd, Ste 378	Golden Valley, MN 55427	(763) 746-2899
Jim Zenk	2336 Lexington Ave. North, Ste. L	Roseville, MN 55413	(612) 455-2585
Alicia Harmon	724 Bielenberg Drive, Ste 160	Woodbury, MN 55125	(612) 256-2214

Missouri

Matt Kraus 2705 Dougherty Ferry Rd, Ste 200 St. Louis, MO 63122 (314) 835-1100

Montana

Shanna Tourtlotte 513 Hilltop Ste. 3 Billings, MT 59105 (406) 839-2390

Nebraska

Ron & Kim Riggle	245 South 84 th St, Ste 114	Lincoln, NE 68510	(402) 261-2067
Matt Bratsburg	5017 Leavenworth St, Ste 2	Omaha, NE 68106	(402) 505-7300

New Hampshire

Matthew Kopser 53 Technology Way, Ste 1W3 Nashua, NH 03060 (603) 336-3999

New Jersey

Jay, Jennifer, Mary Portadin	33 Third St. Ste. 201.	Bordentown, NJ 08505	(609) 298-0202
Jay, Jennifer, Mary Portadin	281 Route 34, Suite 204	Colts Neck, NJ 07722	(732) 252-5000
Dennis & Angela Crippen	2300 Route 9 North	Cape May Court House, NJ 08210	(609) 486-6627
Tony Podias	115 Rt. 46 West, Bldg D Ste. 32	Mountain Lake, NJ 07046	(973) 394-5638
Casey Holstein & David Katz	181 New Rd, Ste 213	Parsippany, NJ 07054	(973) 808-3475
Paul & Mary Euell	21 Route 31 North, Ste B8	Pennington, NJ 08534	(609) 730-9004
Tom Horanoff and Tina Romero	15 Corporate Place South, Ste. 405	Piscataway, NJ 08854	(732) 980-5905
Ethan Keiser	1029 Teaneck Road, Ste. 3D	Teaneck, NJ 07666	(201) 833-1500

New York

David Scalzo	575 Lexington Ave, 4 th Floor	New York, NY 10022	(888) 705-1191
Jay Heinlein	455 Central Park Avenue, Ste 314	Scarsdale, NY 10583	(914) 479-5200
Frank DeCicco*	N/A	Long Beach, NY	N/A

North Carolina

Domenic Dellosa	5600 77 Center Dr. Ste. 330	Charlotte, NC 28217	(704) 897-0496
Jamie Canelas	8801 Fast Park Dr, Ste 211	Raleigh, NC 27617	(919) 786-5052
Tom Pechar	4610 Holly Tree Rd., Ste 201	Wilmington, NC 28409	(910) 444-1496

Ohio

Craig Maurer	700 Ken Mar Industrial Pkwy, #710	Broadway Heights, OH 44147	(440) 736-7515
Tim Homer	501 Windsor Park Dr,	Centerville, OH 45459	(937) 610-0555
Rodger Miller	8180 Corp. Park Dr., Ste 130	Cincinnati, OH 45242	(513) 247-9200
Ron Schulman	647 Park Meadow Rd. Ste. H	Westerville, OH 43081	(614) 259-3900
Daphne Slawski & Jeff Mohr	13702 Detroit Ave	Lakewood, OH 44107	(216) 785-9375

Virginia

Mitch Opalski	2111 Wilson Blvd., Suite 700	Arlington, VA 22201	(703) 558-3435
Matt Enderle and Beth Pollard	11159 Air Park Rd, Ste 4	Ashland, VA 23005	(804) 299-3479
Maisie Bankah & Chris Djan	44330 Mercury Circle, Ste. 114	Dulles, VA 20166	(703) 665-3990
Edith Huang & Simon Yi	10347-B Democracy Lane, Ste 200	Fairfax, VA 22030	(703) 261-6122
Carol & John Miller	1105 N Royal Ave, Ste 2	Front Royal, VA 22630	(540) 636-0038

Washington

Bill Merriman	1603 116th Ave. NE, Ste 116	Bellevue, WA 98004	(425) 462-5300
Derek Warby	111 SE Everett Mall Way,	Everett, WA 98202	(425) 512-9271
Leo Satriawan	402 S 333 rd Street, Ste 109	Federal Way, WA 98003	(253) 517-3130
Tracy Powers	1505 NW Gilman Blvd, Ste 1B	Issaquah, WA 98027	(425) 988-3759
Brad & Becky Rossman	2920 Harrison Ave NW, Ste A	Olympia, WA 98502	(360) 338-0837
Ray & Carole Fitzgibbon	9131 California Ave SW, Ste 2	Seattle, WA 98136	(206) 420-4934
Tracy Powers	1833 N. 105 th Street, Suite 200	Seattle, WA 98133	(206) 508-7373
Bill Merriman	4317 NE Thurston Way, Ste. 230	Vancouver, WA 98662	(360) 891-1506

Wisconsin

Ruth Busalacchi	4810 S 76 th St, Ste 102	Greenfield, WI 53220	(414) 763-8368
Diane and Kevin Baker	204 S Main Street	Waupaca, WI 54981	(715) 942-8100

Wyoming

Jeff Pederson	.2400 Dunn Ave, Ste A	Cheyenne, WY 82001	(307) 426-4177
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† Some franchisees operate more than one SYNERGY HomeCare Unit.

*These franchisees have signed a franchise agreement for one or more Units as of December 31, 2019, but had not yet begun operating their SYNERGY HomeCare Unit.



EXHIBIT C

FRANCHISE AGREEMENT



SYNERGY HOMECARE FRANCHISING, LLC

FRANCHISE AGREEMENT

EXHIBIT C TO THE DISCLOSURE DOCUMENT

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SYNERGY HOMECARE FRANCHISING, LLC

FRANCHISE AGREEMENT

This Franchise Agreement, made this _____ day of _____, 20_____, is by and between SYNERGY HomeCare Franchising, LLC, an Arizona limited liability company, having its principal place of business at 1757 E. Baseline Road, Bldg. 6, Suite 124, Gilbert, Arizona 85233 ("Franchisor"), and _____, whose principal address is _____, an individual/partnership corporation/limited liability company established in the State of _____ ("Franchisee").

WITNESSETH:

WHEREAS, Franchisor has developed and is in the process of further developing a System* identified by the trademark "SYNERGY HomeCare" relating to the establishment, development and operation of businesses that offer non-medical, in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medication reminders, medical and social appointment scheduling and management, organizational and bill paying assistance, housecleaning services and light home maintenance to seniors, the convalescing, disabled persons and others who need help with daily living activities, and which are referred to in this Agreement as "SYNERGY HomeCare Businesses," and

WHEREAS, the distinguishing characteristics of the System include, among other things, uniform standards and procedures for business operations; procedures and strategies for sales, marketing, advertising and promotions; business techniques; the Marks; the Manual; training courses, all of which Franchisor may improve, further develop or otherwise modify from time to time; and

WHEREAS, Franchisor grants to certain qualified persons the right to own and operate a single SYNERGY HomeCare Business under the System and using the Marks; and

WHEREAS, Franchisee desires to operate a SYNERGY HomeCare Business, has applied for a Franchise and such application has been approved by Franchisor in reliance upon all of the representations made therein; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, operations and service and the necessity of operating the Franchised Business in strict conformity with Franchisor's System.

WHEREAS, Franchisee acknowledges that Franchisor neither dictates nor controls labor or employment matters for Franchisee and Franchisee's employees;

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

1. **DEFINITIONS**

Whenever used in this Agreement, the following words and terms have the following meanings:

"Additional Protected Territory" means 1 or 2 additional Protected Territories that Franchisee purchases after the Effective Date that each contain approximately 20,000 persons who are age 65 or over, as Franchisor determines, based in accordance with the procedures set forth in Section 2.4 and upon payment of the "Expansion Fee" as set forth in Section 3.1;

* Capitalized terms not otherwise defined are defined in Section 1.

“Affiliate” means any person or entity that controls, is controlled by, or is under common control with Franchisor;

“Agreement” means this agreement entitled “SYNERGY HomeCare Franchising, LLC Franchise Agreement” and all instruments supplemental hereto or in amendment or confirmation hereof;

“Approved Location” means the site for the operation of the Franchised Business selected by Franchisee and approved in writing by Franchisor;

“Approved Supplier(s)” has the meaning given to such term in Section 13.1;

“Competitive Business” means any business that offers (or grants franchises or licenses to others to operate a business that offers) home care services (including housecleaning and light maintenance), personal care services (including meal preparation, child care, medication reminders, medical and social appointment scheduling, and management of and assistance with household affairs and expenses), transportation services, home care or home care-related internet-based services or products, care management and companionship services the same as or similar to those provided by SYNERGY HomeCare Businesses or in which Confidential Information could be used to the disadvantage of Franchisor, its Affiliate(s) or its other franchisees; provided, however, that the term “Competitive Business” will not apply to (a) any business operated by Franchisee under a valid Franchise Agreement with Franchisor, or (b) any business operated by a publicly held entity in which Franchisee owns less than a 5% legal or beneficial interest;

“Confidential Information” means any trade secret and any information or matter that (a) is or may be used to gain a competitive advantage over Franchisor or any of its Affiliates or derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is not generally known by the public or is the subject of efforts that are reasonable under the circumstances to maintain its secrecy, whether or not in written or tangible form and regardless of the media (if any) on which it is stored, relating to the System (including know-how, knowledge and experience in operating a SYNERGY HomeCare Business, methods, formats, specifications, policies, procedures, information, standards, business management and operating systems and techniques, record keeping and reporting methods, accounting systems, management techniques, personnel recruitment, screening and training techniques, sales and promotion techniques, specifications for signs, displays, business forms and stationery, the Manual, any on-line franchisee support portal, ideas, research and development, lists of franchisees, suppliers, employees and clients, and suggested pricing and cost information), and any other information or material identified to Franchisee by Franchisor as confidential;

“Cooperative Advertising” means the combined advertising of two (2) or more franchisees established within a common market which Franchisor may require for Franchised Businesses within a particular region, as further described in Section 11.3;

“Designated Manager” means the person designated by Franchisee that Franchisor approves who has primary responsibility for managing the day-to-day affairs of the Franchised Business;

“Effective Date” means the date on which this Agreement is fully executed, thereby commencing its effectiveness and term;

“Electronic Depository Transfer Account” means an account maintained by Franchisee with a national banking institution approved by Franchisor providing Franchisor with access sufficient to electronically withdraw any funds due Franchisor;

“Franchise” means the right granted to Franchisee by Franchisor to use the System and the Marks;

“Franchise Disclosure Document” or “FDD” means the document delivered to the Franchisee pursuant to federal and/or state law;

“Franchise Fee” has the meaning given to such term in Section 3.1;

“Franchised Business” means the SYNERGY HomeCare Business to be established and operated by Franchisee pursuant to this Agreement;

“Franchisee” means the individual or entity defined as “Franchisee” in the introductory paragraph of this Agreement, and if Franchisee is a business entity, such term also includes all Owners (each of whom is identified in Exhibit D and has executed the supplemental signature page with respect to his or her individual obligations hereunder);

“Franchisor” means SYNERGY HomeCare Franchising, LLC;

“Franchisee Parties” means the Franchisee, its operational manager, and any of their officers, directors, shareholders, members, managers, managing members, management personnel, partners, general and/or limited partners, and all “immediate family members.” By way of inclusion and not limitation, “immediate family members” shall include all spouses and children, a civil union partner (or person with the equivalent status), and, if any person named herein later marries or enters into a civil union, then such spouse or member of the civil union. In such an event, each new immediate family member must sign all documents and will be subject to all covenants of this Franchise Agreement that reference a Franchisee Party.

“Grand Opening” means the date that is a maximum of 30 days after Franchisee completes Initial Training, as set forth in Section 8.1;

“Gross Sales” means the aggregate of all sales of services and products from all sources in connection with the Franchised Business whether for check, cash, credit or otherwise including, without limitation, all proceeds from any business interruption insurance but excluding all refunds made in good faith, any sales and equivalent taxes which are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, and the value of any allowance issued or granted to any client of the Franchised Business which is credited by Franchisee in full or partial satisfaction of the price of any services and products offered in connection with the Franchised Business. For the purposes of calculating Gross Sales, the sale is made at the earlier of delivery of the service or product or creation of the customer invoice by Franchisee;

“Incapacity” means the inability of Franchisee (if Franchise is an individual and not a business entity) to operate or oversee the Franchised Business on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

“Internet” means any 1 or more local or global interactive communications media that is now available, or that may become available, and includes sites and domain names on the World Wide Web;

“Local Advertising” has the meaning given to such term in Section 11.1;

“Manual” means the SYNERGY HomeCare Operations Manual (whether in hard copy or digital or electronic copy), and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers’ manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor. The Manual does not include any required personnel policies or procedures. To the extent the Manual includes any suggested personnel policies or procedures, the Franchisee alone will determine to what extent, if any, those policies and procedures might apply to its operations.

“Marketing Fund” has the meaning given to such term in Section 3.3;

“Marketing Fund Contribution” has the meaning given to such term in Section 3.3;

“Marks” mean the trademark “SYNERGY HomeCare” and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, copyrights, drawings and other commercial symbols as Franchisor may designate to be used in connection with SYNERGY HomeCare Businesses;

“National Accounts” are customers or a group of customers or an entity acting on behalf of a customer group or customers that operate (as under common ownership or control) under the same trademarks or service marks through independent franchise or some other association or entity, for which Franchisor has arranged to provide services at multiple locations. A Medicare Advantage plan is a National Account.

“National Referral Agencies” mean Referring Agencies with offices or facilities in more than 1 geographic area that Franchisor has approved by designation in the National Referral List file. Franchisor has the right to amend the list of approved National Referral Agencies at any time without prior notice to Franchisee.

“Nondisclosure and Non-competition Agreement” means Franchisor’s standard form of nondisclosure and non-competition agreement, as such agreement may be modified by Franchisor from time to time. Franchisor’s current form of nondisclosure and non-competition agreement as of the Effective Date is attached to this Agreement as Exhibit F.

“Owner” or “Owners” means any individual that owns a direct or indirect legal or beneficial ownership interest in either the franchise (whether as the Franchisee or otherwise) or the entity that is the Franchisee under this Agreement. “Owner” includes both passive and active owners, and any officers, directors, shareholders, members, managers, managing members, management personnel, partners, general and/or limited partners, all other business members, and all “immediate family members”. By way of inclusion and not limitation, “immediate family members” shall include all spouses and children, a civil union partner (or person with the equivalent status), and, if any person named herein later marries or enters into a civil union, then such spouse or member of the civil union. In such an event, each new immediate family member must sign the documents found at Exhibit F.

“Post-Term Restricted Period” means, with respect to Franchisee, a period of two (2) years after the termination, expiration or transfer of this Agreement. “Post-Term Restricted Period” means, with respect to an Owner, two (2) years after the Owner transfers his or her entire ownership interest in the franchise or in the entity that is the Franchisee, as applicable.

“Protected Territories” are the protected territories described on Exhibit B. Each protected territory is referred to as a “Protected Territory” and all Protected Territories are referred to collectively as the “Protected Territories”;

“Reasonable Business Judgment” means Franchisor will use its Reasonable Business Judgment in the exercise of its rights, obligations, and discretion, except where otherwise indicated. Use of its Reasonable Business Judgment will mean that Franchisor’s determination on a given matter will prevail even in cases where other alternatives are also reasonable so long as Franchisor is intending to benefit, or in acting in a way that could reasonably benefit any component of the System and/or the Marks, any one or more of the franchisees or any other aspect of the franchise system. Such decisions may include, but will not be limited to, matters that may: enhance and/or protect the Marks and the System; increase customer satisfaction; increase the use of the services all franchisees offer; and customer satisfaction. Franchisor will not be required to consider the Franchisee’s or any other franchisee’s particular economic or other circumstances when exercising its Reasonable Business Judgment. Reasonable Business Decisions will not affect all franchisees equally, and some may be benefited while others will not.

“Referring Agencies” means any governmental or private agency, organization or institution that can or does refer the Franchised Business to persons that need or want any of the services provided by the Franchised Business, or can or does refer such persons to the Franchised Business;

“Royalty Fee” has the meaning given to such term in Section 3.2;

“System” means the uniform standards, methods, procedures and specifications developed by Franchisor (including any modifications made by any SYNERGY HomeCare Business or franchisee, all of which is the property of Franchisor as described in Section 7.8), and as may from time to time be added to, changed, modified, withdrawn or otherwise revised by Franchisor, in its sole discretion, for the operation of a SYNERGY HomeCare Business.

2. LICENSE/LOCATION/TERRITORY

2.1. Grant and Reasonable Business Judgment

Franchisor hereby grants to Franchisee, and Franchisee undertakes and accepts, upon the terms and conditions herein contained, a revocable, limited license to operate 1 SYNERGY HomeCare Business using the System and Marks in the Protected Territories.

Franchisor shall have the right to, and will use its Reasonable Business Judgment when making any decision under this Agreement.

2.2. Approved Location

The street address (or detailed description of the premises) of the Approved Location is set forth in Exhibit A. If the Approved Location of the Franchised Business is not determined as of the Effective Date, then Franchisee will select a location for the Franchised Business as provided in Section 5.1. When the Approved Location is determined, its address will be inserted into Exhibit A. The failure to insert such address will not automatically affect the enforceability of this Agreement.

2.3. Sub-franchising/Agents

Franchisee will not sublicense the use of the System or Marks to any person or entity to perform any part of Franchisee's rights or obligations licensed hereunder, or to grant any person or entity the right to act as Franchisee's agent to perform any part of Franchisee's rights or obligations hereunder.

2.4. Territorial Protection - Protected Territories and Minimum Monthly Average Sales Quota

Franchisor will not, so long as this Agreement is in force and effect and Franchisee is not in default under any of the terms hereof (including the Minimum Monthly Average Sales Quota), license, own or operate any other SYNERGY HomeCare Business within the Protected Territories. If the Protected Territories are determined by zip codes and the geographic area included within any zip code on the boundary of Franchisee's Protected Territory changes after the Effective Date, then the Protected Territories will be deemed to be amended to include any additional area included within such zip codes so long as this area is not already included in the protected territory of any other franchisee. Notwithstanding any of the above, Franchisor may, in its sole discretion, develop a National Accounts Program. If Franchisor develops a National Accounts Program, and a National Account requests service in Franchisee's Protected Territory, a Franchisee who has elected to participate in the National Accounts Program will have the first right of refusal to service the National Account inside Franchisee's Protected Territory. If Franchisee is unable or unwilling to provide service to the National Account inside Franchisee's territory, then Franchisor may, at its option, authorize a third party (including another SYNERGY HomeCare Franchisee) to provide service to that National Account inside Franchisee's Protected Territory.

Franchisee must achieve and maintain the minimum levels of Monthly Average Gross Sales (the "**Minimum Monthly Average Sales Quota**") set forth below for each Protected Territory each month during the following Years of Operation:

For Protected Territories with 20,000 or more people age 65 or older:

Year of Operation	Minimum Monthly Average Gross Sales
Year 1 Monthly Average	\$8,000
Year 2 Monthly Average	\$15,000
Year 3 Monthly Average	\$25,000
Year 4 Monthly Average	\$35,000

For Protected Territories with less than 20,000 or more people age 65 or older:

Year of Operation	Minimum Monthly Average Gross Sales
Year 1 Monthly Average	\$4,000
Year 2 Monthly Average	\$7,500
Year 3 Monthly Average	\$12,500
Year 4 Monthly Average	\$17,500

For purposes of this Agreement, each “Year of Operation” will be defined by a twelve month period that commences on the first day of the first full calendar month after Franchisee’s Grand Opening and ends on the last day of the twelfth calendar month thereafter. At the end of each Year of Operation Franchisor will evaluate if Franchisee has satisfied the Minimum Monthly Average Sales Quota for the Year of Operation. If Franchisee has failed to satisfy the Minimum Monthly Average Sales Quota, Franchisor has the right to reduce the size or eliminate the Protected Territories, establish other franchises in the territory, fashion some other remedy, or terminate Franchisee’s Agreement, as Franchisor determines to be appropriate.

For any Successor Franchise Agreement, the Minimum Monthly Average Sales Quota for each Year of Operation for each Protected Territory will be the greater of the Year 4 Monthly Average or the Franchisor’s then-current highest Minimum Monthly Average Sales Quota for Successor Franchise Agreements.

All Gross Sales from clients located outside of the Protected Territories (but for which Franchisee has Franchisor’s permission to service) will not be credited towards satisfying the Minimum Monthly Average Sales Quota.

If Franchisee desires to purchase an Additional Protected Territory after this Agreement has been signed, Franchisee will send written request to Franchisor, together with such additional information as Franchisee believes will assist Franchisor in its decision to grant or deny Franchisee’s request to add an Additional Protected Territory. Franchisor can request such additional information as it determines is necessary to make its decision. Franchisor may approve or deny Franchisee’s request in whole or in part for any reason or no reason at all. If Franchisor does not approve Franchisee’s request within 30 days after Franchisee has submitted its request, (unless Franchisor has notified Franchisee that Franchisor needs additional time to consider Franchisee’s request), then Franchisee’s request to add Additional Protected Territories will be deemed to have been denied.

If Franchisor approves Franchisee’s request, then Franchisor will provide Franchisee a copy of the then-current FDD that will also contain the then-current franchise agreement. Franchisee’s right to open and operate in the additional Protected Territory will not be effective until: (i) the appropriate waiting period required by state and/or federal law (“Waiting Period”) has passed since Franchisee signed the receipt for the FDD (which is found at the last page of the FDD); (ii) franchisee signs a copy of the franchise agreement identical to the one included in the FDD; and (iii) franchisee pays the Expansion Fee.

Franchisee may be considered for more than 1 Additional Protected Territory under the following conditions:

- a. Franchisee has been operating the current Protected Territories for at least 1 year;
- b. Franchisee has met or exceeded the Minimum Monthly Average Sales Quota for each Year of Operation of each such Protected Territories;
- c. Franchisee provides Franchisor with a written request that Franchisee wishes to expand into an Additional Protected Territory;
- d. Franchisee has the commercially reasonable financial ability to expand into an Additional Protected Territory; and,
- e. Franchisor approves Franchisee’s written request. Any such request can be approved or denied by the Franchisor for any reason or for no reason at all.

There is absolutely no guaranty that Franchisee will be permitted to own more than 1 Protected Territory.

2.5. Marketing and Solicitation Restrictions

2.5.1 Franchisee will not directly market to or solicit, or provide services to, clients whose principal residence is inside the protected territory of any other SYNERGY HomeCare Business. If Franchisee seeks to service a client whose principal residence is within the protected territory of another franchisee, Franchisee must immediately and before accepting such client, contact in writing the franchisee in whose protected territory the proposed client is located and receive specific written permission to service this client. The franchisee in whose protected territory the client is located, has no obligation or duty to grant Franchisee permission. If Franchisee is granted permission then Franchisee may service the client so long as Franchisee is able to perform the services for the client according to the standards described in the Manual. If Franchisee is not granted permission, Franchisee may not service such client. If Franchisee nonetheless services such client or if Franchisee fails to provide written notification to the franchisee in whose protected territory the client is located but instead services such client, Franchisee will be in violation of this Franchise Agreement. Within 10 days of receiving written notice of such violation, Franchisee must: (i) turn over within 24 hours the service work for the clients; and (ii) may be required to pay to Franchisor the greater of (a) a \$2,500 fee for each client serviced in another franchisee's territory, or (b) the net profit that the other franchisee would have realized had that franchisee serviced the client, and Franchisor may remit all or portion of any fee collected to the affected franchisee.

In all cases of a violation as stated above, Franchisee is responsible for all fees including reasonable attorney's fees, and Franchisor's then-current "Investigative Fee" incurred by Franchisor in investigating such violations. For purposes of this Agreement, the Investigative Fee will be the fee charged by Franchisor at the time of the investigation (currently \$150 an hour) and, if applicable, any attorneys' fees and costs incurred by the Franchisor during the course of such investigation.

With the prior written approval of Franchisor, Franchisee may perform services for clients whose principal residence is outside of its Protected Territories so long as: (a) such clients' principal residence is not inside the protected territory of any other SYNERGY HomeCare Business; (b) the Franchised Business is able to perform services for such client according to the standards set forth in the Manual; and (c) the amount of Gross Sales generated from such services does not exceed 25% of Franchisee's aggregate Gross Sales for the Franchised Business in any month of operation. Except as part of any Cooperative Advertising program implemented pursuant to Section 2.4, Franchisee will not advertise in any media whose primary circulation does not include or overlap with Franchisee's Protected Territories without the prior written approval of Franchisor. None of the Gross Sales generated from services for clients whose principal business residence is outside of its Protected Territories will be credited toward its Minimum Monthly Average Sales Quota.

2.5.2. Except with the prior written approval of Franchisor, Franchisee will not (i) solicit potential sources of client referrals or directly market to Referring Agencies with offices located outside of the Protected Territories or (ii) solicit clients or market to clients outside the Protected Territories.

Franchisee may not directly solicit National Referral Agencies or National Accounts to perform services for clients whose principal residence is inside of the Protected Territories without prior approval from Franchisor.

If any client's principal residence becomes part of the protected territory subsequently granted to any other SYNERGY HomeCare Business, Franchisee has the right to continue to perform services for such client; provided, however, that any new client referrals or inquiries received by Franchisee who are within another SYNERGY HomeCare Business's protected territory must be referred to that SYNERGY HomeCare Business. Should the services being performed terminate for any reason, Franchisee will not have the right to service that client again without obtaining approval of the new SYNERGY HomeCare Business which owns the territory where the client resides.

2.5.3. Franchisor may solicit National Accounts in the Protected Territory. If Franchisor obtains a National Account with a service location in the Protected Territory, Franchisor will refer that business to

Franchisee. Franchisee is not obligated to accept any National Account referred by Franchisor, but if Franchisee accepts any National Account, Franchisee must comply with Franchisor's conditions, standards, procedures, and policies for servicing that account, as provided in the Manual. If Franchisee declines to accept a National Account according the standards determined by Franchisor, to protect the reputation of the System and preserve the account, Franchisor may service that account in the Territory and/or may license or appoint another person to service that account in the Protected Territory, including another franchisee or a company unrelated to Franchisor, without any compensation to Franchisee.

2.6. Franchisor's Rights

Except to the extent provided in Section 2.4, Franchisor retains all of its rights and discretion with respect to the System and Marks, including the right to:

2.6.1. establish, own or operate, and license others to establish, own or operate, SYNERGY HomeCare Businesses outside of the Protected Territories as Franchisor deems appropriate;

2.6.2. establish, own or operate, and license others to establish, own or operate, other businesses under other systems using other proprietary marks at such locations inside and outside the Protected Territories and on such terms and conditions as Franchisor deems appropriate;

2.6.3. provide the services and sell any products authorized for SYNERGY HomeCare Businesses using the Marks or other trademarks, service marks and commercial symbols through any alternate channel of distribution, such as joint marketing with partner companies and all forms of Internet sales, on such terms and conditions as Franchisor deems appropriate, whether inside or outside the Protected Territories; and

2.6.4. engage in any activities not expressly prohibited by this Agreement.

2.7. Anti-Terrorism Laws

Franchisee and its Owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its Owners certify, represent, and warrant that none of their property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its Owners are not otherwise in violation of any of the Anti-Terrorism Laws.

Franchisee and its Owners certify that none of them, their respective employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224 (which can be accessed at <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/terror.pdf>).

Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its Owners, their employees, or anyone associated with Franchisee to be listed in the Annex to Executive Order 13224.

Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement pertain to its obligations under this Section 2.7.

Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its Owners, agents, or its employees constitutes grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or any of Franchisor's affiliates.

"Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all

other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control and any government agency outside the U.S.) addressing or in any way relating to terrorist acts and/or acts of war.

3. FEES

3.1. Franchise Fee

Upon execution of this Agreement, Franchisee will pay a fee (“**Franchise Fee**”) by certified check or wire transfer to Franchisor equal to the amount described in Exhibit B. The Franchise Fee is deemed fully earned upon execution of this Agreement and is nonrefundable, except under certain conditions set forth under Section 8.3.

The Franchise Fee also includes payment for the initial license fee and training cost for Franchisor’s approved scheduling software.

If after the Franchise Agreement has been signed, Franchisee desires to purchase Additional Protected Territories and Franchisor has approved Franchisee’s request to purchase Additional Protected Territories pursuant to Section 2.4 and this Section 3.1 (which request may be granted or denied for any reason or no reason at all), Franchisee will pay Franchisor an additional fee within the time period required in Section 2.4. (**the “Expansion Fee”**). The Expansion Fee shall be:

For additional Protected Territories containing at least 20,000 persons age 65 or older: \$52,000 for the first additional Protected Territory and \$42,000 for the second Additional Protected Territory for Protected Territories, or our then-current Franchise Fee, whichever is greater.

For additional Protected Territories containing between 10,000 and 19,999 persons age 65 or older: \$27,000 for the first 10,000 people and \$2.48 for each additional person or our then-current Franchise Fee, whichever is greater.

For additional Protected Territories containing less than 10,000 persons over the age 65 or older: \$27,000 or our then-current Franchise Fee, whichever is greater.

There is absolutely no guaranty that Franchisee will be permitted to own more than 1 Protected Territory.

3.2. Royalty Fees

After the Franchised Business opens, on Tuesday of each week, Franchisee will pay to Franchisor without offset, credit or deduction of any nature, so long as this Agreement is in effect, a weekly fee (“**Royalty Fee**”) equal to 5% of Gross Sales for the week ending at the close of business the previous Sunday. Each weekly Royalty Fee payment will be paid through electronic transfer as set forth in Section 3.6.

Beginning with the seventh month after the Franchised Business opens and continuing for the rest of the Term of the Franchise Agreement, if and only if the Franchisee did not obtain the Monthly Minimum Sales Quota as set forth in Section 2.4, Franchisee shall pay to Franchisor a Minimum Royalty Fee (“**Minimum Royalty Fee**”) equal to the difference between (a) 5% of Gross Sales from the prior month, and (b) the Royalty Fee that would have been due had Franchisee obtained the Minimum Monthly Sales Quota. The Minimum Royalty Fee shall be paid two weeks following the end of a calendar month.

Each weekly Royalty Fee and Minimum Royalty Fee payment will be paid through electronic transfer as set forth in Section 3.6. Franchisee and Franchisor agree that the Franchise Fee, the weekly Royalty Fee, and the Minimum Monthly Royalty Fee hereunder will be earned by Franchisor prior to the date when the Fees are due to Franchisor. Franchisor may change the date and manner in which the Royalty Fee and Minimum Monthly Royalty Fee is paid to Franchisor upon notice to Franchisee.

3.3. Marketing Fund Contribution

Franchisor has established and will administer a System-wide marketing, advertising and promotion fund (“**Marketing Fund**”). Franchisee will pay to Franchisor a weekly contribution to the Marketing Fund in an amount equal to 2% of Gross Sales for the week ending at the close of business the previous Sunday (“**Marketing Fund Contribution**”) or such lesser amount as Franchisor may specify from time to time. Marketing Fund Contributions will be made at the same time and in the same manner as Royalty Fee payments. The Marketing Fund will be maintained and administered by Franchisor or its designee in accordance with the provisions contained in Section 11.2.

3.4. Franchisee Technology Services; Technology Fee

Franchisee must pay Franchisor the then-current technology fee (“**Technology Fee**”) for the Franchisee Technology Services. The Technology Fee will be due starting on the fourth month after the Effective Date and will be made at the same time and in the same manner as Royalty Fee payments. The “**Franchisee Technology Services**” may include access to the SYNERGY HomeCare dashboard and extranet, email addresses, and other technology services or products used to support and promote the SYNERGY HomeCare system, SYNERGY HomeCare franchisees and SYNERGY HomeCare Businesses. The Technology Fee will also be used for maintenance of the Franchisee Technology Services. Franchisor may change the Technology Fee at any time upon 60 days prior written notice to Franchisee.

At Franchisor’s option, Franchisee must use the telephone number, telephone answering service, and email address that Franchisor provides in the operation of the Franchised Business and no other telephone number, telephone answering service, or email address. Franchisee acknowledges that Franchisor owns and has the right to control the telephone number and email address used in the Franchised Business. .

3.5. Taxes

Franchisee will pay to Franchisor an amount equal to all sales taxes, use taxes and similar taxes imposed on the fees payable to Franchisor hereunder and on services or goods furnished to Franchisee by Franchisor, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Franchised Business is located.

3.6. Electronic Payment of all Fees and Costs

All Royalty Fees, Marketing Fund Contributions, Cooperative Advertising contributions, Technology Fees, amounts due for purchases by Franchisee from Franchisor and any other amounts due to Franchisor must be paid through an Electronic Depository Transfer Account, on-line check or by any other means that the Franchisor may determine.

At Franchisor’s request, Franchisee will open and maintain an Electronic Depository Transfer Account, and will provide Franchisor with continuous access to such account for the purpose of receiving any payments due to Franchisor. Franchisee will maintain at all times sufficient funds in the Electronic Depository Transfer Account to cover amounts owed to Franchisor. Franchisee will execute any documents Franchisor’s or Franchisee’s bank requires to establish and implement the Electronic Depository Transfer Account (Exhibit K). Once established, Franchisee will maintain an Electronic Depository Transfer Account at all times and will provide ample notice to Franchisor if Franchisee makes any modifications to such Electronic Depository Transfer Account.

If Franchisor changes its method of collection from an Electronic Depository Transfer Account to any other method, Franchisor will notify the Franchisee in writing and the Franchisee will have 5 business days within which to make such changes.

If Franchisee does not provide Franchisor with the information Franchisor requires to determine Gross Sales, Franchisor has the right to estimate the Gross Sales for the missing period and collect from Franchisee’s account an amount equal to the Royalty Fees and Marketing Fund Contributions that would be due based on such estimation.

In making Franchisor's estimate, Franchisor may consider prior Gross Sales reports that Franchisor received from Franchisee, any system-wide averages and other pertinent information available to Franchisee.

3.7. Interest

All Royalty Fees, Marketing Fund Contributions, Technology Fees, amounts due for purchases by Franchisee from Franchisor and other amounts that are not received by Franchisor within 5 days after the due date will bear interest at the highest rate allowed by law from the date payment is due to the date payment is received by Franchisor. Franchisee will pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due Royalty Fees, Marketing Fund Contributions, Technology Fees, amounts due for purchases by Franchisee from Franchisor or any other amounts due Franchisor, including reasonable accounting and legal fees.

3.8. Application of Payments

Notwithstanding any designation by Franchisee, Franchisor will have the sole and absolute discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, Marketing Fund Contributions, purchases from Franchisor or any other amount owed to Franchisor.

4. TERM AND SUCCESSOR TERM

4.1. Initial Term

This Agreement is effective and binding for an initial term ("Initial Term") of 5 years from the Effective Date, unless sooner terminated pursuant to Section 16.

4.2. Successor Term

Subject to the conditions below, Franchisee has the right to extend its rights to operate the Franchised Business at the expiration of its Initial Term. Franchisee's right to enter into a new franchise agreement ("Successor Franchise Agreement") is limited to 5 successive periods (each a "Successor Term") of 5 years each, such that the total term of the Franchise will not exceed 30 years. To qualify for the extension of its rights to operate the Franchised Business, each of the following conditions must have been fulfilled by Franchisee and remain true as of the last day of the Initial Term of this Agreement:

4.2.1 Franchisee has, during the entire Initial Term of this Agreement, substantially complied with all material provisions of the Agreement;

4.2.2 Franchisee has access to and, for the duration of the Successor Term, the right to remain in possession of the Approved Location, or a suitable substitute location approved by Franchisor, which is in full compliance with Franchisor's then-current specifications and standards for the duration of the Successor Term;

4.2.3 Franchisee has, at its expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor-required System modifications such that the Franchised Business reflects Franchisor's then-current standards and specifications;

4.2.4 Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor (or any Affiliate), and has timely met these obligations throughout the Initial Term of this Agreement;

4.2.5 Franchisee and its Owners have not been the subject of any criminal investigation, civil proceedings or administrative proceedings arising from in-home services provided through the Franchised Business;

4.2.6 If fidelity/crime insurance (or the equivalent) is required by Franchisor pursuant to Section 15.2, Franchisee's insurance agent or provider has not revoked or terminated such fidelity/crime insurance and has not paid any claims against such fidelity/crime insurance;

4.2.7 Franchisee has met the Minimum Monthly Average Sales Quota for each Year of Operation during the Initial Term and for any Successor Term;

4.2.8 Franchisee is not in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor;

4.2.9 Franchisee has given written notice of the extension of its rights to operate the Franchised Business to Franchisor not less than nine (9) months nor more than twelve (12) months prior to the end of the Initial Term;

4.2.10 Franchisee has executed a Successor Franchise Agreement, or has executed documents related to the extension of Franchisee's rights to operate the Franchised Business at Franchisor's election (with appropriate modifications to reflect the fact that the Successor Franchise Agreement relates to the grant of a Successor Term), which Successor Franchise Agreement will supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee, a renewal fee to renew the franchise agreement, a greater Minimum Monthly Average Sales Quota, or Marketing Fund Contribution; provided, however, that Franchisee will not be required to pay the then-current Franchise Fee. Franchisor has no obligation to negotiate any term of the Successor Franchise Agreement;

4.2.11 Franchisee has complied or agrees to comply with Franchisor's then-current qualifications for a new franchisee and any training requirements; and

4.2.12 Franchisee has executed a general release, in, or substantially similar to, the form attached as Exhibit I, of any and all claims against Franchisor, its Affiliate(s) and its officers, directors, shareholders and employees, except to the extent prohibited by the laws of the state where the Franchised Business is located.

4.2.13 If Franchisee does not sign the Successor Franchise Agreement prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor, this Agreement may be treated either as (a) expired as of the date of expiration with Franchisee then operating without a franchise agreement in violation of Franchisor's rights; or (b) continued on a month-to-month basis ("Interim Period") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee will remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement will be deemed to take effect upon termination of the Interim Period.

5. APPROVED LOCATION

5.1. Selection of Site

Franchisee will promptly select a site for the Franchised Business's office and will notify Franchisor of such selection in writing. The Franchised Business's office must be in Franchisee's Protected Territories. If Franchisor approves of such selection, the site will be designated as the Approved Location. If Franchisor does not approve of such selection, Franchisee will select a new site. If Franchisor fails to notify Franchisee that it does not approve a proposed office within 30 days after all required information about the proposed office is sent to Franchisor, then the proposed office will be deemed to be approved and will be the Approved Location. Franchisor will provide Franchisee with general guidelines to assist Franchisee in selecting a site suitable for the Approved Location. Franchisor has the right to approve or disapprove a proposed location based on such factors as it deems appropriate, including the condition of the premises, proximity to other SYNERGY HomeCare Businesses, proximity to major roads and overall suitability. Franchisee will not locate the Franchised Business on a selected site without the prior written approval of Franchisor. Franchisor does not represent that it or any of its employees have special expertise in selecting sites. Neither Franchisor's assistance nor approval is intended to indicate or indicates that the Franchised Business will be profitable or successful at the Approved Location. Franchisee is solely responsible for finding and selecting the Approved Location.

5.2. Lease of Approved Location

Franchisee will execute a lease for the Approved Location, the terms of which must have been previously approved by Franchisor. Franchisor will not unreasonably withhold its approval after using its Reasonable Business Judgment. Franchisor's review of a lease, or any advice or recommendation offered by Franchisor, will not constitute a representation or guarantee that Franchisee will succeed at the Approved Location nor constitute an expression of Franchisor's opinion regarding the terms of such lease. Franchisor is entitled to require that nothing therein contained is contradictory to, or likely to interfere with, Franchisor's rights or Franchisee's duties under this Agreement. Franchisee will take all actions necessary to maintain the lease, if any, of the Approved Location while this Agreement is in effect. Franchisor's approval of a lease may be conditioned upon inclusion of terms in the lease acceptable to Franchisor and, at Franchisor's option, the lease will contain such provisions as Franchisor may reasonably require, including, but not limited to:

5.2.1 a provision reserving to Franchisor the right, at Franchisor's election, to receive an assignment of the leasehold interest upon termination or expiration of the Franchise;

5.2.2 a provision requiring the lessor to provide Franchisor with a copy of any written notice of deficiency sent by the lessor to Franchisee, and granting to Franchisor, in its sole discretion and sole option, the right (but not the obligation) to cure any deficiency under the lease should Franchisee fail to do so within 15 days after the expiration of the period in which Franchisee may cure the default; and

5.2.3 a provision stating that upon default of this Agreement, Franchisor or its nominee has the right to take possession of the premises and operate the Franchised Business.

5.3. Development of Approved Location

Upon opening for business, or ninety days after the Effective Date, whichever comes first, Franchisee will cause the Approved Location to be appropriately developed and equipped for the operation of the Franchised Business. In connection with the development of the Approved Location, Franchisee will:

5.3.1 obtain all signage, health, and business permits and licenses, any other permits and licenses required for the operation of the Franchised Business, and certify in writing and provide evidence to Franchisor that all such permits and certifications have been obtained;

5.3.2 purchase and install all equipment, signage, furniture and fixtures required for the operation of the Franchised Business, including any payment processing and computer equipment, software and any other required computer programs; and

5.3.3 obtain a high-speed Internet connection solely dedicated to the Franchised Business.

5.3.4 at Franchisor's option, use the telephone number that Franchisor designates and owns in the Franchised Business.

5.4. Opening

Before opening the Franchised Business and commencing business, Franchisee must:

5.4.1 fulfill all of the obligations pursuant to the other provisions of this Section 5;

5.4.2 complete initial training to the satisfaction of Franchisor;

5.4.3 recruit, perform national background checks utilizing the approved vendor(s) and reference checks (in accordance with the procedures in the Manual) on, hire and train the personnel required for the operation of the Franchised Business;

5.4.4 obtain or require its employees to obtain any applicable license or certification required by any municipality, county, state or other governmental division in which the Franchised Business is located;

5.4.5 furnish Franchisor with copies of all insurance policies required by this Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as Franchisor may request; and

5.4.6 pay in full all amounts due to Franchisor.

Franchisee will comply with these conditions and be prepared to open and continuously operate the Franchised Business within three months after the Effective Date, unless Franchisor has approved in writing a longer period of time for opening the Franchised Business. If the delay is due to delays in obtaining necessary licenses and permits, Franchisor may allow Franchisee a reasonable additional time period in which to open if Franchisee can demonstrate that Franchisee has expeditiously worked to obtain the licenses and permits and the governmental authority issuing them is likely to do so within normal time frames for its jurisdiction.

6. Marks

6.1. Ownership

Franchisee acknowledges that Franchisor is the exclusive owner of the Marks and that Franchisee's right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement. Franchisee's use of the Marks, and any goodwill created thereby, will inure to the benefit of Franchisor. Franchisee will not at any time acquire rights in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, right, title or interest in the Marks to Franchisee. Franchisee will not, at any time during the Initial Term of this Agreement, any Interim Period or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2. Limitations on Use

Franchisee will not use any Mark or portion of any Mark as part of any business entity name or trade name, with any prefix, suffix or other modifying words, terms, designs or symbols or in any modified form, without the prior written consent of Franchisor. Franchisee will not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee will give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law. Franchisee will not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee. Franchisee will include on its letterhead, forms, cards and other such identification, and will display at the Approved Location, a prominent notice stating that the Franchised Business is an "Independently Owned and Operated SYNERGY HomeCare Franchise."

6.3. Notification of Infringements and Claims

Franchisee will immediately notify Franchisor if Franchisee becomes aware of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee will not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge or claim; provided, however, Franchisee may communicate with Franchisee's counsel at Franchisee's expense. Franchisor will have sole discretion to take such action as deemed appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks and Franchisee may not undertake such action on its own. Franchisee will execute any and all instruments and documents, render such assistance, and do such acts and things as, in the

opinion of Franchisor's counsel, may be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks.

6.4. Discontinuance of Use

Franchisor has the right to modify or discontinue use of any of the Marks, and/or use 1 or more additional or substitute trade names, trademarks, service marks or other commercial symbols. Franchisee will comply with Franchisor's directions within a reasonable time after notice to Franchisee by Franchisor. Franchisor will not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute Mark.

6.5. Right to Inspect

Franchisor has the right to inspect Franchisee's use of the Marks pursuant to Section 13.2 of this Agreement.

6.6. Franchisor's Sole Right to Domain Name

Franchisee will not establish, create or operate an Internet site or website using a domain name or uniform resource locator (URL) containing the Marks or the words "SYNERGY HomeCare" or any variation thereof or any domain name that would be confusingly similar. Franchisor has the exclusive right to advertise on the Internet and create websites using or containing the "SYNERGY HomeCare" name and any other Mark. Franchisor is the sole owner of all right, title and interest in and to such domain names, as Franchisor may designate in the Manual.

If Franchisee undertakes to create a URL, domain name, website landing page, or creates any other advertising media that does not contain the Marks but is used to attract or drive business to the Franchised Business, such URL, domain name, website landing page or the like shall be: (i) subject to this Agreement; and (ii) covered by Exhibit J, and any revenue generated thereby shall be considered Gross Sales pursuant to this Agreement.

7. COVENANTS RELATING TO COMPETITION AND CONFIDENTIAL INFORMATION

7.1. Reason for Covenants

Franchisee acknowledges that Franchisor's Confidential Information and the training and assistance that Franchisor provides would not be acquired except through implementation of this Agreement. Franchisee also acknowledges that competition by Franchisee, the Owners or persons associated with Franchisee or the Owners (including immediate family members) could seriously jeopardize the entire franchise system because Franchisee and the Owners have received an advantage through knowledge of the Confidential Information and day-to-day operations related to the System. Accordingly, Franchisee and the Owners agree to comply with the covenants described in this Section to protect Franchisor's Confidential Information and the System.

7.2. Confidential Information

Franchisee and the Owners agree: (i) neither Franchisee nor any Owner will use the Confidential Information in any business or capacity other than the operation of the Franchised Business pursuant to this Agreement; (ii) Franchisee and the Owners will maintain the confidentiality of the Confidential Information at all times; (iii) neither Franchisee nor any Owner will make unauthorized copies of documents containing any Confidential Information; (iv) Franchisee and the Owners will take all reasonable steps that Franchisor requires from time to time to prevent unauthorized use or disclosure of the Confidential Information; (v) Franchisee and any Owner will divulge Confidential Information only to employees who must have access to it in order to fulfill their employment role; and (vi) Franchisee and the Owners will cease using the Confidential Information immediately upon the expiration, termination or transfer of this Agreement, and any Owner who ceases to be an Owner before the expiration, termination or transfer of this Agreement will cease using the Confidential Information immediately at the time he or she ceases to be an Owner.

7.3. Unfair Competition During Term

Franchisee and the Owners agree not to unfairly compete with Franchisor during the Initial Term or any Interim Period by engaging in any of the following activities (“**Prohibited Activities**”): (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in any Competitive Business, other than owning an interest of 5% or less in a publicly traded company that is a Competitive Business; (ii) diverting or attempting to divert any business from Franchisor (or one of Franchisor’s affiliates or franchisees); or (iii) inducing any of Franchisor’s clients (or any clients of any of Franchisor’s affiliates or franchisees) to transfer their business away from Franchisor or its affiliates or franchisees, as applicable.

7.4. Unfair Competition After Term

During the Post-Term Restricted Period, Franchisee and the Owners agree not to engage in any Prohibited Activities. Notwithstanding the foregoing, Franchisee and the Owners may have an interest in a Competitive Business during the Post-Term Restricted Period as long as the Competitive Business is not located within, and does not provide competitive goods or services to clients who are located within the Protected Territories or within 35 miles of the Protected Territories. If Franchisee or an Owner engages in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a Competitive Business that is permitted under this Section), then the Post-Term Restricted Period applicable to Franchisee or the non-compliant Owner, as applicable, shall be extended by the period of time during which Franchisee or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

7.5. Other Individuals Associated with the Franchised Business

Each officer, director, executive and manager of Franchisee must sign a Nondisclosure and Non-competition Agreement prior to or at the time such individual becomes an officer, director, executive or manager. In addition, the spouse or civil-union partner (or the equivalent in the state in which the Franchise is located) of each Owner must sign a Nondisclosure and Non-competition Agreement at the later of: (i) the date that the Owner acquires his or her ownership interest in Franchisee or the franchise; or (ii) the date that the spouse or member of a civil union marries or unites with the Owner. Each Owner agrees to immediately notify Franchisor of any change to his or her marital status or the identity of any new spouse. Franchisor may also require that the immediate family members of Franchisee’s Owners, officers, directors, executives and managers sign a Nondisclosure and Non-competition Agreement (Exhibit F) at any time during the Initial Term or any Interim Period. Franchisee must ensure that all of its other employees, independent contractors and other persons associated with Franchisee or the Franchised Business (excluding caregivers) who may have access to Franchisor’s Confidential Information sign a Noncompetition Agreement before having access to the Confidential Information. Franchisee must provide Franchisor with a copy of each Nondisclosure and Non-competition Agreement signed pursuant to this Section within 5 days after it is signed. Franchisee must use its best efforts to ensure that all individuals who sign a Nondisclosure and Non-competition Agreement pursuant to this Section comply with the terms of the Nondisclosure and Non-competition Agreement and Franchisee must immediately notify Franchisor of any breach that comes to Franchisee’s attention. Franchisee agrees to reimburse Franchisor for all reasonable expenses that Franchisor incurs in enforcing a Nondisclosure and Non-competition Agreement, including reasonable attorneys’ fees and court costs. Upon Franchisor’s request, Franchisee agrees, at Franchisee’s sole expense, to enforce the terms of Nondisclosure and Non-competition Agreements against individuals who breach the covenants contained therein.

7.6. Covenants Reasonable and Enforceability

Franchisee and the Owners acknowledge that the restrictive covenants contained in this Section are essential elements of this Agreement and that without their inclusion, Franchisor would not have entered into this Agreement. Franchisee and the Owners acknowledge and agree that: (i) the terms of this Section 7 are reasonable both in time and in scope of geographic area; (ii) Franchisor’s use and enforcement of covenants similar to those described above with respect to other franchisees benefits Franchisee and the Owners in that it prevents others from unfairly competing with Franchisee’s Franchised Business; and (iii) Franchisee and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Section 7.

FRANCHISEE AND THE OWNERS HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS SECTION 7 AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.

Notwithstanding the foregoing, if a court or tribunal of competent jurisdiction finds any covenant of this Section 7 to be too restrictive, then such court or tribunal may amend the offending limitation, in the least manner possible so as to create a covenant that is enforceable to the fullest extent permissible.

Should any restrictive covenants in this Section 7 be challenged, then any time period that runs as part of the challenged restrictive covenant (including the Post-Term Restricted Period, and referred to as the "Time Period") shall be temporarily tolled as of the date that such challenge was filed with the appropriate judicial or arbitration authority. Thereafter, the Time Period shall not start again until a final determination (from which there is no appeal) has been rendered. If the challenge resulted in the continued enforcement of the restrictive covenant, then the Time Period remaining shall begin again to run starting on the first day following the date that the final determination was made.

7.7. Breach of Covenants

Franchisee and the Owners agree that failure to comply with the terms of this Section 7 will cause substantial and irreparable damage to Franchisor and/or other SYNERGY HomeCare franchisees for which there is no adequate remedy at law. Therefore, Franchisee and the Owners agree that any violation of the terms of this Section 7 will entitle Franchisor to injunctive relief. Franchisee and the Owners agree that Franchisor may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of Franchisee and the Owners, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). None of the remedies available to Franchisor under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that Franchisee or an Owner may have against Franchisor, regardless of cause or origin, cannot be used as a defense against Franchisor's enforcement of this Section 7.

7.8. Additional Developments

All ideas, concepts, techniques, processes or materials concerning the Franchised Business, whether or not protectable intellectual property and whether created by or for Franchisee or its Owners or employees, must be disclosed to Franchisor promptly, but in any case in not more than the earlier of 30 days of being created by or for Franchisee or 15 days after request by Franchisor; and will be deemed the sole and exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation will be due to Franchisee or its Owners or employees therefor. Franchisee is solely responsible for compensating any third party hired by Franchisee whose employment or service rendered results in the creation or modification of such items. Franchisor has the right to incorporate such items into the System without compensating Franchisee. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Franchisee will assign ownership of that item, and all related rights to that item, to Franchisor and must sign whatever assignment or other documents Franchisor requests to show Franchisor's ownership or to assist Franchisor in obtaining intellectual property rights in the item. Franchisor may disclose to Franchisee concepts and developments of other franchisees that are made part of the System. As Franchisor may reasonably request, Franchisee will take all actions to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

8. TRAINING AND ASSISTANCE

8.1. Initial Training

Prior to the opening of the Franchised Business, (i) the Franchisee (or Franchisee's Owner if Franchisee is a corporation or other business entity) and (ii) the Designated Manager if Franchisee hires a Designated Manager other than the Franchisee (or Franchisee's Owner if Franchisee is a corporation or other business entity), must attend and successfully complete, to Franchisor's satisfaction, an initial training program consisting of approximately 5

days of classroom instruction pertaining to operation of the Franchised Business including, but not limited to, sales and marketing methods; financial controls; maintenance of quality standards; client service techniques, record keeping and reporting procedures, employee recruitment and screening and other operational issues. Franchisor will conduct the initial training program at its headquarters or at another designated location. Franchisor will make the initial training program available to the Franchisee if Franchisee (or Franchisee's Owner if Franchisee is a corporation or other business entity) acts as the Designated Manager and up to one assistant. Alternatively, if Franchisee hires a Designated Manager, then Franchisor will make the initial training program available to the Franchisee (or Franchisee's Owner if Franchisee is a corporation or other business entity), the Designated Manager and up to one assistant. Franchisor will not charge tuition or similar fees for initial training, however, all expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries, is the sole responsibility of Franchisee. Franchisee is responsible for training its management and other employees. Notwithstanding the foregoing, the Franchisor can increase or decrease the number of days for training depending upon the experience and abilities of any attendee to training. Further, Franchisor can reasonably change the dates of training from those that had previously been approved with the understanding that if a trainee has already incurred a commercially reasonable expense in reliance upon the previous date and provides written proof of the same, the Franchisor may reimburse the trainee for such expense.

8.2. Opening Assistance

In conjunction with, and prior to, the beginning of operation of the Franchised Business, if Franchisor determines it is necessary, Franchisor may make available to Franchisee, one of Franchisor's representatives, experienced in the System, for the purpose of providing general assistance and guidance in connection with the opening of the Franchised Business. Should Franchisee request such additional assistance from Franchisor in order to facilitate the opening or continued operation of the Franchised Business, and should Franchisor deem it necessary and appropriate to comply with such request, Franchisor may provide such additional assistance at Franchisor's then-current standard rates, plus expenses.

8.3. Failure to Complete Initial Training Program

If, at any time during the training program, Franchisor determines that Franchisee and/or the Designated Manager is unable to complete the training program described above to Franchisor's satisfaction, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 8.3, Franchisor will return to Franchisee 50% of the Franchise Fee paid by Franchisee, after payment of any taxes, broker fees and/or commissions, upon Franchisor's receipt of a general release in or substantially similar to the form attached as Exhibit I. If Franchisee is a business entity and the Designated Manager fails to complete the initial training program to Franchisor's satisfaction, Franchisor has the right to permit Franchisee to select a new Designated Manager and such manager must complete the initial training to Franchisor's satisfaction. Franchisee may be required to pay Franchisor's then-current rates for additional training, if any, for providing the substitute manager an initial training program.

8.4. New Designated Manager

If Franchisee is a business entity and, after beginning operations, Franchisee names a new Designated Manager, the new Designated Manager must attend and complete, to Franchisor's satisfaction, the next available initial training program. Franchisee will be responsible for all travel costs, living expenses and employees' salaries incurred in connection with the Designated Manager's attendance at such training.

8.5. Ongoing Training

From time to time Franchisor may provide ongoing training programs, seminars or meetings. If it does, the Franchisor has the right to require that the Franchisee or Designated Manager attend. Such training may occur during the Initial Term of this Agreement, any Interim Period or Successor Term. Franchisor will not charge a fee for any mandatory ongoing training. Franchisee is responsible for all travel costs, living expenses and employees' salaries incurred in connection with the Designated Manager's attendance at such training. Franchisee must attend the Annual Franchise Meeting ("AFM"). Franchisee must pay our then current attendance fee (currently \$350 for three people, and \$125 for each additional person) and Franchisee must pay such amount at least 30 days prior to

attending the AFM. Franchisor may change the AFM Attendance fee at any time upon 60 days prior written notice to Franchisee. Franchisee is responsible for all travel costs, living expenses and employees' salaries incurred in connection with attendance at the AFM. If Franchisee or its Designated Manager fails to attend any mandatory ongoing training program or the AFM, Franchisor has the right to charge Franchisee a nonattendance fee of \$1,500, which is due and payable on demand, for each mandatory ongoing training program or AFM that Franchisee fails to attend. Franchisee authorizes Franchisor to obtain payment for such nonattendance fees from the Electronic Depository Transfer Account in accordance with Section 3.6 and 3.7. Franchisor at its option may seek payment of the full amount or apportion payments over a time period determined by Franchisor until such fees are paid in full.

9. MANUAL

9.1. Loan by Franchisor

While this agreement is in effect, Franchisor will loan to Franchisee a copy of the Manual, or, if the Manual is accessible through a computer system, Franchisor will allow Franchisee access to the Manual. Franchisee will conduct the Franchised Business in strict compliance with the provision set forth in the Manual. The Manual may consist of one (1) or more separate manuals and other materials designated by Franchisor and may be in written or electronic form. The Manual will, at all times, remain the sole property of Franchisor and will promptly be returned upon expiration or termination of this agreement.

9.2. Revisions to the Manual

Franchisor has the right, but not the obligation to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee will immediately, upon notice, adopt any such changes.

9.3. Confidentiality of Manual

The Manual contains proprietary information of Franchisor and will be kept confidential by Franchisee during the Initial Term of the Franchise and any Interim Period, and subsequent to the expiration or termination of this Agreement. If the Manual is distributed in paper form or as an electronic file, Franchisee will at all times ensure that its copy of the Manual is available at the Approved Location in a current and up-to-date manner. Franchisee will not disclose, duplicate or otherwise use any portion of the Manual or any electronic file or computer media containing the Manual in an unauthorized manner. Franchisee will maintain the Manual (whether in paper form or electronic file) in a locked receptacle at the Approved Location or in a password-protected file on Franchisee's computer system, as appropriate, and will only grant authorized personnel, as defined in the Manual, access to the key or combination of such receptacle, the password to any file, program or Internet site or the computer or computers on which it is stored. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's headquarters is controlling.

10. FRANCHISE SYSTEM

10.1. Uniformity

Franchisee will strictly comply, and will cause the Franchised Business to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Manual or other communications supplied to Franchisee by Franchisor.

10.2. Modification of the System

Franchisor has the right to change or modify the System from time to time including, without limitation, the adoption and use of new or modified Marks or copyrighted materials, and new or additional computer hardware, software, equipment, supplies or techniques. Franchisee will accept and use any such changes in, or additions to, the

System as if they were a part of this Agreement as of the Effective Date. Franchisee will make such expenditures as such changes, additions or modifications in the System as Franchisor may reasonably require. Any required expenditure for changes or upgrades to the System will be in addition to expenditures for repairs and maintenance as required in Section 13.3.

10.3. Variance

Franchisor has the right, at its sole discretion and as it may deem in the best interests of the system or a specific franchisee in any particular instance, to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site, special circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of any particular SYNERGY HomeCare Business. Franchisor will not be required to disclose or grant to Franchisee a like or similar variance hereunder.

10.4. Software License

Franchisor has the right to require Franchisee to use certain computer software that is now owned by Franchisor, its affiliate or a third party or that is purchased or licensed by Franchisor from Franchisor's affiliate or a third party. Franchisor reserves the right to suspend, modify or terminate Franchisee's use of such software at any time if Franchisee is in breach of this Agreement. Franchisee must pay Franchisor, its affiliate or a third party all applicable fees for use of the software. Franchisee's right to use any such software will terminate or expire on the date this Agreement terminates or expires. Any fees for Franchisee's use of required software are in addition to the Technology Fee.

11. MARKETING AND PROMOTIONAL ACTIVITIES

11.1. Local Advertising

Franchisee will continuously promote the Franchised Business. Every month, Franchisee will spend the greater of \$300 or at least 2% of the previous month's Gross Sales on advertising, promotions and public relations within the Protected Territories ("Minimum Local Advertising Requirement"). Such expenditures will be made directly by Franchisee, subject to the approval and direction of Franchisor using its Reasonable Business Judgment. Franchisor will provide general guidelines for conducting Local Advertising so as to better assist Franchisee. Franchisor will define what constitutes local advertising in the Manual. Franchisee agrees to send Franchisor, in a manner Franchisor prescribes, an accounting of local advertising expenditures at such times, and for such reporting periods, as Franchisor may specify from time to time. If Franchisee does not spend at least the Minimum Local Advertising Requirement on a monthly basis; then, within 30 days after such time as Franchisor specifies, Franchisee will pay to Franchisor the difference between the actual expenditures on local advertising, promotions and public relations and the Minimum Local Advertising Requirement. If the Franchisor collects the amount of the Minimum Local Advertising Requirement, Franchisor will also charge the Franchisee its then-current "Advertising Service Fee" (currently \$250 per month), plus the cost to use an advertising firm in Franchisee's Protected Territories to place the advertising for Franchisee.

Franchisee will submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by Franchisee including, but not limited to, ad copy, coupons, flyers, scripts and direct mail, digital media, social media, email marketing, depictions of vehicle wraps and all other advertising and promotional materials bearing the Marks. Franchisor will use reasonable efforts to provide notice of approval or disapproval within 30 days from the date all requested material is received by Franchisor. If Franchisor does not approve submitted materials within 30 days, such materials will be deemed to have not received the required approval. Franchisee will not use any marketing or promotional material prior to approval by Franchisor. Subject to Section 14.1, the submission of advertising materials to Franchisor for approval will not affect Franchisee's right to determine the prices at which Franchisee provides services or sells products.

11.2. Marketing Fund

Franchisee will pay weekly to the Franchisor the Marketing Fund Contributions equal to 2% of that week's Gross Sales or such lesser amount as set by Franchisor, which may be adjusted from time to time but will not exceed 2% of each week's Gross Sales. Franchisor will notify Franchisee at least 30 days before changing Marketing Fund Contribution requirements. The Marketing Fund will be maintained and administered by Franchisor or its designee as follows:

Franchisor or Franchisor's Representatives will oversee all marketing programs, with sole discretion over the creative concepts, materials and media used in such programs, and the placement and allocation thereof. Franchisor does not warrant or guaranty that any particular franchisee will benefit directly or pro rata from expenditures by the Marketing Fund. The program(s) may be local, regional or System-wide. Franchisee's Marketing Fund Contributions may be used to meet the costs of, or reimburse Franchisor for its expenses related to, the general promotion of the Marks and the System, including producing, maintaining, administering and directing consumer advertising (including the cost of preparing and conducting television, radio, Internet, magazine and newspaper advertising campaigns and other public relations activities; developing and/or hosting an Internet web page or site and other forms of electronic media and advertising activities; research; employing advertising, public relations and other third party agencies to assist Franchisor therein; providing promotional brochures and other marketing materials to franchisees and the advertising cooperatives); and soliciting and promoting System products and services to National Referral Agencies or National Accounts (including a Medicare Advantage plan) as well as accounting expenses and the actual costs of salaries and fringe benefits paid to Franchisor's employees engaged in activities associated with the promotion of the Marks and the System. Franchisor will determine the methods of advertising, media employed and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. Franchisor may retain the services of, or purchase from, one or more of its Affiliates to provide services and products in connection with the Marketing Fund and may pay for the services and products from the Marketing Fund.

All Marketing Fund Contributions will be maintained in a separate account from the monies of Franchisor and will not be used to defray any of Franchisor's general operating expenses, except for the costs and expenses related to the Marketing Fund described above. The Marketing Fund is not a trust or escrow account, and Franchisor has no fiduciary obligations regarding the Marketing Fund.

Although Franchisor intends the Marketing Fund to be of continual and perpetual duration, Franchisor has the right to suspend (and subsequently reinstate) or terminate the Marketing Fund at any time. The Marketing Fund will not be terminated, however, until all Marketing Fund Contributions have been expended for advertising and promotional purposes or returned to Franchisee and other franchisees on a pro rata basis.

Franchisor has the right to allow Marketing Fund Contributions to accumulate in the Marketing Fund or to disburse such contributions as necessary. If funds remain in any Marketing Fund at the end of any fiscal year, all expenditures in the following fiscal year(s) will be made first out of such excess amounts, including any interest or other earnings of the Marketing Fund, and next out of current contributions.

Each SYNERGY HomeCare Business operated by Franchisor, or any Affiliate of Franchisor, will make Marketing Fund Contributions at the same rate as SYNERGY HomeCare franchisees.

Franchisee has the right to request an unaudited accounting of the operation of the Marketing Fund for the prior fiscal year and Franchisor will provide it in a format Franchisor determines. Franchisor retains the right to have the Marketing Fund audited, at the expense of the Marketing Fund, by an independent certified public accountant selected by Franchisor.

11.3. Cooperative Advertising

Franchisor has the right, but not the obligation, to create a Cooperative Advertising program for the benefit of SYNERGY HomeCare Businesses located within a particular region or defined market. Franchisor has the right to (a) allocate any portion of the Marketing Fund to the Cooperative Advertising program; and (b) collect and

designate all or a portion of the Local Advertising for a Cooperative Advertising program. Franchisor has the right to determine the composition of all geographic territories and market areas for the implementation of each Cooperative Advertising program, and to require that Franchisee participate in such Cooperative Advertising programs when established within Franchisee's region or defined market. If a Cooperative Advertising program is implemented in a particular region or defined market, Franchisor has the right to establish an advertising council comprised of SYNERGY HomeCare franchisees to self-administer the Cooperative Advertising program. Franchisee must participate in the council according to the council's rules and procedures. Franchisee agrees to be bound by the council's decisions. Franchisee will participate in the council according to the council's rules and procedures and Franchisee will agree to be bound by the council's decisions. Upon approval by the council, the Franchisee must pay (and the Franchisor may, but is not obligated to, collect from Franchisee on the Cooperative Advertising program's behalf) contributions to the Cooperative Advertising program in the amount approved, even if the required contributions exceed the Minimum Local Advertising Requirement. Any amounts paid by Franchisee to the Cooperative Advertising program in any month will be applied toward the Franchisee's Minimum Local Advertising Requirement for the month.

11.4. Internet Advertising

Franchisee may not establish a presence on, or market using, the Internet in connection with the Franchised Business without Franchisor's prior written consent, which consent may be granted, denied or revoked for any reason or no reason at all. Franchisor has established and maintains an Internet website at the uniform resource locator ("URL") www.synergyhomecare.com that provides information about the System and the services that Franchisor and its franchisees provide. Franchisor has the right (but not the obligation) to include at the SYNERGY HomeCare website an interior page containing information about the Franchised Business. If Franchisor includes such information on the SYNERGY HomeCare website, Franchisor has the right to require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides. All such information is subject to Franchisor's approval prior to posting. Franchisor retains the sole right to market on the Internet, including but not limited to the use of websites, domain names, URL's, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. Franchisee may be requested to provide content for Franchisor's Internet marketing and will be required to follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor retains the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and in connection with linking, marketing, co-branding and other arrangements. Franchisor retains the sole right to approve any linking to, or other use of, the SYNERGY HomeCare website. Franchisee may not establish a presence on, or market using, the Internet in connection with the Franchised Business without Franchisor's prior written consent. Any grant of permission or grant of rights to the Franchisee by the Franchisor under this Section may be rescinded by the Franchisor if the Franchisee is in breach of any term, covenant or condition of this Agreement, even if the same is timely cured.

11.5. Directory Advertising

Franchisee must list and advertise the telephone number(s) for the Franchised Business in all online and print directories Franchisor requires. Franchisee must place such advertisements and listings together with other SYNERGY HomeCare Businesses operating within the distribution area of the directories. If a joint listing is obtained, all SYNERGY HomeCare Businesses listed together will pay an equal share of the cost of the advertisements and listings.

12. ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS

12.1. Records

During the Initial Term of this Agreement and any Interim Period, Franchisee will maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Manual or otherwise in writing. Franchisee will retain during the Initial Term of this Agreement, and for 3 years thereafter, all books and records related to the Franchised Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns (including all schedules and amendments) for the Franchisee, the Designated Manager, and the Franchisee's shareholders, partners, Members and Managing

Members), cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law.

12.2. Reports

Franchisee must provide us with all reports that Franchisor requires related to the Franchised Business in the format Franchisor requires, including reports related to Gross Sales or income statements.

12.3. Financial Statements and Tax Returns

Franchisee will supply to Franchisor on or before the 15th day of the month following each calendar quarter, in a form approved by Franchisor, a balance sheet as of the end of the preceding calendar quarter and a Profit and Loss statement for the preceding calendar quarter and the year-to-date. Franchisee will, at its expense, submit to Franchisor within 90 days after the end of each fiscal year, a Profit and Loss statement for the fiscal year just ended and a balance sheet as of the last day of the fiscal year. Such financial statements must be prepared in accordance with generally accepted accounting principles (GAAP) applied on a consistent basis. If required by Franchisor, such financial statements will be reviewed or audited by a certified public accountant. Franchisee will, at its expense, also submit to Franchisor, within 30 days after filing with the Internal Revenue Service, a copy of its annual income tax return (inclusive of all tax forms, schedules and amendments) for the SYNERGY HomeCare Business. If the tax returns are not prepared by a third party, Franchisee must provide proof of submission of the forms. If the Franchisee is a business entity, the Franchisor has the right to receive from each owner of a capital account of the Franchisee (including all shareholders, partners, Members and Managing Members), a copy of its annual income tax return (inclusive of all tax forms, schedules and amendments) as filed with the Internal Revenue Service. Franchisee will submit to Franchisor such other periodic reports in the manner and at the time specified in the Manual or otherwise in writing. If Franchisee has other reportable income, those records must be kept separate from the records of the Franchised Business. Franchisee will be required to submit Financial Statements and Tax Returns for each separate Franchised Business.

12.4. Other Reports

Within 10 days after request from Franchisor, Franchisee will submit to Franchisor copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as Franchisor may reasonably request from time to time or as specified in the Manual. Franchisor will have the right to release financial and operational information relating to the Franchised Business to Franchisor's lenders or prospective lenders. Franchisee will certify as true and correct all reports to be submitted pursuant to this Agreement.

12.5. Access to Computer System

Franchisor will have full access to all of Franchisee's computer and sale data and systems and all related information by means of direct access, either in person or by telephone, modem or Internet to permit Franchisor to verify Franchisee's compliance with its obligations under this Agreement. In addition, Franchisor will have full access to any third party software or systems purchased and/or implemented by Franchisee relating to the ownership and operation of the Franchised Business. Franchisee agrees to provide Franchisor with any passwords and other data to allow Franchisor to access Franchisee's computer at any time.

12.6. Right to Inspect

Franchisor, or its designee, has the right during normal business hours to examine, copy and audit the books, records and tax returns of Franchisee. If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee will immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid at the maximum rate permitted by law. If the inspection discloses an underpayment of 3% or more of the amount due for any period covered by the audit, Franchisee will, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies will be in addition to any other remedies Franchisor may have.

12.7. Release of Records

At Franchisor's request, Franchisee will authorize and direct any third parties, including accounting professionals, to release to Franchisor all accounting and financial records arising from or relating to the operation of the Franchised Business including, but not limited to, records evidencing Gross Sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor on a monthly basis for the length of the unexpired Initial Term of this Agreement and any Interim Period or until such time as Franchisor withdraws its request. Franchisee will execute all documents necessary to facilitate the release of records referenced herein to Franchisor.

13. STANDARDS OF OPERATION

13.1. Authorized Services and Suppliers

Franchisee acknowledges that the reputation and goodwill of the System is based in large part on offering high quality services to its clients. Accordingly, Franchisee will provide those services and use only those supplies, signs, equipment and other items that Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. If required by Franchisor, any such services or items will be purchased only from "Approved Suppliers" that Franchisor designates or approves (which might include, or be limited to, Franchisor or its Affiliates). Franchisee will not provide any services that Franchisor has not approved, either through the Franchised Business or from the Approved Location.

Franchisor will provide Franchisee, in the Manual, in an on-line support portal, or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of the supplies, signs, equipment, software and other approved or specified items and services, and Franchisor may from time to time issue revisions to such list. If Franchisor or an Affiliate is an Approved Supplier, Franchisee will execute a standard form purchase or supply agreement for the items to be supplied by Franchisor or its Affiliate. If Franchisee desires to utilize any services or products that Franchisor has not approved (for services and products that require supplier approval), Franchisee will first send Franchisor sufficient information, specifications and/or samples for Franchisor to determine whether the service or product complies with its standards and specifications, or whether the supplier meets its Approved Supplier criteria. Franchisor will decide within a reasonable time (usually 30 days) after receiving the required information whether Franchisee may purchase or lease such services or items or from such supplier. Approval of any supplier may be conditioned upon the supplier's ability to provide sufficient quantity of product; quality of services or products at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section will be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor, in its discretion, deems confidential.

Notwithstanding anything to the contrary in this Agreement, Franchisor has the right to review from time to time its approval of any services, items or suppliers. Franchisor may revoke its approval of any service, item or supplier at any time, and in its sole discretion, by notifying Franchisee and/or the supplier. Franchisee will, at its own expense, promptly cease using, selling or providing any services or items disapproved by Franchisor and will promptly cease any and all purchases from suppliers disapproved by Franchisor.

Franchisor has the right to retain volume rebates, markups and other benefits from any third party suppliers or in connection with the sale or furnishing of products, supplies, or services by Franchisor or its affiliates to Franchisee. Franchisee will have no entitlement to or interest in any such benefits. Franchisor will have no obligation or responsibility to negotiate, secure or provide the lowest or best prices on any service or item purchased by Franchisee from a designated or Approved Supplier.

13.2. Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, to ensure that Franchisee is properly employing the Marks in the operation of the Franchised Business, and to ensure that

Franchisee is following the System and complying with this Agreement, Franchisor and its designees have the right to enter and inspect the Franchised Business and the Approved Location at all reasonable times and, additionally, have the right to observe the manner in which Franchisee renders services and conducts activities and operations both in the Franchised Business's office and on-site with clients, including interviewing or videotaping clients and employees, conducting client and Referring Agencies' surveys, and inspecting equipment, supplies, reports, forms and documents and related data to ensure that Franchisee is operating the Franchised Business in accordance with the quality control provisions and performance standards established by Franchisor. Franchisor and its agents will have the right, at any reasonable time, to remove sufficient quantities of any items used in rendering services, to test whether such items meet Franchisor's then-current standards.

13.3. Appearance and Condition of the Franchised Business

Franchisee will maintain the Franchised Business and any related vehicles, equipment and signage in "like new" condition. The expense of such maintenance will be borne by Franchisee and will be in addition to any required System modifications as described in Section 10.2.

13.4. Ownership and Management

The Franchised Business will, at all times, be under the direct supervision of Franchisee, acting in the capacity of Designated Manager. The Franchisee, acting as the Designated Manager, will devote his or her full-time efforts to the management of the day-to-day operation of the Franchised Business. "Full-time" means the expenditure of at least 35 hours per week, excluding reasonable vacation, sick leave and similar absences. Franchisee may hire an approved Designated Manager to manage the day-to-day operation of the Franchised Business; but Franchisee must at all times maintain direct supervision of the Designated Manager and the Franchised Business. If the Franchisee ceases to act in the capacity of Designated Manager or if the approved Designated Manager is unwilling or unable to fulfill his or her duties, whether due to illness, injury, death, vacation, termination or for any other reason, Franchisee will promptly hire a substitute or replacement Designated Manager approved by Franchisor and the Designated Manager must successfully complete training by Franchisor. Franchisee and the Designated Manager must not engage in any business or other activities that will conflict with their obligations under this Agreement. In addition to the Designated Manager, the Franchise Business must also, at all times, have at least one other full-time employee.

13.5. Hours of Operation

Franchisee will make services available to clients as required by such client and as specified in the Manual, and the Designated Manager must be on call 24 hours per day, 7 days per week, for caregiver calls, home assessments and client consultations. Franchisee must ensure that the Franchised Business' telephone is answered live 24 hours per day, 7 days per week, for these calls.

13.6. Licenses and Permits

Franchisee will secure and maintain in force all required bonds, licenses, permits and certificates necessary for the operation of the Franchised Business and will operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations at the Federal, state and local levels. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Franchised Business. Franchisee will be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised Business.

13.7. Notification of Proceedings and Charges

Franchisee will notify Franchisor in writing of: (i) the commencement of any action, suit or proceeding involving Franchisee or the Franchised Business; (ii) the issuance of any order, writ, injunction, award or decree which may affect the operation or financial condition of the Franchised Business; and (iii) the filing of any charges against Franchisee, the Franchised Business or any employee of the Franchised Business involving Franchisee or the Franchised Business. Franchisee will provide a copy of any documentation of any such commencement of a suit,

proceeding, charges, or any order, writ, injunction, award or decree not more than 5 days after such commencement or issuance. Franchisee will deliver to Franchisor not more than 5 days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation.

13.8. Compliance with Good Business Practices

Franchisee acknowledges that the quality of client service, and every detail of appearance and demeanor of Franchisee and its employees is material to this Agreement and the relationship created hereby. Therefore, Franchisee will endeavor to maintain the highest standards of quality and service with regard to the operation of the Franchised Business. Franchisee will, at all times, provide prompt, courteous and efficient service to clients of the Franchised Business. The Franchised Business will, in all dealings with its clients, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. Franchisee will reimburse Franchisor for all costs incurred by Franchisor in servicing a client of the Franchised Business.

13.9. Uniforms

Franchisee will abide by any uniform or dress code requirements as stated in the Manual. Uniforms and/or related identification items, if required, must be purchased from an Approved Supplier, in accordance with Section 13.1. If Franchisee desires to utilize any uniform, dress code products and/or related identification items that have not been approved, Franchisee will seek approval for the third party supplier as an Approved Supplier in accordance with Section 13.1.

13.10. Form of Payment

Franchisee will only accept payment from clients, Referring Agencies or any other third-party payer in cash, by check or credit card or through other such instruments representing or denominated in U.S. dollars, and will not accept or arrange for payment in the form of barter, exchange of services or any other non-monetary form.

13.11. Credit Cards

Franchisee will, at its expense, lease or purchase the necessary equipment and/or software and will have arrangements in place with Visa, MasterCard, American Express, and such other credit card issuers as Franchisor may designate from time to time to enable the Franchised Business to accept such methods of payment from its clients. Franchisee will comply with all security protocols including, but not limited to, PCI-DSS Compliance and submit evidence of such compliance to Franchisor on a quarterly basis.

13.12. Best Efforts And Quality Control

Franchisee will use its best efforts to promote and increase the sales and recognition of services offered through the Franchised Business. Franchisee will require all of Franchisee's employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all services and products provided as part of the System.

14. FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE

14.1. General Advice and Guidance

Franchisor or Franchisor's representative will be available to render advice, discuss challenges and offer general guidance to Franchisee by telephone, e-mail, facsimile, newsletters and other methods with respect to planning, opening and operating the Franchised Business. Franchisor will not charge for this service, however, Franchisor retains the right to charge a fee for this service should Franchisee, in Franchisor's discretion, be deemed to be utilizing this service too frequently or in an unintended manner. Franchisor's advice or guidance to Franchisee relative to prices for services and products that, in Franchisor's judgment, constitutes good business practice is based

upon the experience of Franchisor and its franchisees in operating SYNERGY HomeCare Businesses and an analysis of costs and prices charged for competitive services and products. Franchisee will have the sole right to determine the prices to be charged by the Franchised Business; provided, however, that Franchisor will have the right to set maximum prices and minimum prices that Franchisee may charge if, in Franchisor's opinion, such decision is in the best interests of the System.

14.2. Periodic Visits

Franchisor, or Franchisor's representative, may make periodic visits to the Franchised Business for the purposes of consultation, assistance and guidance with respect to various aspects of the operation and management of the Franchised Business. Franchisor and Franchisor's representatives who visit the Franchised Business may prepare, for the benefit of both Franchisor and Franchisee, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Franchised Business. A copy of any such written report may be provided to Franchisee. Franchisee will implement any required changes or improvements in a timely manner as detailed in such written report. Upon providing no less than 48 hour notice, the Franchisee agrees that Franchisee will be personally available (or if the Franchisee is a business entity, the Franchisee will have the principal(s) of the business entity and any Designated Manager available) to meet with the Franchisor and/or its representative for the entirety of the periodic visit. If the Franchisee fails to be available, the failure will be deemed to be a breach of this Franchise Agreement and in addition to any other remedy found herein, the Franchisor will also have the right to recover its costs associated with such periodic visit including travel, room and board.

14.3. System Improvements

Franchisor will communicate improvements in the System to Franchisee as such improvements may be developed or acquired by Franchisor from time to time and implemented as part of the System.

14.4. Marketing and Promotional Materials

Franchisor may periodically provide advertising and promotional materials including ad-slicks, brochures, fliers, digital images, and other materials to Franchisee for use in the operation of the Franchised Business. Franchisee must use any such advertising or promotional materials only in the manner approved of by Franchisor.

15. INSURANCE

15.1. Types of Insurance and Amounts of Coverage

At its sole expense, Franchisee will procure within the earlier of 60 days after the Effective Date or 30 days prior to opening the Franchised Business, and maintain in full force and effect during the Initial Term of this Agreement and any Interim Period, the types of insurance listed below. All policies will expressly name Franchisor as an additional insured or loss payee and will contain a waiver of all subrogation rights against Franchisor and its successors and assigns. Insurance requirements below need to be on admitted paper. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee will procure:

15.1.1 "all risk" property insurance coverage on all assets, real property, including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business. Franchisee's property insurance policy will include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost and also include business interruption insurance to compensate Franchisee for loss of income related to the temporary interruption of business due to fire or such other disaster, with a minimum liability coverage sufficient to cover continuing expenses and obligations of the Franchised Business until the cause of the interruption is remedied;

15.1.2 comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Franchised Business, or Franchisee's conduct of business pursuant to this Agreement, with a minimum liability coverage of \$1,000,000 per

occurrence and at least \$3,000,000 aggregate that can be satisfied through a combination of primary and excess limits, or, if higher, the statutory minimum limit required by state law;

15.1.3 automobile liability insurance for owned or non-owned vehicles, hired vehicles with a combined single limit for bodily injury and property damage of at least \$1,000,000 or, if higher, the statutory minimum limit required by state law;

15.1.4 professional liability insurance against claims from clients for injuries or damages occurring in conjunction with the rendering of services or the operation of the Franchised Business, which insurance must include abuse and molestation coverage, with a minimum liability coverage of \$1,000,000 per occurrence and at least \$3,000,000 aggregate, or, if higher, any statutory minimum limit required by state law. Sexual abuse and molestation coverage should contain limits in addition to and not erode the overall professional liability limit

15.1.5 “employment practice liability” insurance, which provides protection for an employer against claims made by employees and third parties, former employees, or potential employees relating to many types of employee related lawsuits including claims of sexual harassment, discrimination, wrongful termination, breach of employment contract, negligent evaluation, failure to employ or promote, wrongful discipline, deprivation of career opportunity, wrongful infliction of emotional distress, etc., with a minimum coverage of at least \$500,000, or, if higher, the statutory minimum limit as required by state law;

15.1.6 wage and hour insurance that covers claims related to wage and hour disputes with your employees with a minimum coverage of at least \$100,000;

15.1.7 workers’ compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located;

15.1.8 cyber liability with a \$500,000 minimum limit responding to unauthorized access of your Franchised Business’s computer system, covering costs associated with notification of affected parties, credit monitoring, investigative & administrative costs, as well as third party liability for the breach.

15.1.9 such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 21.2; and

15.1.10 such other insurance as is necessary to provide coverage for all services and products Franchisee is authorized to offer pursuant to this Agreement and in such amounts as are reasonable for the type of service or product being provided by Franchisee and approved by Franchisor.

15.2. Fidelity/Crime Insurance Requirements

Franchisee will procure and maintain in force first and third-party fidelity/crime insurance (or its equivalent) in a principal amount of not less than \$25,000. If required, such fidelity/crime insurance will provide coverage to Franchisee and Franchisor against dishonesty and criminal acts by the Franchised Business’s employees and independent contractors. Such fidelity/crime insurance will have the minimum terms and coverage as may be specified by Franchisor from time to time, which minimum terms and coverage may be increased by Franchisor in its sole discretion.

15.3. Future Increases

Franchisor has the right to reasonably increase the minimum liability protection, change the types of coverage and insurance coverage requirements as Franchisor deems necessary and to require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances.

15.4. Carrier Standards

Such insurance policies must be written by an insurance company licensed in the state in which Franchisee operates, and having at least an "A" Rating Classification as indicated in A.M. Best's Key Rating Guide.

15.5. Evidence of Coverage

Franchisee's obligation to obtain and maintain the required insurance policies is not limited in any way by reason of any insurance which may be maintained by Franchisor, nor will Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 21.2. Franchisee will provide, prior to opening and annually thereafter prior to expiration, evidence of compliance as Franchisor requests with the insurance obligations described in this Section 15, including any evidence of endorsements, certificates of insurance and copies of fidelity/crime insurance showing compliance with the foregoing requirements. Such endorsements, certificates and fidelity/crime insurance will state that said policy or policies will not be canceled or altered without at least 30 days prior written notice to Franchisor and will reflect proof of payment of premiums.

15.6. Failure to Maintain Coverage

Should Franchisee not procure and maintain insurance coverage as required by this Agreement, Franchisor has the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, must be payable by Franchisee immediately upon notice.

16. DEFAULT, TERMINATION and DAMAGES

16.1. Termination by Franchisee

If Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to commence reasonable efforts to cure such breach within 90 days after receiving written notice identifying the claimed breach, Franchisee has the right to terminate this Agreement unless the breach cannot reasonably be cured within such 90 days. If the breach cannot reasonably be cured in such 90 days, Franchisee has the right to terminate this Agreement only if Franchisor does not promptly undertake and continue efforts to cure such material breach within a reasonable period of time and furnish Franchisee reasonable proof of such efforts.

16.2. Termination by Franchisor - No Cure

Franchisor has the right to terminate this Agreement, without any opportunity to cure by Franchisee, if Franchisee:

16.2.1 fails to establish and equip the Franchised Business, or fails to hire and retain the staff necessary for the full operation of the Franchised Business, as required in Section 5;

16.2.2 fails to satisfactorily complete the training program pursuant to Section 8;

16.2.3 makes any material misrepresentation or omission in its application for the Franchise or otherwise to Franchisor in the course of entering into this Agreement;

16.2.4 is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Business, or any fidelity/crime insurance required to be procured and maintained by Franchisee pursuant to Section 15.2 is revoked or terminated by the insurance agent or such agent has paid any claims against such fidelity/crime insurance;

16.2.5 discloses, duplicates or otherwise uses in an unauthorized manner any portion of the Manual or any other Confidential Information;

16.2.6 abandons (by failing to maintain the Franchised Business under the primary supervision of the Designated Manager), fails or refuses to actively operate the Franchised Business, and such abandonment, failure or refusal continues for 5 or more consecutive days (unless the Franchised Business has not been operational for a purpose approved by Franchisor), or fails to promptly relocate the Franchised Business following the expiration or termination of the lease for the Approved Location or the destruction, condemnation or other event rendering the Approved Location unusable;

16.2.7 surrenders or transfers control of the operation of the Franchised Business without Franchisor's approval, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in Franchisee of a deceased or incapacitated owner thereof, as herein required;

16.2.8 fails to maintain the Franchised Business under the primary supervision of a Designated Manager during the 180 days following the death or incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee, pursuant to Section 18.6;

16.2.9 fails to retain the services of a new Designated Manager who will assume the title and function of the Designated Manager within 60 days of the date that the prior Designated Manager quits, resigns, or is fired, with the understanding that such Designated Manager once hired must complete training;

16.2.10 submits to Franchisor on 2 or more separate occasions at any time during the Initial Term of the Franchise any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to Franchisor by more than 3% for any accounting period and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;

16.2.11 is adjudicated as bankrupt, becomes insolvent, commits any affirmative act of insolvency, or files any action or petition of insolvency; if a receiver of its property or any part thereof is appointed by a court; if it makes a general assignment for the benefit of its creditors; if a final judgment remains unsatisfied of record for 30 days or longer (unless superseding bond is filed); if execution is levied against Franchisee's business or property; if a suit to foreclose any lien or mortgage against its Approved Location or equipment is instituted against Franchisee and has not been dismissed within 30 days or is not in the process of being dismissed;

16.2.12 misuses or makes an unauthorized use of any of the Marks or copyrighted or Confidential Information or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks;

16.2.13 fails on 2 or more separate occasions within any period of 12 consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Marketing Fund Contribution, Technology Fee, or Cooperative Advertising program contribution, amounts due for purchases from Franchisor and any Affiliate, or other payment when due to Franchisor or any Affiliate, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee;

16.2.14 on 2 separate occasions, during the Initial Term of this Agreement or during any Successor Term, Franchisee breaches any other term, covenant or condition of this Agreement, or any combination thereof, and then receives notice of a third violation of any term, covenant or condition of this Agreement;

16.2.15 violation of Section 2.5.1 for the second time even if a Second Violation Fee is timely paid;

16.2.16 continues to violate any health or safety law, ordinance or regulation, or operates the Franchised Business in a manner that presents a health or safety hazard to its clients, employees or the public, or if any license or permit necessary for the operation of the Franchised Business or for providing services of the type provided by SYNERGY HomeCare Businesses is revoked or suspended for a period exceeding 10 days;

16.2.17 engages in conduct which reflects materially and unfavorably upon the operations and reputation of the System; or

16.2.18 defaults under any other agreement between Franchisor (or any of its Affiliates) and Franchisee, such that Franchisor or its Affiliate, as the case may be, has the right to terminate such agreement or such agreement automatically terminates.

16.3. Termination by Franchisor - With Cure

Except as otherwise provided above, Franchisor has the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that Franchisee may avoid termination by curing such default or failure (or by providing proof acceptable to Franchisor that Franchisee has made all reasonable efforts to cure such default or failure and will continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

16.3.1 Within twenty four (24) hours of receiving notice of Franchisee's failure to comply with our social media policy regarding posting content containing public displays of affection, confidential information, violations of health or safety standards, foul or obscene language or other images that have not been approved by Franchisor.

16.3.2 Within forty eight (48) hours of receiving notice of Franchisee's failure to cure violation of (1) any law, regulation, or order, or (2) our policy regarding posting defamatory or offensive comments on social media sites;

16.3.3 Within five (5) days of receiving notice of Franchisee's failure to (1) pay monies owing to Franchisor, or (2) maintain the required level of insurance,

16.3.4 Within fourteen (14) days of receiving notice of any other default by Franchisee under this Agreement or the Promissory Note attached to the Conversion Franchise Agreement or upon Franchisee's failure to comply with any mandatory specification, standard, or operating procedure prescribed in the Manual or otherwise prescribed in writing, other than the failure to meet the Minimum Monthly Average Sales Quota, or

16.3.5 Within thirty (30) days of receiving notice from Franchisor that Franchisee has failed to meet its Minimum Monthly Average Sales Quota

Notwithstanding the foregoing, if a statute in the state or municipality in which the Franchisee conducts business is located, or any statute within the Protected Territory, requires application of that state or municipal law, and that statute requires a cure period for the applicable default which is longer than any cure period specified in this section, the statutory cure period will apply.

Upon providing notice of termination to Franchisee under this Section 16.3, Franchisor and any of its affiliates at their option may suspend all services provided to Franchisee under this Agreement, and reinstate such services only upon Franchisee's curing of the default or failure, including restricting or blocking Franchisee's access to the Franchisee Technology Services or the designated software.

16.4. Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or expiration other than in accordance with applicable law, Franchisor may reinstate or extend the Initial Term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

16.5 Damages

Upon Franchisee's failure to cure any event of default within the time period specified above, or if no cure is provided, Franchisor may proceed to enforce any or all of the following non-exclusive remedies or any other remedy, claim, cause of action, award, or damages allowed by law or equity, with the understanding that the pursuit of any one remedy shall not be deemed an election or waiver by Franchisor to pursue additional remedies as all remedies are cumulative and are not exclusive:

16.5.1. Bring one or more actions for: lost profits as measured by the future stream of Royalty Fees (reduced to present value the calculation of which will be determined by the Franchisor's certified public accountant or other accountant using a generally accepted method for such calculation) and other fees that would have been due and payable had breach and default not occurred; penalties and interest as provided for in this Franchise Agreement; and for all other damages sustained by Franchisor as a result of Franchisee's breach of this Franchise Agreement.

16.5.2. Accelerate the balance of any outstanding installment obligation due hereunder and bring an action for the entire accelerated balance.

16.5.3 Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Franchise Agreement and otherwise stop Franchisee from engaging in actions prohibited hereby, including, without limitation: (a) improper use of the Marks or System; (b) unauthorized assignment of the Franchise Agreement; (c) violation of any of the restrictive covenants; and (d) Franchisee's failure to meet or perform Franchisee's obligations upon termination or expiration of this Franchise Agreement.

16.5.4 Terminate this Franchise Agreement and proceed to enforce Franchisor's rights under the appropriate provisions. Such termination shall be effective upon delivery of a notice of termination to Franchisee without further action by Franchisor. The Franchisor and Franchisee agree that such termination will not prejudice Franchisor's right to bring an action for lost future Royalty or other fees.

16.5.5. If Franchisee operates the Business after transfer, repurchase, termination or expiration; uses any of the Marks or any aspect of the System; violates any restrictive covenant after any termination, Transfer, or Assignment, then, in addition to any remedies provided above, and in addition to any other remedies in law or equity (all of which shall be cumulative and shall not be deemed to be an election of remedies to the exclusion of other remedies), Franchisor's remedies will include, but will not be limited to, recovery of the greater of: (a) all profits earned by Franchisee in the operation of the business using Franchisor's Marks or System after such Transfer, Assignment, repurchase, termination, or expiration; and/or (b) all Royalty Fees, advertising contributions, and other amounts which would have been due if such Transfer, Assignment, repurchase, termination, or expiration had not occurred; and/or (c) any other remedies available in law or equity.

16.5.6. Further, Franchisee agrees that, in the event Franchisee continues to operate or subsequently begins to operate any other business, Franchisee will not use any reproduction, counterfeit, copy, or colorable imitation of the Marks, either in connection with such other business or in the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's exclusive rights in and to the Marks and the System, and Franchisee further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor.

17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1. Actions to be Taken

Except as otherwise provided herein, upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee will terminate and Franchisee will:

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

17.1.2 cease to use the Confidential Information, the System and the Marks including, without limitation, all software, signs (including vehicle wraps), slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks and complete any other de-identification required by Franchisor;

17.1.3 upon demand by Franchisor, at Franchisor's sole discretion, immediately assign (or, if an assignment is prohibited, sublease for the full remaining Initial Term, and on the same terms and conditions as Franchisee's lease), its interest in the lease then in effect for the Approved Location to Franchisor and Franchisee will furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within 30 days after termination or expiration of this Agreement, and Franchisor has the right to pay rent and other expenses directly to the party to whom such payment is ultimately due;

17.1.4 take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any assumed name or equivalent registration filed with state, city or county authorities which contains the name "SYNERGY HomeCare" or any other Mark, and Franchisee will furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within 30 days after termination or expiration of this Agreement;

17.1.5 pay all sums owing to Franchisor and its Affiliate(s) which may include, but not be limited to, all damages, costs and expenses, including reasonable attorneys' fees, unpaid Royalty Fees, Marketing Fund Contributions, Technology Fees and any other amounts due to Franchisor or its Affiliate(s);

17.1.6 pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor arising out of or related to Franchisee's default of this Agreement or the exercise of Franchisor's right to terminate this Agreement pursuant to Section 16 or incurred by Franchisor subsequent to the termination or expiration of the Franchise in obtaining injunctive or other remedy or relief for the enforcement of any provisions of this Agreement;

17.1.7 destroy or immediately return to Franchisor (as Franchisor's discretion) the Manual and all other Confidential Information including records (including employee and customer lists), files (electronic or otherwise), instructions, brochures, agreements, disclosure statements and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchised Business (all of which are acknowledged to be Franchisor's property);

17.1.8 take all actions necessary or desirable to assign all telephone listings and numbers, e-mail addresses and registered domain names and URL's for the Franchised Business to Franchisor, including ratifying the form of assignment attached as Exhibit H, which will be executed by Franchisee concurrently with the execution of this Agreement, and will notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers or facsimile numbers associated with the Marks in any regular, classified or other telephone directory listing and will authorize transfer of same to or at the direction of Franchisor; and comply with all other applicable provisions of this Agreement.

17.2. Post-Termination Covenant Not to Compete

Franchisee and the Owners agree to comply with the restrictive covenants described in Sections 7.2 and 7.4 following the expiration, termination or transfer of this Agreement.

17.3. Unfair Competition

If Franchisee operates any other business, Franchisee will not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks. Franchisee will not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor. This Section is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Sections 7.4, 17.1 or 17.2.

17.4. Alteration of Approved Location

Upon termination or expiration, if Franchisor elects not to receive an assignment or sublease of the Approved Location, Franchisee will make such modifications or alterations to the Approved Location (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Approved Location.

17.5. Franchisor's Option to Purchase Certain Business Assets

If this Agreement expires or is terminated for any reason (other than due to breach of Franchisor), Franchisor has the option (but not the obligation), upon 30 days' written notice from the date of expiration or termination, to purchase from Franchisee any and all of the tangible and intangible assets relating to the Franchised Business (excluding any unsalable inventory, cash, short-term investments and accounts receivable) (collectively, the "Purchased Assets"). Franchisor may assign to a third party this option to purchase separate and apart from the remainder of this Agreement.

The purchase price for the Purchased Assets will be the fair market value of the Purchased Assets; provided that: (1) Franchisor may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (2) Franchisor may exclude from fair market value any provision for goodwill or similar value attributable to intangible property (such as the Marks and Confidential Information). If the parties cannot agree on fair market value within a reasonable time, Franchisor will designate an independent appraiser to determine the fair market value of the Purchased Assets. The determination of such appraiser will be binding on the parties hereto, and the costs of such appraisal will be divided equally between Franchisee and Franchisor. The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur within a reasonable time, not to exceed 60 days, after the fair market value is determined. At the closing, Franchisee will deliver documents transferring good and merchantable title to the Purchase Assets, free and clear of all liens, encumbrances and liabilities to Franchisor or its designee and such other documents Franchisor may reasonably request to permit Franchisor to operate the Franchised Business without interruption. Franchisor may set off against and reduce the purchase price by all amounts Franchisee owes to Franchisor or any of its affiliates. If Franchisor exercises Franchisor's option to purchase assets of the Franchised Business, Franchisor may, pending the closing, appoint a manager to maintain Franchised Business operations.

18. TRANSFERABILITY OF INTEREST

18.1. Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee will assume the obligations of Franchisor hereunder and Franchisor will thereafter have no liability for the performance of any obligations contained in this Agreement.

18.2. Transfer by Franchisee to a Third Party

18.2.1 The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee (or its Owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's personal or collective skill and financial ability. Accordingly, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the Approved Location used in operating the Franchised Business, its assets or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor. Any purported transfer without such approval is null and void and will constitute a material breach of this Agreement.

18.2.2 Prior to contacting any broker or agent or making or receiving any offer to sell all or part of the Franchised Business:

18.2.2.1 Franchisee must send written notice to Franchisor stating its desire to sell all or part of the Franchised Business, the nature of the interest that Franchisee desires to sell and such other information as Franchisor may request in connection with any intended sale of all or part of the Franchised Business; and

18.2.2.2 Franchisee must pay to Franchisor a non-refundable deposit of the transfer fee required pursuant to Section 18.2.3.9, in the amount equal to the greater of \$9,750 or 50% of Franchisor's then current transfer fee for each transfer request.

18.2.3 If Franchisee is in compliance with this Agreement, Franchisor's consent to such transfer may be conditioned upon the satisfaction of the following requirements:

18.2.3.1 Franchisee has provided Franchisor with the written notice required by Section 18.2.1;

18.2.3.2 Franchisee has complied with the requirements set forth in Section 19;

18.2.3.3 all obligations owed to Franchisor, and all other outstanding obligations relating to the Franchised Business, are fully paid and satisfied;

18.2.3.4 Franchisee (and any transferring Owners, if Franchisee is a business entity) has executed a general release in, or substantially similar to, the form attached as Exhibit I, of any and all claims against Franchisor, including its officers, directors, shareholders and employees, in their corporate and individual capacities including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to the transfer of Franchisee's ownership of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee will give the maximum release allowed by law;

18.2.3.5 the prospective transferee has satisfied Franchisor that it meets Franchisor's then-current management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require in its sole discretion, to demonstrate its ability to conduct the Franchised Business;

18.2.3.6 the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current Franchise Agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Marketing Fund Contribution rates and other material provisions, and the Franchise Agreement then executed will be for the term specified in such agreement;

18.2.3.7 the transferee has executed a general release in, or substantially similar to, the form attached as Exhibit I, of any and all claims against Franchisor and its officers, directors, shareholders and employees, in their corporate and individual capacities, with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;

18.2.3.8 Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise;

18.2.3.9 Franchisee, or the transferee, has paid to Franchisor a transfer fee in the amount equal to \$19,500, less the deposit paid pursuant to Section 18.2.2, plus any applicable broker or sales service commissions that Franchisor incurs;

18.2.3.10 the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its Initial Term;

18.2.3.11 If the transferee is the spouse, child or relative of Franchisee or a Guarantor or a Controlled Entity owned by the spouse, child or relative of Franchisee or a Guarantor, then Franchisee and such Guarantor have agreed to be bound to the obligations of the new Franchise Agreement and to guarantee the full performance thereof by the transferee, if required by Franchisor;

18.2.3.12 the transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Approved Location) and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;

18.2.3.13 Franchisee has, and if Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee have, executed and delivered to Franchisor a nondisclosure and non-competition agreement in, or substantially similar to, the form attached as Exhibit F;

18.2.3.14 Prior to assuming the management of the day-to-day operation of the Franchised Business, the transferee's Designated Manager will complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 8.1;

18.2.3.15. Prior to, and as a condition of closing, Franchisee must: (i) have prepared introduction letters to all Referral Agencies, caregivers, clients and vendors ("Introduction Letters"). The Introduction Letters will at a minimum: (a) identify the transferee by name, address and telephone number; (b) state the date that the transferee will be taking over the Franchised Business; and, (c) will state that the Franchisee will after the date of the transfer, refrain from contacting the Referral Agencies, caregivers, clients and vendors during the Post-Term Restricted Period if such contact is in reference to a Competing Business; and, (ii) in cooperation with the transferee, contacted all hosting companies, email providers, telephone companies, and the like to inform each of the impending transfer. To this end, the transferee and Franchisee must sign all documents and do all things necessary to insure that each such company or agency has all documentation necessary to make the transfer on the closing. All letters, documents, and permissions required under this subsection 18.2.3.15 shall be first reviewed by Franchisor and sent out by the transferee on the day of closing; and,

18.2.3.16 Beginning on the first business day following the transfer, Franchisee will assist the transferee for a reasonable period of time of no less than 30 consecutive business days for at least 5 business hours each day to transition the Franchised Business to the transferee. After said 30 business days, the Franchisee shall be available to telephone consultation by the transferee for an additional 30 business days (for up to 3 hours per day) of telephone or email consultation. Such assistance will include but not be limited to the transfer of all contact information (including any URLs, telephone numbers, emails and contact information) to the transferee. If the transferee deems it to be reasonable, the Franchisee will personally introduce the transferee to all caregivers, vendors, clients, and administrative staff. The terms, covenants and conditions of this Section 18.2 shall survive the transfer and shall remain the continuing obligation of the Franchisee.

18.3. Transfer to a Controlled Entity

If Franchisee wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which must be entirely owned by Franchisee ("Controlled Entity"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer may be conditioned upon the satisfaction of the following requirements:

18.3.1 the Controlled Entity is newly organized and its charter provides that its activities are confined exclusively to the operation of the Franchised Business;

18.3.2 Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

18.3.3 all obligations of Franchisee to Franchisor or any Affiliate are fully paid and satisfied; provided, however, that neither Franchisee nor the transferee will be required to pay a transfer fee, as required, pursuant to Section 18.2.3.9;

18.3.4 the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Business. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;

18.3.5 all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;

18.3.6 each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof of 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 transfers and assignments by this Agreement; and

18.3.7 copies of the Controlled Entity's articles of incorporation, bylaws, operating agreement, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents will also be furnished to Franchisor immediately upon adoption.

The term of the transferred franchise will be the unexpired Initial Term of this Agreement, including all rights to a Successor Term, subject to any and all conditions applicable to such rights.

Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised Business, will not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor will it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.

18.4. Franchisor's Disclosure to Transferee

Franchisor has the right, without liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised Business or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and will release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to the Franchised Business by an intended transferee identified by Franchisee.

18.5. For-Sale Advertising

Franchisee will not, without prior written consent of Franchisor and compliance with Section 18.2.2, place in, on or upon the location of the Franchised Business, or in any communication media, any form of advertising relating to the sale of the Franchised Business or the rights granted hereunder.

18.6. Transfer by Death or Incapacity

Upon the death or incapacity (as determined by a court of competent jurisdiction) of any individual Franchisee or any holder of a legal or beneficial interest in Franchisee, the appropriate representative of such person (whether administrator, personal representative or trustee) will, within a reasonable time not exceeding 180 days following such event, transfer such individual's interest in the Franchised Business or in Franchisee to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance, are subject to the conditions for assignments and transfers contained in this Agreement. During that 180 day period, the Franchised Business must be under the primary supervision of a Designated Manager who otherwise meets Franchisor's management qualifications.

18.7. Public Offering

Stock, partnership interests, or other securities in Franchisee may be offered to the public only with the prior written consent of Franchisor, which consent will not be unreasonably withheld. As a condition of its approval of such offering, Franchisor may, in its sole discretion, require that immediately after such offering (whether registered or exempt) the Controlling Principals retain a Controlling Interest in Franchisee. All materials required for such offering by federal or state law must be submitted to Franchisor for a review limited solely to the subject of the relationship between Franchisee and Franchisor prior to being filed with any governmental agency. Any materials (including any private placement memorandum) to be used in any exempt offering or private placement must be submitted to Franchisor for such review prior to their use. No offering will imply (by use of the Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of securities of Franchisee, Franchisor, or any affiliate of Franchisor. Franchisor may, at its option, require Franchisee's offering materials to contain a written statement prescribed by Franchisor concerning the limitations described herein. Franchisee, its Controlling Principals, and the other participants in the offering must fully indemnify Franchisor and its affiliates, and each of their respective officers, directors, shareholders, partners, agents, representatives, independent contractors and employees in connection with the offering. For each proposed offering, Franchisee will pay to Franchisor a non-refundable fee of \$5,000, or such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including legal and accounting fees. Franchisee will give Franchisor written notice at least 30 days prior to the date of commencement of any offering or other transaction covered by this Section 18.7.

19. RIGHT OF FIRST REFUSAL

19.1. Submission of Offer

If Franchisee, or any of its Owners, proposes to sell the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder, Franchisee will obtain and deliver a bona fide, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to Franchisor. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of its Owners.

19.2. Franchisor's Right to Purchase

Franchisor will, for 30 days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisee. Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer. Franchisor's credit will be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor will have up to 60 days to close the purchase. Franchisor will be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal.

19.3. Non-Exercise of Right of First Refusal

If Franchisor does not exercise this right of first refusal within 30 days, the offer or proposal may be accepted by Franchisee or any of its Owners, subject to Franchisor's prior written approval as required by Section 18. Should the sale fail to close within 120 days after the offer is delivered to Franchisor, Franchisor's right of first refusal will renew and be implemented in accordance with this Section.

20. BENEFICIAL OWNERS OF FRANCHISEE

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in Exhibit D as Holders of a Legal or Beneficial Interest, each of whom have executed the

supplemental signature page below with respect to his or her individual obligations under this Agreement, are the sole holders of a legal or beneficial interest (in the stated proportions) of Franchisee.

21. RELATIONSHIP AND INDEMNIFICATION

21.1. Independent Contractor; No Fiduciary Duty.

Franchisee is an independent contractor. Franchisee is not an agent, legal representative, joint venturer, partner, employee or servant of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During any term of this Agreement, Franchisee will hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise from Franchisor. Franchisee will take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Approved Location and on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances will Franchisor be liable for any act, omission, contract, debt or any other obligation of Franchisee. Franchisor will in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business. Unless otherwise stated herein, Franchisor owes absolutely no fiduciary duty to the franchisee.

Franchisee is obligated and has sole authority to make all employment-related decisions, including hiring, firing, disciplining, wages, hours, and compensation for Franchisee's employees. The Franchisee must inform all new employees that Franchisee is the employer, not the Franchisor. Franchisee acknowledges that Franchisor does not have direct or indirect control over labor and employment decisions for Franchisee's employees.

21.2. Indemnification

Franchisee will hold harmless and indemnify Franchisor their Affiliates, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon Franchisee's (a) ownership or operation of the Franchised Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant or provision of this Agreement or any other agreement between Franchisee and Franchisor (or any of its Affiliates); (d) defamation of Franchisor, or the System; (e) acts, errors, or omissions committed or incurred in connection with the Franchised Business, including any negligent or intentional acts; or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Confidential Information.

21.3. Right to Retain Counsel

Franchisee will give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section causes any of Franchisee's insurers to refuse to pay a third party claim, all cause of action and legal remedies Franchisee might have against such insurer will automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances will Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss will in no way reduce the amounts recoverable by Franchisor from Franchisee.

22. GENERAL CONDITIONS AND PROVISIONS

22.1. No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee or any other franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, will constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee will not be binding unless in writing and executed by Franchisor and will not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due will not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

22.2. Injunctive Relief

As any breach by Franchisee of any of the restrictions contained in Sections 6, 7 and 17 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor will be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without having to post bond in excess of \$1,000.

22.3. Notices

Except as otherwise stated in this Franchise Agreement, all notices required or permitted under this Agreement will be in writing and will be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) at the time delivered by electronic mail to the email address that Franchisor designates for use in the Business; (c) 2 business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) 5 business days after being sent by Registered Mail, return receipt requested. All notices will be sent to Franchisee at the address listed on page 1 of this Agreement or such other address as Franchisee may designate in writing to Franchisor. All notices, payments and reports required by this Agreement will be sent to Franchisor at the following address:

SYNERGY HOMECARE FRANCHISING, LLC
Attention: General Counsel
1757 E. Baseline Road, Bldg. 6, Suite 124,
Gilbert, Arizona 85233

22.4. Cost of Enforcement or Defense

All reasonable and necessary costs and expenses, including attorneys' fees, incurred by Franchisor or Franchisee in enforcing any provisions of this Agreement, or in defending against any claims made against one by the other with respect to this Agreement, whether through injunctive relief or otherwise, will be paid to the prevailing party or the successful party in such action by the other party.

22.5. Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of 5% or greater will be required to execute, as of the date of this Agreement, the Guaranty and Assumption of Obligations attached as Ex. C, through which such holders agree to assume and discharge all of Franchisee's obligations under this Agreement (including the obligations set forth in Section 23) and to be personally liable hereunder for all of the same. If, after the Effective Date of this Agreement, any person or entity becomes a legal or beneficial interest holder of Franchisee of 5% or greater, Franchisee agrees that such person's or entity's interest will only become effective upon that person or entity executing the Guaranty and Assumption of Obligations Agreement attached as Ex. C.

22.6. Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee will make a timely written request to Franchisor therefor and, except as otherwise provided herein, any approval or consent granted will be effective only if in writing. Unless otherwise noted herein, Franchisor will use its Reasonable Business Judgment when making any decision. Franchisor makes no warranties nor guarantees upon which Franchisee may rely, and assumes no liability nor obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

22.7. Entire Agreement and State Amendments

This Agreement, its exhibits and the documents referred to herein will be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and will supersede all prior agreements. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchisor's SYNERGY HomeCare Franchise Disclosure Document. No other representation, oral or otherwise, has induced Franchisee to execute this Agreement, and there are no representations (other than those within Franchisor's SYNERGY HomeCare Disclosure Document), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change or variance from this Agreement will be binding on either party unless executed in writing by both parties. Please see Exhibit I for an amendment to this Agreement that may be required by Franchisee's state.

22.8. Severability and Modification

Except as noted below, each paragraph, part, term and provision of this Agreement will be considered severable, and if any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling will not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter will continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions will be deemed not part of this Agreement; provided, however, that if Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement. Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

Notwithstanding the above, each of the covenants contained in Sections 7 and 17 will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it will be amended to provide for limitations on disclosure of Confidential Information or on competition to the maximum extent provided or permitted by law.

22.9. Construction

All captions herein are intended solely for the convenience of the parties, and none will be deemed to affect the meaning or construction of any provision hereof. Whenever the term "including" is used, it shall mean "including, but not limited to...". All captions are for convenience only. The plural shall include the singular, the reference to a business entity shall where applicable refer to a person, and the reference to one gender shall refer to the other gender.

22.10. Force Majeure

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

for the performance of such act will be extended for the amount of time of the delay. This clause will not result in an extension of the Initial Term of this Agreement.

22.11. Timing

Time is of the essence; except as set forth in Section 22.10, failure to perform any act within the time required or permitted by this Agreement will be a material breach.

22.12. Withholding Payments

Franchisee will not, for any reason, withhold payment of any Royalty Fees or other amounts due to Franchisor or to any of its Affiliates. Franchisee will not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor will set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

22.13. Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

22.14. Multiple Originals

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original. Further, to the extent permitted by state and federal law, Franchisor may permit the Franchisee to electronically execute documents in accordance with the procedures set forth in the Manuals.

22.15. Survival of Certain Provisions

All obligations of Franchisor and Franchisee which expressly or by their nature survive the expiration or termination of this Agreement, including, but not limited to those found in Sections 7.1, 7.2, 7.4, 7.7, 9.1, 17, 18.2, 21.2, 21.3, 22.4, 22.5, 22.8, and 23, will continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

23. DISPUTE RESOLUTION

23.1. Choice of Law

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement will be governed by and construed in accordance with the laws of the State of Arizona (without reference to its conflict of laws principles), excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. The Federal Arbitration Act will govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law, as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

23.2. Consent to Jurisdiction

Any action brought by either party, except those claims required to be submitted to mediation or arbitration, will be brought in the appropriate state or federal court located in or serving Maricopa County, Arizona. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. The parties hereby submit to service of process by registered mail, return receipt requested, or by any other manner provided by law. Claims for injunctive relief may be brought by Franchisor where Franchisee is located. This exclusive choice of jurisdiction and venue provision will not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

23.3. Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be in addition to every other right or remedy. Nothing contained herein will bar Franchisor's right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

23.4. Limitations of Claims

Any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an action for a claim is commenced within 1 year from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim.

23.5. Limitation of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Section 22.4. Franchisee waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages will not exceed and will be limited to refund of Franchisee's Franchise Fee and Royalty Fee payments.

23.6. Waiver of Jury Trial

All Parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement. This waiver is done voluntarily and knowingly, and with the opportunity to review this provision with an attorney.

23.7. Mediation

Except as otherwise stated in this Section 23.7, the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of disputes between franchisors and franchisees, agreed upon by the parties. If the parties do not agree upon a mediator or mediation services organization within 15 days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association pursuant to its rules governing mediation, at Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within 90 days after conferring with the mediator, either party may submit such claim, controversy or dispute to arbitration under Section 23.8 below. Franchisor may bring an action under the applicable provisions of this Section 23 without first submitting the action to mediation under this Section 23.7 if the action relates to the ownership of any of Franchisor's Marks, the unauthorized use or disclosure of Franchisor's

Confidential Information, covenants against competition, money due Franchisor or its affiliates, or claims arising from or related to termination of this Agreement for violations of health or safety regulations.

23.8. Arbitration

This Agreement evidences a transaction involving commerce and, therefore, the Federal Arbitration Act, Title 9 of the United States Code is applicable to the subject matter contained herein. Except for controversies or claims relating to the ownership of any of Franchisor's Marks, the unauthorized use or disclosure of Franchisor's Confidential Information, covenants against competition, money due Franchisor or its affiliates, or claims arising from or related to termination of this Agreement for violations of health or safety regulations, all disputes arising out of or relating to this Agreement or to any other agreements between the parties, or with regard to interpretation, formation or breach of this or any other agreement between the parties, shall be settled by binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The proceedings will be held by a single arbitrator agreed upon by the parties or otherwise appointed by the Superior Court for the State of Arizona and located in Maricopa County, Arizona. Any award will, at a minimum, be a reasoned award. The arbitration shall be conducted in Maricopa County, Arizona. Any action shall be conducted on an individual basis, and not part of a consolidated, common, or class action, and Franchisee and Owners waive any and all rights to proceed on a consolidated, common, or class basis.

Except for the appeals process described below, the decision of the arbitrator(s) will be final and binding on all parties to the dispute,

Any award rendered by the arbitrator(s) may be appealed pursuant to the American Arbitration Association's Optional Appellate Arbitration Rules in effect as of the Effective Date of this Agreement ("Appellate Rules"). The award will not be considered final until after the time for filing the notice of appeal pursuant to Rule A-3 of the existing Appellate Rules, by filing a notice of appeal with any AAA office. The appeal tribunal may affirm, reverse, or modify the award of the arbitrator(s), and/or return the matter to the arbitrator(s) for further action. A final award may be entered once the appeal process is completed or the time for filing an appeal has expired, and a judgment entered upon the arbitration award in accordance with the procedures identified herein.

Judgment upon the award rendered by the arbitrator(s) may be entered in any court having personal and subject matter jurisdiction.

Franchisee acknowledges that it has read the terms of this binding arbitration provision and affirms that this provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees.

24. ACKNOWLEDGMENTS

24.1. Receipt of this Agreement and the Franchise Disclosure Document

Franchisee represents and acknowledges that it has received, read and understands this Agreement and Franchisor's Franchise Disclosure Document; and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. Franchisee represents and acknowledges that it has received an exact copy of this Agreement and its exhibits at least 7 days prior to the date on which this Agreement was executed and that it has received, at least 14 days prior to the date on which this Agreement was executed, the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled Disclosure Requirements and Prohibitions Concerning Franchising, or such longer period of time as is required by applicable state law.

24.2. Consultation by Franchisee

Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Franchisee represents that it has either consulted with such advisors or has deliberately declined to do so.

24.3. True and Accurate Information

Franchisee represents that all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

24.4. Risk

Franchisee represents that it has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like any other business, an investment in a SYNERGY HomeCare Business involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby.

24.5. No Guarantee of Success

Franchisee represents and acknowledges that it has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised Business. Franchisee represents and acknowledges that there have been no representations by Franchisor's directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Franchise Disclosure Document or this Agreement.

24.6. No Violation of Other Agreements

Franchisee represents that its execution of this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

SYNERGY HOMECARE FRANCHISING, LLC

By:

Signed: _____

Name: _____

Title: _____

FRANCHISEE:

By:

Signed: _____

Name: _____

Title: _____

[or, if an individual]

Signed: _____

Name printed: _____

[SUPPLEMENTAL SIGNATURE PAGE FOLLOWS]

The following have duly executed this Agreement with respect to, and agree to be personally bound by, the obligations contained in this Agreement including, without limitation, those contained in Sections 7, 17, 18, 19, 20 and 21:

Signed: _____

Name printed: _____

Relationship to Franchisee: _____

Signed: _____

Name printed: _____

Relationship to Franchisee: _____

Signed: _____

Name printed: _____

Relationship to Franchisee: _____

Signed: _____

Name printed: _____

Relationship to Franchisee: _____

Signed: _____

Name printed: _____

Relationship to Franchisee: _____

Signed: _____

Name printed: _____

Relationship to Franchisee: _____

EXHIBIT A TO THE FRANCHISE AGREEMENT**APPROVED LOCATION**

The street address (or detailed description of the premises) of the Approved Location is:

Agreed to and acknowledged by:

SYNERGY HOMECARE
FRANCHISING, LLC

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

[or, if an individual]

Signed: _____

Name printed: _____

EXHIBIT B TO THE FRANCHISE AGREEMENT**FRANCHISE FEE/PROTECTED TERRITORY**

A. Franchise Fee. Franchisee will pay Franchisor a Franchise Fee equal to \$ _____.

B. Protected Territories. The Protected Territories are as follows:

1. First Protected Territory: _____

2. Second Protected Territory: _____

The Protected Territories will be defined by and exist within the following zip codes or other physical, political or natural boundaries.

Franchisee acknowledges and agrees that if a third party provider generates the Protected Territory on Franchisor's behalf and that provider makes an unintentional error in assigning zip codes or other boundaries, Franchisor may reasonably alter the Protected Territory to correct such error.

Agreed to and acknowledged by:

SYNERGY HOMECARE
FRANCHISING, LLC

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

[or, if an individual]

Signed: _____

Name printed: _____

EXHIBIT B-1 TO THE FRANCHISE AGREEMENT

MAP OF PROTECTED TERRITORY

EXHIBIT C TO THE FRANCHISE AGREEMENT

(Only Sign If You Are Signing As A Corporation)

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____,
 20_____, by _____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith ("Agreement") by SYNERGY HOMECARE FRANCHISING, LLC ("Franchisor"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the Initial Term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement. Each of the undersigned are personally bound by, and personally liable for, Franchisee's breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 7 and 17 of the Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guaranty are joint and several; (b) it will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (d) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the Initial Term of this Agreement and any Interim Period.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

PERCENTAGE OF OWNERSHIP
 IN FRANCHISEE: _____ %

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

PERCENTAGE OF OWNERSHIP
 IN FRANCHISEE: _____ %

EXHIBIT D TO THE FRANCHISE AGREEMENT**HOLDERS OF LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE; OFFICERS, DIRECTORS**

Holders of Legal or Beneficial Interest Percentage of Ownership Position/Title

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Officers and Directors Position/Title

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

EXHIBIT E TO THE FRANCHISE AGREEMENT

NATIONAL ACCOUNTS PROGRAM

PARTICIPATION ADDENDUM

This Addendum is entered into by and among Franchisor and Franchisee as of this ____ day of _____, 201____.

RECITALS

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted a license to use the Marks and System in the operation of the Franchise in the Protected Territory;

WHEREAS, Franchisor may develop various National Accounts under the National Accounts Program; and Franchisee desires to participate in the National Accounts Program and Franchisor desires to have Franchisee participate in the National Accounts Program;

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

1. Definitions

A "National Account" is a customer, a group of customers, or an entity acting on behalf of a customer group or customers that operate (as under common ownership or control) under the same trademarks or service marks through independent franchise or some other association or entity, for which Franchisor has arranged to provide services at multiple locations. National Accounts may include: corporations, organizations, federal, state, and local government entities and organizations, employee assistance programs, Medicare Advantage plans, and other persons or entities that may have a need for products and services from Franchised Businesses at multiple locations. The locations of some National Accounts and the locations at which some of the National Accounts may require services of a Franchised Business may be located within or outside the Protected Territory.

2. No Territorial Rights

Regardless of any other provisions in the Agreement, Franchisor grants to Franchisee no territorial rights of any kind whatsoever in connection with the National Accounts Program. Franchisor agrees to provide Franchisee the right of first refusal to service a National Account in the Protected Territory provided that Franchisee is in full compliance with the Franchise Agreement. If Franchisee is unable or unwilling to provide service to the National Account inside the Protected Territory, then Franchisor may, at its option, authorize a third party (including another SYNERGY HomeCare Franchisee) to provide service to that National Account inside Franchisee's Protected Territory.

3. Best Efforts

Franchisee must use Franchisee's best efforts to perform services to National Accounts located: (i) in the Protected Territory in which the Franchised Business is located; and (ii) outside the Protected Territory in which the Franchised Business is located, if directed to do so by Franchisor. Franchisee must use Franchisee's best efforts to perform services to National Accounts on the terms and conditions specified in the program for those National Accounts, which Franchisor, in Franchisor's sole discretion, may modify or amend from time to time. The terms of various National Accounts may vary from National Account to National Account depending on the situations and circumstances. Franchisee is bound by the rules governing each National Account.

4. Alternative Services

Franchisee must fully perform services for any National Account which Franchisor designates. In addition, Franchisee recognizes that some National Accounts, for whatever reason, may decide that they do not want to do business with Franchisee. If that happens, Franchisor, in Franchisor's sole discretion, will cooperate with Franchisee, at Franchisee's expense, to the extent Franchisor deems reasonably predictable, to resolve the National Account's concern. However, if after Franchisor exercises what Franchisor believes, in Franchisor's sole discretion, to be reasonable efforts to rectify the concern, and the National Account continues to refuse to do business with Franchisee, then Franchisee agrees that Franchisor, or any other franchisee or any third party that Franchisor designates (the "Other Franchisee") may provide services to that National Account. Franchisee also agrees that Franchisor or Other Franchisee may perform services for any National Account located anywhere in the Protected Territory or outside the Protected Territory, from whom Franchisee has declined to provide services, is unable to provide services, or whom refuses to do business with Franchisee. Franchisor or Other Franchisee who provides services for a National Account will not be liable to Franchisee or obligated to pay to Franchisee any compensation for doing so nor will Franchisor or Other Franchisee be considered in breach of any provision of this Agreement or any other agreement between Franchisee and Franchisor. Franchisee releases Franchisor and Other Franchisee providing services to such National Accounts, from any liability or obligation to Franchisee for providing services to such National Accounts.

5. Forms and Reports

For the purposes of coordinating efforts and results of National Account's programs, Franchisee must provide Franchisor with copies of all reports, forms, and notices, relating to performing services for National Accounts that Franchisor may specify from time to time. Franchisee also agrees to coordinate with Franchisor any solicitations Franchisee conducts that may have potential for development as National Accounts.

6. Billings and Collection

Franchisee recognizes that various National Accounts may require billing and collection procedures that differ from those specified in the Franchise Agreement. Franchise is required to comply with any of the billing and collection procedures specified by Franchisor for various National Accounts. For example, Franchisor may require Franchisee to participate in a centralized billing and collection procedure through which all billings for a National Account will be accomplished. Accordingly, Franchisor may requires that all contracts, invoices, and billings for products or services be submitted to a centralized billing service which Franchisor or the applicable National Account designates. If Franchisee receives any payments from any National Accounts which requires centralized billing, Franchisee must immediately remit such payments, properly endorsed, directly to the centralized billing service, without any deduction.

7. Eligibility

Due to the need to ensure adherence to quality standards and performing services for National Accounts, Franchisee will not be eligible to perform services for a National Account unless the Franchisee is in full compliance with the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

SYNERGY HOMECARE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:

By:

Name: _____

Title: _____

[or, if an individual]

Signed: _____

Name printed: _____

EXHIBIT F TO THE FRANCHISE AGREEMENT

(Only Sign If You Are Signing As A Corporation)

NONDISCLOSURE, NONSOLICITATION AND NONCOMPETITION AGREEMENT

This Agreement (this “Agreement”) is entered into by the undersigned (“you”) in favor of SYNERGY HomeCare Franchising, LLC, an Arizona limited liability company, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Approved Location*” means the site for the operation of Franchisee’s SYNERGY HomeCare business, which is located at _____ (or any subsequent address following an approved relocation).

“*Competitive Business*” means any business that offers (or grants franchises or licenses to others to operate a business that offers) home care services (including housecleaning and light maintenance), personal care services (including meal preparation, child care, medication reminders, medical and social appointment scheduling, and management of and assistance with household affairs and expenses), transportation services, home care or home care-related internet-based services or products, care management and companionship services the same as or similar to those provided by SYNERGY HomeCare Businesses or in which Confidential Information could be used to the disadvantage of us, our Affiliate(s) or our other franchisees.

“*Confidential Information*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a SYNERGY HomeCare business, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

“*Copyrights*” means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow SYNERGY HomeCare franchisees to use, sell or display in connection with the marketing and/or operation of a SYNERGY HomeCare business, whether now in existence or created in the future.

“*Franchisee*” means the SYNERGY HomeCare franchisee with whom you are associated, whether as an officer, director, executive, manager, employee, independent contractor, spouse of an Owner, or immediate family member of any of the foregoing.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Confidential Information and System.

“*Manual*” means the SYNERGY HomeCare Operations Manual, and any other items as may be provided, added to, changed, modified or otherwise revised by us from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers’ manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, us.

“*Marks*” means the trademark “SYNERGY HomeCare” and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as we may designate to be used in connection with SYNERGY HomeCare businesses.

“*Protected Territory*” means the protected territory described in the SYNERGY HomeCare franchise agreement for the SYNERGY HomeCare franchise with whom you are associated, whether as an officer, director, executive, manager, employee, independent contractor, spouse of an Owner, or immediate family member of any of the foregoing.

“Restricted Period” means the period of time that you are associated with Franchisee (whether as an officer, director, executive, manager, employee, independent contractor, spouse of an Owner, or immediate family member of any of the foregoing) and for a period of two (2) years after the later of (i) the termination, expiration or transfer of Franchisee’s SYNERGY HomeCare franchise agreement; (ii) the date that Franchisee’s association with Franchisee ends or if this Agreement is made subject to litigation or arbitration than the date that the court or arbitrator affirms the Franchisor’s right to a Restricted Period. For purposes of this definition, a spouse’s divorce from an officer, director, executive, manager, employee or independent contractor of Franchisee shall not, in and of itself, be considered a disassociation from Franchisee.

“Restricted Territory” means the Protected Territory, the area within 35 miles from the border of the Protected Territory or any protected territory of another SYNERGY HomeCare franchisee or Franchisor or its affiliates.

“System” means the uniform standards, methods, procedures and specifications developed by us (including any modifications made by any SYNERGY HomeCare business or franchisee, all of which is our property), and as may from time to time be added to, changed, modified, withdrawn or otherwise revised by us, in our sole discretion, for the operation of a SYNERGY HomeCare business.

2. Background. You have a significant association with Franchisee by virtue of the services you provide for Franchisee or Franchisee’s relationship with a person who provides substantial services for Franchisee. As a result of this association, you may gain knowledge of our System and Confidential Information, even though disclosure of such knowledge may be prohibited (particularly if you are a spouse or family member of a person who provides services for Franchisee). You understand that protecting our Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Our Confidential Information and Intellectual Property. You agree: (i) you will not use the Confidential Information in any business or capacity other than the SYNERGY HomeCare business operated by Franchisee; (ii) you will maintain the confidentiality of the Confidential Information at all times; (iii) you will not make unauthorized copies of documents containing any Confidential Information; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (v) you will stop using the Confidential Information immediately if you are no longer an officer, director, executive, manager, employee or independent contractor of Franchisee (spouses and immediate family members of these individuals have no right to gain access to or use our Confidential Information for any purpose whatsoever). You further agree that you will not use our Intellectual Property for any purpose other than the performance of Franchisee’s duties for Franchisee within the scope of Franchisee’s employment or other engagement with Franchisee.

4. Unfair Competition. You agree not to unfairly compete with us during the Restricted Period by engaging in any of the following activities:

(i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business that is located within, and/or provides competitive goods or services to clients who are located within, the Restricted Territory.

(ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or

(iii) inducing any client of ours (or of one of our affiliates or franchisees) to transfer their business away from us (or our affiliate or franchisee).

Section 4(i) does not prevent you from owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business. If you engage in any of these prohibited activities during the Restricted Period, then you agree that Franchisee’s Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.** Notwithstanding the foregoing, if a court or tribunal of competent jurisdiction finds any covenant of this Agreement to be too restrictive, then such court or tribunal may amend the offending limitation, in the least manner possible so as to create a covenant that is enforceable to the fullest extent permissible.

6. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other SYNERGY HomeCare franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement. Franchisee is an express and intended third party beneficiary of this Agreement and has the right, with our approval, to enforce the provisions hereof to the same extent as us.

7. Miscellaneous.

(a) If a party to this Agreement is required to enforce any term, covenant or condition of this Agreement in a judicial or arbitration proceeding, the "Prevailing Party" will be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees, in connection with such proceeding. For the purposes of this Agreement, the Prevailing Party shall be deemed to be that party which has obtained the greatest net judgment in terms of money or money equivalent. If money or money equivalent has not been awarded, the Prevailing Party shall be that party which has prevailed on a majority of the material issues decided. The "net judgment" is determined by subtracting the smallest award of money or money equivalent from the largest award. Further, where a party seeks money damages and the other party seeks equitable relief and both prevail, fees and costs under this section shall be awarded by the court to the Party that it deems has substantially prevailed after considering the tenor and content of this covenant.

(b) This Agreement will be governed by, construed and enforced under the laws of the state of Arizona and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

EXECUTED on the date stated below.

Date _____

Signature

Typed or Printed Name

EXHIBIT G TO THE FRANCHISE AGREEMENT

PROTECTION OF CLIENT HEALTH INFORMATION AGREEMENT

This Protection of Client Health Information Agreement is entered into between _____ ("Franchisee") and SYNERGY HomeCare Franchising, LLC ("Franchisor") in order to comply with the privacy and security provisions of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as amended from time to time (the Act and regulations shall be collectively referred to as "HIPAA").

RECITALS

WHEREAS Franchisor performs certain services for Franchisee described in the Franchise Agreement and may receive from Franchisee, or create, receive, maintain or transmit on behalf of Franchisee, health information that is protected under federal and/or state law;

WHEREAS, some of this information may be considered Protected Health Information for Franchisees that are Covered Entities;

WHEREAS, Franchisee and Franchisor desire to protect health information in accordance with all applicable federal and state law, including the Privacy, Security, Enforcement, and Breach Notification Rules promulgated by the Department of Health and Human Services at 45 C.F.R. Parts 160 and 164 under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA");

WHEREAS, Franchisee may or may not be a Covered Entity subject to HIPAA and Franchisee acknowledges it is solely responsible for determining its status as a Covered Entity;

WHEREAS Franchisee is, or may become, a Covered Entity, Franchisee is solely responsible for meeting its obligations as a Covered Entity under HIPAA.

WHEREAS, Franchisor seeks to act in accordance with the standards set forth in the HIPAA Rules, which are specifically set forth in this Agreement, and would generally be applicable to an entity that is a Business Associate;

WHEREAS, Franchisor seeks to adopt the uniform standards of this Agreement regardless of whether Franchisee is subject to the HIPAA Rules as a Covered Entity or whether Franchisor is subject to the HIPAA Rules as a Business Associate;

NOW, THEREFORE, the foregoing recitals are incorporated into this Agreement as if fully set forth herein, and the parties agree as follows:

STATEMENT OF AGREEMENT

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

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

3. Use and Disclosure; Rights. Franchisor agrees that it shall not use or disclose PHI except as

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

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

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

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

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

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

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

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

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

12. Security Breach Notification. Franchisor will, following the discovery of a breach of unsecured

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

13. Term. This Agreement takes effect on the effective date of the Franchise Agreement, and continues in effect unless and until either party terminates the Agreement.

14. Breach; Termination; Mitigation. If Covered Entity knows of a pattern of activity or practice of Franchisor that constitutes a material breach or violation of Franchisor's obligations under this Agreement, Franchisor and Covered Entity will take any steps reasonably necessary to cure such breach and make Franchisor comply, and, if such steps are unsuccessful, Covered Entity may terminate this Agreement. Franchisor will take reasonable actions available to it to mitigate any detrimental effects of such violation or failure to comply.

15. Return of PHI. Franchisor agrees that upon termination of this Agreement, and if feasible, Franchisor will (a) return or destroy all PHI received from Covered Entity, or created or received by Franchisor on behalf of Covered Entity, that Franchisor or any subcontractor maintains in any form or manner and retain no copies of such information or, (b) if such return or destruction is not feasible, immediately notify Covered Entity of the reasons return or destruction are not feasible, and extend indefinitely the protection of this Agreement to such PHI and limit further uses and disclosures to those purposes that make the return or destruction of the PHI not feasible.

16. Conflicts. The terms and conditions of this Agreement will override and control any conflicting term or condition of the Franchise Agreement. All non-conflicting terms and conditions of the Franchise Agreement will remain in full force and effect. Any ambiguity in this Agreement with respect to the Franchise Agreement will be resolved in a manner that will permit Covered Entity to comply with HIPAA.

Agreed to and acknowledged by:

SYNERGY HOMECARE
FRANCHISING, LLC

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

[or, if an individual]

Signed: _____

Name printed: _____

EXHIBIT H TO THE FRANCHISE AGREEMENT

(Only sign if you are renewing your franchise agreement)

RENEWAL ADDENDUM TO FRANCHISE AGREEMENT

INTRODUCTION

Franchisor and Franchisee are parties to a franchise agreement dated _____ (the “Old Franchise Agreement”) under which Franchisee operates a SYNERGY HomeCare® business at _____ (the “Business”). Guarantor agreed to personally guarantee Franchisee’s obligations under the Old Franchise Agreement. Franchisee desires to exercise an option to renew the grant of the franchise, which requires Franchisee to sign Franchisor’s current form of franchise agreement (the “New Franchise Agreement”) and sign a general release. Franchisor and Franchisee have signed the New Franchise Agreement as of the Effective Date, but Franchisor and Franchisee acknowledge and agree that certain provisions of the New Franchise Agreement are not applicable to Franchisee due to its existing contractual relationship with Franchisor. Franchisor and Franchisee desire to enter into this Renewal Addendum to reflect the agreement regarding the inapplicability of such provisions and to attain the general release.

AGREEMENTS

In consideration of the foregoing, the parties hereto agree as follows:

1. **Termination of the Old Franchise Agreement.** As of the Effective Date, the Old Franchise Agreement is terminated and is of no further force and effect, provided any provisions of the Old Franchise Agreement which, either explicitly or by their nature, survive termination will remain in full force and effect, including obligations relating to confidentiality and retention of records.

2. **Minimum Monthly Sales Quota.** Section 2.4 of the New Franchise Agreement is amended to delete the second, third and fourth paragraph in Section 2.4 of the New Franchise Agreement and replace it with the following:

In order to maintain exclusivity of Franchisee’s Protected Territory, Franchisee must achieve and maintain at least \$35,000 of Monthly Average Gross Sales (the “**Minimum Monthly Average Sales Quota**”) for each Protected Territory each month during every Year of Operation.

“For purposes of this Agreement, each “Year of Operation” will be defined by a twelve month period that commences on the first day of the first full calendar month after Franchisee’s Grand Opening and ends on the last day of the twelfth calendar month thereafter. At the end of each Year of Operation Franchisor will evaluate if Franchisee has satisfied the Minimum Monthly Average Sales Quota for the Year of Operation. If Franchisee has failed to satisfy the Minimum Monthly Average Sales Quota, Franchisor has the right to reduce the size or eliminate the Protected Territories and establish other franchises in the territory, fashion some other remedy, or terminate Franchisee’s Agreement, as Franchisor determines to be appropriate.”

For any Successor Franchise Agreement, the Minimum Monthly Average Sales Quota for each Year of Operation for each Protected Territory will be the greater of the Year 4 Monthly Average or the Franchisor’s then-current highest Minimum Monthly Average Sales Quota for Successor Franchise Agreements.”

3. **Successor Term.** Section 4.2 of the New Franchise Agreement is amended to provide that Franchisee's right to enter into a Successor Franchise Agreement is limited to ___ Successor Terms of 5 years each.

4. **Initial Training.** Section 8.1 of the New Franchise Agreement is amended to provide that Franchisor and Franchisee acknowledge and agree that the Designated Manager has successfully completed Franchisor's initial training program, and Franchisor will not conduct an initial training program for Franchisee.

5. **Opening Assistance.** Section 8.2 of the New Franchise Agreement is deleted in its entirety.

6. **Manual.** Section 9.1 of the New Franchise Agreement is amended to provide that Franchisee has received access to a copy of the Manual.

7. **Release.** Franchisee and Guarantor, and his respective heirs, successors and assigns, release and forever discharge Franchisor, its affiliates, successors, assigns, officers, directors, employees, and agents (the "Franchisor Parties"), of and from any claims, debts, liabilities, demands, obligations, costs expenses, actions and causes of action of every natures whether known or unknown, vested or contingent, which Franchisee or any Guarantor may now or in the future own or hold arising prior to and including the Effective Date against any one or more of the Franchisor Parties for any matter, fact or thing including, without limitation, any claims arising out of or relating to the Old Franchise Agreement or the Business, from the beginning of time to the Effective Date.

8. **Construction.** This Addendum supersedes any contradictory provisions in the New Franchise Agreement. In all other respects, the New Franchise Agreement will be construed and enforced with its terms. All capitalized terms which are not defined herein will have the meaning as described in the New Franchise Agreement.

The parties have signed this Addendum as of the date first above written.

Agreed to and acknowledged by:

SYNERGY HOMECARE
FRANCHISING, LLC

FRANCHISEE: _____
(type/print name)

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

[or, if an individual]

Signed: _____

Name printed: _____

EXHIBIT I TO THE FRANCHISE AGREEMENT
(Only sign if you are renewing or transferring your franchise agreement)

STANDARD FORM OF GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this _____ day of _____, 20____ by
_____, ("RELEASOR"), in consideration of:

_____ the execution by SYNERGY HomeCare Franchising, LLC ("RELEASEE") of a Successor Franchise Agreement or other documents extending the rights of RELEASOR to operate the franchise ("Franchise") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement ("Franchise Agreement") between RELEASOR and RELEASEE; or

_____ RELEASEE'S consent to RELEASOR'S assignment of its rights and duties under the Franchise Agreement; or

_____ RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement.

and other good and valuable consideration, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE'S officers, directors, shareholders and employees (in their corporate and individual capacities), and RELEASEE'S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR'S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise, the franchise relationship, or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. This General Release is not intended to nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law or any representation made in the Franchise Disclosure Document.

RELEASOR delivers this Release with the intent that RELEASEE rely upon the same. Should any condition, covenant, or clause herein be considered to be unenforceable, any tribunal of competent jurisdiction shall be permitted to amend the Release or to excise the offending clause, covenant, or condition so as to form an enforceable Release, which shall be binding upon the parties hereto to the fullest extent permissible.

This General Release cannot be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

RELEASOR: _____
(type/print name)

By: _____

Name: _____

Title: _____

EXHIBIT J TO THE FRANCHISE AGREEMENT

DIRECTORY LISTING AND DOMAIN NAME ASSIGNMENT AGREEMENT

For value received, the undersigned ("Franchisee") hereby irrevocably assigns the telephone listing, Yellow Pages or other directory listing, numbers and domain names stated below and any successor, changed or replacement number, numbers or domain names effective upon the date of termination of the agreement described below to SYNERGY HOMECARE FRANCHISING, LLC, an Arizona limited liability company ("Franchisor"), upon the following terms and conditions:

1. This assignment is made pursuant to the terms of the SYNERGY HOMECARE FRANCHISING, LLC Franchise Agreement of even date herewith ("Agreement") between Franchisor and Franchisee, which in part pertains to the telephone listing, numbers and domain names used by the Franchisee in the operation of the SYNERGY HomeCare Business in the franchise territory covered by the Franchise Agreement.

2. Franchisee retains the limited right to use the telephone listings, numbers, URLs, email addresses domain names and other business contact information solely for the transaction and advertising of the SYNERGY HomeCare Business while the Franchise Agreement between Franchisor and Franchisee remains in full force and effect, but upon termination or expiration of the Franchise Agreement for any reason, the limited right of use of the telephone listing, numbers, and domain names by the Franchisee will also terminate. In such event, Franchisee agrees to immediately discontinue use of said listings, numbers, and domain names and, at Franchisor's request, immediately execute any documents, pay all monies, and take any other action as may be necessary to transfer said listings, numbers domain names to Franchisor.

3. Each and every telephone number, affiliated listing domain name, URL, email address, and contact information used by Franchisee in connection with the Franchised Business will be subject to this assignment. As such numbers, listings, email addresses, URL and domain names are activated or acquired, Franchisee will notify Franchisor and such numbers, listing and domain names will be added below. The failure to insert such numbers, listings or domain names will not automatically affect the enforceability of this assignment with respect to those or any other numbers or listings.

4. Each and every social media address and account including but not limited to, a Facebook® page or Twitter® account that contains any term or any mark confusingly similar to a trademark or other intellectual property owned or licensed by Franchisor.

5. Franchisee agrees to pay all amounts owed pertaining to the use of the telephone numbers, affiliated listings and domain names incurred by it. In the event of termination or expiration of the Franchise Agreement for any reason, Franchisee agrees to immediately pay all amounts owed in connection with said listings, telephone numbers and domain names, whether or not yet due, including all sums owed under existing contracts for telephone directory or other on-line advertising.

SYNERGY HOMECARE FRANCHISING, LLC:

By: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Title: _____

Date: _____

EXHIBIT K TO THE FRANCHISE AGREEMENT**ELECTRONIC FUND TRANSFER AUTHORIZATION**

Depositor hereby authorizes and requests the bank named below ("Depository") to initiate debit and credit entries to Depositor's checking account savings account (*select one*) indicated below drawn by and payable to the order of Franchisor by Electronic Fund Transfer, provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depository's rights with respect to each such charge will be the same as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository will be under no liability whatsoever.

Depository Name: _____

City: _____ State: _____ Zip Code: _____

Transit/ABA Number: _____ Account Number: _____

This authority is to remain in full force and effect until Franchisor and Depository have received at least 30 days' written notification from Depositor of its termination, to afford Franchisor and Depository a responsible opportunity to act on such request.

Depositor's Name Printed: _____

Date Signed: _____

Signature(s) of Depositor: _____

(as printed above)

(If requested, please attach a voided blank check, for purpose of setting up Bank and Transit Numbers)

EXHIBIT L TO THE FRANCHISE AGREEMENT**MULTI-STATE ADDENDA**

ADDENDUM TO THE FRANCHISE AGREEMENT**SYNERGY HOMECARE FRANCHISING, LLC****FOR THE STATE OF CALIFORNIA**

This Addendum to the Franchise Agreement, agreed to this ____ day of _____, 20_____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-3516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- The California Franchise Relations Act provides rights to Franchisee concerning termination or nonrenewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement, specifically Sections 4.2 and 16.2.
- Section 16.2.1.10 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Section 17.2 of the Franchise Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law.
- New Section 17.6 is inserted into the Franchise Agreement and states as follows:

If termination is the result of Franchisee's default, Franchisee will pay to Franchisor a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to the total of all Royalty Fee payments for: (a) the twenty-four (24) calendar months of operation of Franchisee preceding Franchisee's default; (b) the period of time Franchisee has been in operation preceding the notice, if less than twenty-four (24) calendar months, projected on a twenty-four (24) calendar month basis; or (c) any shorter period as equals the unexpired term at the time of termination. The parties agree that a precise calculation of the full extent of the damages that Franchisor will incur on termination of this Agreement as a result of Franchisee's default is difficult and the parties desire certainty in this matter and agree that the lump sum payment provided under this Section is reasonable in light of the damages for premature termination that Franchisor will incur. This payment is not exclusive of any other remedies that Franchisor may have including attorneys' fees and costs.

- The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law.
- The Franchise Agreement requires application of the laws of a state other than California. This provision might not be enforceable under California law.
- Section 23.7 of the Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in Section 23.7, with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal

Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside of the State of California.

- This Addendum contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the California Investment Law and/or the California Franchise Relations Act are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT**SYNERGY HOMECARE FRANCHISING, LLC****FOR THE STATE OF HAWAII**

This Addendum to the Franchise Agreement, agreed to this _____ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E et seq., the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- The Hawaii Franchise Investment Law provides rights to Franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Agreement, and more specifically Sections 4.2, 16 and 18, contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- Sections 4.2.12, 8.3 and 18.2.4 require Franchisee to sign a general release as a condition of renewal and transfer of the franchise; such release will exclude claims arising under the Hawaii Franchise Investment Law.
- Section 16.2.1.10 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independent of this Addendum. To the extent this Addendum will be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SYNERGY HOMECARE FRANCHISING, LLC:**Franchisee:**_____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT**SYNERGY HOMECARE FRANCHISING, LLC****FOR THE STATE OF ILLINOIS**

This Addendum to the Franchise Agreement, agreed to this ____ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. **Illinois law** shall apply to and govern the Franchise Agreement(s).
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Franchisee's right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchsie Disclosure Act.
4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.
5. The Home Health, Home Services, and Home Nursing Agency Code is set forth in the Illinois Administrative Code at: 77 Ill. Adm. Code 245 (2015).

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SYNERGY HOMECARE FRANCHISING, LLC:**Franchisee:**_____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT**SYNERGY HOMECARE FRANCHISING, LLC****FOR THE STATE OF MARYLAND**

This Addendum to the Franchise Agreement, agreed to this ____ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201-14-233, the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- Sections 4.2.12, 8.3 and 18.2.4 require Franchisee to sign a general release as a condition of renewal, termination and transfer of the franchise; such release will exclude claims arising under the Maryland Franchise Registration and Disclosure Law.
- Section 16.2.1.10 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Section 23.1 of the Franchise Agreement requires that the franchise be governed by the laws of the State of Arizona; however, in the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, the laws of the State of Maryland will prevail.
- Sections 23.2 and 23.7 of the Franchise Agreement requires litigation or arbitration to be conducted in the State of Arizona; the requirement will not limit any rights Franchisee may have under the Maryland Franchise Registration and Disclosure Law to bring suit in the State of Maryland.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.
- All representations requiring a prospective franchisee to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SYNERGY HOMECARE FRANCHISING, LLC:**Franchisee:**_____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT**SYNERGY HOMECARE FRANCHISING, LLC****FOR THE STATE OF MINNESOTA**

This Addendum to the Franchise Agreement, agreed to this ____ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Franchise Agreement agree as follows:

- Sections 4 and 16 is amended to add that with respect to franchises governed by Minnesota Law, Franchisor will comply with the Minnesota Franchise Law which requires, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement.
- Sections 4.2.12, 8.3 and 18.2.4 do not provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
- Section 6 is amended to add that as required by Minnesota Franchise Act, Franchisor will reimburse you for any costs incurred by Franchisee in the defense of Franchisee's right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
- Section 23.4 of the Franchise Agreement is amended to state that any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an action for a claim is commenced within three (3) years from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.
- Section 23.5 is deleted in its entirety.
- Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Offering Circular or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SYNERGY HOMECARE FRANCHISING, LLC:

By: _____

Franchisee: _____

By: _____

ADDENDUM TO THE FRANCHISE AGREEMENT**SYNERGY HOMECARE FRANCHISING, LLC****FOR THE STATE OF NEW YORK**

This Addendum to the Franchise Agreement, agreed to this ____ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§ 680 through 695, the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- Sections 4.2.12, 8.3, and 18.2.4 require Franchisee to sign a general release as a condition of renewal, termination and transfer of the franchise; such release will exclude claims arising under the General Business Laws.
- Under Section 18.1 of the Franchise Agreement, Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.
- Section 21.2 is amended to provide that Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.
- Section 23.1 of the Franchise Agreement requires that the franchise be governed by the laws of the state the Franchisor's principal business is then located, such a requirement will not be considered a waiver of any right conferred upon the Franchisee by Article 33 of the General Business Laws.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the New York Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SYNERGY HOMECARE FRANCHISING, LLC:**Franchisee:** _____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement, agreed to this ____ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et seq.* Such provisions in the Agreement are hereby amended as follows:

- Sections 4.2.12, 8.3 and 18.2.4 of the Franchise Agreement are amended to provide that the North Dakota Securities Commissioner has held that any provision requiring a general release required as a condition of renewal, termination and/or transfer which is intended to exclude claims arising under North Dakota Law is unfair, unjust or inequitable to North Dakota franchisees under Section 51-19-09 of the North Dakota Franchise Investment Law.
- Sections 7.2, 7.4 and 17.2 of the Franchise Agreement is amended to add that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- Section 22.4 of the Franchise Agreement is amended to provide that the North Dakota Securities Commissioner has held that any provision requiring a franchisee to pay all costs and expenses incurred by a franchisor is unfair, unjust or inequitable to North Dakota franchisees under Section 51-19-09 of the North Dakota Franchise Investment Law.
- Section 23.1 of the Franchise Agreement is amended to provide that the North Dakota Securities Commissioner has held that any provision designating any law other than North Dakota Law is unfair, unjust or inequitable to North Dakota franchisees under Section 51-19-09 of the North Dakota Franchise Investment Law.
- Sections 23.2 and 23.8 of the Franchise Agreement is amended to provide that the North Dakota Securities Commissioner has held that any provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is unfair, unjust or inequitable to North Dakota franchisees under Section 51-19-09 of the North Dakota Franchise Investment Law.
- Section 23.4 of the Franchise Agreement is amended to state that the statute of limitations under North Dakota Law will apply.
- Sections 23.5 of the Franchise Agreement is amended to provide that the North Dakota Securities Commissioner has held that any provision requiring franchisees to consent to a waiver of exemplary or punitive damages is unfair, unjust or inequitable to North Dakota franchisees under Section 51-19-09 of the North Dakota Franchise Investment Law.
- Sections 23.6 of the Franchise Agreement is amended to provide that the North Dakota Securities Commissioner has held that any provision requiring franchisees to consent to a waiver of trial by jury is unfair, unjust or inequitable to North Dakota franchisees under Section 51-19-09 of the North Dakota Franchise Investment Law.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT**SYNERGY HOMECARE FRANCHISING, LLC****FOR THE STATE OF WASHINGTON**

This Addendum to the Franchise Agreement, agreed to this ____ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Washington Franchise Investment Protection Act, Washington Rev. Code §§19.100.010 – 19.100.940, the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- The Washington Franchise Investment Protection Act provides rights to Franchisee concerning non-renewal and termination of the Franchise Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act will control.
- Under Sections 4.2.12, 8.3 and 18.2.4, Franchisee is required to sign a general release as a condition of renewal, termination and transfer of the franchise; such release will exclude claims arising under the Washington Franchise Investment Protection Act.
- Section 23.1 of the Franchise Agreement requires that the franchise be governed by the laws of the State of Arizona; such a requirement may be unenforceable in the event of a conflict with the Washington Franchise Investment Protection Act. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
- Sections 23.2 and 23.7 of the Franchise Agreement requires litigation or arbitration to be conducted in the State of Arizona; the requirement will not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.
- Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act (such as a right to a jury trial), may not be enforceable.
- Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

3. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____



EXHIBIT D

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EXHIBIT E

FINANCIAL STATEMENTS

SYNERGY HomeCare Franchising, LLC

Financial Statements
As of and for the Year Ended
December 31, 2019

SYNERGY HomeCare Franchising, LLC

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Tel: 602-956-3400
Fax: 602-956-3402
www.bdo.com

2555 E. Camelback Road
Suite 750
Phoenix, AZ 85016

Independent Auditor's Report

Member
SYNERGY HomeCare Franchising, LLC
Gilbert, Arizona

We have audited the accompanying financial statements of SYNERGY HomeCare Franchising, LLC (the "Company"), which comprise the balance sheet as of December 31, 2019, and the related statements of operations, member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

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

Emphasis of Matter for COVID-19

As more fully described in Note 14 to the financial statements, the Company may be materially impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global health emergency by the World Health Organization on January 30, 2020. Our opinion is not modified with respect to this matter.

BDO USA, LLP

Phoenix, Arizona
April 24, 2020

Financial Statements

SYNERGY HomeCare Franchising, LLC

Balance Sheet

December 31,

2019

Assets	
Current Assets	
Cash	\$ 3,255,747
Restricted cash held for national marketing fund	1,338,356
Franchise royalties and other fees receivable, net of allowance for doubtful accounts of \$5,355	684,651
Prepaid expenses and other current assets	326,240
Total Current Assets	5,604,994
Property and Equipment	
Leasehold improvements	75,352
Office furniture and equipment	253,131
	328,483
Less accumulated depreciation and amortization	(126,863)
Total property and equipment	201,620
Contract assets	527,358
Goodwill, net	21,872,912
Intangible assets	
Trade name	25,000,000
Franchise agreements	27,000,000
Developed technology	240,000
	52,240,000
Less accumulated amortization	(8,342,727)
Total intangible assets	43,897,273
Total Assets	\$ 72,104,157
Liabilities and Member's Equity	
Current Liabilities	
National marketing fund	\$ 1,472,900
Accounts payable	57,943
Credit cards payable	141,259
Accrued expenses and other current liabilities	262,708
Contract liabilities, current portion	725,449
Current portion of long-term debt	894,413
Total Current Liabilities	3,554,672
Contract liabilities, net of current portion	1,449,517
Long-term debt, net of current portion and deferred financing costs	30,748,916
Total Liabilities	35,753,105
Commitments and Contingencies	
Member's Equity	36,351,052
Total Liabilities and Member's Equity	\$ 72,104,157

See accompanying notes to financial statements.

SYNERGY HomeCare Franchising, LLC

Statement of Operations

December 31,

2019

Revenues	
Royalty revenue	\$ 8,664,619
Marketing fund contributions	3,490,497
Initial franchise fees	907,046
Technology fees	449,727
Other	258,308
Total revenues	13,770,197
 Cost of Revenues	
Regional developer royalties	131,278
Marketing fund expenses	3,385,497
Initial franchise contract costs	399,823
Technology costs	487,194
Other	14,000
Total cost of revenues	4,417,792
 General and administrative expenses	
Depreciation and amortization expenses	3,512,532
	7,447,798
 Loss from Operations	
Interest expense	(1,607,925)
	2,967,682
Net Loss	\$ (4,575,607)

See accompanying notes to financial statements.

SYNERGY HomeCare Franchising, LLC
Statement of Member's Equity

	<u>Total Member's Equity (Deficit)</u>
Balance, January 1, 2019	\$ 43,487,682
Adoption of revenue recognition standard (Note 2)	(1,029,076)
Member tax distributions	(1,594,211)
Unit-based compensation	62,264
Net loss	(4,575,607)
Balance, December 31, 2019	\$ 36,351,052

See accompanying notes to financial statements.

SYNERGY HomeCare Franchising, LLC

Statement of Cash Flows

Year ended December 31,

2019

Cash Flows from Operating Activities

Net loss	\$ (4,575,607)
Adjustments to reconcile net loss to net cash provided by operating activities	
Depreciation and amortization	7,483,316
Provision for doubtful accounts	9,783
Amortization of deferred financing costs	177,957
Unit-based compensation expense	62,264
(Increase) decrease in:	
Franchise royalties and other fees receivable	(144,057)
Prepaid expenses and other current assets	(124,245)
Contract assets	161,321
(Decrease) increase in:	
National marketing fund	(774,841)
Accounts payable	(52,632)
Credit cards payable	(94,758)
Accrued expenses	127,214
Contract liabilities	317,211

Net Cash and Restricted Cash Provided by Operating Activities

2,572,926

Cash flows from Investing Activities

Purchases of property and equipment	(40,660)
-------------------------------------	----------

Net Cash and Restricted Cash Used in Investing Activities

(40,660)

Cash Flows from Financing Activities

Repayment of long-term debt	(330,000)
Distributions to member	(1,594,211)

Net Cash and Restricted Cash Used in Financing Activities

(1,924,211)

Net Increase in Cash and Restricted Cash

608,055

Cash and Restricted Cash, beginning

3,986,048

Cash and Restricted Cash, ending

\$ 4,594,103

Supplemental disclosures of cash flow information: non-cash investing and financing activities

Cash paid for interest	\$ 2,789,725
Non-cash impact from adoption of revenue recognition standard (Note 2)	1,029,076

See accompanying notes to financial statements.

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

1. Nature of Business

Nature of Business

SYNERGY HomeCare Franchising, LLC (the Company) was organized as an Arizona limited liability company on December 19, 2003, under the name AZHC Franchising, LLC for the purpose of franchising under the trade name "SYNERGY HomeCare." The Company changed its name to SYNERGY HomeCare Franchising, LLC on December 16, 2004.

On April 2, 2018, the Company was acquired (the Acquisition) by Synergy Acquisition LLC, a Delaware limited liability company. Synergy Acquisition LLC is a wholly owned subsidiary of Synergy HomeCare Holdings, LLC, which is now the ultimate parent (the Parent) of the Company. The Acquisition was funded through a combination of equity contributed by Parent, issuance of equity to the seller and borrowings by the Company. The Parent has no significant operations and its assets principally are comprised of its investment in the Company.

The Company's franchises currently offer nonmedical in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medical reminders, medical and social appointment scheduling and management, organization and bill-paying assistance, housecleaning services and light home maintenance to seniors and others who need help with daily living activities. The Company sells its franchises throughout the United States of America. The franchising of nonmedical in-home personal assistance is regulated by the Federal Trade Commission and various state authorities.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accounting and reporting policies of the Company are in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which is based on the accrual method of accounting.

Concentrations of Credit Risk

The Company maintains bank accounts with a banking institution in which the deposits are guaranteed by the Federal Deposit Insurance Corporation (FDIC). Such deposits periodically exceed the FDIC insured limit of \$250,000 for each account. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties. As of December 31, 2019, there were no losses incurred with respect to excess amounts over the FDIC insured limits.

Use of Estimates

The preparation of 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas that include significant estimates made by management include, but are not limited to, the collectability of receivables; estimated useful lives and carrying value of long-lived and intangible assets (including goodwill); expected contractual term

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

for contracts with customers; and the assumptions used in determining the fair value of unit-based compensation. Actual results could differ from those estimates.

Restricted Cash Held for National Marketing Fund

Restricted cash is related to cash that franchisees contribute to the Company's national marketing fund. Cash contributed by franchisees to the national marketing fund is to be used in accordance with the Franchise Disclosure Document for local, regional and national marketing and advertising of services offered by the franchisees and to increase brand awareness. As such, the restricted cash is required to be set aside and not available for the Company's general business use.

<i>December 31,</i>	<i>2019</i>
Cash	\$ 3,255,747
Restricted cash	1,338,356
Total cash and restricted cash shown in the statement of cash flows	\$ 4,594,103

Franchise Royalties and Other Fees Receivable

As a condition of the franchise, franchisees are required to make weekly payments for royalties generally representing 5 percent of a franchisee's gross sales, plus 2 percent of a franchisee's gross sales for marketing fund contributions, along with weekly technology fees. These receivables are carried at the original invoice amount less an estimate for doubtful accounts based on historical collection information and existing economic conditions. Management determined an allowance for doubtful accounts of \$5,355 was necessary at December 31, 2019.

A receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. Receivables are written off when deemed uncollectible after management performs an evaluation of the franchisee's credit and specific circumstances. The Company normally does not charge interest on its receivables.

Contract Assets

Contract assets represent commissions and fees that are direct and incremental to the sale of a franchise license. These costs are recognized as an expense in initial franchise contract costs in the accompanying statement of operations over the term of the related franchise agreement, which currently is five years.

Property and Equipment

Equipment and leasehold improvements are recorded at cost. Equipment is depreciated over the asset's estimated useful life using the straight-line method. Leasehold improvements are amortized over the estimated useful life of the asset or term of the lease, whichever is shorter, using the straight-line method.

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

The estimated useful lives of the respective assets are as follows:

	Years
Leasehold improvements	5
Office furniture and equipment	3-5

Maintenance and repairs are charged to expense as incurred. Renewals and improvements of a major nature are capitalized. At the time of retirement or other disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and any gains or losses are reflected in income.

Goodwill

The Company accounts for acquisitions under the acquisition method of accounting in accordance with Accounting Standards Codification (ASC) 805, *Business Combinations*. Identifiable intangible assets that are separable from goodwill that have determinable useful lives are valued separately and amortized over their estimated useful lives.

Goodwill represents the excess of cost over the net assets for an acquired business. The Company has elected to adopt the accounting alternative as its accounting policy for goodwill. As such, the Company amortizes goodwill on a straight-line basis over a 10-year period. Also pursuant to the accounting alternative, the Company will test its goodwill for impairment only upon the occurrence of an event or circumstance that may indicate the fair value of the entity is less than its carrying amount. As of December 31, 2019, the Company determined that there was no impairment of goodwill.

Intangible Assets

The Company's identifiable intangible assets consist of trade names, franchise agreements and developed technology. The identifiable intangible assets and other long-lived assets are reviewed for impairment whenever events and circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted operating cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. As of December 31, 2019, the Company determined that there was no impairment of intangible assets.

Contract Liabilities

Amounts received prior to satisfying the revenue recognition criteria are recorded as contract liabilities in the accompanying balance sheet, except for marketing fund contributions received in excess of expenditures, which are presented separately as national marketing fund within current liabilities in the accompanying balance sheet. Amounts not expected to be recognized within the next 12 months are classified as non-current contract liabilities.

Deferred Financing Costs

The Company recorded debt issuance costs as a debt discount as it was associated with the issuance of long-term debt and revolving line of credit. The Company amortizes these costs using the effective interest method over the term of the debt agreement.

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Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers*, along with certain amendments (ASU 2015-14; ASU 2016-08; ASU 2016-10; ASU 2016-12; ASU 2016-20; and ASU 2017-14) (collectively, ASC 606) to achieve a consistent application of revenue recognition, resulting in a single revenue model to be applied under U.S. GAAP. Under the new model, recognition of revenue occurs when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the providing entity expects to be entitled in exchange for those goods or services. In addition, the new standard requires that companies disclose the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Company follows a five-step model in determining the timing and recognition of revenue: (1) the Company has entered into a binding agreement; (2) the performance obligations have been identified; (3) the transaction price to the customer has been determined; (4) the transaction price has been allocated to the performance obligations in the contract; and (5) the performance obligations have been satisfied.

The Company adopted the new standard on January 1, 2019, using the modified retrospective approach with cumulative-effect transition method. As a result, the Company recorded a corresponding adjustment of \$1,029,076 to retained earnings to reflect the cumulative effect of the adoption of ASC 606. This adjustment included an adjustment to contract assets of \$688,679 and an adjustment to contract liabilities of \$1,717,755 as of January 1, 2019.

Under ASC 606, the Company recognizes marketing fees under franchise agreements as marketing fund contributions. Under previously issued accounting guidance for franchisors, marketing fees collected from the Company's franchisees were reflected in the Company's financial statements as restricted cash and a corresponding liability with no impact through the Company's statement of operations as marketing fees were collected (income) or marketing fund disbursements were made (expenses).

The Company determined that its franchise agreement outlines the rights and responsibilities of the Company and its franchisees. The franchise agreement requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee. The Company determined it has a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality and substantially all of the utility is derived from its association with the Company's past or ongoing activities.

The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

The transaction price in a standard franchise arrangement primarily consists of (a) initial franchise fees; (b) continuing franchise fees (royalties); (c) marketing fees; and (d) technology fees. Since the Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required.

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The Company recognizes the primary components of the transaction price as follows:

Initial Franchise Fees

The Company requires the entire nonrefundable initial franchise fee to be paid upon execution of a franchise agreement, which typically has an initial term life of five years. Initial franchise fees are recognized ratably on a straight-line basis over the term of the franchise agreement. The Company's services under the franchise agreement include training of franchisees and staff, and ongoing operations support. The Company provides no financing to franchisees and offers no guarantees on their behalf.

Royalties and Marketing Fund Contributions

Royalties and franchisee contributions to the marketing fund are calculated as a percentage of franchisee sales (generally, 5% and 2%, respectively) over the term of the franchise agreement and recorded on a weekly basis. Royalties and marketing fund contributions represent sales-based fees that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchisee-level sales occur. Royalties are collected weekly, approximately 10 days after each sales period has ended, and are reflected in royalty revenue in the accompanying statement of operations. Marketing fees are reflected in marketing fund contributions in the accompanying statement of operations.

Technology fees

Technology fees for use of software and information technology support, as outlined in the franchise agreement, are charged on a weekly basis to the franchisee and reflected in technology fees in the accompanying statement of operations.

Other

Other revenues are comprised primarily of agreements with suppliers that entitle the Company to receive rebates for use of products by the Company's franchisees. Rebates are recognized as revenue when earned and are included in other in the accompanying statement of operations.

Advertising Costs

The Company expenses the cost of advertising as incurred. Marketing fund expenses in the accompanying statement of operations includes \$2,903,135 of advertising costs for the year ended December 31, 2019.

Unit-Based Compensation

On April 2, 2018, the Parent's limited liability agreement granted Class B-1 and Class B-2 profit interest units to certain individuals that provide services to the Company. The Parent utilizes a Monte-Carlo simulation-based approach option-pricing model to estimate the fair value of the unit-based compensation at the date of grant. The Company recognizes compensation expense based on the grant-date fair value of each award in accordance with the guidance contained in ASC 718, *Compensation—Stock Compensation*. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service period on a straight-line basis. Forfeitures are record as they occur. There were approximately \$4,000 of forfeitures recorded in 2019.

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The option-pricing model requires the use of accounting judgment and financial estimates, including the current price of the underlying unit, the estimates of the expected term that unit holders will retain their vested units before exercising them, the estimated volatility of the Company's fair market price over the expected term, expected dividend yield (which is zero as no dividends are currently being paid on the Class B units), and the risk-free interest rate based on the U.S. Treasury yield curve, as inputs, to create multiple scenarios of possible outcomes. The unit's market price was then discounted at 24% to reflect the lack of marketability for the Parent Company's units. The determination of an appropriate discount for lack of marketability is based on a review of studies on discounts on the sale of shares of privately held companies and a multi-period put-based quantitative method.

Income Taxes

The Company is a limited liability company, and as such, the Company is not a tax-paying entity for U.S. federal income tax purposes. Accordingly, the Company's taxable income or loss is allocated to its member. Therefore, no provision or liability for U.S. federal income taxes has been included in the accompanying financial statements. Instead, each member is liable for individual federal income taxes on its share of the Company's taxable income.

The Company reviews its filing positions for uncertain tax positions for all open tax years in all U.S. federal and state jurisdictions where the Company is required to file. The Company recognizes a liability for each uncertain tax position at the amount estimated to be required to settle the issue. The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefit as a component of income tax expense. The Company did not recognize any liability related to uncertain tax positions at December 31, 2019.

The Company may be subject to potential examination by U.S. federal or U.S. states in the area of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with U.S. federal and U.S. state tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months. The Company is not currently under examination in any jurisdiction.

Generally, the Company is no longer subject to income tax examinations by major taxing authorities for years before 2016.

Fair Value Measurements

ASC 820, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market for the asset or liability. The price of the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact and (iv) willing to transact.

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ASC 820 requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Company has the ability to assess as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be derived from or corroborated by observable market data or by correlation or other means.

Level 3: Significant unobservable inputs that are supported by little or no market activity and reflect management's best estimate of fair value from the perspective of a market participant.

The estimated fair values of the Company's short-term financial instruments, including cash, accounts receivable, accounts payable and accrued liabilities, arising in the ordinary course of business, approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization. The fair value of the line of credit approximates its carrying amount, as fair value is estimated based on current rates offered to the Company for similar debt of the same remaining maturities. For liabilities such as long-term debt not accounted for at fair value and without quoted market prices, fair value is based upon borrowing rates currently available to the Company for bank loans with the same remaining maturities and similar terms and collateral requirements. As such, the fair value of the long-term debt approximates its carrying value.

3. Recent Accounting Pronouncements

Standards Issued but Not Yet Effective

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides temporary optional guidance to ease the potential burden in accounting for reference rate reform and optional expedients and exceptions for contract modifications that reference LIBOR or another reference rate to be discontinued. This standard is effective as of March 12, 2020 through December 31, 2022, and is intended to help stakeholders during the global market-wide reference rate transition period. The Company does not believe this standard will have a material impact on its financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)*, a new standard which generally aligns the requirements for capitalizing implementation costs incurred in a cloud computing arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The new standard is effective for fiscal years beginning after December 15, 2020, and permits early adoption. Accordingly, the standard is effective in 2021, using either the retrospective

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or the prospective approach. The Company is currently evaluating the impact that this standard may have on its financial statements.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Shared-Based Payment Accounting*, which expands the scope of Topic 718 to include share-based payments issued to nonemployees for goods or services, superseding Subtopic 505-50, *Equity-Equity-Based Payments to Non-Employees*. This standard is effective for fiscal years beginning after December 15, 2019. The Company is currently evaluating the impact that this standard may have on its financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The ASU simplifies the measurement of goodwill impairment by eliminating the requirement that an entity compute the implied fair value of goodwill based on the fair values of its assets and liabilities to measure impairment. Instead, goodwill impairment will be measured as the difference between the fair value and the carrying value of the reporting unit. The ASU also clarifies the treatment of the income tax effect of tax-deductible goodwill when measuring goodwill impairment loss. This standard is effective for the Company's annual, or any interim goodwill impairment tests in, fiscal years beginning after December 15, 2021. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments —Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The FASB has issued several amendments to the original standard. The standard changes the impairment model for most financial instruments. Current guidance requires the recognition of credit losses based on an incurred loss impairment methodology that reflects losses once the losses are probable. Under the new standard, the Company will be required to use a current expected credit loss model (CECL) that will immediately recognize an estimate of credit losses that are expected to occur over the life of the financial instruments that are in the scope of this update, including trade receivables. The CECL model uses a broader range of reasonable and supportable information in the development of credit loss estimates. The new guidance is effective for fiscal years beginning after December 15, 2022, which is January 1, 2023, for the Company. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of this ASU will have on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires a lessee to recognize on the balance sheet a liability to make lease payments and a corresponding right-of-use asset. The FASB has issued several amendments to the original standard. The guidance also requires certain qualitative and quantitative disclosures about the amount, timing and uncertainty of cash flows arising from leases. The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The FASB also has issued several amendments that clarify certain provisions, make improvements, and delay the effective date of the standard. Topic 842 is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the effect the guidance will have on its financial statements.

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4. Property and Equipment

Property and equipment consist of the following at December 31, 2019:

	2019
Leasehold improvements	\$ 75,352
Office furniture and equipment	253,131
	328,483
Less accumulated depreciation and amortization	(126,863)
	\$ 201,620

Depreciation expense was \$64,782 for the year ended December 31, 2019, with \$29,264 included in depreciation and amortization expenses and \$35,518 included in the marketing fund expenses in the accompanying statement of operations.

5. National Marketing Fund

In addition to the 5 percent royalty fee on a franchisee's gross sales, the Company's franchisees also pay a marketing fee of 2 percent of their gross sales, which is used for local, regional and national marketing and advertising of services offered by the franchisees and to increase brand awareness. The Company maintains the marketing funds collected in a separate bank account, which is used for specified purposes. This account is shown as restricted cash held for national marketing fund in the accompanying balance sheet and totaled \$1,338,356 as of December 31, 2019.

The Company records marketing contributions received in excess of expenditures as a liability. As of December 31, 2019, this liability totaled \$1,472,900.

6. Goodwill

The Company amortizes the acquisition value of goodwill on a straight-line basis over 10 years.

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Goodwill	\$ 26,512,622	\$ 4,639,710	\$ 21,872,912

The change in the carrying amount of goodwill for the year ended December 31, 2019, relates to amortization expense of \$2,651,262, which is reflected in depreciation and amortization expenses in the accompanying statement of operations.

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Total estimated amortization of goodwill for future years is as follows:

<i>Years ending December 31,</i>	<i>Amount</i>
2020	\$ 2,651,262
2021	2,651,262
2022	2,651,262
2023	2,651,262
2024	2,651,262
Thereafter	<u>8,616,602</u>
 Total	 <u>\$ 21,872,912</u>

7. Intangible Assets

	Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Subject to amortization				
Developed technology	6	\$ 240,000	\$ 70,000	\$ 170,000
Trade name	11	25,000,000	3,977,273	21,022,727
Franchise agreements	11	27,000,000	4,295,454	22,704,546
		\$ 52,240,000	\$ 8,342,727	\$ 43,897,273

Total amortization expense was \$4,767,272 for the year ended December 31, 2019, and is reflected in depreciation and amortization expenses in the accompanying statement of operations.

The aggregate amortization for the next five years ending December 31 and thereafter is as follows:

<i>Years ending December 31,</i>	<i>Amount</i>
2020	\$ 4,767,273
2021	4,767,273
2022	4,767,273
2023	4,767,273
2024	4,767,273
Thereafter	<u>20,060,908</u>
 Total	 <u>\$ 43,897,273</u>

8. Long-Term Debt and Revolving Line of Credit

On April 2, 2018, the Company entered into a senior secured credit facility in an aggregate principal amount of \$38,000,000, comprising a \$33,000,000 term loan and a \$5,000,000 revolving credit facility, of which the Company borrowed \$33,000,000 from the term loan and \$500,000 from the revolving credit facility. The net proceeds from this credit facility were used on April 2, 2018, to partially fund the Acquisition (see Note 1). The interest rate on the revolving loan and term loan under the credit facility is LIBOR plus 5.75 percent per annum, or base rate (prime rate) plus 4.75 percent per annum.

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The interest rate as of December 31, 2019, was 7.50 percent. The facility has a term of six years, maturing on April 2, 2024. The facility is secured by substantially all the assets of the Company, is guaranteed by the Company's Parent and Synergy Acquisition LLC, and would be guaranteed by future domestic subsidiaries of the Company, if any. Amounts under the revolving credit loan can be borrowed, repaid and re-borrowed from time to time.

The revolving loan has a commitment fee of 0.5 percent on the unused portion of the revolving loan. The term loan amortizes on a quarterly basis, beginning June 30, 2018, at \$82,500 per quarter, and is subject to an annual excess cash flow prepayment of initially 50 percent of the excess cash flow as defined in the credit agreement, as well as other customary mandatory prepayment provisions. Voluntary prepayments of the term loan (other than from internally generated cash) are subject to a prepayment premium of 2 percent in year one, 1 percent in year two and 0 percent thereafter. The facility is not subject to any conversion feature. In connection with the facility, the Company has agreed to maintain, and was in compliance with, certain financial and nonfinancial covenants.

At December 31, 2019, the outstanding balance of the credit facility consisted of:

Term loan	\$ 32,422,500
Line of credit	-
Total debt outstanding	32,422,500
Less unamortized deferred financing costs	<u>(779,171)</u>
Total debt, net	31,643,329
Less current maturities of long-term debt <u>(including current portion of amortized debt discount of \$163,172)</u>	<u>(894,413)</u>
Long-term debt, net of current maturities and deferred financing costs	<u>\$ 30,748,916</u>

At December 31, 2019, the future principal maturities of the term loan outstanding are as follows:

<i>Years ending December 31,</i>	<i>Amount</i>
2020	\$ 1,057,585
2021	330,000
2022	330,000
2023	330,000
2024	30,374,915
Less unamortized deferred financing costs	<u>(779,171)</u>
Total	<u>\$ 31,643,329</u>

The Company incurred \$1,048,146 of debt issuance fees, of which the amount of the debt discount amortized and recognized as interest expense in the statement of operations was \$177,957 for the year ended December 31, 2019. Unamortized debt issuance costs are recorded as a reduction to the carrying value of the related debt in the accompanying balance sheet.

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9. Member's Equity

Member Units

At December 31, 2019, the Company had 100,000 member units issued and outstanding pursuant to the purchase agreement from the Acquisition described in Note 1. Member unit holders have the right to one vote for each member unit held by such member under the Company's limited liability agreement. Distributions and profits and losses are allocated ratably among the member unit holders based on the number of units outstanding.

Profit Interest Units

The Parent issued 5,135 units to individuals that provide services to the Company. Class B unit holders shall have no right to vote and the terms and conditions may differ from grant to grant, as determined by the Parent's Board of Managers set forth in the Unit Award Agreement. The Parent's limited liability agreement provides for the grant of profit interest units whereby 6,520 Class B-1 and Class B-2 units have been reserved and 5,135 Class B-1 and Class B-2 units were issued and outstanding as of December 31, 2019. There were 381 units canceled during the year ended December 31, 2019.

For Class B-1 units (time-based units), these will vest over time based on a schedule included in the Unit Award Agreement as approved by the Board of Managers, and in the event of a qualified "change-of-control" transaction, all unvested units vest immediately.

For Class B-2 units (performance/market condition-based units), these will vest based on the terms of the Unit Award Agreement as approved by the Parent's Board of Managers, in the event of a qualified "change-of-control" transaction or if the following restriction has been lapsed. If the Parent's ultimate Parent has received proceeds: (A) of at least 2.0 to 3.0 times the sponsor equity investment at such time and (B) that result in an annually compounded internal rate of return on the sponsor equity investment at such time of at least 15 percent to 25 percent per annum, the restriction shall lapse with respect to 33.3 percent, 66.3 percent and 100 percent of the Class B-2 units, as described in the Restricted Unit Award Agreement.

The Parent used the Monte Carlo-based option valuation model to determine the fair value of the Class B-1 and Class B-2 units. During the year ended December 31, 2019, the Company recognized \$62,264 in compensation expense and contribution from the Parent in the accompanying statement of operations.

The key assumptions used in applying the Monte Carlo option valuation model for units granted under tranches 1 through 3 in 2019 were as follows:

Strike price	\$1,000 - \$1,318
Expected life of Class B-1	4 - 5
Expected volatility rate	30% - 39%
Risk-free interest rate	1.70% - 2.55%

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In the future, management may elect to use different assumptions under the option-pricing model or a different valuation model, which could result in a significantly different impact on earnings.

Time-Based Units

The Class B-1 units shall vest over five years, using the straight-line method ratably over each month based on the grant date. All unvested Class B-1 units shall immediately vest (i) upon the consummation of a change of control, (ii) in the event that the Company terminates the relationship with the unit holder, or (iii) in the event that the participant terminates the relationship with the unit holder, as defined in the agreement. These Class B-1 units are classified as an equity instrument.

A summary of changes in the Company's nonvested time-based units at December 31, 2019, follows:

	Class B-1 Units	Weighted Average Grant Date Fair Value
Nonvested at January 1, 2019	2,173	\$ 233.37
Granted	585	271.09
Vested	-	-
Forfeited	<u>(190)</u>	<u>233.37</u>
 Nonvested at December 31, 2019	 2,568	 \$ 241.91

The remaining unrecognized compensation expense of approximately \$456,972 will be recorded over 3.66 years.

Performance/Market Condition Units

A percentage of Class B-2 units shall immediately vest if the Parent meets certain thresholds as defined in the agreement. These Class B-2 units are classified as an equity instrument.

A summary of changes in the Company's non-vested performance/market condition units at December 31, 2019, follows:

	Class B-2 Units	Weighted Average Grant Date Fair Value
Nonvested at January 1, 2019	2,173	\$ 102.24
Granted	585	145.34
Vested	-	-
Forfeited	<u>(190)</u>	<u>102.24</u>
 Nonvested at December 31, 2019	 2,568	 \$ 112.05

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The unrecognized compensation expense of approximately \$287,699 will be recognized upon a qualified “change-in-control” transaction for which the appropriate vesting thresholds have been attained.

10. Related-Party Transactions

Related-party transactions, except for the related-party lease described in Note 11, consist of the following:

On April 2, 2018, the Company and the Parent entered into a management services agreement with NexPhase Capital, LP (NexPhase), which is related to the Parent’s majority unit holder. The management services agreement provides that NexPhase will provide transaction advisory, financial advisory, management consulting and strategic planning services in exchange for an annual fee of \$150,000 payable in equal quarterly installments in advance on the first day of January, April, July and October of each year during the term. As described in the management services agreement, the Company recognized an expense of \$150,000, which is included in general and administrative expenses in the accompanying statement of operations for the year ended December 31, 2019.

On April 2, 2018, the Company and the Parent entered into a consulting agreement with an unrelated third party, which holds Class B-1 and Class B-2 units (see Note 9). The consulting agreement provides that the third party provides services to the Company in exchange for an annual fee of \$100,000 paid in equal installments on the first of every month. The Company recognized an expense of \$100,000, which is included in general and administrative expenses in the accompanying statement of operations for the year ended December 31, 2019.

11. Commitments and Contingencies

The Company is obligated under an operating lease for the rental of office space from a related party. This lease expires in April 2023 and provides for monthly rent of \$3,200. The lease agreement requires the Company to pay for common area maintenance.

Future rental commitments under the lease agreement are as follows:

<i>Years ending December 31,</i>	<i>Amount</i>	
2020	\$	38,400
2021		38,400
2022		38,400
2023		12,800
Total	\$	128,000

Rent expense was \$39,552 for the year ended December 31, 2019, and is included in the general and administrative expenses in the accompanying statement of operations.

The Company is subject to certain proceedings and claims arising in the ordinary course of business. The Company records a liability and an expense in its financial statements for such matters when it is probable that a loss has been incurred and the amount can be reasonably estimated in accordance with the recognition criteria of ASC 450, *Contingencies*. Estimating liabilities and expenses associated with these matters requires the application of significant judgment and assessments based upon the professional knowledge and experience of management and its legal counsel. In the opinion of

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management, the ultimate resolution of these matters will not have a material adverse effect on the Company's financial position or results of operations.

12. 401(k) Plan

The Company sponsors a 401(k) plan (the Plan) for the benefit of certain of its employees. The Plan covers substantially all full-time employees and provides for matching contributions made to the Plan by the Company under a safe harbor election. The Company made matching contributions of \$32,908 to the Plan for the year ended December 31, 2019, which are included in general and administrative expenses in the accompanying statement of operations.

13. Summary of Franchise Outlets

Following is a summary of changes in the number of franchise outlets during the year ended December 31, 2019:

Franchised outlets:

Franchises in operation as of January 1, 2019	317
Opened during the year	29
Closed during the year	(10)
Franchises in operation as of December 31, 2019	336

14. Subsequent Events

The Company evaluated subsequent events through April 24, 2020, the date these financial statements were available to be issued. Other than as discussed below, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

COVID-19 - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, industry, and workforce. Because the Company's revenue is dependent on franchisees' customers' disposable income, there could be a negative impact to the Company's balance sheet, operations and cash flows in 2020. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial conditions, or liquidity for the fiscal year 2020.

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Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the Company's results of future operations, financial position, and liquidity in fiscal year 2020.

Coronavirus Aid, Relief, and Economic Security (CARES) Act - On March 27, 2020, President Trump signed into law the CARES Act, which among other things, includes provisions relating to refundable payroll tax credits and deferment of employer-side social security payments. Management continues to examine the impact that the CARES Act may have on the Company and is unable to determine the impact that the CARES Act may have on the Company's financial condition, results of operation, or liquidity.

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December 31, 2018

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RSM US LLP

Independent Auditor's Report

To the Member
SYNERGY HomeCare Franchising, LLC
Gilbert, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of SYNERGY HomeCare Franchising, LLC, which comprise the balance sheet as of December 31, 2018, the related statements of operations, member's equity and cash flows for the three-month Predecessor Period from January 1, 2018, to April 1, 2018 (Predecessor), and the nine-month Successor Period from April 2, 2018, through December 31, 2018 (Successor), and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SYNERGY HomeCare Franchising, LLC as of December 31, 2018, the related statements of operations, member's equity and cash flows for the three-month Predecessor Period from January 1, 2018, to April 1, 2018 (Predecessor), and the nine-month Successor Period from April 2, 2018, through December 31, 2018 (Successor), in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Los Angeles, California
May 8, 2019

SYNERGY HomeCare Franchising, LLC
Balance Sheet
December 31, 2018
Assets

Current assets:

Cash	\$ 1,879,498
Restricted cash held for national marketing fund	2,106,550
Franchise royalties and other fees receivable, net of allowance for doubtful accounts of \$44,794	372,512
Prepaid expenses and other current assets	173,805
Total current assets	4,532,365

Property and equipment:

Leasehold improvements	73,412
Office furniture and equipment	55,722
	129,134
Less accumulated depreciation and amortization	(19,698)
Total property and equipment	109,436

Goodwill, net

24,524,174

Intangible assets:

Trade name	25,000,000
Franchise agreements	27,000,000
Developed technology	240,000
	52,240,000
Less accumulated amortization	(3,575,455)
Total intangible assets	48,664,545
Total assets	\$ 77,830,520

Liabilities and Member's Equity

Current liabilities:

National marketing fund	\$ 1,925,380
Accounts payable	110,575
Credit cards payable	236,017
Accrued expenses	135,494
Deferred revenue	140,000
Current portion of long-term debt	330,000
Total current liabilities	2,877,466

Long-term debt, net of current portion and deferred financing costs of \$957,128

31,465,372

Total liabilities 34,342,838

Commitments and contingencies

43,487,682

Member's equity

Total liabilities and member's equity

\$ 77,830,520

See notes to financial statements.

SYNERGY HomeCare Franchising, LLC
Statements of Operations

**For the Periods From April 2, 2018, Through December 31, 2018, and
From January 1, 2018, Through April 1, 2018**

	April 2, 2018, Through December 31, 2018 (Successor)	January 1, 2018, Through April 1, 2018 (Predecessor)
Revenues:		
Royalty revenue	\$ 6,349,537	\$ 1,575,683
Initial franchise and transfer fees	361,570	92,000
Technology fees	338,472	106,653
Other	300,873	22,486
Total revenues	7,350,452	1,796,822
Cost of revenues:		
Regional developer royalties	87,318	25,182
Technology costs	281,295	102,276
Other	60,000	-
Total cost of revenues	428,613	127,458
General and administrative expenses	7,931,754	668,651
(Loss) income from operations	(1,009,915)	1,000,713
Interest expense	2,135,019	-
Net (loss) income	\$ (3,144,934)	\$ 1,000,713

See notes to financial statements.

SYNERGY HomeCare Franchising, LLC
Statements of Member's Equity

**For the Periods From April 2, 2018, Through December 31, 2018, and
From January 1, 2018, Through April 1, 2018**

	Member's Equity
Balance, January 1, 2018 (Predecessor)	\$ 5,123,821
Contributions	264,391
Distributions	(3,079,223)
Net income	<u>1,000,713</u>
Balance, April 1, 2018 (Predecessor)	<u>\$ 3,309,702</u>
Balance, April 2, 2018 (Successor)	\$ -
Application of push-down accounting on April 2, 2018 (Notes 1 and 2)	78,482,473
Member distribution to partially fund the Acquisition (Notes 1, 2 and 7)	(31,951,854)
Deemed contributions for Class B-1 unit-based compensation	70,931
Deemed contributions for Class B-2 unit-based compensation	31,066
Net loss	<u>(3,144,934)</u>
Balance, December 31, 2018 (Successor)	<u>\$ 43,487,682</u>

See notes to financial statements.

SYNERGY HomeCare Franchising, LLC
Statements of Cash Flows
For the Periods From April 2, 2018, Through December 31, 2018, and
From January 1, 2018, Through April 1, 2018

	April 2, 2018, Through December 31, 2018 (Successor)	January 1, 2018, Through April 1, 2018 (Predecessor)
Cash flows from operating activities:		
Net (loss) income	\$ (3,144,934)	\$ 1,000,713
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	5,583,600	154,480
Amortization of deferred financing costs	91,018	-
Unit-based compensation expense	101,997	-
Gain on sale of property and equipment	-	17,278
(Decrease) increase in:		
Franchise royalties and other fees receivable	(364,752)	333,621
Prepaid expenses and other current assets	(57,647)	7,738
Due from related parties, net	134	(134)
(Decrease) increase in:		
National marketing fund	(133,267)	(488,223)
Accounts payable	24,822	(98,145)
Credit cards payable	166,097	(27,702)
Accrued expenses	52,420	224,775
Deferred revenue	125,000	-
Net cash provided by operating activities	2,444,488	1,124,401
Cash flows from investing activities:		
Purchases of property and equipment	(23,321)	-
Net cash used in investing activities	(23,321)	-
Cash flows from financing activities:		
Proceeds from long-term debt, net of financing costs, used to pay seller (Notes 1 and 2)	31,951,854	-
Distribution to member to partially fund Acquisition (Notes 1 and 2)	(31,951,854)	-
Repayment of long-term debt	(247,500)	-
Contributions from member	-	264,391
Distributions to member	(464,000)	(2,989,550)
Net cash used in financing activities	(711,500)	(2,725,159)
Net increase (decrease) in cash	1,709,667	(1,600,758)
Cash and restricted cash, beginning	2,276,381	3,877,139
Cash and restricted cash, ending	\$ 3,986,048	\$ 2,276,381
Supplemental disclosures of cash flow information:		
Noncash investing and financing activities:		
Cash paid for interest	\$ 2,044,001	\$ -
Property and equipment distributed to member	\$ -	\$ 89,668
Distributions payable	\$ -	\$ 464,000
Fair value of equity interest related to the business combination (Notes 1 and 2)	\$ 13,500,000	\$ -

See notes to financial statements.

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

Note 1. Nature of Business and Summary of Significant Accounting Policies

Nature of business: SYNERGY HomeCare franchises currently offer nonmedical in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medical reminders, medical and social appointment scheduling and management, organization and bill-paying assistance, housecleaning services and light home maintenance to seniors and others who need help with daily living activities. The Company sells its franchises throughout the United States of America. The franchising of nonmedical in-home personal assistance is regulated by the Federal Trade Commission and various state authorities.

Synergy HomeCare Franchising, LLC (the Company) was organized as an Arizona limited liability company on December 19, 2003, under the name AZHC Franchising, LLC for the purpose of franchising under the trade name "SYNERGY HomeCare." The Company changed its name to SYNERGY HomeCare Franchising, LLC on December 16, 2004.

On April 2, 2018 (Acquisition Date), the Company was acquired (the Acquisition) by Synergy Acquisition LLC, a Delaware limited liability company. Synergy Acquisition LLC is a wholly owned subsidiary of Synergy HomeCare Holdings, LLC, which is now the ultimate parent (the Parent) of the Company. The Acquisition was funded through a combination of equity contributed by Parent, issuance of equity to the seller and borrowings by the Company. The Parent has no significant operations and its assets principally are comprised of its investment in the Company.

Basis of presentation: The three-month period prior to the Acquisition Date is referred to as the Predecessor Period from January 1, 2018, to April 1, 2018 (Predecessor). The nine-month period following the acquisition date is referred to as the Successor Period (April 2, 2018, through December 31, 2018) (Successor). Due to the acquisition of the Company by Synergy Acquisition LLC, and the application of pushdown accounting, different bases of accounting have been used to prepare the Predecessor Period and Successor Period financial statements (see Note 2), resulting in a new basis of accounting for the Successor Period. As such, the financial information presented for the Successor Period is not comparable to the financial information presented for Predecessor Period.

The accompanying financial statements for the Predecessor Period ended April 1, 2018, are those of the Company presented on a historical basis without the effects of acquisition accounting adjustments.

Concentrations of credit risk: The Company maintains bank accounts with a banking institution in which the deposits are guaranteed by the Federal Deposit Insurance Corporation. The Company's deposits are in excess of the federal deposit insurance limits.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas that include significant estimates made by management include, but are not limited to, the allowance for doubtful accounts; estimated useful lives and carrying value of long-lived assets; the valuation of assets acquired and liabilities assumed in the business combination and the assumptions used in determining the fair value of unit-based compensation. Actual results could differ from those estimates.

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

Note 1. Nature of Business and Summary of Significant Accounting Policies (Continued)

Restricted cash held for national marketing fund: Restricted cash is related to cash that franchisees contribute to the Company's national marketing fund. Cash contributed by franchisees to the national marketing fund is to be used in accordance with the Franchise Disclosure Document for local, regional and national marketing and advertising of services offered by the franchisees and to increase brand awareness. As such, the restricted cash is required to be set aside and not available for the Company's general business use.

The Company adopted ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statements of cash flows. ASU 2016-18 did not have a material impact on the financial statements.

	As of December 31, 2018 (Successor)	As of April 1, 2018 (Predecessor)
Cash	\$ 1,879,498	\$ 185,734
Restricted cash	2,106,550	2,090,647
Total cash and restricted cash shown in the statements of cash flows	<u>\$ 3,986,048</u>	<u>\$ 2,276,381</u>

Franchise royalties and other fees receivable: As a condition of the franchise, franchisees are required to make weekly payments for royalties representing 5 percent of gross sales, plus technology fees. Receivables are carried at the original invoice amount less an estimate for doubtful accounts, based on historical collection information and existing economic conditions. Management determined an allowance for doubtful accounts of \$44,794 was necessary at December 31, 2018.

A receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. Receivables are written off when deemed uncollectible after management performs an evaluation of the franchisee's credit and specific circumstances. The Company normally does not charge interest on its receivables.

Deferred financing costs: The Company recorded the debt issuance cost as a debt discount as it was associated with the issuance of long-term debt and revolving line of credit. The Company amortizes these costs using the effective interest method over the term of the debt agreement.

Property and equipment: Equipment and leasehold improvements are recorded at cost. Equipment is depreciated over the asset's estimated useful life using the straight-line method. Leasehold improvements are amortized over the estimated useful life of the asset or term of the lease, whichever is shorter, using the straight-line method. The estimated useful lives of the respective assets are as follows:

	Years
Leasehold improvements	5
Office furniture and equipment	3-5

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

Note 1. Nature of Business and Summary of Significant Accounting Policies (Continued)

Maintenance and repairs are charged to expense as incurred. Renewals and improvements of a major nature are capitalized. At the time of retirement or other disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and any gains or losses are reflected in income.

Goodwill: The Company accounts for acquisitions under the acquisition method of accounting in accordance with Accounting Standards Codification (ASC) 805, Business Combinations. Identifiable intangible assets that are separable from goodwill that have determinable useful lives are valued separately and amortized over their estimated useful lives.

Goodwill represents the excess of cost over the net assets for an acquired business. On January 16, 2014, the FASB issued Accounting Standards Update (ASU) 2014-12, *Intangibles—Goodwill and Other (Topic 350): Accounting for Goodwill*, which provides an accounting alternative for private companies related to the subsequent accounting for goodwill. Beginning with the Predecessor Period, the Company has elected to adopt the accounting alternative as its accounting policy for goodwill. As such, the Company amortizes goodwill on a straight-line basis over a 10-year period. Also pursuant to the accounting alternative, the Company will test its goodwill for impairment only upon the occurrence of an event or circumstance that may indicate the fair value of the entity is less than its carrying amount. As of December 31, 2018, the Company determined that there was no impairment of goodwill.

Intangible assets: The Company's identifiable intangible assets consist of trade names, franchise agreements and developed technology. The identifiable intangible assets and other long-lived assets are reviewed for impairment whenever events and circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted operating cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. As of December 31, 2018, the Company determined that there was no impairment of intangible assets.

Business combination: The Acquisition was accounted for in accordance with Financial Accounting Standards Board (FASB) ASC 805, Business Combinations, under the acquisition method of accounting, for which the purchase price was pushed down to the Company. The statements of operations for the Successor Period ended December 31, 2018, includes the results of operations of the Company subsequent to the Acquisition. The carrying amounts of the Company's assets acquired and liabilities assumed in the Acquisition were adjusted to their acquisition-date estimated fair values as determined by the Company's management with the assistance of external valuation experts based on information currently available and on current assumptions on future operations. The excess of the consideration transferred (i.e., purchase price) over the fair value of the net assets acquired in the Acquisition has been recognized as goodwill. The creation of goodwill in this transaction was the result of the historical growth, anticipated future growth of the Company, and the fair values of the acquired workforce and certain noncompete agreements that have been subsumed into goodwill. The goodwill recognized in the acquisition is expected to be deductible for tax purposes.

The Company has elected the accounting alternative provided in ASU 2014-18, *Business Combinations (Topic 805): Accounting for Identifiable Assets in a Business Combination*, issued by the FASB. Pursuant to this election, the Company subsumed into goodwill (i.e., did not separately recognize) noncompete agreements and certain customer-related intangible assets acquired in a business combination that were not capable of being sold or licensed independently from other assets of the business.

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

Note 1. Nature of Business and Summary of Significant Accounting Policies (Continued)

Regional developer rights: The Company had entered into agreements with regional developers who were provided with a royalty split equal to half of royalty revenues earned on franchisees included in the territory in which the developer had rights based on the terms of the agreement through May 2020. The Company reacquired all regional developer rights as of December 31, 2017. The Company had amortized the fair value of the reacquired rights over the remaining contractual terms for the three-month Predecessor Period and recorded amortization expense of \$145,828 as of April 1, 2018. The regional developer intangible asset was adjusted at the date of the acquisition and fair valued as part of the franchise agreement intangible assets (see Notes 2 and 6).

Revenue recognition:

Initial franchise and transfer fees: The Company requires the entire nonrefundable initial franchise fee or transfer fee to be paid upon execution of a franchise agreement, which typically has a term life of five years, with five successive renewals of five years not to exceed 30 years. Initial franchise and transfer fees are recognized as revenue when the Company has substantially completed its initial service under the franchise agreement, which typically occurs upon completion of training with the franchisee. The Company provides no financing to franchisees and offer no guarantees on their behalf. At December 31, 2018, \$140,000 of deferred revenue was recorded as certain obligations under the franchise agreement have not been performed.

Royalties: The Company collects royalties, as stipulated in the franchise agreement, equal to 5 percent of gross sales. Royalties are recognized as revenue when earned. Royalties are collected weekly, 10 days after each sales period has ended.

Technology fees: The Company collects weekly technology fees for use of software and information technology support. These fees are recognized weekly as services are provided.

Rebates: The Company enters into agreements with suppliers that entitle the Company to receive rebates for use of products by the Company's franchisees. Rebates are recognized as revenue when earned and included in other revenues on the accompanying statements of operations.

Advertising costs: The Company expenses the cost of advertising as incurred. Advertising expense was \$3,028 for the Successor Period ended December 31, 2018, and is included in general and administrative expenses in the accompanying statements of operations. The cost of advertising for the Predecessor Period ended April 1, 2018, was not significant.

Income taxes: The Company is a limited liability company, and as such, the Company does not pay federal income taxes on its taxable income. Instead, the member is liable for individual federal income taxes on its share of the Company's taxable income.

401(k) plan: The Company, through its professional employer organization, established a salary deferral plan under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to defer a portion of their compensation, subject to plan and Internal Revenue Service limits. Such deferrals accumulate on a tax-deferred basis until the employee withdraws the funds.

Fair value measurements: ASC 820, Fair Value Measurement, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

Note 1. Nature of Business and Summary of Significant Accounting Policies (Continued)

A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market for the asset or liability. The price of the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact and (iv) willing to transact.

ASC 820 requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Company has the ability to assess as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be derived from or corroborated by observable market data or by correlation or other means.

Level 3: Significant unobservable inputs that are supported by little or no market activity and reflect management's best estimate of fair value from the perspective of a market participant.

The estimated fair values of the Company's short-term financial instruments, including cash, accounts receivable and accounts payable arising in the ordinary course of business, approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization. The fair value of the line of credit approximates its carrying amount, as fair value is estimated based on current rates offered to the Company for similar debt of the same remaining maturities. For liabilities such as long-term debt not accounted for at fair value and without quoted market prices, fair value is based upon borrowing rates currently available to the Company for bank loans with the same remaining maturities and similar terms and collateral requirements. As such, the fair value of the long-term debt approximates its carrying value.

Unit-based compensation: On April 2, 2018, the Parent's limited liability agreement granted Class B-1 and Class B-2 profit interest units to certain individuals that provide services to the Company. The Parent utilizes an option-pricing model (OPM) to estimate the fair value of the unit-based compensation at the date of grant. The Company recognizes compensation expense based on the grant-date fair value of each award in accordance with the guidance contained in ASC 718, Compensation—Stock Compensation. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service period on a straight-line basis.

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

Note 1. Nature of Business and Summary of Significant Accounting Policies (Continued)

The OPM requires the use of accounting judgment and financial estimates, including the estimates of the expected term that unit holders will retain their vested units before exercising them, the estimated volatility of the Company's fair market price over the expected term, and the number of units that will be forfeited prior to the completion of their vesting requirements.

Recent accounting pronouncements: In May 2014, the FASB issued ASU 2014-09, *Revenue From Contracts With Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative-effect transition method. Early adoption is not permitted. The updated standard will be effective for annual reporting periods beginning after December 15, 2018, and interim periods within periods beginning after December 15, 2019. The Company is currently in the process of evaluating the impact of the adoption of this ASU on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, which provides guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. ASU 2017-01 requires entities to use a screen test to determine when an integrated set of assets and activities is not a business or if the integrated set of assets and activities needs to be further evaluated against the framework. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The ASU simplifies the measurement of goodwill impairment by eliminating the requirement that an entity compute the implied fair value of goodwill based on the fair values of its assets and liabilities to measure impairment. Instead, goodwill impairment will be measured as the difference between the fair value and the carrying value of the reporting unit. The ASU also clarifies the treatment of the income tax effect of tax-deductible goodwill when measuring goodwill impairment loss. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements.

Note 2. Push-Down Accounting and Business Combination (the Acquisition)

On April 2, 2018, all of the Company's then-outstanding membership units were acquired by Synergy Acquisition LLC in consideration for a cash payment of \$64,982,473, including \$391,250 in escrow and issuance of equity interests to the seller with a fair value of \$13,500,000, for a total fair value of consideration transferred of \$78,482,473. The Company has elected to apply pushdown accounting in its financial statements, whereas assets acquired and liabilities assumed have been adjusted to their fair values as of the date of the acquisition.

SYNERGY HomeCare Franchising, LLC
Notes to Financial Statements

Note 2. Push-Down Accounting and Business Combination (the Acquisition) (Continued)

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed by the Company at the date of the Acquisition:

Assets acquired:

Cash	\$ 185,734
Restricted cash held for national marketing fund	2,090,647
Franchise royalties and other fees receivable	7,760
Prepaid and other assets	116,292
Property and equipment	105,812
Franchise agreements	27,000,000
Other intangible assets	240,000
Trade name	25,000,000
Goodwill	26,512,622
Total assets acquired	<u>81,258,867</u>

Liabilities assumed:

National marketing fund	2,058,647
Accounts payable and accrued expenses	717,747
Total liabilities assumed	<u>2,776,394</u>
Net assets	<u>\$ 78,482,473</u>

The fair value of the financial assets acquired includes receivables in which the fair value was estimated as the contractual amount of the receivables, net of the provision for discounts, and no amounts are believed to be uncollectible. The assets acquired and liabilities assumed were recorded at their estimated fair values, as determined by the Company's management, based on information currently available and on current assumptions as to future operations.

The Acquirer's acquisition expenses have not been pushed down to the Company and therefore no buyer-related acquisition costs have been recognized by the Company during the Successor Period. The Company incurred certain costs that were contingent on the closing of the acquisition, including success fees paid to certain parties that totaled \$214,000 and have been reported as "on-the-line" adjustments and therefore not recorded in the Company's statements of operations.

Note 3. Property and Equipment

Property and equipment consist of the following at December 31, 2018:

Leasehold improvements	\$ 73,412
Office furniture and equipment	55,722
	<u>129,134</u>
Less accumulated depreciation and amortization	(19,698)
	<u>\$ 109,436</u>

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

Note 3. Property and Equipment (Continued)

Depreciation expense was \$19,698 and \$8,652 for the nine-month Successor Period and three-month Predecessor Period ended December 31, 2018, and April 1, 2018, respectively, and is included in the general and administrative expenses in the accompanying statements of operations.

Note 4. National Marketing Fund

The Company's franchisees pay, in addition to the 5 percent royalty fee, a marketing fee of 2 percent of gross sales, which is used for local, regional and national marketing and advertising of services offered by the franchisees and to increase brand awareness. The Company maintains the marketing funds collected in a separate bank account, which is used for specified purposes. This account is shown as restricted cash held for national marketing fund on the accompanying balance sheet and totaled \$2,106,550 as of December 31, 2018.

No revenues are recognized on marketing fees collected. The Company records the marketing fees as a liability against which the specified costs are charged. As of December 31, 2018, this liability totaled \$1,925,380. The difference between the cash balance and liability as of December 31, 2018, is due to \$117,170 of marketing and advertising fee receivable from franchisees and \$64,000 to be reimbursed for administrative services provided.

Note 5. Goodwill

The Company amortizes the acquisition value of goodwill on a straight-line basis over 10 years (see Note 2). The changes in the carrying amount of goodwill for the nine-month Successor Period ended December 31, 2018, were as follows:

Balance at April 2, 2018	\$ 26,512,622
Amortization	(1,988,448)
Balance at December 31, 2018	<u><u>\$ 24,524,174</u></u>

Total estimated amortization of goodwill for future years is as follows:

Years ending December 31:

2019	\$ 2,601,262
2020	2,601,262
2021	2,601,262
2022	2,601,262
2023	2,601,262
Thereafter	11,517,864
Total	<u><u>\$ 24,524,174</u></u>

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

Note 6. Intangible Assets

Intangible assets consist of the following at December 31, 2018:

	Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Subject to amortization:				
Developed technology	6	\$ 240,000	\$ 30,000	\$ 210,000
Trade name	11	25,000,000	1,704,545	23,295,455
Franchise agreements	11	27,000,000	1,840,910	25,159,090
		<u>\$ 52,240,000</u>	<u>\$ 3,575,455</u>	<u>\$ 48,664,545</u>

Total amortization expense was \$3,575,455 for the nine-month Successor Period ended December 31, 2018, and is reflected in general and administrative expenses on the statements of operations.

The aggregate amortization for the next five years ending December 31 and thereafter is as follows:

Years ending December 31:

2019	\$ 4,767,273
2020	4,767,273
2021	4,767,273
2022	4,767,273
2023	4,767,273
Thereafter	24,828,180
Total	<u>\$ 48,664,545</u>

Note 7. Long-Term Debt and Revolving Line of Credit

On April 2, 2018, to partially fund the Acquisition (see Notes 1 and 2), the Company entered into a senior secured credit facility in an aggregate principal amount of \$38,000,000, comprising a \$33,000,000 term loan and a \$5,000,000 revolving credit facility of which they borrowed \$33,000,000 from the term loan and \$500,000 from the revolving credit facility. The net proceeds from this credit facility were used on April 2, 2018, as part of the business combination discussed in Notes 1 and 2. The interest rate on the revolving loans and term loans under the credit facility is LIBOR (2.38 percent), plus 5.75 percent per annum or base rate (prime rate) (3.38 percent) plus 4.75 percent per annum. The facility has a term of six years, maturing on April 2, 2024. The facility is secured by substantially all the assets of the Company, is guaranteed by the Company's Parent and Synergy Acquisition LLC, and would be guaranteed by future domestic subsidiaries of the Company, if any. Amounts under the revolving credit loan can be borrowed, repaid and re-borrowed from time to time.

The revolving loan has a commitment fee of 0.5 percent on the unused portion of the revolving loan. The term loan amortizes on a quarterly basis, beginning June 30, 2018, at \$82,500 per quarter, and is subject to an annual excess cash flow prepayment of initially 50 percent of the excess cash flow as defined in the credit agreement, as well as other customer mandatory prepayment provisions. Voluntary prepayments of the term loan (other than from internally generated cash) are subject to a prepayment premium of 2 percent in year one, 1 percent in year two and 0 percent thereafter. The facility is not subject to any conversion feature. In connection with the facility, the Company has agreed to maintain certain financial and nonfinancial covenants.

SYNERGY HomeCare Franchising, LLC
Notes to Financial Statements

Note 7. Long-Term Debt and Revolving Line of Credit (Continued)

At December 31, 2018, the outstanding balance of the credit facility consisted of:

Term loan	\$ 32,752,500
Line of credit	-
Total debt outstanding	<u>32,752,500</u>
Less unamortized deferred financing costs	(957,128)
Total debt, net	<u>31,795,372</u>
Less current maturities of long-term debt (including current portion of amortized debt discount of \$91,018)	330,000
Long-term debt, net of current maturities	<u>\$ 31,465,372</u>

At December 31, 2018, the future principal maturities of the term loan outstanding are as follows:

Years ending December 31:	
2019	\$ 330,000
2020	330,000
2021	330,000
2022	330,000
2023	330,000
Thereafter	31,102,500
Less unamortized deferred financing costs	(957,128)
Total	<u>\$ 31,795,372</u>

The Company incurred \$1,048,146 of debt issuance fees, of which the amount of the debt discount amortized and recognized as interest expense in the statements of operations was \$91,018 for the Successor Period ended December 31, 2018. Unamortized debt issuance costs are recorded as a reduction to the carrying value of the related debt in the accompanying balance sheet.

Note 8. Member's Equity

Member units: At December 31, 2018, the Company had 100,000 member units issued and outstanding pursuant to the purchase agreement described in Note 2. Member unit holders have the right to one vote for each member unit held by such member under the Company's limited liability agreement. Distributions and profits and losses are allocated ratably among the member unit holders based on the number of units outstanding.

Note 9. Profit Interest Units

The Parent issued 4,863 units to individuals that provide services to the Company. Class B unit holders shall have no right to vote and the terms and conditions may differ from grant to grant, as determined by the Parent's Board of Managers set forth in the Unit Award Agreement. The Parent's limited liability agreement provides for the grant of profit interest units whereby 6,557 Class B-1 and Class B-2 units have been reserved and 4,863 Class B-1 and Class B-2 units were issued and outstanding as of December 31, 2018. There were no units canceled during the nine-month Successor Period ended December 31, 2018.

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

Note 9. Profit Interest Units (Continued)

For Class B-1 units (time-based units), these will vest over time based on a schedule included in the Unit Award Agreement as approved by the Board of Managers, and in the event of a qualified “change-of-control” transaction, all unvested units vest immediately.

For Class B-2 units (performance/market condition based units), these will vest based on the terms of the Unit Award Agreement as approved by the Parent’s Board of Managers, in the event of a qualified “change-of-control” transaction or if the following restriction has been lapsed. If the Parent’s ultimate Parent has received proceeds: (A) of at least 2.0 to 3.0 times the Sponsor Equity Investment at such time and (B) that result in an annually compounded internal rate of return on the Sponsor Equity Investment at such time of at least 15 percent to 25 percent per annum, the restriction shall lapse with respect to 33.3 percent, 66.3 percent and 100 percent of the Class B-2 units, as described in the Restricted Unit Award Agreement.

The Parent used the Monte Carlo-based option valuation model to determine the fair value of the Class B-1 and Class B-2 units. During the Successor Period ended December 31, 2018, the Company recognized \$101,977 in compensation expense and contribution from the Parent in the accompanying statements of operations.

The key assumptions used in applying the Monte Carlo option valuation model were as follows:

Expected volatility rate	39%
Expected life of Class B-1 and Class B-2 units	5 years
Risk-free interest rate	2.55%

In the future, management may elect to use different assumptions under the OPM or a different valuation model, which could result in a significantly different impact on earnings.

Time-based units: The Class B-1 units shall vest over five years, using the straight-line method ratably over each month based on the grant date. All unvested Class B-1 units shall immediately vest (i) upon the consummation of a change of control, (ii) in the event that the Company terminates the relationship with the unit holder, or (iii) in the event that the participant terminates the relationship with the unit holder, as defined in the agreement. These Class B-1 units are classified as an equity instrument.

A summary of changes in the Company’s nonvested time units at December 31, 2018, follows:

	Class B-1 Units	Weighted- Average Grant-Date Fair Value
Nonvested at April 2, 2018	2,431	\$ 233.37
Granted	300	-
Vested	-	-
Forfeited	-	-
Nonvested at December 31, 2018	<u>2,131</u>	<u>\$ 233.37</u>

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

Note 9. Profit Interest Units (Continued)

Performance/market condition units: The Class B-2 units shall vest over five years, using the straight-line method ratably over each month based on the grant date. A percentage of Class B-2 units shall immediately vest if the Parent meets certain thresholds as defined in the agreement. These Class B-2 units are classified as an equity instrument.

A summary of changes in the Company's nonvested performance/market condition units at December 31, 2018, follows:

	Class B-2 Units	Weighted- Average Grant-Date Fair Value
Nonvested at April 2, 2018	2,431	\$ 102.24
Granted	300	-
Vested	-	-
Forfeited	-	-
Nonvested at December 31, 2018	<u>2,131</u>	<u>\$ 102.24</u>

The remaining unrecognized compensation expense of approximately \$714,025 will be recorded over 4.37 years.

Note 10. Related-Party Transactions

Related-party transactions, except for the related-party lease described in Note 11, consist of the following:

On April 2, 2018, the Company and the Parent entered into a management services agreement with NexPhase Capital, LP (NexPhase), which is related to the Parent's majority unit holder. The management services agreement provides that NexPhase will provide transaction advisory, financial advisory, management consulting and strategic planning services in exchange for an annual fee of \$150,000 payable in equal quarterly installments in advance on the first day of January, April, July and October of each year during the term. If the EBITDA of the Parent and the Company for a trailing 12-month period exceeds \$10 million, then the annual management fee will increase to \$250,000 per annum effective as of the first day of such 12-month period. As described in the management services agreement, the Company recognized an expense of \$112,500, which is included in general and administrative expenses in the accompanying statements of operations, and a payable of \$37,500, which is included in accounts payable in the accompanying balance sheet as of December 31, 2018.

On April 2, 2018, the Company and the Parent entered into a consulting agreement with an unrelated third party, which holds Class B-1 and Class B-2 units (see Note 9). The consulting agreement provides that the third party provides services to Company in exchange for an annual fee of \$100,000 paid in equal installments on the first of every month. The Company recognized an expense of \$75,000, which is included in general and administrative expenses in the accompanying statements of operations.

SYNERGY HomeCare Franchising, LLC

Notes to Financial Statements

Note 11. Commitments and Contingencies

The Company is obligated under an operating lease for the rental of office space from a related party. This lease expires in April 2023 and provides for monthly rent of \$3,200. The lease agreement requires the Company to pay for common area maintenance. The lease includes scheduled rent escalations, which are amortized and recorded over the initial term on a straight-line basis.

Future rental commitments under the lease agreement are as follows:

Years ending December 31:

2019	\$ 38,400
2020	38,400
2021	38,400
2022	38,400
2023	9,600
	<hr/>
	\$ 163,200

Rent expense was \$29,664 and \$9,600 for the nine-month Successor Period and three-month Predecessor Period ended December 31, 2018, and April 1, 2018, respectively, and is included in the general and administrative expenses in the accompanying statements of operations.

Contingencies: The Company is subject to certain proceedings and claims arising in the ordinary course of business. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the Company's financial position or results of operations.

Note 12. 401(k) Plan

The Company sponsors a 401(k) plan (the Plan) for the benefit of certain of its employees. The Plan covers substantially all full-time employees, and provides for matching contributions made to the Plan by the Company under a safe harbor election. The Company made matching contributions of \$22,883 to the Plan for the nine-month Successor Period ended December 31, 2018, and \$5,731 to the Plan for the three-month Predecessor Period ended April 1 2018, which are included in general and administrative expenses on the accompanying statements of operations.

Note 13. Summary of Franchise Outlets

Following is a summary of changes in the number of outlets during the nine-month Successor Period ended December 31, 2018, and the three-month Predecessor Period ended April 1, 2018:

Franchised outlets:

Franchises in operation as of January 1, 2018 (Predecessor Period)	313
Opened during the year	4
Closed during the year	7
Franchises in operation as of April 1, 2018 (Predecessor Period)	<hr/> 310 <hr/>

Franchises in operation as of April 2, 2018 (Successor Period)	310
Opened during the year	8
Closed during the year	1
Franchises in operation as of December 31, 2018 (Successor Period)	<hr/> 317 <hr/>

SYNERGY HomeCare Franchising, LLC**Notes to Financial Statements**

Note 14. Subsequent Events

The Company evaluated subsequent events through May 8, 2019, the date these financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

SYNERGY HOMECARE FRANCHISING, LLC

FINANCIAL STATEMENTS
(Audited)

YEAR ENDED
DECEMBER 31, 2017



LOHMAN COMPANY, PLLC

Certified Public Accountants & Business Consultants

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**LOHMAN COMPANY, PLLC**

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Member
SYNERGY HomeCare Franchising, LLC
Gilbert, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of SYNERGY HomeCare Franchising, LLC which comprise the balance sheet as of December 31, 2017, and the related statements of income and member's equity and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SYNERGY HomeCare Franchising, LLC as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Lorraine Company, PLLC

Mesa, Arizona
April 24, 2018

SYNERGY HOMECARE FRANCHISING, LLC
BALANCE SHEET
December 31, 2017

ASSETS

Current assets

Cash	\$ 1,211,694
Restricted cash held for national marketing fund	2,665,445
Franchise royalties and other fees receivable, net of allowance for doubtful accounts of \$34,536	433,375
Prepaid expenses and other current assets	67,897
Due from related parties	<u>9,861</u>
 Total current assets	<u>4,388,272</u>

Property and equipment

Leasehold improvements	222,314
Office furniture and equipment	150,544
Automobiles	<u>150,061</u>
	<u>522,919</u>
Less accumulated depreciation and amortization	<u>(371,834)</u>
 Total property and equipment	<u>151,085</u>

Other assets

Regional developer rights, net of accumulated amortization of \$90,632	<u>3,556,644</u>
 Total other assets	<u>3,556,644</u>
 Total assets	<u>\$ 8,096,001</u>

See accompanying notes to financial statements

SYNERGY HOMECARE FRANCHISING, LLC
BALANCE SHEET (Continued)
December 31, 2017

LIABILITIES AND MEMBER'S EQUITY

Current liabilities

National marketing fund	\$ 2,291,256
Accounts payable	157,538
Credit cards payable	289,400
Accrued expenses	<u>233,986</u>
Total current liabilities	<u>2,972,180</u>

Commitments and contingencies

Member's equity	<u>5,123,821</u>
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Total liabilities and member's equity	<u>\$ 8,096,001</u>
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See accompanying notes to financial statements

SYNERGY HOMECARE FRANCHISING, LLC
STATEMENT OF INCOME AND MEMBER'S EQUITY
For the Year Ended December 31, 2017

Revenues

Royalty revenue	\$ 6,911,777
Initial franchise and transfer fees	786,750
Technology fees	344,010
Other	453,671
	<hr/>
Total revenues	8,496,208

Cost of revenues

Regional developer royalties	1,144,739
Technology costs	329,394
Other	65,000
	<hr/>
Total cost of revenues	1,539,133

General and administrative expenses

Income from operations

Other income (expenses)

Gain on sale of property and equipment	5,873
Other expenses	(14,358)
	<hr/>

Total other income (expenses)

Net income

4,735,516

Member's equity, beginning balance

1,539,093

Member contributions

2,421,828

Member distributions

(3,572,616)

Member's equity, ending balance

\$ 5,123,821

See accompanying notes to financial statements

SYNERGY HOMECARE FRANCHISING, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

Cash flows from operating activities

<i>Net income</i>	\$ 4,735,516
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>	
Bad debt expense	5,508
Depreciation and amortization	153,060
Gain on sale of property and equipment	(5,873)
<i>(Increase) decrease in:</i>	
Franchise royalties and other fees receivable	(201,022)
Prepaid expenses and other current assets	(36,076)
Due from related parties, net	(28,137)
<i>Increase (decrease) in:</i>	
National marketing fund	210,323
Accounts payable	(90,479)
Credit cards payable	249,458
Accrued expenses	216,394
Franchise transfer deposits	<u>(12,375)</u>
Net cash provided by operating activities	<u>5,196,297</u>

Cash flows from investing activities

Purchases of property and equipment	(47,978)
Reacquisition of regional developer rights	(3,647,276)
Proceeds from sale of property and equipment	<u>89,049</u>
Net cash used by investing activities	<u>(3,606,205)</u>

See accompanying notes to financial statements

SYNERGY HOMECARE FRANCHISING, LLC
STATEMENT OF CASH FLOWS (Continued)
For the Year Ended December 31, 2017

Cash flows from financing activities

Contributions from member	2,421,828
Distributions to member	<u>(3,488,778)</u>
Net cash used by financing activities	<u>(1,066,950)</u>
Net increase in cash	523,142
Cash balance, beginning	<u>3,353,997</u>
Cash balance, ending	\$ <u>3,877,139</u>

Supplemental disclosure of cash flow information

Noncash investing and financing activities:

Property and equipment distributed to member	\$ <u>83,838</u>
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SYNERGY HOMECARE FRANCHISING, LLC NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Summary of Significant Accounting Policies

Nature of business:

SYNERGY HomeCare Franchising, LLC (“Company”) was organized as an Arizona limited liability company on December 19, 2003 under the name AZHC Franchising, LLC for the purpose of franchising under the trade name “SYNERGY HomeCare”. The Company changed its name to SYNERGY HomeCare Franchising, LLC on December 16, 2004. SYNERGY HomeCare franchises currently offer non-medical in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medical reminders, medical and social appointment scheduling and management, organization and bill paying assistance, housecleaning services and light home maintenance to seniors and assistance to others who need help with daily living activities. The Company sells its franchises throughout the United States of America. The franchising of non-medical in-home personal assistance is regulated by the Federal Trade Commission and various state authorities.

Concentration of credit risk:

The Company maintains amounts on deposit in financial institutions in excess of the federal deposit insurance limits.

Restricted cash held for national marketing fund:

Restricted cash is related to cash franchisees contribute to the Company’s National Marketing Fund. Cash contributed by franchisees to the National Marketing Fund is to be used in accordance with the Franchise Disclosure Document for local, regional and national marketing and advertising of services offered by the franchisees and to increase brand awareness.

Franchise royalties and other fees receivable:

As a condition of the franchise, franchisees are required to make weekly payments for royalties representing 5% of gross sales, plus technology fees. Receivables are carried at the original invoice amount less an estimate for doubtful accounts. Management determines the allowance for doubtful accounts based upon a review of outstanding amounts, historical collection information and existing economic conditions. Management determined an allowance for doubtful accounts of \$34,536 was necessary at December 31, 2017.

A receivable is considered to be past due if any portion of the receivable balances is outstanding for more than 90 days. Receivables are written off when deemed uncollectable after management performs an evaluation of the franchisee’s credit and specific circumstances. The Company normally does not charge interest on its receivables.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Summary of Significant Accounting Policies (Continued)

Property and equipment:

Property and equipment are carried at cost. Depreciation has been provided over estimated useful lives of three to ten years using the straight-line method. Leasehold improvements are amortized over the shorter of the lease term or their estimated useful life using the straight-line method.

Repairs that significantly extend the lives of equipment are capitalized, while routine repairs and maintenance are expensed when incurred. Upon sale or disposal, the costs and related accumulated depreciation and amortization are removed and any resulting gain or loss is recognized in income.

Intangible assets:

Intangible assets consist of reacquired regional developer rights. The Company amortizes the fair value of the reacquired rights over the remaining contractual terms at the time of acquisition, which range from approximately four to nine years.

The Company evaluates intangibles held and used for impairments whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Impairment is recognized when the carrying amounts of such assets cannot be recovered by the discounted net cash flows they will generate. As of December 31, 2017 no impairment of intangibles was identified.

Revenue recognition:

Initial franchise and transfer fees:

The Company requires the entire non-refundable initial franchise fee or transfer fee to be paid upon execution of a franchise agreement, which typically has a term of five years with five successive renewals of five years not to exceed thirty years. Initial franchise and transfer fees are recognized as revenue when the Company has substantially completed its initial service under the franchise agreement, which typically occurs upon completion of training with the franchisee. The Company provides no financing to franchisees and offer no guarantees on their behalf.

Royalties:

The Company collects royalties, as stipulated in the franchise agreement, equal to 5% of gross sales. Royalties are recognized as revenue when earned. Royalties are collected weekly, ten days after each sales period has ended.

Software and maintenance:

The Company collects weekly computer technology fees for use of software and IT support. These fees are recognized weekly as services are provided.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Summary of Significant Accounting Policies (Continued)

Rebates:

The Company enters into agreements with suppliers that entitle the Company to receive rebates for use of software products by the Company's franchisees. Rebates are recognized as revenue when earned and included in other revenues on the accompanying statement of income and member's equity.

Advertising costs:

The Company expenses the cost of advertising as incurred. Advertising expense was \$2,673 for the year ended December 31, 2017, and is included in general and administrative expenses in the accompanying statement of income and member's equity.

Income taxes:

The Company, with the consent of its member, has elected to be taxed as an S-Corporation under sections of federal and state income tax law, which provide that in lieu of partnership income taxes, the member separately accounts for the Company's income, deductions, losses and credits. As a result of this election, no income taxes have been recognized in the accompanying financial statements.

The Company adopted the accounting standard on accounting for uncertainty in income taxes. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the accompanying financial statements to comply with the provisions of this guidance.

Business Combinations:

The Company accounts for business combinations under the acquisition method of accounting. Under this method, acquired assets, including separately identifiable intangible assets, and any assumed liabilities are recorded at their acquisition date estimated fair value. The excess of purchase price over the fair value amounts assigned to the assets acquired and liabilities assumed represents the goodwill amount resulting from the acquisition. Determining the fair value of assets acquired and liabilities assumed involves the use of significant estimates and assumptions.

Use of estimates:

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

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Summary of Significant Accounting Policies (Continued)

Subsequent events:

The Company has evaluated subsequent events through April 24, 2018, the date on which the financial statements were available to be issued. See Note 9 for a discussion of the subsequent events noted.

Note 2. Recent Authoritative Accounting Guidance

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases* (Topic 842), requiring an entity that leases assets – or lessees – to recognize assets and liabilities on their statement of financial position for leases with lease terms of more than 12 months. The updated standard will replace most existing lease recognition guidance in accounting principles generally accepted in the United States of America (“U.S. GAAP”) when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The updated standard will be effective for annual reporting periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early adoption is permitted for all organizations. The Company has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The updated standard will be effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The Company has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the financial statements.

Note 3. National Marketing Fund

The Company’s franchisees pay, in addition to the 5% royalty fee, a marketing fee of 2% percent of gross sales which is used for local, regional and national marketing and advertising of services offered by the franchisees and to increase brand awareness. The Company maintains the marketing funds collected in a separate bank account which is used for specified purposes. This account is shown as restricted cash held for national marketing fund on the accompanying balance sheet and totaled \$2,665,445 as of December 31, 2017.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

Note 3. National Marketing Fund (Continued)

No revenues are recognized on marketing fees collected. The Company records the marketing fees as a liability against which the specified costs are charged. As of December 31, 2017, this liability totaled \$2,291,256. The difference between the cash balance and liability as of December 31, 2017 is due to \$391,465 of marketing and advertising services performed, however, not yet paid, included in credit cards payables and accrued expenses on the accompanying balance sheet, \$109,992 of marketing and advertising fees receivable from franchisees included in franchise royalties and other fees receivable on the accompanying balance sheet and \$92,716 of amounts due to the Company for accounting and professional services provided.

During the year ended December 31, 2017, the Company was reimbursed \$212,000 for accounting and professional services provided to the marketing fund which is included in other revenues on the accompanying statement of income and member's equity.

During the year ended December 31, 2017, marketing and advertising fees of \$204,000 were incurred by the national marketing fund for marketing and advertising services provided by an affiliated Company.

Note 4. Commitments

Operating leases:

The Company leases its headquarters from the member of Boom. The lease requires monthly payments of \$3,200, expiring December 2019.

The future minimum rental payments required under this operating lease is as follows as of December 31, 2017:

<u>Years Ending December 31:</u>	\$	38,400
2018	\$	38,400
2019		
	\$	76,800

Total rent expense included in general and administrative expenses on the accompanying statement of income and member's equity was \$38,400 for the year ended December 31, 2017.

Regional developers:

During the year ended December 31, 2016, the Company terminated an agreement with a regional developer. Under the terms of the termination agreement, the Company agreed to pay the regional developer royalty splits equal to half of royalty revenues earned on franchisees included in the territory in which the developer had rights based on the terms of the agreement through May 2020.

As of December 31, 2017, all regional developer rights had been reacquired by the Company, see Note 5. There are no future commitments due to regional developers, except as disclosed above.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

Note 5. Reacquisition of Regional Developer Rights

During the year ended December 31, 2017, the Company entered into agreements under which it repurchased the regional developer rights from regional developers in exchange for cash considerations of \$3,647,276. The Company amortizes the fair value of the reacquired rights over the remaining contractual terms at the time of acquisition. Accumulated amortization as of December 31, 2017 and amortization expense included in general and administrative expenses in the accompanying statement of income and member's equity for the year ended December 31, 2017 was \$90,632.

Expected amortization expense over the next five years is as follows:

Years Ending December 31:

2018	\$ 583,310
2019	583,310
2020	583,310
2021	528,662
2022	332,020

Note 6. Related Party Transactions

Related party transactions, other than those disclosed elsewhere in the financial statements, consist of the following:

The Company pays management fees to its member, Boom Brands, LLC, ("Boom"), which represents the Company's portion of allocated salaries. Management fees included in general and administrative expenses in the accompanying statement of income and member's equity paid to Boom totaled \$584,248 for the year ended December 31, 2017.

As of December 31, 2017, the Company had advanced Boom \$9,861, which is included in due from related parties on the accompanying balance sheet.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

Note 7. 401(k) Plan

The Company, through its PEO, established a salary deferral plan under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to defer a portion of their compensation, subject to plan and IRS limits. Such deferrals accumulate on a tax deferred basis until the employee withdraws the funds. Matching contributions may be made to the plan by the Company at its discretion. The Company made matching contributions of \$19,388 to the plan for the year ended December 31, 2017, which are included in general and administrative expenses on the accompanying statement of income and member's equity.

Note 8. Summary of Franchise Outlets

Following is a summary of changes in the number of outlets during the year ended December 31, 2017:

Company-owned outlets		
Franchises in operation at beginning of year		-
Opened during the year		-
Closed during the year		-
Franchises in operation at the end of year		-
Franchised outlets		
Franchises in operation at beginning of year	306	
Opened during the year	18	
Closed during the year	12	
Franchises in operation at the end of year	312	

Note 9. Subsequent Events

On April 2, 2018, the Company's parent company, Boom, sold a controlling interest in the Company to Synergy Acquisition, LLC, a Delaware limited liability company, which became the direct parent company. The Acquisition was funded through an equity contribution by Boom, Synergy Acquisition, LLC and borrowings by the Company.

Concurrent to the Acquisition, the Company entered into senior secured credit facilities in an aggregate principal amount of \$38,000,000, comprised of a \$33,000,000 term loan and a \$5,000,000 revolving credit facility. The interest rate on revolving loans and term loans under the credit facility is Libor plus 5.75% per annum or base rate (prime rate) plus 4.75% per annum. The facility has a term of six years, maturing on April 2, 2024. The facility is secured by sustainably all assets of the Company and is guaranteed by the Company's parent, Synergy Acquisition, LLC, and would be guaranteed by future domestic subsidiaries of the Company, if any. Amounts under the revolving credit loan can be borrowed, repaid and re-borrowed from time to time. The revolving loan has a commitment fee of 0.50% on unused portion of the revolving loan. The term loan amortizes on a quarterly basis, beginning June 30, 2018, at \$82,500 per quarter, and is subject to an annual excess cash flow prepayment of initially 50% with leverage-based step-downs, as well as other customary mandatory prepayment provisions. Voluntary

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

Note 9. Subsequent Events (Continued)

prepayments of the term loan (other than from internally generated cash) are subject to a prepayment premium of 2% in year one, 1% in year two and 0% thereafter. The facility is not subject to any conversion feature. In connection with the facility, the Company has agreed to maintain certain financial and non-financial covenants.

Concurrent with the Acquisition, the Company elected to apply pushdown accounting. Pushdown accounting refers to the use of the acquirer's basis in the preparation of the acquiree's separate financial statements as the new basis of accounting for the acquiree. The fair value of total consideration transferred by the acquirer, the amounts recognized by the acquirer as of the acquisition date for each major class of assets and liabilities and the total amount of goodwill that is expected to be deductible for tax purposes as a result of applying pushdown accounting is unavailable at date of issuance. Due to the timing of the acquisition, the accounting for pushdown accounting is incomplete and thus impracticable to provide at date of issuance.

Subsequent to the year ended December 31, 2017, the member authorized draws of approximately \$2,700,000, primarily to assist the member in paying personal income taxes on the income of the Company.

On April 2, 2018, the Company extended the lease of its headquarters from a member of the Company's parent company. The lease was extended for five years under similar terms as in Note 4. In addition, the extension includes options to renew for three successive one-year terms.

On April 2, 2018, the Company entered into employment agreements with key employees. Under the terms of the agreement, if the key employees are terminated without cause, the Company shall pay the key employees severance ranging from six to twelve months' salary, plus other benefits based on a calculation defined in the agreements. The employment agreements also contain noncompete and nonsolicitation provisions.



EXHIBIT F

LIST OF FORMER FRANCHISEES

EXHIBIT F TO THE DISCLOSURE DOCUMENT

LIST OF FORMER AND TRANSFERRED FRANCHISEES

Except for the following, there are no franchisees who have had a unit terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year, who have not communicated with us within 10 weeks of the application date, or who have transferred their business.

Full Name	City, State	Contact Information	
<u>Arizona</u>			
Meridell Sloterbeek (3 units ceased)	2345 E Thomas Rd, Ste 462	Phoenix, AZ 85016	(602) 283-5050
<u>California</u>			
Mark & Claudia Ross (3 units ceased)	3707 W Garden Grove Blvd., Ste 200	Orange, CA 92868	(714) 922-3660
<u>Connecticut</u>			
Bob Fiorito (1 unit ceased)	242 Center Street	Bristol, CT 06010	(860) 845-4029
<u>Florida</u>			
Scott Parratto & Antonio Bassolino (1 unit ceased)	601 Heritage Dr., Ste 107	Jupiter, FL 33458	(561) 578-6298
<u>Michigan</u>			
Carol Thompson (1 unit ceased)	27322 Twenty-Three Mile Rd, Ste #6	Chesterfield, MI 48051	(586) 948-9144
<u>Nevada</u>			
Felipe Danglapin (1 unit ceased)	1333 N. Buffalo Dr., Ste 250	Las Vegas, NV 89128	(702) 534-1351



EXHIBIT G

FRANCHISEE DISCLOSURE QUESTIONNAIRE

EXHIBIT G TO DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, SYNERGY HOMECARE FRANCHISING, LLC and you are preparing to enter into a Franchise Agreement for the operation of a Franchised Business. In this Franchisee Disclosure Questionnaire, SYNERGY HOMECARE FRANCHISING, LLC will be referred to as "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the SYNERGY HOMECARE FRANCHISING, LLC Franchise Agreement and each exhibit, addendum and schedule attached to it?

Yes No

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

Yes No

If "No", what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

3. Have you received and personally reviewed our Disclosure Document we provided to you?

Yes No

4. Do you understand all of the information contained in the Disclosure Document?

Yes No

If "No", what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

5. Have you discussed the benefits and risks of operating a SYNERGY HomeCare Business with an attorney, accountant or other professional advisor?
Yes No

If no, do you understand those risks without the need to seek advice from an attorney, accountant or other professional advisor?
Yes No
6. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?
Yes No
7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a SYNERGY HomeCare Business that we or our franchisees operate?
Yes No
8. Has any employee or other person speaking on our behalf made any statement or promise concerning a SYNERGY HomeCare Business that is contrary to, or different from, the information contained in the Disclosure Document?
Yes No
9. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a SYNERGY HomeCare Business?
Yes No

10. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?
Yes No

11 Have you relied on any statement, promise, or agreement, if any, concerning the advertising, marketing, training, support service or assistance to make your decision to buy this Franchise?

Yes No

12. If you have answered "Yes" to any of questions seven (7) through twelve (12), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of such question, please write "N/A".
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13. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and us?

Yes No

You understand that your answers are important to us and that we will rely on them.

MARYLAND DISCLAIMER: All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

Name of Franchisee/Applicant

Date: _____, 20____

Signature

Name and Title of Person Signing



EXHIBIT H

MULTI-STATE ADDENDA

**ADDENDUM TO THE
SYNERGY HOMECARE FRANCHISING, LLC
UNIFORM FRANCHISE DISCLOSURE DOCUMENT**

FOR THE STATE OF CALIFORNIA

1. The State Cover Page is amended to add the following statement:
 - THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

1. Item 1 of the Disclosure Document is amended to add the following:

Pursuant to the Home Care Services Consumer Protection Act of 2013, (the “Act”), you must comply with the licensure and certification requirements of the Home Care Services Bureau (HCSB) effective January 1, 2016. The Act will apply to California agencies that provide home care services to consumers. Home care services as related to this Act include nonmedical services and assistance provided by a registered home care aide to a client who, perhaps because of advanced age or physical or mental disability, cannot perform these services. These services enable the client to remain in his or her residence and include, but are not limited to, assistance with the following: bathing, dressing, shopping, feeding, exercising, and personal hygiene and grooming. For further information about the Home Care Services Consumer Protection Act, please visit the following website: <http://www.cclcd.ca.gov/PG3654.htm>

3. Item 3 of the Disclosure Document is amended to add the following:

- Neither we nor any person listed in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in that association or exchange.

4. Item 17 of the Disclosure Document is amended to add the following:

- The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
- The Franchise Agreement contains a covenant not to compete that extends beyond the term of the agreement. This provision might not be enforceable under California Law.
- The Franchise Agreement’s California addendum contains a liquidated damages clause. Under California Law, certain liquidated damages clauses are unenforceable.

- The Franchise Agreement requires litigation to be conducted in a court located in the State of Arizona. This provision might not be enforceable for any cause of action arising under California Law.
 - The Franchise Agreement requires application of the laws of the State of Arizona. This provision might not be enforceable under California Law.
 - The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in Item 17 with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.
 - The highest interest rate allowed by law in California is 10% annually.
 - The following URL address is for the franchisor's website: www.synergyhomecare.com and www.synergyhomecarefranchise.com
5. Item 19 of the Disclosure Document is amended to add the following:
- The earnings claims figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

6. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

7. You must sign a general release if you renew or transfer your franchise. California Corporation Code § 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§ 31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 through 20043).

FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.gov.

FOR THE STATE OF HAWAII

1. The following list reflects the status of our franchise registrations in the states that have franchise registration and/or disclosure laws:

- This registration is currently effective in the following states: None
 - This proposed registration is on file with or will shortly be on file with the following States: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.
 - There are no states which have refused, by order or otherwise, to register these franchises.
 - There are no states that have revoked or suspended the right to offer these franchises.
 - There are no states in which the proposed registration has been withdrawn.
2. The Franchise Agreement has been amended as follows:
- The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 4.2, 16 and 18 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
 - Sections 4.2.12, 8.3 and 18.2.3 of the Franchise Agreement require franchisee to sign a general release as a condition of renewal and transfer of the franchise; such release shall exclude claims arising under the Hawaii Franchise Investment Law.
 - Section 16.2.1.10 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).
3. The Receipt Pages are amended to add the following:
- THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.
 - THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR,

WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

■ THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

FOR THE STATE OF ILLINOIS

- **Illinois law** shall apply to and govern the Franchise Agreement(s).
- In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
- Franchisee's rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
- In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.
- The Home Health, Home Services, and Home Nursing Agency Code is set forth in the Illinois Administrative Code at: 77 Ill. Adm. Code 245 (2015).

FOR THE STATE OF MARYLAND

The Disclosure Document is amended to add the following:

- Under the Maryland Franchise Registrations and Disclosure Law, Md. Code Ann. Bus. Reg. §14-201 et seq., no general release shall be required as a condition of renewal, termination and/or transfer which is intended to exclude claims under the Maryland Franchise Registration and Disclosure Law.
- Any litigation between franchisee and franchisor may be instituted in any court of competent jurisdiction, including a court in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- In the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

FOR THE STATE OF MINNESOTA:

1. Item 13 of the Disclosure Document is amended as follows:
 - As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
2. Item 17 of the Disclosure Document is amended as follows:
 - With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement.
 - Item 17 does not provide for a prospective general release of claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
 - Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

FOR THE STATE OF NEW YORK

1. All references made in this Franchise Disclosure Document to a “Disclosure Document” shall be replaced with the term “Offering Prospectus” as used under New York Law.

2. Item 3 is amended by the addition of the following language:

- Other than as disclosed in Item 3, neither franchisor nor any person identified in Item 2 has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against them 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. In addition, neither franchisor nor any person identified in Item 2 has any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- Other than as disclosed in Item 3, neither franchisor nor any affiliate or person identified in Item 2 is subject to any injunctive or restrictive order or decree relating to the franchises, or any Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, as a result of a concluded or pending action or proceeding brought by a public agency.
- Other than as disclosed in Item 3, neither franchisor nor any person identified in Item 2 has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been held liable in a civil action by final judgment or been the subject of a material compliant or other legal proceeding involving violation of any franchise law, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

3. Item 4 is amended to state that:

- Other than as disclosed in Item 4, neither the franchisor, nor its predecessor, officers or general partner of the franchisor has, during the ten (10) year period immediately before the date of the Disclosure Document, has: (a) filed as a 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; (c) was a principal officer of any company or a general partner in any partnership that either filed as a debtor (or had filed against it) a petition to start action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the Bankruptcy Code during or within one (1) year after the officer or general partner of the franchisor held this position in the company or partnership.

4. Item 5 of the Disclosure Document is amended to add the following:

- The Franchise Fee will be used to defray our costs in obtaining and screening franchisees, providing training, training materials and assisting in opening the Franchised Business for business.

5. Item 17 of the Disclosure Document is amended to add the following:

- No general release shall be required as a condition of renewal, termination and/or transfer which is intended to exclude claims arising under the New York General Business Law, Article 3, Sections 687.4 and 687.5.
- Item 17(d) is amended to provide that you may terminate the Agreement on any grounds available by law.
- Item 17(j) is amended to state, that no assignment will be made except to an assignee who, in the good faith judgment of franchisor, is able to assume our obligations under the Agreement.
- Item 17(w) is amended to state that New York Law governs any cause of action that arises under the New York General Business Law, Article 33, Section 680-695.

6. Franchisor represents that this Disclosure Document does not knowingly omit anything or contain any untrue statements of a material fact.

FOR THE STATE OF NORTH DAKOTA

1. Item 17 of the Disclosure Document is amended to add the following:
 - The North Dakota Securities Commissioner has held that any provision requiring a general release required as a condition of renewal, termination and/or transfer which is intended to exclude claims arising under North Dakota Law unfair, unjust or inequitable to North Dakota franchisees under Section 51-19-09 of the North Dakota Franchise Investment Law
 - In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.
 - North Dakota Securities Commissioner has held that a provision requiring you to consent to a limitation of claims other than the statute of limitations under the North Dakota Franchise Investment Law is unfair, unjust or inequitable to North Dakota franchisees under Section 51-19-09 of the North Dakota Franchise Investment Law.
 - Items 17(i) and 17(q) are amended to state that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
 - Items 17(i) and Section 17.7 of the Franchise Agreement require you to consent to liquidated damages and/or termination penalties. The North Dakota Securities Commissioner has held that these provisions are unfair, unjust or inequitable to North Dakota franchisees under Section 51-19-09 of the North Dakota Franchise Investment Law.
 - Item 17(v) is amended to state that the North Dakota Securities Commissioner has held that a provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is unfair, unjust or inequitable to North Dakota franchisees under Section 51-19-09 of the North Dakota Franchise Investment Law.
 - Item 17(w) is amended to state North Dakota Securities Commissioner has held that a provision designating any law other than North Dakota Law is unfair, unjust or inequitable to North Dakota franchisees and may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.
 - North Dakota Securities Commissioner has held that a provision requiring you to consent to a waiver of exemplary and punitive damages is unfair, unjust or inequitable to North Dakota franchisees under Section 51-19-09 of the North Dakota Franchise Investment Law.
 - North Dakota Securities Commissioner has held that a provision requiring you to consent to a waiver of a trial by jury is unfair, unjust or inequitable to North Dakota franchisees under Section 51-19-09 of the North Dakota Franchise Investment Law.

FOR THE STATE OF RHODE ISLAND

Item 17 of the Disclosure Document is amended to add the following:

- The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-1 through 34 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

FOR THE STATE OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for SYNERGY HomeCare Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statement is added to Item 8 under the title "Insurance"

We may specify a fidelity/crime coverage amount that is greater than \$25,000 if applicable law requires it or if we determine a higher amount should be obtained to provide adequate coverage under the circumstances.

The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

FOR THE STATE OF WASHINGTON

Item 17 of the Disclosure Document is amended to add the following:

- In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
- A general release or waiver of rights executed by a franchisee will not include rights under the Washington Franchise Investment Protection Act.
- Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.
- Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
- The Franchise Agreement requires any litigation or arbitration to be conducted in a state other than Washington; the requirement shall not limit any rights franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.
- Item 17(u) is amended to state that this provision is subject to state law.
- In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
- To resolve an investigation by the Washington Attorney General and without admitting any liability, we have entered into an Assurance of Discontinuance ("AOD") with the State of Washington, where we have agreed to remove from our form franchise agreement a provision which restricts a franchise from soliciting and/or hiring the employees of other franchisees and/or our employees, which the Attorney General alleges violates Washington state and federal antitrust and unfair practices laws. We have agreed, as part of the AOD, to not enforce such provisions in any existing franchise agreement, to request that our Washington franchisees amend their existing franchise to remove such provisions, and to notify our franchisees about the entry of the AOD, In addition, the State of Washington did not assess any fines more other monetary penalties against us.

STATE EFFECTIVE DATES

The following states have franchise laws that require the Franchise Disclosure Document be registered or filed with the states, 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 disclosure document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date	State	Effective Date
California	Pending	New York	Pending
Hawaii	Pending	North Dakota	Pending
Illinois	Pending	Rhode Island	Pending
Indiana	Pending	South Dakota	Pending
Maryland	Pending	Virginia	Pending
Michigan	Pending	Washington	Pending
Minnesota	Pending	Wisconsin	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.



EXHIBIT I

RECEIPTS

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 SYNERGY HomeCare Franchising, LLC offers you a franchise, SYNERGY HomeCare Franchising, LLC must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, SYNERGY HomeCare Franchising, LLC or its affiliate in connection with the proposed franchise sale. Iowa, New York and Rhode Island require that SYNERGY HomeCare Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that SYNERGY HomeCare Franchising, LLC gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If SYNERGY HomeCare Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate respective agents identified on **Exhibit A**.

The franchisor is SYNERGY HomeCare Franchising, LLC, located at 1757 E. Baseline Road, Bldg. 6, Suite 124, Gilbert, AZ 85233. Its telephone number is (480) 659-7771.

Issuance Date: April 24, 2020

The name, principal business address and telephone number of each franchise seller for this offering is Peter Tourian, 1757 E. Baseline Road., Bldg. 6, Suite 124, Gilbert, AZ, 85233, (480) 659-7771.

SYNERGY HomeCare Franchising, LLC authorizes the respective agents identified on Exhibit A to receive service of process for us in the particular state.

I received a disclosure document dated April 24, 2020 that included the following Exhibits:

- A. LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS
- B. LIST OF FRANCHISEES
- C. FRANCHISE AGREEMENT
- D. TABLE OF CONTENTS OF OPERATIONS MANUAL
- E. FINANCIAL STATEMENTS
- F. LIST OF FORMER FRANCHISEES
- G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- H. MULTI-STATE ADDENDA
- I. RECEIPT

Date	Signature	Printed Name
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Date	Signature	Printed Name
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Please retain this copy for your records.

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 SYNERGY HomeCare Franchising, LLC offers you a franchise, SYNERGY HomeCare Franchising, LLC must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, SYNERGY HomeCare Franchising, LLC or its affiliate in connection with the proposed franchise sale. Iowa, New York and Rhode Island require that SYNERGY HomeCare Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that SYNERGY HomeCare Franchising, LLC gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If SYNERGY HomeCare Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate respective agents identified on **Exhibit A**.

The franchisor is SYNERGY HomeCare Franchising, LLC, located at 1757 E. Baseline Road, Bldg. 6, Suite 124, Gilbert, AZ 85233. Its telephone number is (480) 659-7771.

Issuance Date: April 24, 2020

The name, principal business address and telephone number of each franchise seller for this offering is Peter Tourian, 1757 E. Baseline Road., Bldg. 6, Suite 124, Gilbert, AZ, 85233, (480) 659-7771.

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Date	Signature	Printed Name
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You may return the signed receipt either by signing, dating, and mailing it to SYNERGY HomeCare Franchising, LLC at 1757 E. Baseline Road, Bldg. 6, Suite 124, Gilbert, AZ 85233 or by faxing a copy of the signed and dated receipt to SYNERGY HomeCare Franchising, LLC at (480) 659-7713 or by scanning a signed and dated copy and email to receipts@synergyhomecare.com.