

2024 - 2025

FRANCHISE

DISCLOSURE DOCUMENT

FOR





FRANCHISE DISCLOSURE DOCUMENT

MASTERCARE FRANCHISING, LLC

a Texas Limited Liability Company

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Mastercare Franchising, LLC (“Mastercare”) offers franchises to operate a business that provides private pay, non-medical home care services (where licensed), skilled nursing and 24-hour care at a person’s home or residence as well as Nursing (RN, LPN, CNA) and other medical personnel job placement and medical staffing solutions in hospitals, clinics and other medical facilities (where licensed). The franchise is not a home-based business and must be operated from a commercial office location. This unique system of services has been designed by Mastercare under the trade name “Mastercare”.

The total investment necessary to begin operation of a Mastercare franchised business is between \$125,800 to \$223,450. This includes \$47,050 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Anwar Kazi, at 7920 Belt Line Rd., Ste. 720, Dallas, TX 75254 and (855) 840-CARE.

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

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

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

Issuance Date: May 31, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Mastercare 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 Mastercare franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in Texas. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with franchisor in Texas than in your own state.

2. Mandatory Minimum Payments. You must make minimum royalty and advertising payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

3. Financial Condition. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

4. Use of Franchise Brokers. The franchisor [uses/may use] the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor

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

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

To simplify the language in this Franchise Disclosure Document, “we”, “us”, “our” or “Mastercare” means Mastercare Franchising, LLC, the Franchisor. “You” means the person or entity that buys the franchise (the “Franchisee”). If the initial franchisee is an individual(s) that subsequently assigns his, her or their interest to a corporation, limited liability Company, partnership or other entity, then “You” will include the entity’s owners by virtue of our requirement that all of the entity owners must personally guarantee, and be personally bound by, your obligations under the Franchise Agreement and the other agreements described in this Disclosure Document. To fully understand all of your and our respective rights and obligations, you must still carefully review the actual agreements you must execute. These agreements will control if there is any dispute between us. If an entity is the Franchisee, “you” includes the Franchisee’s owners.

The Franchisor, any Parents, Predecessors and Affiliates:

We were organized under the laws of Texas on November 30, 2012. We do not do business under any other name. Our principal business address is 7920 Belt Line Rd., Ste. 720 Dallas, TX 75254. Our agent for service of process is disclosed in Exhibit C to this Franchise Disclosure Document. We have never sold any other franchise and have no business other than offering franchises and assisting franchisees. We have been offering franchises since January 2013. We have not conducted business in any other line of business. We have never offered franchises in any other line of business.

We have no parent companies, nor do we have any predecessors, but we do have two affiliates required to be disclosed.

Our first affiliate is Mastercare, Inc., which was incorporated under the laws of Hawaii on May 19, 2004. Mastercare, Inc. does not do business under any other name. Its business address is 1314 South King Street, Suite 424, Honolulu, Hawaii, 96814. Our principals, Anwar Kazi and Ashrafun Kazi each own 50% interest in Mastercare, Inc. Mastercare, Inc. has never sold franchises in this or any other line of business. Mastercare, Inc. has guaranteed our obligations. See Exhibit A-I

Our second affiliate is Staffingpower, Inc. which was incorporated under the laws of Delaware in May 12, 2005. Staffingpower does not do business under any other name. Its business address is 1314 South King Street, Suite 856, Honolulu, Hawaii, 96814. Our principals, Anwar Kazi and Ashrafun Kazi each own 50% interest in Staffingpower, Inc. Staffingpower offers franchises for the operation of a business providing a variety of employment services, including flexible staffing, temporary/contract staffing, career placement, and professional search business to Institutions and may provide these employment services to medical facilities or assisted living facilities, however, they will never offer employment services to businesses which provide non-medical home health services and will not be competition to this franchise offering. This affiliate does not currently offer franchises but intends to in the future. This affiliate has never offered franchises in any other line of business, and it is not an approved supplier of any product or service you must purchase or lease.

We have not owned or operated any Mastercare Outlets, but our affiliate, Mastercare, Inc. has operated four (4) Mastercare Outlets which are similar to the franchise offered in this Disclosure Document since May 2004. Our affiliate intends to expand operations and open additional outlets throughout the United States in the future.

Description of the Franchise

We offer franchises for the operation of a business that provides private pay, non-medical home care services (where licensed), skilled nursing and 24-hour care to individuals in their home or residence as well as Nursing RN, LPN CNA job placement and medical staffing solutions to the medical community in Hospitals, Doctor's offices or other medical facilities where licensed by your state. The franchise is operated under the Mastercare trademarks, trade names, service marks, and logos ("Marks"). The franchise is operated under a business format in accordance with a unique system, including our valuable know how, information, trade secrets, methods, Manual, standards, designs, methods of trademark usage, copyrightable works, sources and specifications, software, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of the Business (collectively, the "System") owned and developed by us and known as Mastercare.

Where licensed by your state, your particular franchise may have four (4) primary revenue streams: (1) Non-Medical Home Care Services (known as companion caregiver), (2) Medical Home Health Care Services (medical skilled in-home personal care), (3) Private Duty Nursing, and (4) Institutional Medical Staffing including placement of, Nurses and other medical professionals in a Hospital, Medical office or other Medical outlets. Some Mastercare franchisees offer all four services, and some do not. For example, not all franchisees provide Medical Skilled Care in home care services or Institutional Medical Staffing where state regulations prevent their ability to do so (as further described below). In all organizational models you must devote full-time involvement in the business for the first two years from the Opening Date. Should you wish to hire an operations manager to oversee the day-to-day operations after the first two years, you must submit a written request and obtain written approval from us. You must establish a corporate office, outside your home, for the operation of your business.

Private Pay Home Care Medical and Non-Medical: You will market your services to individuals of varying needs requiring in-home non-medical and private duty medical care and You will design a personalized care plan for each home care client after their needs have been evaluated by a Master Social Worker or, only if allowed by your state law, a Registered Nurse on your staff, and you will match the client with a qualified, pre-screened caregiver who is compatible with the client's needs. Typical services provided by our companion care professionals (non-skilled) include: Activity planning (art, board games, cards, walk in the park, crafts, hobbies, outings, place of worship, reading, movies etc. - whatever activity or past time that is stimulating and enjoyable), adult sitting services, assistance with keeping in touch with loved ones via writing letters, email and telephone, conversation with caregiver, creating and supporting a daily routine, fall prevention, laundry, light housekeeping, meal planning and preparation, pediatric care, pregnant women and new mother support, respite care for family relief, scheduling - assistance with effective, organized scheduling, shopping and errands, Social Media assistance and transportation and/or travel companionship,

e.g. social engagements or doctor/dentist visits. This is an example, but it is not a comprehensive list.

Other care that you will offer includes, assistance with monitoring that medications are being taken as directed, ambulation and exercise based on an established care plan, reporting of conditions and changes to supervising RN and/or doctor, and bath/hygiene visits.

There are 4 organizational model options for a new franchisee. (1) You as salesperson operating in a state where a part-time licensed registered nurse (RN) is permitted for licensure purposes; (2) You as Operations Manager/branch manager in a state where a part-time licensed registered nurse (RN) is permitted for licensure purposes; (3) You as salesperson in a state where a full-time licensed registered nurse (RN) is required for licensure purposes; and (4) You as Operations Manager/branch manager in a state where a full-time licensed registered nurse (RN) is required for licensure purposes.

You must devote full-time involvement in the business for the first two years from the Opening Date. Should you wish to hire an operations manager to oversee the day-to-day operations after the first two years, you must submit a written request and obtain written approval from us. You should employ a Registered Nurse, as well as additional non-medically licensed lay staff for the non-medical care and companionship services you offer.

Medical Staffing: Institutional clients to whom your medical staffing services may be marketed include facilities such as hospitals, nursing homes, and clinics. You are solely responsible for screening and paying your staff so that the client has a low maintenance and reliable solution for its healthcare staffing needs with reduced human resources costs. Positions that you will offer to such institutional clients may include registered nurses, clinical nurses, licensed practical nurses, nurse practitioners, home health aids, occupational health nurses, phlebotomists, certified nurse assistants, physical therapists, occupational therapists, speech therapists, case managers, and any other positions in any home or healthcare institutional (includes doctor's offices, hospitals, nursing homes, etc.) setting. You must have qualified healthcare professionals available to your clients on a regular basis or simply to fill in for absentee staff. Staffing services will be available 24 hours a day, 7 days a week. 24-hour live client service support staff must be available to all clients.

We are designed to support you in your ongoing business efforts. We reserve the right to change or otherwise modify the System and add, modify, or delete any of our designs, processes, or services at any time in our sole discretion.

You will be required to participate in marketing programs in which we will promote our services.

You must operate your Outlet in agreement with our standard business operating practices and sign our standard franchise agreement ("Franchise Agreement") which is attached to this Disclosure Document as Exhibit B.

The Market and Competition

The franchise targets its services to the general public. You may have to compete with other non-medical, skilled staffing and medical staffing in-home care and/or medical employment businesses including senior care services, franchised operations, national chains, and independently owned

companies offering similar services to customers. The market for private pay, non-medical home care services, skilled nursing and 24-hour care at a person's home or residence as well as Nursing (RN, LPN, CNA) and other medical personnel job placement and medical staffing solutions in hospitals, clinics and other medical facilities is developed and moderately competitive. You will also face other normal business risks that could have an adverse effect on your Franchise. These may include industry developments, such as pricing policies of competitors, and supply and demand.

Regulations

You must pass a thorough background and credit check to operate any of our franchises, even though it might not be required by law.

You are not authorized to provide Medicaid or Medicare services.

It is not necessary that you have experience in the healthcare industry prior to acquiring or operating your Mastercare franchise. Except for CHAP as disclosed below, you must obtain all licensures necessary to perform any aspect of your Mastercare business model within your first 9 months after opening unless prohibited by state regulations. In those instances, however, if state regulations change you will be required to obtain skilled licensure immediately.

If you offer Home Health Care services, you must obtain your licensing through Community Health Accreditation Partner "CHAP" within 12 months of opening your Business and you must maintain your licenses and "CHAP Accreditation in good standing throughout the term of your Franchise Agreement.

As a franchisee, you must specifically comply with all local, state and federal laws that apply to the Outlet, including health, sanitation, insurance, bonding, EEOC, OSHA, non-discrimination, employment and sexual harassment laws. Some states require that you obtain a license to provide employment services. In addition, some states may also require a local business license, a home healthcare agency license, and/or a certificate of need to provide home healthcare services to be paid for by any federal or state funded programs. There may be specific additional laws or regulations in your state or municipality regarding the operation of these programs.

You must comply with all federal, state and local laws and regulations that apply generally to all businesses. The laws in your state or municipality may be more or less stringent. You should investigate and consider these laws and regulations when evaluating your purchase of our franchise.

You must comply and it is your responsibility to determine whether or not there is licensing or other requirements for the operation of any of our Outlets. Non-medical in-home Franchisees do not provide medical services in the home that are covered or are paid for by Medicaid and/or Medicare; however, various state statutes may have very broad definitions of "medical services" which may encompass the personal care services offered by your franchise. You want to make certain that the services your caregivers provide are not determined by your state authorities to be providing medical care or medical assistance. The franchisee must comply with any and all state requirements for operating any of our Outlets. You will also provide staffing services for health care facilities; however, Franchisee may provide staffing services only and the health care client

will perform all medical services. You may provide skilled nursing, 24-hour assistance, only with approved licensing by your state. Under those circumstances, you may provide Medicaid or Medicare services.

Some jurisdictions may also require a Certificate of Need for in-home care services. Some states require you to obtain a license to provide employment services. We may require you to obtain a particular permit, license or accreditation. Some states have imposed a moratorium on the issuance of home health agency licenses, nurse staffing licenses, and other in-home healthcare licenses or permits. You are responsible for investigating the availability and requirements for obtaining all necessary licenses in your state.

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

In addition, overtime and specific compensation laws vary from state to state. You must review federal minimum wage and overtime laws, as well as similar laws within your state, to ensure compliance with laws currently in existence and those that may later be adopted. We have some resources available to reference these state laws, but you must investigate, understand and comply with any federal, state, or local law applicable to your business.

You should consult with your own legal counsel to determine the applicability of these and other laws and regulations to the operation of your Mastercare franchise. The Mastercare model is for non-medical and medical, private pay home care, meaning the consumer pays the franchisee for services. You are not authorized to provide Medicaid or Medicare services. Although the Mastercare model is designed to bill the client directly for services, Franchisees may provide services that could be covered by a client's long-term care insurance policy. In this situation, you should recommend that your clients pay you directly and then seek reimbursement from their insurance company. Various federal and state laws regulate the privacy and security of patient health care information. As noted above, the Mastercare model is designed for non-medical and medical, private pay home care as well as medical staffing services to medical facilities, and our Franchisees do not furnish traditional health care services. You should consult with your attorney and local, state and federal government agencies before buying your Mastercare Franchise or offering any services to the public to determine all legal requirements and to consider their effects on you and the cost of compliance. It is your sole responsibility to investigate, satisfy and remain in compliance with all local, state and federal laws, since they vary from place to place and can change over time.

Health Insurance Portability and Accountability Act (HIPAA), and the Health Information Technology for Economic and Clinical Health (HITECH) Act, may apply to the operation of a franchisee's business depending on the specific services provided. Although HIPAA may or may not apply to a given franchisee's business, we require that all franchisees comply with HIPAA standards to ensure the highest level of protection of client information. Under HIPAA, healthcare providers have certain legal obligations to keep a client's health care information confidential and are also required to disclose that information to clients and third parties when requests are properly submitted. In addition, franchisees must ensure the privacy and security of client health care information shared with any "business associate", as defined under the federal statutes, such as

service providers, attorneys, or third-party billing companies. Note that many states also have laws regulating the privacy and security of patient health care information and these laws may impose even greater restrictions and obligations on a Mastercare franchisee's business regarding the privacy and security of client healthcare information.

ITEM 2 BUSINESS EXPERIENCE

President/CEO: Anwar Kazi

Mr. Kazi has served as the President and CEO of Mastercare Franchising, LLC since our inception in November 2012. From May 2002 to the present, Mr. Kazi has also served as the President/CEO of our affiliate, Mastercare, Inc. Mr. Kazi is also President and CEO of Staffingpower, Inc., and has been since inception May 12, 2005. He has served in those positions from Honolulu, Hawaii and Dallas Texas.

CFO: Ashrafun Kazi

Ms. Kazi has been the CFO of Mastercare Franchising LLC, since our inception in November 2012. From May 2002 to the present, Ms. Kazi has also been the CFO of our affiliate, Mastercare, Inc. Ms. Kazi is also CFO of Staffingpower, Inc. and has been since inception on May 12, 2015. She has served in those positions from Honolulu, Hawaii and Dallas Texas.

Director Client Services: Irfaan Kazi

Mr. Kazi has been our Director of Client Services since June 2016 and is located in Dallas Texas.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

The Initial Franchise Fee for a Designated Territory with a population of approximately 75,000 to 250,000 persons (as determined by the latest US Census or other recognized Data Collection agency) is \$45,000. The Initial Franchise Fee is due when you sign the Franchise Agreement. The Initial Franchise Fee is fully earned upon payment, and there are no refunds under any circumstances.

Uniforms. You are required to purchase uniforms only from us or our affiliate. The minimum initial order is \$550 for 25 sets. Additional sets may be purchased for \$25 per set. These fees are generally not refundable.

Advertising and Promotional items. You are required to purchase a supply of branded promotional items from us or our affiliate. The minimum initial order is \$1,500 and includes an assortment of brochures, marketing materials, pens, can openers and other promotional items. These fees are generally not refundable.

During our fiscal year ending December 31, 2024, the range of actual Initial Franchise Fees paid was \$0. The factors that influenced our decision to adjust the Initial Franchise Fee included the number of locations to be opened by the franchisee, if it's an additional location for a franchisee, the length of time the franchisee had been associated with any affiliate of ours, and the size of the Development Area. We reserve the right to take these and other factors into consideration when offering adjustments to the Initial Franchise Fee in the future.

You pay us or our affiliates no other fees or payments for services or goods before your business opens.

ITEM 6 OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee (Note 2)	5% of Monthly Gross Revenue of \$350,000 per month or less or \$1,000 per month, whichever is greater and then 4.5% of Monthly Gross Revenue greater than \$350,001 per month.	Due on the 10th of each month. Deducted from your Business bank account via EFT	Required of all Franchisees. Royalty is to be paid monthly and will be collected electronically.
National Marketing Fund (Note 2)	2% of Gross Revenue per month	Due on the 10th of each month Deducted from your Business bank account via EFT	Once implemented, all franchised Outlets will be required to pay to us a contribution to the National Marketing Fund ("Fund") or a Multi-Area Marketing Program(s) (MAM Programs) not to exceed 2% of Gross Revenues per month.
Accounts Receivable Fee (Note 3)	1.5% of Gross Revenues collected on your behalf	Deducted from your weekly remittance	We will conduct on your behalf, all billing, accounts receivable and collection of your customer payments.

Type of Fee	Amount	Due Date	Remarks
Initial Training for Additional Persons or new or replacement employees (Note 4)	\$500 per person per day	As incurred	The cost to train two people is included in the initial franchise fee. If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the additional trainees' expenses, including travel, lodging, meals and wages.
Additional Assistance at Your Franchise (Note 5)	\$500 per day (two day minimum)	As incurred	If you request that we provide additional training at your Outlet beyond Initial Training, or if as the result of an inspection or quality assurance audit we believe that remedial training is necessary, you must pay our daily fee for each trainer we send to your Outlet, and you must reimburse each trainer's expenses, including travel, lodging, meals and wages
Periodic Web Based Training	\$149 per session	As incurred	These web-based training courses will cost \$149 per session. We will also provide safety training for field and office employees through online videos we upload to our training site. These safety training videos are provided free of charge but are not considered part of the Initial Training.
Annual Conference Fee	Up to \$250 per person	Prior to Conference	Fee is mandatory regardless of attendance. Fee is per person attending and you are responsible for all expenses of you and any other person attending, including wages, travel, lodging, and meals
Additional Conferences	Up to \$250	Prior to Conference	You are responsible for all expenses of you and any other person attending, including wages, travel, lodging, and meals
Marketing & Promotional Items	\$1,500 Initial Order	Upon ordering	Us or our Affiliate
Uniforms	\$550 Initial Order	Upon ordering	You must purchase an initial order of 25 uniforms at a cost of \$550 from us or our affiliate. Additional uniforms can be purchased at \$25 per uniform.
Transfer Fee (Note 6)	\$0 - 5,000.	Prior to acceptance of transfer	Payable before you sell your franchise.
Audit	Cost of audit plus 1.5% interest per month on understatement	30 days after billing	We pay all audit costs unless the audit shows an understatement of at least 1% of Gross Revenue for any month. Also payable for failure to submit required reports.
Fees for Lost Manual	Actual replacement cost	Upon ordering	You must replace any Manual that is lost, stolen or destroyed. The Manual remains our property.

Type of Fee	Amount	Due Date	Remarks
Insufficient Funds Fee	\$100 per occurrence	On demand, if incurred	Payable if there are insufficient funds in your account to pay fees due to us. If you incur three insufficient funds fees in any 12-month period, we have the right to terminate your Franchise Agreement. Unpaid amounts will also accrue interest.
Interest	1.5% per month	30 days after due date	Franchisees must pay interest on late payments in the amount of 1.5% per month, or the maximum interest rate allowed by applicable law, whichever is less. Interest accrues from the original due date until paid in full
Franchise Renewal Fee	\$2,000 for a single franchise	30 days prior to renewal	Initial franchise term is 10 years. The renewal term is 10 years. So long as You are in full compliance with your Franchise Agreement you will have the right to renew the franchise for additional ten (10) year terms. You are obligated to provide written notice to Mastercare not less than six (6) months before a renewal date of your intention to renew.
Liquidated Damages	Will vary under circumstances	Within 45 days of termination	If we terminate your Franchise Agreement for cause, you must pay us within 45 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by the number of months remaining in the Agreement had it not been terminated.
Costs and Attorneys' Fees	Will vary under circumstances	On demand	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating the agreement.
Indemnification	Will vary under circumstances	On demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Outlet or for costs associated with defending claims that you used the Proprietary Marks in an unauthorized manner.
Computer and Communications Equipment Upgrades and Maintenance	Varies, but usually no more than \$1,000 per year.	As incurred or as agreed	You must purchase upgrades and pay for maintenance for your computer and communications equipment, including upgrades for any required proprietary software, when we require you to do so.

Notes:

1. We or our affiliates impose all the fees in this table, you pay them to us or our affiliate, and we (or our affiliate) do not refund them. The fees and costs in this Item 6 are uniformly imposed and generally non-refundable
2. "Gross Revenues" means the total of all receipts derived from gross revenue receipts, whether the receipts are evidenced by cash, credit, checks, services, property, or other means of exchange. Gross Revenue

excludes only sales tax receipts that you must by law collect from customers and that you actually pay to the government, promotional or discount coupons to the extent that Franchisee realizes no revenue, and employee receipt of services, if free, or any portion not paid for by an employee.

3. Accounts Receivable/Collection. We bill all your accounts receivable and collect these amounts on your behalf. You pay to us a fee of 1.5% of total revenues collected, which we will deduct from your remittance. We will remit payment once weekly on Wednesday for the preceding calendar week. We provide:

Complete Accounts Receivable and Collection Services including:

- a) Billing/invoicing all clients for all services provided to clients by you
- b) Collection of all client payments.
- c) Administer all client contacts, invoices, payments and receivables. Franchisee will have independent access to all reports via the software. Franchisee is responsible for uploading all client contracts to the server.

Mastercare will remit to the Franchisee any balance due after deductions on Wednesday of each week for the preceding calendar week. The amount remitted to you will be and figured as follows:

From Adjusted Gross Billings received from your Customers, We will deduct:

- a) Royalties owed to Us. Royalties are incurred as follows: 5% of Monthly Gross Revenue of \$350,000 per month or less or \$1,000 per month, whichever is greater and then 4.5% of Monthly Gross Revenue greater than \$350,001 per month. If for any reason you collect any payment directly from an account, you must report it to Mastercare and pay the applicable royalty and other fees, or we will deduct it from amounts we bill accounts you service. You are responsible for direct payment of the royalty on any amounts not paid by accounts you service and for all other amounts due by you to Mastercare if amounts collected in any month are insufficient to cover the amount due
- b) All Overnight Delivery Costs, Wire Fees, Credit Card Fees, Credit Report Fees, and
- c) Any other Direct Costs incurred by Us and All Other Sums Owed to Us, including any fees for the National Marketing Fund, once implemented.

In the event that the balance is negative, you will pay said sum to Mastercare immediately after being notified of the negative balance. Mastercare will have the right to set off any negative balance against any obligations owed by Us to you or any affiliate of Franchisee.

4. Training for you and your Manager is included in the Initial Franchise Fee. Additional charges are only applied if you choose to train more than two people. Training fees can be increased or decreased by us at any time in our discretion.

5. Ongoing assistance by telephone/Skype is included. We will charge you the Additional Assistance fee only if you require additional assistance at your franchise beyond the initial training. Fees for additional assistance can be increased or decreased by us at any time in our discretion.

6. No Transfer Fee is required if you transfer your Outlet to a corporation in which you are the majority stockholder, or if you transfer the Outlet to your child, parent, sibling, or spouse subject to any such individual being approved as a franchisee by us. You must pay a Transfer Fee of \$2,500 if you transfer the Outlet to another franchisee of ours. In all other cases, you must pay a Transfer Fee of \$5,000.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount Low	Amount High	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (Note 1)	\$45,000	\$45,000	Lump sum	Upon signing of a Franchise Agreement	Us
Travel and Living Expenses (Note 2)	\$1,000	\$3,000	As incurred	During training	Airlines, Hotels, Restaurants, etc.
Rent or Real Estate (Note 3)	\$2,000	\$5,000	As determined by Lessor	Prior to opening	Lessor

Type of Expenditure	Amount Low	Amount High	Method of payment	When due	To whom payment is to be made
Design and Architect Fees (Note 4)	\$3,000	\$5,000	As Arranged	Prior to opening	Architect/Design Firm
Leasehold, Contractor Improvements, Construction Costs (Note 5)	\$5,000	\$8,000	Progress Payments	As arranged	Vendors
Equipment, Furniture & Fixtures (Note 6)	\$2,000	\$4,000	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendors
Signage (note 7)	\$800	\$2,000	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendors
Miscellaneous Opening Costs (Note 8)	\$2,500	\$4,000	As incurred	Prior to opening	Suppliers, Utilities, legal fees, etc.
Initial Inventory (Note 9)	\$5,000	\$10,000	As incurred	Prior to opening	Approved Suppliers
Advertising/Marketing (3 months) (Note 10)	\$6,000	\$24,000	As incurred	Prior to opening and during first three months	Distribution Service and Media
Required Vehicle (Note 11)	\$14,000	\$25,000	As incurred	Prior to Opening	Vehicle Dealer
Vehicle Wrap (Note 12)	\$3,000	\$4,000	As incurred	Prior to Opening	Local Supplier
Vehicle Insurance for 3 months (Note 13)	\$450	\$1,200	As incurred	Prior to Opening	Insurance Company/Agent
Business Licenses (Note 14)	\$200	\$5,000	As required by municipal / state health care governing authority	As required by ordinance or statute	Municipal or state authority
Consultants and/or Director of Nursing hired in advance of opening to meet licensure requirements, as needed. (Note 15)	\$0	\$9,000	Directly to Consultant / Director of Nursing	As per terms arranged	Direct to provider
Attorney to assist with Licensure Submission only, as needed. (Note 16)	\$0	\$3,000	As arranged with provider	As per terms arranged	Direct to provider
Insurance (Yearly basis) (Note 17)	\$2,500	\$8,000	As determined by Insurance Company	Prior to opening or as arranged with Insurance Company/Agent	Insurance Company/Agent

Type of Expenditure	Amount Low	Amount High	Method of payment	When due	To whom payment is to be made
Computer Equipment and Proprietary Software (Note 18)	\$3,050	\$6,250	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendors
Accounts Receivable Fee (Note 19)	\$300	\$1,000	Deducted from Weekly Remittance	Weekly	Us or our Affiliate
CHAP Accreditation (Note 20)	\$3,000	\$6,000	As incurred	Within 12 months of opening	Designated Supplier
Additional Funds for Initial three (3) Months (Note 21)	\$27,000	\$45,000	As incurred	As incurred	Suppliers, Utilities, employees / contractors
TOTALS	\$125,800	\$223,450			

Notes:

1. Mastercare will approve or decline your application within 45 days of our receipt of your completed application. Your Franchise Fee will be due upon signing the Franchise Agreement. We will not refund the Initial Franchise Fee under any circumstances. All other fees and costs in this Item 7 are generally non-refundable. Neither Mastercare nor any agent or affiliate finances any part of the initial investment. The Initial Franchise Fee is fully earned upon payment, and there are no refunds under any circumstances.

2. These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals and applicable wages for two trainees. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation.

3. Rent/Real Estate: If you do not own adequate space, you must lease the space for your Business. Generally, this will include first and last month's rent, plus a security deposit. Typical franchises are professional office buildings on heavily trafficked streets. Commercial centers, light industrial or other commercial space may also be considered, with a minimum of 1,200 square feet. Landlords may vary the base rental rate and charge rent based on a percentage of gross sales. In addition to base rent, your lease may require you to pay common area maintenance charges ("CAM Charges") for your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will vary depending on the size of the Outlet, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region. The purchase of real estate may have additional legal expenses. The terms and conditions of all agreements relating to the purchase, lease, and alteration of the property will be negotiated solely by you; however, we require you to include certain lease provisions. The purchase of real estate may have additional legal expenses.

4. Design and Architect Fees: You must obtain construction plans for the build-out of your Outlet according to our specifications. We have the right to designate and/or approve of the designer and/or architect you use.

5. Leasehold, Contractor Improvements, Construction Costs: The cost of leasehold improvements will vary depending on many factors, including: (a) the size and configuration of the premises; (b) pre-construction costs (including demolition of existing walls and removal of existing improvements and fixtures); and (c) cost of materials and labor, which may vary based on geography and location or whether you must use union labor for the build-out of your Outlet. These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials. These costs may also vary depending on whether certain of these costs will be incurred by the landlord or through landlord tenant improvement contributions, and the condition of the space before you take possession of the premises. The

low end of our estimate assumes that you have leased space that previously operated as a similar business and that you will convert to a Mastercare Franchise. The high end of our estimate assumes that you have leased a “vanilla box” space and that more improvements are required. Our estimate does not include any tenant improvement allowance that you may negotiate.

6. Equipment Furniture and Fixtures: You will be required to purchase certain equipment and furnishings typical for an office space. Specifications for these items will be provided in the Manual.

7. Signage. These amounts represent your cost for interior and exterior signage. Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs.

8. Miscellaneous Opening Costs. Includes other deposits, utility costs, telephone, Internet and communications costs, incorporation fees and attorney fees necessary for opening your business. This also includes payroll processing fees through our approved supplier. You are not required to use our approved supplier, however, once we have 100 company owned and franchised locations, we will offer an in-house payroll system through our corporate office. You may be required to participate once that service is established.

9. You must purchase an initial inventory of uniforms, office supplies and other operating supplies. Some of these items may only be purchased from approved or designated suppliers or from us or our affiliate. This estimate includes the initial Uniform purchase of \$500 as well as the Initial Promotional and Marketing Inventory package of \$1,500 that must be purchased from us or our affiliate.

10. Advertising Requirements for local and National Marketing Fund: Franchisees will be required to spend a minimum amount on Local Marketing per month.

11. You will be required to own or lease at least one white company vehicle wrapped with a company designed logo for promotion and marketing in your territory. We recommend a new or late model Scion XB, Kia Soul, Honda CRV or a van. The vehicle must be no older than 5 years, high quality and reliable with good gas mileage and enough cargo room to transport at least 1 client and a cargo area/trunk big enough to accommodate a folding wheelchair if needed. You must send us photos of the vehicle at least once every 6 months showing the interior and exterior condition of the vehicle.

12. You will be required to purchase the vehicle wrap and have the wrap installed on your company vehicle. We will provide the logo and wrap design, but you are responsible for contracting with a local business to have the wrap customized and installed on your vehicle.

13. You will be required to purchase and maintain insurance coverage on your company vehicle.

14. Business Licenses. You are required to obtain certain licensing for the operation of your franchise. The costs will vary based on the specific requirements in your state or jurisdiction.

15. Consultants and/or Director of Nursing. Some states require you to hire a Consultant and/or Director of Nursing in advance of opening to meet state licensure requirements. A local consultant may be required to assist with licensure submission. Certain states may allow director of nursing to facilitate licensure filings in place of a consultant. In that instance, the director of nursing would need to be on staff prior to opening. The amount covers 260 hours at \$30 per hour plus an additional 20% load for payroll-related costs; the 260 hours will be used in a combination of part-time and full-time assignments prior to opening for licensure preparation and readiness activities conducted part-time as well as attending training and participating in surveys full-time.

16. Optional Attorney to assist with Licensure Submission.

17. You must maintain insurance policies in amounts as specified by us periodically in the Manual. Insurance coverage must include general liability, combined single limit, bodily injury and property damage insurance for premises operations, and all other occurrences against claims of any person, employee, customer, agent, or otherwise. In addition, you must carry workers' compensation, automobile liability, employment practices liability, business interruption, and prepaid employee health insurance and temporary disability. Factors that may affect your cost of insurance include the size and location of the Outlet, value of the leasehold improvements, equipment, inventory, number of employees and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase.

18. You will be required to purchase and use a Windows-based computer in the operation of your Franchise. We do not require that you use any specific vendors for Internet, and communications equipment. We do require that you meet certain minimum standards established periodically in the Manual. You will be required to use our required appointment management software, Generations Service, as well as QuickBooks Enterprise, in the operation of your franchise. You will be required to sign a licensing agreement with our approved software vendors, and you will be required to pay a monthly user fee. In addition, we will gather information from this software and conduct all invoicing, collections and accounts receivable on your behalf. You will pay to us a fee of 1.5% of all billing collected on your behalf. You may be required to purchase or lease additional software for the operation of your franchise.

19. We will bill all your accounts receivable and collect these amounts on your behalf. You pay to us a fee of 1% of total revenues collected, which we will deduct from your remittance. We will remit payment once weekly on Wednesday for the preceding calendar week.

20. Within 12 months of opening, you must obtain your Accreditation from our designated supplier, Community Health Accreditation Partner “CHAP”. You must maintain this Accreditation for the duration of your Franchise Agreement.

21. This is an estimate of your initial startup expenses for an initial three-month period, and includes estimated payroll costs, and does not include any revenue generated by the operation of your Business. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Business. The employees you need to hire will vary based upon state licensure and your skill set.

There are 4 organizational model options for a new franchisee. (1) You as salesperson operating in a state where a part-time licensed registered nurse (RN) is permitted for licensure purposes; (2) You as Operations Manager/branch manager in a state where a part-time licensed registered nurse (RN) is permitted for licensure purposes; (3) You as salesperson in a state where a full-time licensed registered nurse (RN) is required for licensure purposes; and (4) You as Operations Manager/branch manager in a state where a full-time licensed registered nurse (RN) is required for licensure purposes.

You should expect to pay at least the market rate in your community for these services. Federal, state and local laws and regulations will, to a certain extent, govern benefits, minimum wage and other matters associated with your employees. The first three months of these expenses are included in the additional operating funds discussed above. You are solely responsible for making all decisions regarding employee matters. The amounts shown for employee salaries assume that you or, if you are a business entity, your owner, will fill one of the full-time operations or sales director’s function, and oversee the branch manager/operations manager for the first two years of operation.

We relied on our principals 42 years of combined experience in the operation of a non-medical home health care agency similar to the one being offered in this disclosure document, as well as 36 combined years’ experience in operating a staffing agency to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not provide financing arrangements for you. If you obtain financing from others to pay for some of the expenditures necessary to establish and operate the franchise, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We require that you establish and operate your Outlet in compliance with your Franchise Agreement. You must strictly follow our specifications as described in the operations manual we provide to you or other written materials from us (collectively, the “Manual”), which we may modify from time to time, and which may be in print or electronic format. We reserve the right to require you to use an electronic version of the Manual and to require you to access the document using the Internet or an intranet created and supported by us. Our standards and specifications

have been prescribed in order to maintain a uniform standard of high quality, value, advertising support and availability to be furnished to the public in connection with our Marks. In operating the Franchise, all equipment, supplies and Outlet designs must conform to our standards and specifications, which have been established through years of experience. In the future, we may modify our Outlet Franchise equipment, supplies and Outlet design specifications.

Designated Suppliers

Purchases from Us or our Affiliate: You must purchase uniforms and Marketing and Promotional packages/materials as outlined in the Manual only from Us or our Affiliate, Mastercare, Inc. You must also utilize the current Client Billing services provided by us and used in connection with Outlet. You may not utilize any other vendors or suppliers for these products and services without our express written permission. In the fiscal year ended December 31, 2024, neither we nor our affiliate received any revenue from these required purchases.

Purchases from other Designated Suppliers: You must purchase the operating software and office supplies as well as your licensing from our approved and/or designated suppliers. At the present time, we and/or our affiliate, Mastercare, Inc., are not approved or designated suppliers of these items. We may derive income or other material benefit from these required purchases from designated and approved vendors/suppliers. In the fiscal year ended December 31, 2024, neither we nor our affiliates received any revenue from these required purchases.

Designated Suppliers

Software: Integrated Database Systems, 2625 Denison Suite A, Mount Pleasant MI 48858, telephone 989-546-4512.

Licensing: Community Health Accreditation Partner “CHAP”. 1275 K Street NW, Suite 800, Washington, DC 20005, and phone: (202) 862-3419

Mastercare estimates that the cost of the uniforms, operating software, office supplies and, promotional materials, Client billing, and licensure that must be purchased from designated or approved suppliers or in accordance with Mastercare's specifications will represent approximately between 8% and 10% of your total purchases in connection with the establishment of your business and will represent from 4% and 6% of your ongoing expenses.

Other than our affiliate, Mastercare, Inc., there are no approved and/or designated suppliers in which any of our officers owns an interest.

If you would like to purchase these items from another supplier, you may request our “Supplier Approval Criteria and Request Form.” Based on the information and samples you supply to us, we will test the items supplied and review the proposed supplier’s business reputation, delivery performance, credit rating and other information. There is no cost to you for this review. We expect to complete our review and advise you of our decision within 45 days after you submit the required information. The specifications and standards for these required purchases are available to you in the Manual and disclosed to approved suppliers upon approval. We do not disclose our specifications to non-suppliers. We reserve the right to disapprove any previously approved

vendor whose performance falls below our standards. We will make any approvals or disapprovals of new vendors or revoke approval of vendors in writing based on the vendor's credit worthiness, delivery standards, and cost and will incorporate our decision in the Manual.

We do not have any purchasing or distribution cooperatives as of the date of this Disclosure Document, and as such, neither we nor our affiliate have received any consideration from suppliers. We may negotiate purchase arrangements with suppliers and distributors for the benefit of our Franchisees in the future. We may receive rebates or volume discounts or other considerations from our purchase of equipment and supplies that we resell to you or require you to purchase. We do not provide material benefits, such as renewing or granting additional franchises, to Franchisees based on their use of designated or approved suppliers.

Leases

If you do not own adequate space, you must lease the space for your Business with a minimum of 1,200 square feet. The space must conform to specifications outlined in the Manual and must be approved by us. In addition, MCF requires you to include certain provisions in your lease (See Attachment V to the FA).

Insurance

Before you open an Outlet for operation, you must obtain the insurance coverage for the Outlet as specified below, provided that the types, amounts, and terms of coverage are subject to adjustment from time to time by us, in our sole discretion. The insurance coverage must be maintained during the term of the Franchise Agreement and provide evidence of insurance to us that insurance has been obtained from a responsible carrier or carriers acceptable to us.

All insurance coverage shall be taken out in your name and shall name us an additional insured and be placed with insurers designated by us or acceptable by us. You must furnish us with certified copies of each of the insurance policies described above on the earlier of your opening of the Outlet or thirty (30) days following the date that the Franchise Agreement is executed. You must purchase "A" rating insurance policies. Each such policy shall provide that it cannot be canceled without thirty (30) days prior written notice to us and that we shall receive at least thirty (30) days prior written notice of its expiration. You shall promptly refer all claims or potential claims against you or against us to your insurer and to us. You must indemnify Mastercare Franchising, LLC and add MCF as an additional insured on all policies.

A. Workers' compensation insurance and employer liability coverage with a minimum limit of \$100,000 or higher if your state law requires.

B. Fire and lightening, extended coverage, theft, vandalism and malicious mischief, flood (if the Franchise is in a Designated Flood Hazard Area), and sprinkler leakage insurance on the Franchise and all fixtures, equipment, supplies and other property used in the operation of the Franchise, for not less than 100% of the replacement value of the same, except that an appropriate deductible clause will be permitted.

C. Comprehensive general and professional liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a business of your type located in your Territory, but not less than \$1,000,000, (or higher if your state law requires) insuring both you and Mastercare against all claims, suits, obligations, liabilities and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of the Franchise; and

D. Automobile liability of at least \$1,000,000 (or higher if your state law requires) insuring both you and Mastercare against all claims, suits, obligations, liabilities and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of the vehicle; and

E. Employment Practices Liability (EPL) with a minimum of \$500,000 per occurrence with a \$10,000 deductible.

F. Business Interruption Insurance which covers 3 months of employee covered payroll, estimated at 500k

G. Employee pre-paid health insurance and temporary disability in amounts as prescribed by your state or local jurisdiction:

H. Such additional insurance as may be required by the terms of any lease or mortgage for the Franchise.

Computer Requirements

You will be required to purchase a Windows-based computer to establish and operate the Business. We also specify the standards for computer and communication equipment and Internet access. You will be required to purchase and/or software to use in the operation of your Franchise. We reserve the right to specify computer hardware or software, and other communications equipment, and to specify other computer-related and communications standards, such as internet access, in the future.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Franchise Agreement	ITEM in Disclosure Document
A	Site selection and acquisition/lease if any	Sections 8.02 & 10.02	ITEM 11
B	Pre-opening purchases/leases	Sections 10.02 & 12.06	ITEM 11
C	Site development and other pre-opening requirements	Sections 10 & 12	ITEM 11

	Obligation	Section in Franchise Agreement	ITEM in Disclosure Document
D	Initial and ongoing training	Sections 8.04 & 8.05	ITEM 11
E	Opening	Section 10.01	Item 11
F	Fees	Section 5	ITEM 5, 6, & 7
G	Compliance with standards and policies/Manual	Section 7.04, 12.02, 12.03, 12.04	ITEM 11
H	Trademarks and proprietary information	Section 6 & 7	ITEM 13 & 14
I	Restrictions on products and services offered	Sections 8.03, 12.06	ITEM 8 & 16
J	Warranty and customer service requirements	Not Applicable	Not Applicable
K	Territorial development and sales quotas	Section 4 and Attachment I	ITEM 11 & 12
L	Ongoing Product and service purchases	Section 12	ITEM 8 & 16
M	Maintenance, appearance and remodeling requirements	Sections 10.01, 10.04 12.02, 12.03, 12.04	Not Applicable
N	Insurance	Section 12.08	ITEMS 7 & 8
O	Advertising	Section 9	ITEM 11
P	Indemnification	Section 12.13	Not Applicable
Q	Owner's participation/management staffing	Sections 12.04	ITEM 15
R	Records and reports	Section 7	Not Applicable
S	Inspection and audits	Section 11	Not Applicable
T	Transfer	Section 14	ITEM 17
U	Renewal	Section 3	ITEM 17
V	Post-termination obligations	Sections 13.03, 13.04	ITEM 17
W	Non-competition covenants	Sections 7.05, 15.01, Attachment IV	ITEM 17
X	Dispute resolution	Section 16	ITEM 17
Y	Other	Not Applicable	Not Applicable

ITEM 10 FINANCING

Neither Mastercare nor any agent or affiliate(s) of ours offers direct or indirect financing. We do not guarantee your note, lease, or obligation.

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

Except as listed below, Mastercare Franchising, LLC is not required to provide you with any assistance.

Pre-Opening Obligations

Before you begin your Business, Mastercare Franchising, LLC will:

1. Upon signing the Franchise Agreement, assign your Designated Territory (Attachment I to the FA).
2. Loan you a copy of our confidential operating Manual, which contains mandatory and suggested specifications, standards, operating procedures and rules. The Manual is confidential and remains our property. We may modify the Manual from time to time, but the modification will not alter your status and rights under the Franchise Agreement. (See Section 7.04 of the Franchise Agreement). We have included a copy of the Table of Contents of our Manual as Exhibit E to this Franchise Disclosure Document. The Operating Manual consists of 414 pages.
3. Provide advice about selecting and analyzing a site for the Approved Location for the Outlet. Your site must be at least 1,200 square feet. Site selection is your responsibility and proposals for the site of the Franchise must be submitted to us within three (3) months of signing the Franchise Agreement, or the Franchise Agreement will automatically terminate, and you will not receive a refund of any portion of the Franchise Fee paid. You must deliver to us any traffic, competition, demographic and similar site information relating to any proposed site, that we reasonably request, for review at least twenty (20) days before any proposed lease signing date. If you and we cannot agree on the initial site selection, then you must select two (2) alternative sites. We will give you an evaluation of each site. You may then choose any one of the 2 alternative sites. We must approve or disapprove your site within 30 days after we receive notice of the site from you. If we cannot agree on any of the three sites, then we will send a representative to assist in site selection. The franchise agreement cannot be terminated due to failure to agree on site selection, however, failure to begin operations of your Mastercare Franchise within nine (9) months of signing the Franchise Agreement may result in termination of the Franchise Agreement and we will retain all monies received. (See Sections 8.02 and 10.02 of the Franchise Agreement). We generally do not own or lease the premise for your Outlet.
4. Provide you advice about the negotiation of the lease of a site for your Outlet, which will be leased by you from independent third parties. You must deliver to us a copy of the proposed lease and an option to assume the lease signed by you in favor of us in a form acceptable to us, in the event your franchise is terminated or expires and is not renewed. The terms of the lease shall also require that you provide us with written notice of any claimed breach of the Lease obligations by you, and an opportunity to cure such breach, at our option, within a period of not less than fifteen (15) days from when such notice is given to the you. (See Sections 10.02 and 10.03 of the Franchise Agreement and Attachment V of the Franchise Agreement).
5. Approve, if it meets our standards and specifications for approval, plans submitted for the design of your Outlet. We will also provide to you, at our discretion, additional assistance with regard to floor-plan development for your Outlet. Construction or remodeling, if needed, should begin as soon as possible after signing the Franchise Agreement, but, in any case, will not begin later than 6 months after signing the Franchise Agreement unless we provide you with a written authorization agreeing to a later date. Upon request, we will assist in the development and planning of any construction or remodeling with respect to sign specification and colors and Outlet layout and design. You must pay for construction or remodeling and all other costs associated with compliance and permits. (See Section 10 of the Franchise Agreement).

6. Provide assistance with equipment, signs, fixtures, opening inventory and supplies. We will provide you a list of the names of approved suppliers and interior design firms. Upon request, we will provide written specifications for these items. We do not deliver or install any of the items other than the Uniforms and Marketing/Promotional items that must be purchased from Us or our affiliate. (See Section 8 of the Franchise Agreement).

7. Provide Initial Training to you and your Director within 60 days of your signing the Franchise Agreement, or any other time as may be mutually agreed upon, at no charge. Additional persons trained will incur a fee. (See Section 8.04 of the Franchise Agreement).

During the operation of the franchised business, we will:

1. Research new equipment, supplies, services, pricing and methods of doing business and provide you with information concerning developments of this research. Upon request, we may also provide assistance in establishing prices for your outlet. We also reserve the right to set minimum and maximum prices for use with multi-area marketing and special price promotions. (See Section 8.08 of the Franchise Agreement).

2. Offer you continuing advisory services and support by telephone, Skype, email or other types of communication during normal business hours not to exceed 10 hours in a 30-day period. Any advisory services above the 10 hours provided may incur a fee. We may also provide to you visits by our field representative, but any on-site consultation you request, or that we deem necessary in our sole discretion, beyond the 30 hours of Initial Training will incur a fee. (See Section 8.06 of the Franchise Agreement).

3. Include information about your Franchise on our Web site. (See Section 8.11 of the Franchise Agreement).

4. Provide marketing, promotional materials, and services to you in such quantities, and at such times, as we determine appropriate, in our sole discretion. The opening Promotional Package to be purchased from Us or our affiliate prior to opening is \$1,500. This package includes an assortment of brochures, marketing materials, pens, can openers and other promotional items. In addition, we provide electronic advertising copy at no charge. The materials provided may include video and audiotapes, copy-ready print and electronic advertising and marketing materials, posters, banners and miscellaneous items. Based on our needs and in our discretion, we may use both outside advertising and marketing agencies and internal staff to create advertising. You may develop marketing materials for your use, at your own cost. We must approve these marketing materials in advance and in writing within 30 days from receipt. Our approved vendor will supply advertising materials at your expense, both print and distribution. No advertising developed by you may be used until we have either approved it as provided, or the period for approval has expired. We reserve the right to utilize marketing developed by you for the use of all Franchisees without any payment or other compensation to you. (See Section 9.03 of the Franchise Agreement).

5. We do not have any purchasing or distribution cooperatives as of the date of this Disclosure Document; however, we are currently negotiating a group rate through a major payroll service provider. We intend to negotiate prices and terms with other suppliers and distributors for the benefit of our Franchisees. (See Section 8.10 of the Franchise Agreement)

6. We may hold, at our discretion, annual regional or national conferences to discuss on-going changes in the industry, operational techniques, service developments, personnel training, bookkeeping, accounting, advertising programs and new service procedures. You are required to attend these conferences. If you do not attend a mandatory annual conference, the conference fee is still required to be paid to Mastercare. When we hold mandatory conferences, you will be required to pay a conference fee of up to \$250 per person attending. You must pay all wages, meals, lodging and transportation expenses for you and any other employees who attend. These conferences will be held at our corporate headquarters, at another location chosen by us, or via web-based portal. Currently we do not charge a fee for web-based conferences. We estimate the cost of the travel and living expenses to attend the conferences to be between \$500 and \$1,000. We may provide other conferences from time to time, and you may be required to pay a conference fee for these additional conferences based upon the direct costs to us of retaining speakers and other direct expenses associated with the conference, but we estimate this cost to be no more than \$250 per person. You must pay all of the travel and living expenses for you and any other employees who attend. (See Section 8.05 of the Franchise Agreement).

7. We may provide additional non-required training courses (marketing, sales, etc.) through web-based seminars. These web-based training courses will cost \$149 per session. We will also provide safety training for field and office employees through online videos we upload to our training site. These safety training videos are provided free of charge but are not considered part of the Initial Training and you may not withhold payments of any required fees (such as Royalty Fees) if the programs are not working. (See Section 8.05 of the Franchise Agreement).

TRAINING:

Within 60 days of your signing the Franchise Agreement, or any other time as may be mutually agreed upon, train you and your designated Director as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Client Care Services	Approximately 8 Hours	Approximately 4 Hours	Dallas, TX/ your location
Human Resources and Orientation	Approximately 8 Hours	Approximately 4 Hours	Dallas, TX/ your location
Franchise Administration	Approximately 3 Hours	Approximately 4 Hours	Dallas, TX/ your location
Marketing and Sales / To include Pre-Opening, Opening	Approximately 7 Hours	Approximately 3 Hours	Dallas, TX/ your location
Employee Management	Approximately 4 Hours	Approximately 2 Hours	Dallas, TX/ your location
Operations: Bookkeeping Systems, Accounting, Payroll	Approximately 4 Hours	Approximately 5 Hours	Dallas, TX/ your location
Operations: Scheduling Systems	Approximately 3 Hours	Approximately 5 Hours	Dallas, TX/ your location

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Health and Safety	Approximately 3 Hours	Approximately 3 Hours	Dallas, TX/ your location
TOTALS	Approximately 40 Hours	Approximately 30 Hours	

Our training staff is headed by Anwar Kazi who has more than 21 years' experience in various operational capacities relating to the operation of a Mastercare Outlet and more than 21 years combined experience in the homecare services and medical staffing industry. Other trainers may be provided and will have a minimum of 1 year's experience with Mastercare. Classroom Training materials will consist of The Manual, flyers, handouts, videos and hands-on training. The classroom training program will be conducted as often as necessary, but no less than every 60 days, to enable each franchisee to complete training prior to opening for business. The on-site training will take place at "go live", or when the Franchise opens for business. The on-site training curriculum will be tailored to your needs at that time. The above is an estimate of how we may spend that time.

You and your Director must attend and successfully complete the classroom training. If either of you do not successfully complete the classroom training, you must re-schedule and attend as many times as necessary until it is successfully completed, at no charge to you. We do not charge an additional fee for this training or service unless more than two persons are attending, at which case the additional training fee will be \$500 per person per day. You will, however, be required to pay any travel, lodging, meals and payroll for you, your designated Director/Manager, and your employee(s). All training, except any on-site training, will be held at our corporate headquarters in Dallas, Texas, or at another location designated by us. After you complete this initial training to our satisfaction, by passing a final test, there are no additional required training or refresher courses.

Marketing Programs

Local

At the present time, you are required to market on a local basis as an individual Franchise or by local marketing agencies hired by you. You are required to spend \$2,000 to \$8,000 on marketing and promotion on a monthly basis in your Designated Territory. There are no restrictions on your marketing; except that you may not advertise independently on the Internet or World Wide Web or outside your territory and that your advertising must be approved by us. We will maintain Mastercare Web pages which will include information regarding your Franchise. All social media pages must be approved by us before placement. Any negative comments mentioned must be immediately reported to corporate office for public relations addressing.

National Marketing Fund / Multi Area Marketing Programs

We intend to implement national advertising and/or multi-area marketing programs. Once implemented, all franchised Outlets will be required to pay to us a contribution to the National Marketing Fund ("Fund") or a Multi-Area Marketing Program(s) (MAM Programs) in a combined

amount not to exceed 2% of your Gross Revenue. Payments shall be made at the same time and in the same manner as the Royalty Fee. All company-owned and affiliate-owned Mastercare Outlets will not be required to contribute to the Fund and MAM Programs. We will hold contributions to the Fund or MAM Program(s) in a separate bank account. The Fund and/or MAM Programs will be administered by Mastercare's marketing and accounting staff. We will use the Fund or MAM Programs for local, regional, national, or international advertising or marketing, development, and maintenance of any Internet or e-commerce programs, related expenses, and any media or agency costs. Mastercare will not derive income from the funds, but we may reimburse our administrative expenses incurred in administering the Fund or MAM Programs. We may also use the funds to offset or partially rebate the franchisee's local media and printing expenses. Advertising expenditures may or may not be proportionate to your contributions or provide direct benefit to you or any other Franchisee. We are not required to spend any amount on advertising in your particular territory. We will spend the contributions to the Fund or MAM Programs in our discretion, and we have no fiduciary duty to you regarding the contributions. We may accumulate these funds, and the balance may be carried over to subsequent years. If the Fund or MAM Program(s) operate(s) at a deficit or require additional funds at any time, we reserve the right to loan such funds to the Fund or MAM Program(s) on any terms we determine. The financial statements for the Fund or MAM Programs will not be audited. An unaudited annual financial statement of the Fund and MAM Programs will be prepared within 120 days of the close of our fiscal year and will be available to any Franchisee upon written request.

Any advertising funds not spent in the fiscal year in which they accrue will be carried over to the next year. The fund will not be used to solicit the sale of franchises. We do not expend any part of the advertising fund to solicit new franchise sales.

In the last fiscal year ending December 31, 2023, the Advertising Fund was not in effect; therefore, no funds have been spent on production, media placement, administrative expenses or other uses.

Regional Advertising Cooperative

We do not have the power to require advertising cooperatives to be formed, changed, dissolved or merged.

Website / Intranet:

We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System. We have established one or more websites accessible through one or more uniform resource locators ("URLs"). We will provide your Outlet with a listing on our website and we may, but are not required to, design and provide for the benefit of your Outlets a "click through" subpage at our website for the promotion of your Outlets. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Outlets, you must routinely provide us with updated copy, photographs and news stories about your Outlets suitable for posting on your "click through" subpage. We have the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.

Any websites or other modes of electronic commerce that we establish or maintain may – in addition to advertising and promoting the products, programs or services available at Mastercare – also be devoted in part to offering Mastercare franchises for sale and be used by us to exploit the electronic commerce rights which we alone have.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Outlets; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the “Mastercare” name or any names confusingly similar to the Proprietary Marks.

You are not permitted to promote your Outlets or use any of the Proprietary Marks in any manner on any social or networking websites, which includes but is not limited to, Facebook, Instagram, LinkedIn, YouTube, TikTok or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Outlets’ operation, including prohibitions on your and the Outlets’ employees posting or blogging comments about the Outlet or the System, other than on a website established or authorized by us (“social media” includes but is not limited to personal blogs, common social networks like Facebook, and Instagram, professional networks like LinkedIn, live-blogging tools like Twitter, and video networks like YouTube and TikTok, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We have the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your “click through” subpage. (See Section 9.05 of the Franchise Agreement).

Other Advertising Information

We do not have the power to require a Franchisee Advisory Council to be formed, changed, dissolved or merged.

Schedule for Opening

It is estimated that the length of time between the signing of the Franchise Agreement and the opening of your Outlet will usually be about 6 to 9 months. Factors affecting this length of time include lease negotiations, securing financing, obtaining building permits, zoning and local ordinance compliance, weather conditions, shortages, delayed installations of equipment, fixtures, signs, and time involved in securing required healthcare credentialing and hiring skilled staff and scheduling and completion of the training program. If (1) you do not make reasonable efforts to open the Outlet by the end of six (6) months and (2) actually be open for business to the public within nine (9) months after signing this Franchise Agreement, we may terminate this Agreement and retain all monies received. Construction or conversion must begin by the earlier of one (1)

month from the date of execution of the office's lease, or six (6) months from the date of this Agreement. We will approve or disapprove the plans within thirty (30) days of submission.

Computer Systems, Proprietary Software, and Internet Access

You will be required to buy a Windows-based computer for the use in your Outlet. The minimum requirement to run our software is a PC with 4GB RAM and 500 GB Hard Drive. This hardware may be obtained from any computer reseller such as Office Depot or Best Buy and will cost from \$1,200 to \$2,000. We reserve the right to change the requirements for computer hardware and/or software and to specify other computer-related standards in the future. You must have access to the Internet, have an electronic mail address provided by us, and periodically check your electronic mailbox and the portion of our Web site devoted to franchise owners. We reserve the right to market and sell, over the Internet.

You will be required to use our only approved vendor, Integrated Database Systems, for our required appointment management software, Generations Service. The cost of this software includes training and is \$250 per month for up to 3 users, and \$20 per month for each additional user. You are responsible for setting up your training and software installation no later than 90 days of opening. In addition, you and your internal staff will have a goMASTERCARE.com e-mail. There is currently no fee for email. You will also be required to use QuickBooks Enterprise software in the operation of your Franchise. We estimate the cost to be between \$1,100 and \$3,500 per year depending on the plan you select.

The Generations software will generate information and Mastercare will use such information to collect daily receipts, sales information and activity, daily business reports, cash summaries and a dynamic client database. We will use this software to process your accounts receivable. We will have independent access to this information over the internet. However, we will be restricted to only access the operations data relating to your franchise. Mastercare has the contractual right to poll the necessary data from your computer, but as a practical matter would be unable to do so without your cooperation. Mastercare will not have the right to access other types of data on your computer and does not have the ability to access it independently.

You may be required to upgrade your hardware and/or software in order to utilize the computerized system as technological advances require. You will be responsible for the cost of such upgrades. You will not be required to upgrade your hardware or software more often than once a year, at a maximum cost of \$1,000.

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and 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. This may include establishing firewalls, access code protection, anti-virus systems, and use of backup systems.

ITEM 12 TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We will, however, grant to you a Designated Territory (Designated Territory) having a population of approximately 75,000 to 250,000 people depending on the geographic location, population and isolation, as determined by the latest US Census or other recognized Data Collection agency, applicable to the Designated Territory you are granted. The boundaries of your Designated Territory will be defined by zip codes and/or political or geographical boundaries. The specific street address of the Approved Location accepted by us shall be set forth in Attachment I when such location is determined.

Except for National Accounts as described below, and as long as you are not in default of your Franchise Agreement, neither Mastercare, nor any affiliate, will operate, through our current or different trademarks, any Mastercare Franchises nor grant franchises for a similar or competitive business to be located within your Exclusive Territory, but we have the right to do so anywhere outside your Territory. Our affiliate, Staffingpower, does not currently offer franchises, but intends to do so in the future. Staffingpower offers franchises for the operation of a business providing a variety of employment services, including flexible staffing, temporary/contract staffing, career placement, and professional search business to Institutions and may provide these employment services to medical facilities or assisted living facilities, however, they will never offer employment services to businesses which provide non-medical home health services and will not be competition to this franchise offering.

You will operate from one Approved Location and must receive our written permission before relocating. We will grant approval to relocate the Approved Location if you are in compliance with the Franchise Agreement, you have paid all money owed to us and/or our affiliates, and the proposed Approved Location meets our site selection criteria as specified in the Manual.

Once established and unless otherwise agreed to in writing, the boundaries of your Designated Territory will not be adjusted regardless of whether the population of your Designated Territory increases or decreases over time, unless (i) you cannot adequately and properly service all of your accounts; and (ii) you fail to correct any breach or violation of your Franchise Agreement; and (iii) you fail to pay your Royalty Fee or minimum monthly Royalty Fee. In which case, we may, in our sole discretion, decrease the boundaries of your Designated Territory or grant a franchise to another franchisee within your Territory. Other than disclosed above are no other circumstances that permit us to modify your Designated Territory.

Your Designated Territory does not extend to, and you may not advertise independently on, the Internet or World Wide Web. We will maintain Mastercare Web pages which will include information regarding your Franchise. You do not receive any rights to use any other channel of distribution for our products or services without our written consent. You may not solicit or market outside your Designated Territory, including alternate channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, except for social media as described below, or in conjunction with a multi-area marketing program, without our written consent.

There is a minimum Royalty Fee to encourage development of business in your territory. The minimum monthly Royalty Fee of \$1,000 per month is required. If you fail to pay the royalties or minimum royalty, our rights include the reduction of your Designated Territory and termination of your Franchise Agreement

Although franchisees may not market or solicit outside the Designated Territory, nothing should be construed in this document that would prevent customers of a franchisee from receiving services from any other franchisee of their choice, regardless of their proximity to any Designated Territory.

You do not receive the right to acquire additional franchises within your general geographic area or adjacent to your Designated Territory. Each Franchise Agreement is a separate and distinct transaction between you and us. We intend to develop a strong system of multi-unit owners. You are encouraged to purchase franchise rights to operate additional franchises outside your Designated territory. However, if you cannot adequately and properly service all of your accounts within your Designated Territory due to an increase in population, then we may, in our sole discretion, decrease the boundaries of your Designated Territory or grant a franchise to another franchisee within your Territory. Provided you are in compliance with your Franchise Agreement, and you are adequately and properly servicing all of your accounts, you will receive the right of first refusal to purchase the additional franchise created within your territory.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other alternative distribution channel, and we receive orders for any System products or services calling for service or performance in your Territory, then we will offer the order to you at the price we establish. If you choose not to fulfill the order or are unable to do so, then we, one of our affiliates or a third party we designate (including another franchisee) may fulfill the order, and you will be entitled to no compensation in connection with this.

Reservation of Rights:

We reserve the right, among others:

1. To own, franchise, or operate Franchises at any location outside of the Designated Territory, regardless of the proximity to your Franchise;
2. To use the Marks and the System to sell any equipment or services, or supplies similar to those which you will sell, through any alternative channels of distribution within or outside of the Designated Territory. This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale sale to unrelated franchises, or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;
3. To purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Franchise, wherever located; and
4. To implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

5. To periodically designate “National Accounts” in the Operations Manual or elsewhere and to implement the policies described in this paragraph. A “National Account” is an institutional entity which owns, manages, controls, services or otherwise has responsibility for buildings, clients or customers in more than one location and whose presence is not confined within any one particular franchisee's Designated territory. We have the exclusive right to negotiate and enter into agreements providing supplemental healthcare staff to National Accounts having a location within your Designated Territory. You must service all National Accounts we refer to you in accordance with the terms of the National Account contract and the guidelines contained in the Operations Manual, including any service requirements based upon National Accounts gross margin percentages contained in the Operations Manual. You may not solicit business from or provide services to any National Account without our prior written consent. The restrictions in this section apply anywhere, including within your Designated Territory.

6. To merge with, acquire or be acquired by ("Merger/Acquisition Activity") any businesses or agencies of any kind under other systems and/or other marks, which businesses and agencies may offer, sell, operate or distribute and/or license others to sell, operate and distribute goods and services through franchised or non-franchised Outlets, at wholesale or retail, within and outside the Designated Territory except for goods and services within the healthcare field that specifically are part of the goods and services that you offer under your Franchise Agreement.


7. We or an affiliate may operate or franchise businesses under a different trademark that will sell goods or services that are the same or similar to those the franchisee may sell and that may operate and/or accept orders within your Territory.

ITEM 13 TRADEMARKS

We grant you the right to operate a business under our Marks, including the name “Mastercare.” You may also use our future Marks as we may designate to operate your Business. You must indicate, as required in the Franchise Agreement and specified in the Manual, that you are an independent operator of the Franchise and shall use the appropriate trademark and copyright marks as indicated by us.

Below are our registered trademarks:

Description of Mark	Registration Date	Registration Number	Principal or Supplemental Register of the United States Patent and Trademark Office
MASTERCARE word mark	March 18, 2008	3397467	Principal

Description of Mark	Registration Date	Registration Number	Principal or Supplemental Register of the United States Patent and Trademark Office
 mastercare <small>Homecare & Healthcare</small> (Stylized/Design)	August 11, 2015	4789870	Principal

You must follow our rules when you use any of the Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate name or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, metatags or search techniques except as we license to you. You may not use any of the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized by us in writing. Guidelines regarding proper trademark use and notices are included in the Manual and will be updated from time to time in our discretion.

There is no currently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, or any pending interference, opposition or cancellation proceeding, or any pending material litigation involving the Marks which are relevant to your use of these Marks.

No currently effective litigation affects our use or ownership rights in a trademark. There are no currently effective agreements that significantly limit our rights to use or license the use of the Trademarks listed in this section in a manner material to the franchise. All required affidavits have been filed. Registration number 3397467 was renewed on January 18, 2018, Registration number 4435920 was renewed on June 5, 2020, and Registration number 4789870 was renewed on April 22, 2021. We intend to renew the registration for the mark(s) at the times required by law.

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. You must notify us within three days of when you learn about an infringement of or challenge to your use of our Marks. We will take the action necessary, in our sole and absolute discretion, to protect the unauthorized use of our Marks, which may include payment of reasonable costs associated with the action. We will indemnify you for any claims of infringement or challenges from use of Marks and will be solely for the defense and the cost thereof.

You must modify or discontinue the use of a Mark if we modify or discontinue use. The use of a new or modified trademark may be required, and you may be required to remove existing signs. If this happens, we will reimburse you for your tangible cost of compliance (for example, changing signs). You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business.

We do not know of any superior prior rights or infringing uses that could materially affect your use of our Marks in your state or any other state. You should understand that there could be other

local businesses using trademarks, trade names, or other commercial symbols similar to our Marks. These businesses may have superior rights to use the marks, names or symbols in your local area. Before starting your Franchise, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change the use of our Marks and your Franchise name.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights:

There are no current or pending patent applications that are material to the franchise. We hold no patents. We have registered no copyright with the United States Copyright Office. Although Mastercare has not filed an application for a copyright registration for the Mastercare Confidential Operations Manual or for forms, advertisements, promotional materials and other written materials, we claim copyright ownership to such material and the information is proprietary. Item 11 describes limitations on the use of this manual by you and your employees.

There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the U.S. Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. As of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in any state.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Trademarks described in Item 13 of this disclosure document.

Proprietary Information:

You may never, whether during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated, reveal any of our confidential information to another person or use it for the benefit of any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize. All persons affiliated with you must sign our Confidentiality/Non-Competition Agreement (Attachment IV to the Franchise Agreement).

Our confidential information will include services, technologies and procedures relating to the operation of a Mastercare; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the Mastercare System; the Manual; methods of advertising and promotion; instructional materials; and other matters.

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

You or a fully trained and qualified Director (“Director”), both of whom have satisfactorily completed our training program, must directly supervise and participate in the actual day-to-day operation of the Outlet on a full-time basis. Neither you nor your Director may have an interest or business relationship with any of our business competitors. If you are an entity, we do not require that your designated Director own an equity interest in such entity. Unless the spouse of a Franchisee is a joint owner of the franchise, the spouse is not required to guarantee performance. However, your designated Director, any owners, and each of your officers, directors, partners, shareholders or members (and, if you are an individual, your spouse and immediate family members) must execute our standard Confidentiality and Covenant Not To Compete Agreement, a copy of which is attached to the Franchise Agreement (Exhibit B) and is identified as Attachment IV. Other than the above, we have no other requirements regarding employment or other written agreements between you and your employees. However, we strongly recommend, and retain the right to require, that each of your employees, at the time of commencing their employment, or upon being promoted, enter into agreements of non-disclosure/confidentiality, and non-competition agreements. Such agreements, and their content, are subject to various state laws, and you are cautioned to confer with your own local legal counsel to determine your rights with regard to such agreements.

If your interest is subsequently assigned to a business entity, each of the entity’s officers, directors, shareholders, partners, and members, plus any individual who owns, directly or indirectly, a 5% or greater interest in the entity must also assume and agree to discharge all of your obligations and comply with all restrictions under the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only products and services which are part of the Mastercare system. You must offer and sell all services and products that we designate as required, and as allowed by your state law, for all Franchisees within your market area as well as all products and services we incorporate into the Mastercare system in the future. Mastercare reserves the right, in our sole discretion, to change the types of authorized services upon reasonable notice to you. There are no contractual limits on Mastercare’s right to make changes, but Mastercare will not make changes lightly. We also reserve the right to set minimum and maximum prices for use with multi-area marketing and special price promotions.

Currently, you must purchase uniforms, equipment, supplies and office supplies from us or our designated suppliers, which includes our affiliate, Mastercare, Inc. We reserve the right in the future to designate alternate vendors from whom you will purchase uniforms, equipment, supplies and office supplies. You are not restricted as to individuals to whom you may offer services.

ITEM 17 **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

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

THE FRANCHISE RELATIONSHIP

	Provision	Section in Franchise Agreement	Summary For Franchise Agreement
A	Length of the franchise term	Section 3	10 years.
B	Renewal or extension of term	Section 3	If you are in good standing, you can add additional terms of 10 years.
C	Requirements for Franchisee to renew or extend	Section 3	Sign new agreement, be current in payments, and pay the Renewal Fee. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original contract, but the boundaries of the territory will remain the same, and the Continuing Royalty on renewal will be no greater than Royalties that we impose on similarly situated renewing franchisees. Franchisee must give notice of intent to renew within 150 days of the end of the Franchise Agreement as required by Section 3.03 of the Franchise Agreement.
D	Termination by Franchisee	Section 13.01	Default by us, Subject to State Law
E	Termination by Franchisor without cause	Not Applicable	Not Applicable
F	Termination by Franchisor with cause	Section 13.02	We can terminate if you commit any one of several violations with a written 90 days' notice.
G	"Cause" defined - curable defaults	Section 13.02(a)	You have 30 days to cure, including failure to comply with the System, non-payment of fees and other obligations, failure to comply with federal, state or local laws or regulations.
H	"Cause" defined - non-curable defaults	Section 13.02(b)	Non-curable defaults include misrepresentation by you, failure to complete initial training, bankruptcy, insolvency, or appointment of receiver, abandonment, trademark misuses and unapproved transfers. (Termination upon bankruptcy may not be enforceable under U.S. Bankruptcy Law.)

	Provision	Section in Franchise Agreement	Summary For Franchise Agreement
I	Franchisee's obligations on termination/nonrenewal	Sections 13.03, 13.04	Obligations include complete de-identification, non-competition and payment of amounts due.
J	Assignment of contract by Franchisor	Section 14.02	No restriction on our right to assign.
K	"Transfer" by franchisee - definition	Section 14.03	Includes transfer of contract or assets or ownership change.
L	Franchisor approval of transfer by Franchisee	Section 14.04-14.06	We have the right to approve all transfers but will not unreasonably withhold approval.
M	Conditions of approval of transfer	Section 14.04	New Franchisee qualifies, Transfer Fee paid, purchase agreement approved, training arranged, release signed by you, and current agreement signed by new Franchisee.
N	Franchisor's right of first refusal to acquire Franchisee's Business.	Section 14.07	We can match any offer for your Business.
O	Franchisor's option to purchase franchisee's Business	Section 14.07	We may purchase Franchisee's Business if Franchise is terminated for any reason by Right of First Refusal.
P	Death or disability of Franchisee	Section 14.06	Franchise must be assigned by estate to approved transferee within 120 days.
Q	Non-competition covenants during the term of franchise	Section 15.01	No involvement in competing business anywhere in U.S., Subject to State Law
R	Non-competition covenants after the franchise is terminated or expires	Section 15.01	No competing business for 2 years within 50 miles from the boundary of your Designated Territory or from another Mastercare franchise, company-owned Franchise, or on the Internet (including after assignment). Subject to State Law.
S	Modification of agreement	Sections 7.04, 8.09 and 18.02	No modifications generally but Manual subject to change.
T	Integration/merger clause	Section 18.01	Only the terms of the Franchise Agreement are binding (subject to state law). All representations and promises made outside the disclosure document and franchise agreement may not be enforceable. Nothing in this agreement or in any related agreement is intended to disclaim any of the representations made in the disclosure document.
U	Dispute resolution by arbitration or mediation	Section 16	Except for certain claims, all disputes must be arbitrated. (Subject to state law)

	Provision	Section in Franchise Agreement	Summary For Franchise Agreement
V	Choice of forum	Section 16.06	Arbitration and actions for injunctive relief, claims based on the Marks, or on covenants not to compete must be in the State of Texas. (Subject to state law)
W	Choice of law	Section 16.06	Texas law applies. (Subject to state law)

ITEM 18 PUBLIC FIGURES

We do not use any public figure 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 franchisee 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Anwar Kazi, at 7920 Belt Line Rd., Ste. 720, Dallas, TX 75254 and (855) 840-CARE; and (855) 840-CARE and the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System Wide Outlet Summary
For years 2022 to 2024 (As of December 31 of each year)

OUTLET TYPE	YEAR	TOTAL OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

OUTLET TYPE	YEAR	TOTAL OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Company-Owned	2022	5	5	0
	2023	5	5	0
	2024	5	5	0
Total Outlets	2022	5	5	0
	2023	5	5	0
	2024	5	5	0

Table No. 2
Transfers of outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022 to 2024 (As of December 31 of each year)

STATE	YEAR	NUMBER OF TRANSFERS
Total Outlets	2022	0
	2023	0
	2024	0

Table No. 3
Status of Franchised Outlets
For years 2022 to 2024 (As of December 31 of each year)

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF THE YEAR
Texas	2022	0	1	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total Outlets	2022	0	1	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets *
For years 2022 to 2024 (As of December 31 of each year)

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
Hawaii*	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
Texas*	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Total Outlets*	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5

*Outlets are owned by Mastercare, Inc.

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2025

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the current Fiscal Year
California	0	1	0
Colorado	0	2	0
Florida	0	1	0
New York	0	4	1
Texas	0	4	1
TOTALS	0	12	2

The names of all current franchisees and the addresses and telephone numbers of their outlets as of December 31, 2024, are: None.

Below lists the names of all company and affiliate owned outlets and the addresses and telephone numbers of their outlets as of December 31, 2024, are the following:

Office Name	Address	City, Zip Code	State	Phone No.
Mastercare Inc. - Big Island	395 Kilauea Ave, Suite B-3	Hilo, 96720	Hawaii	(808) 935-2230
Mastercare Inc. - Maui	210 Imi Kala St	Wailuku, 96793	Hawaii	(808) 244-0500
Mastercare Inc. - Kauai	4370 Kukuiqrove St, Suite #106	Lihue, 96766	Hawaii	(808) 246-9116
Mastercare Inc.	1314 South King St Ste 424	Honolulu, 96814	Hawaii	(808) 597-1564
Mastercare Inc. – Dallas	7920 Belt Line Road	Dallas, 75254	Texas	(972) 483-2501

Below lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. None

Confidentiality Agreements:

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

Associations and/or Organizations:

There are no trademark-specific franchisee organizations associated with the franchise system being offered which we have created, sponsored or endorsed.

There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21 FINANCIAL STATEMENTS

Attached to the Disclosure Document as Exhibit A are our audited financial statements as of December 31, 2024, and December 31, 2023, and December 31, 2022.

Attached to the Disclosure Document as Exhibit A-I are the audited financial statements of our affiliate, Mastercare, Inc., as of December 31, 2024, and December 31, 2023, and December 31, 2022. Mastercare Inc. guarantees the performance of the Franchise offering by Mastercare Franchising, LLC as shown on the attached Guarantee of Performance. Also included are the unaudited financial statements for our affiliate, Mastercare, Inc. for the period January 1, 2025, through May 31, 2025. THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Attached as Exhibit A-II are our unaudited financial statements for the period January 1, 2025, through May 31, 2025. THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

The fiscal year end for both Mastercare Franchising, LLC and Mastercare, Inc is December 31.

ITEM 22 CONTRACTS

Attached to this Disclosure Document are the following contracts:

Exhibit B	Franchise Agreement	
	Attachment I	Fee, Premises and Territory Addendum
	Attachment II	Electronic Payment Authorization
	Attachment III	Proposed Trade Name and Delegation of Authority
	Attachment IV	Confidentiality and Covenant Not to Compete Agreement
	Attachment V	Collateral Assignment of Lease
	Attachment VI	Collateral Assignment of Telephone Numbers

Attachment VII	Internet Web Sites and Listings Agreement
Attachment VIII	Full and Final Mutual Release
Attachment IX	Americans with Disabilities Act
Attachment X	Assignment of Agreement to an Entity

ITEM 23
RECEIPT

Included as the last document of this Disclosure Document is a detachable Receipt to be signed by you.

EXHIBIT A

MASTERCARE FRANCHISING, LLC

AUDITED FINANCIAL REPORT

DECEMBER 31, 2024, DECEMBER 31, 2023, AND DECEMBER 31, 2022

Mastercare Franchising LLC

Audited Financial Statements

For the Year Ended December, 31, 2024

MASTERCARE FRANCHISING LLC
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Notes to Financial Statements	FS.6



8219 West Atlantic Boulevard
Coral Springs, FL 33071
(954) 768-6620

Independent Auditor's Report

To the members and owners of
Mastercare Franchising LLC
7920 Belt Line Road, Suite 720
Dallas, TX, 75254

Opinion

We have audited the accompanying financial statements of Mastercare Franchising LLC (a privately held company), which comprise the balance sheet as of December 31, 2024, and the related statement of income, changes in shareholders equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mastercare Franchising LLC as of December 31, 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Mastercare Franchising LLC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United States, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing Mastercare Franchising LLC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

-FS.1-

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KMS Financial Consulting

Coral Springs, Florida
April 30, 2025

-FS.2-

MASTERCARE FRANCHISING LLC
Balance Sheet
As of December 31, 2024

	<u>2024</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 2,520
Investments MCHC	1,130
Due from affiliates	<u>90,219</u>
Total assets	<u><u>93,869</u></u>
Liabilities	
Current liabilities	
Due to affiliates	<u>100,000</u>
Total liabilities	<u>100,000</u>
Equity	
Total equity	<u>(6,131)</u>
Total liabilities and equity	<u><u>93,869</u></u>

See accompanying notes to financial statements.

-FS.3-

MASTERCARE FRANCHISING LLC
Income Statement
For the period January through December, 2024

	2024
Operating Revenues	
Total Revenues	-
Operating Expenses	
Total Expenses	-
Net Income	\$ -

See accompanying notes to financial statements

-FS.4-

MASTERCARE FRANCHISING LLC
Statement of Cash Flows
For the year ended December 31, 2024

	<u>2024</u>
Cash flows from operating activities	
Reconciliation of net income to net cash provided by operating activities	
Net Income	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities	
Net cash provided by operating activities	<u>-</u>
Cash flows from investing activities	
Investment in MCHC	(1,130)
Net cash used for investing activities	<u>(1,130)</u>
Cash flows from financing activities	
Net cash used for financing activities	<u>-</u>
Net change in cash	(1,130)
Cash, beginning of year	3,650
Cash, end of year	<u>2,520</u>

See accompanying notes to financial statements

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**Mastercare Franchising LLC.
Notes to Financial Statements
December 31, 2024**

NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS

Mastercare Franchising LLC, (the Organization) is a privately held company engaged in the franchising of senior care, and home health services directly to the public. The Organization's revenues are derived from franchise fees and royalty income from agreements with franchisees. Its headquarters are located in Dallas, Texas.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The financial statements include the operations, assets, and liabilities of the Organization. In the opinion of the Organization's management, the accompanying financial statements contain all adjustments, consisting of normal recurring accruals, necessary to fairly present the accompanying financial statements.

Use of Estimates: The preparation of financial statements and related disclosures 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. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period in which they are determined to be necessary.

Cash and Cash Equivalents: Cash and cash equivalents include cash on hand and in banks.

Revenue Recognition: Revenue is recognized when services are performed, and the Organization has satisfied its performance obligation under its customer agreements.

Income Tax: The Organization does not incur income taxes; instead, its earnings are included in the partners' personal income tax returns and taxed depending on their personal tax situations. The financial statements, therefore, do not include a provision for income taxes.

NOTE 3 – CASH AND CASH EQUIVALENT

As of December 31, 2024, the Organization maintained cash balances of \$2,520 in a U.S. bank account.

NOTE 6 – RELATED PARTY TRANSACTIONS

The Organization engaged in transactions with related parties during the year which are controlled by the owner of Mastercare Franchising LLC. Management believes that these transactions were conducted at arm's length terms.

NOTE 7 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 30, 2025, which is the date these financial statements were available to be issued. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the accompanying financial statements.

-FS.6-

EXHIBIT A-I

MASTERCARE, INC.

GUARANTEE OF PERFORMANCE

AND

AUDITED FINANCIAL REPORT

DECEMBER 31, 2024, DECEMBER 31, 2023, AND DECEMBER 31, 2022

AND

**UNAUDITED FINANCIAL REPORT FOR THE PERIOD JANUARY 1,
2025, THROUGH MAY 31, 2025**

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

GUARANTEE OF PERFORMANCE

For value received, MASTERCARE, INC., an Hawaii corporation, (the “Guarantor”), located at 1314 South King Street, Suite 424, Honolulu, Hawaii, 96814, absolutely and unconditionally guarantees to assume the duties and obligations of MASTERCARE FRANCHISING, INC., located at 7920 Belt Line Rd., Ste. 720, Dallas, TX 75254 (the “Franchisor”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2023 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Honolulu, Hawaii, on the 6th day of August 2025.

Guarantor:

MASTERCARE, INC.

A handwritten signature in black ink, appearing to read 'Anwar Kazi', written over a horizontal line.

By: Anwar Kazi, President



**Mastercare, Inc.
Financial Statements**

For the Year Ended December, 31, 2024

MASTERCARE, INC.
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8219 West Atlantic Boulevard
Coral Springs, FL 33071
(954) 768-6620

Independent Auditor's Report

To the Board of Directors and Shareholders of
Mastercare, Inc.
1314 South King Street
Suite 856
Honolulu, HI 96814

Opinion

We have audited the accompanying financial statements of Mastercare, Inc. (a privately held company), which comprise the balance sheet as of December 31, 2024, and the related statements of income, changes in shareholders equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mastercare, Inc. as of December 31, 2024, 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 (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Mastercare, Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United States, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing Mastercare, Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

-FS.1-

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RMS Financial Consulting
Coral Springs, Florida
March 7, 2025

-FS.2-

MASTERCARE, INC.
Balance Sheet
As of December 31, 2024

	2024
Assets	
Current assets	
Cash and cash equivalents	\$ 848,616
Accounts receivable	845,019
Due to/from affiliates	151,988
Prepaid assets	17,802
Other assets	1,156
Total current assets	<u>1,864,581</u>
Noncurrent assets	
Property plant and equipment	956,141
Accumulated depreciation	<u>(119,542)</u>
Property plant and equipment - net	<u>836,599</u>
Other noncurrent asset	
Investments in affiliates	<u>1,930,941</u>
Total noncurrent assets	<u>1,930,941</u>
Total assets	<u><u>4,632,121</u></u>
Liabilities	
Current liabilities	
Accounts payable	214,611
Other current liabilities	10,315
Loan to affiliates	181,928
Client refund and deposits	<u>46,060</u>
Total liabilities	<u>452,914</u>
Equity	
Total equity	<u>4,179,207</u>
Total liabilities and equity	<u><u>4,632,121</u></u>

See accompanying notes to financial statements.

-FS.3-

MASTERCARE, INC.
Income Statement
For the period January through December, 2024

	2024
Operating Revenues	
Revenue	\$ 7,712,356
Other income	4,828
Total Revenues	<u>7,717,184</u>
Operating Expenses	
Contractual services	123,956
General and administrative	975,980
Insurance	458,524
Maintenance, equipment, and supplies	75,775
Salaries and wages	5,787,759
Utilities	11,351
Total Expenses	<u>7,433,345</u>
Net Income	<u><u>\$ 283,839</u></u>

See accompanying notes to financial statements

-FS.4-

MASTERCARE, INC.
Statement of Cash Flows
For the year ended December 31, 2024

	<u>2024</u>
Cash flows from operating activities	
Reconciliation of net income to net cash provided by operating activities	
Net Income	<u>\$ 283,839</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	2,446
Accounts receivable	194,482
Other assets	(1,156)
Accounts payable	(3,296)
Other current liabilities	(55,714)
Client refund and deposits	23,417
Net cash provided by operating activities	<u>444,018</u>
Cash flows from investing activities	
Investment in affiliates	<u>(117,456)</u>
Net cash used for investing activities	<u>(117,456)</u>
Cash flows from financing activities	
Dividends paid	(6,976)
Capital contributions	<u>(195,654)</u>
Net cash used for financing activities	<u>(202,630)</u>
Net change in cash	123,932
Cash, beginning of year	724,684
Cash, end of year	<u>848,616</u>

See accompanying notes to financial statements

-FS.5-

Mastercare, Inc.
Notes to Financial Statements
December 31, 2024

NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS

Mastercare Inc., (the Organization) is a privately held corporation engaged in providing home care, home health, and staffing services throughout the state of Hawaii and Texas. The Organization's revenues are derived from contractual agreements with Medicaid, insurance agencies, and healthcare providers. Its headquarters are located in Honolulu, Hawaii and was founded in 2004.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The financial statements include the operations, assets, and liabilities of the Organization. In the opinion of the Organization's management, the accompanying financial statements contain all adjustments, consisting of normal recurring accruals, necessary to fairly present the accompanying financial statements.

Use of Estimates: The preparation of financial statements and related disclosures 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. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period in which they are determined to be necessary.

Cash and Cash Equivalents: Cash and cash equivalents include cash on hand and in banks.

Accounts Receivable: Accounts receivables are recorded at the invoiced amount and do not bear interest. The Organization evaluates the collectability of accounts receivable and records an allowance for doubtful accounts as needed based on historical collection experience and specific customer information.

Property, plant, and equipment: Property, plant, and equipment are stated at cost. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Repair and maintenance charges are expensed as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Maintenance and repairs are expensed as incurred, while significant improvements are capitalized.

Revenue Recognition: Revenue is recognized when services are performed, and the Organization has satisfied its performance obligation under its customer agreements.

NOTE 2 – CASH AND CASH EQUIVALENT

As of December 31, 2024, the Organization maintained cash balances of \$848,616 in U.S. bank accounts, which may at times exceed federally insured limits. Management believes that the risk of loss is minimal.

-FS.6-

Mastercare, Inc.
Notes to Financial Statements
December 31, 2024

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of December 31, 2024:

	<u>December 31, 2024</u>
Accounts receivable	<u>845,019</u>

NOTE 4 – PROPERTY PLANT AND EQUIPMENT:

Property, plant, and equipment are stated at cost. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Repair and maintenance charges are expensed as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Assets	December 31, 2024
Property	800,000
Vehicles	149,579
Office equipment	6,562
Accumulated depreciation and amortization	<u>(119,542)</u>
Net property, plant and equipment	<u>836,599</u>

Depreciation expense related to property, plant, and equipment was \$2,446 in 2024.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Organization engaged in transactions with related parties during the year. It invested in, and obtained loan financing from other entities controlled by the shareholders of Mastercare Inc. Management believes that these transactions were conducted at arm's length terms.

Management Letter Comments

2024-01 Excess Cash Balance Exceeding FDIC Insurance Limits

Observation

During our audit of Mastercare's financial statements, we noted that the company maintains a cash balance in excess of the \$250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). Holding excess cash in uninsured accounts presents a risk of loss in the event of a bank failure.

Recommendation

To mitigate this risk, management should consider the following strategies:

- Diversifying cash deposits across multiple FDIC-insured institutions to maximize coverage.
- Use insured cash sweep (ICS) accounts or certificates of deposit account registry service (CDARS) to maintain FDIC coverage while optimizing liquidity.
- Investment in low-risk financial instruments, such as short-term U.S. Treasury securities or money market funds that align with the company's liquidity needs and risk tolerance.

Management Response

Management acknowledges the recommendation and will take it into consideration. The company will review its cash management practices and explore available options to mitigate potential risks.

Conclusion

We recommend that management continue evaluating its cash management policies and banking relationships to ensure adequate risk mitigation. Should you require assistance in assessing available options, we would be happy to discuss.

UNAUDITED FINANCIAL REPORT

FOR THE PERIOD JANUARY 1, 2025, THROUGH MAY 31, 2025

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

8:10 AM
06/23/25
Accrual Basis

Mastercare, Inc.
Balance Sheet
As of May 31, 2025

	May 31, 25
ASSETS	
Current Assets	
Checking/Savings	
1000 · ASB-Mastercare	882,948.05
1001 · ASB-Savings	435.27
1005 · Flex Plan	5,115.58
1007 · Kaala Assoc. ASB	2,353.91
Total Checking/Savings	890,852.81
Accounts Receivable	
1200 · Accounts Receivable	1,028,299.48
Total Accounts Receivable	1,028,299.48
Other Current Assets	
1202 · Due to/from MCFranchising*AKazi	153,487.70
1510 · Office Improvements	6,564.00
1511 · Advance Payroll Process	2,105.28
8001 · Interest Earned-Shareholder	-2,146.34
Total Other Current Assets	160,010.64
Total Current Assets	2,079,162.93
Other Assets	
1203 · Security Deposits-Prepaid Rent	17,801.67
1506 · Auto Purchase	149,578.94
1508 · Accumulated Depreciation	-119,542.00
1512 · Kaala Property Purchase	800,000.00
1514 · Investments MC Homehealth	1,432,233.78
1516 · Investments Staffingpower	295,216.11
1517 · Investments Mastercare Homecare	204,302.49
1520 · Deferred Loan Interest	-5,250.00
Total Other Assets	2,774,340.99
TOTAL ASSETS	4,853,503.92
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	202,299.43
Total Accounts Payable	202,299.43
Other Current Liabilities	
2200 · Sales Tax Payable	5,036.17
2497 · Loan- Kaala Associates	181,928.17
2510 · Retirement 401k	-2,468.84
2514 · Client Refunds	22,747.60
2515 · Payroll checks outstanding	25,827.78
2516 · Client Deposits	24,458.29
2520 · Flexible Spending	-10,589.35
Total Other Current Liabilities	246,939.82
Total Current Liabilities	449,239.25
Total Liabilities	449,239.25

8:10 AM
06/23/25
Accrual Basis

Mastercare, Inc.
Balance Sheet
As of May 31, 2025

	May 31, 25
Equity	
3000 · Opening Bal Equity	10,148.65
3001 · Dividends - Anwar	-257,122.55
3002 · Retained Earnings	4,083,190.11
3003 · Contributed Capital	279,225.45
3004 · Dividends - Ashra	-7,374.26
3005 · Dividends Irfaan	-12,392.10
Net Income	308,589.37
Total Equity	4,404,264.67
TOTAL LIABILITIES & EQUITY	4,853,503.92

8:09 AM
06/23/25
Accrual Basis

Mastercare, Inc.
Profit & Loss
January through May 2025

	Jan - May 25
Ordinary Income/Expense	
Income	
4001 · Medicaid	
4002 · Alohacare	380,448.88
4003 · HMSA	256,454.83
4004 · Kaiser	54,232.14
4005 · Ohana-Wellcare	463,075.03
4006 · DDID	835,686.77
4007 · UHC	1,223,858.86
Total 4001 · Medicaid	3,213,756.51
4008 · Workmans Compensation	110,826.00
4009 · Private Pay & Cost share	101,738.73
4012 · Other Government	
4013 · Office of Aging	45,254.01
4014 · Elderly Affairs	9,896.26
4015 · VA / Triwest	65,649.00
4017 · City & County of Honolulu	2,520.00
Total 4012 · Other Government	123,319.27
4060 · Handling Fee's	136.98
4070 · Services	
4072 · Mastercare-Fed/State Programs	61,477.24
Total 4070 · Services	61,477.24
4080 · Uncollectible- Write off's	-1,220.73
4090 · Home Health Services	
4091 · UHC HH services	14,218.02
Total 4090 · Home Health Services	14,218.02
Total Income	3,624,252.02
Cost of Goods Sold	
5720 · Salaries H762	1,943,029.84
5725 · Payroll Expense	158,913.67
Total COGS	2,101,943.51
Gross Profit	1,522,308.51
Expense	
6040 · Advertising	933.77
6106 · Automobile Expense	
6102 · Tolls	400.00
6104 · Bus Pass	450.00
6105 · Car Allowance	485.00
6107 · Auto Registration	1,296.63
6109 · Auto Repair & Maintenance	1,638.14
6110 · Gasoline	4,002.67
6111 · Insurance Premium	2,803.78
Total 6106 · Automobile Expense	11,076.22
6112 · Automobile Monthly Payment	5,446.85
6118 · Bank Service Charges	
6119 · Merchant deposit fees	55.16
6118 · Bank Service Charges - Other	196.64
Total 6118 · Bank Service Charges	251.80
6125 · Building Maintenance	25,224.59
6165 · Dental Insurance	510.51
6185 · Dues and Subscriptions	1,534.11
6190 · Equipment Rental	18,115.72
6191 · Finger Printing/Emp Cert	1,760.12
6192 · Gifts	512.98

8:09 AM
06/23/25
Accrual Basis

Mastercare, Inc.
Profit & Loss
January through May 2025

	Jan - May 25
6210 · Insurance	
6211 · Liability Insurance	1,306.00
6212 · Disability Insurance	-1,950.61
6213 · Work Comp	
6213 · Work Comp - Other	63,268.82
Total 6213 · Work Comp	63,268.82
6216 · Life Insurance	-335.50
Total 6210 · Insurance	62,288.71
6230 · Interest Expense	
6321 · Finance Charge	9.23
Total 6230 · Interest Expense	9.23
6240 · Internet Services	2,629.80
6250 · Licenses and Permits	200.00
6252 · Outside Labor	6,460.32
6260 · Marketing	
6260 · Marketing - Other	2,758.40
Total 6260 · Marketing	2,758.40
6292 · Medical Insurance Dues	147,607.00
6295 · Office	
6296 · Office Expense	1,185.89
6297 · Office Supplies	16,129.03
6900 · caregiver rewards	150.00
Total 6295 · Office	17,464.92
6299 · Training Cost	674.00
6300 · Medical Supplies	3,344.67
6341 · Parking Fee	2,838.32
6351 · Payroll Expenses (internal)	55,525.65
6352 · Payroll Service Fees	14,035.73
6355 · Petty Cash	23.61
6360 · Postage/shipping	7,789.74
6380 · Professional Fees	
6381 · Consulting	4,318.90
6382 · Legal Fees	650.00
6384 · Accounting-Audits-CPA	23,030.00
6385 · IT Services	68.06
6380 · Professional Fees - Other	6,993.00
Total 6380 · Professional Fees	35,059.96
6420 · Recruiting	7,724.27
6422 · Reimbursed Expenses	150.10
6530 · Rent	
6531 · Oahu	14,421.06
6532 · Hilo	15,777.20
6533 · Kauai	14,934.20
6534 · Maui	14,524.67
6536 · Dallas	29,010.14
Total 6530 · Rent	88,667.27
6546 · 401k match and expense	2,440.00
6550 · Salaries-H761(internal)	408,218.84
6560 · Software	18,024.82
6563 · Software Dev. Outside Labor	673.01

8:09 AM
06/23/25
Accrual Basis

Mastercare, Inc.
Profit & Loss
January through May 2025

	Jan - May 25
6570 · Taxes	
6571 · Federal	18,700.00
6574 · Property	10,005.56
6575 · State	5,470.00
6576 · General Excise Tax	154,259.10
Total 6570 · Taxes	188,434.66
6630 · Telephone/Communications	13,072.74
6650 · Travel & Ent	
Transportation	74.96
6555 · Car rental	5,324.90
6651 · Meals	2,078.33
6652 · Entertainment	313.00
6653 · Travel	9,482.71
6654 · Hotel	168.60
6650 · Travel & Ent - Other	135.27
Total 6650 · Travel & Ent	17,577.77
66900 · Reconciliation Discrepancies	-0.03
6702 · Utilities	
6701 · Gas and Electric	4,186.44
Total 6702 · Utilities	4,186.44
Total Expense	1,173,246.62
Net Ordinary Income	349,061.89
Other Income/Expense	
Other Income	
7010 · Interest Income	
7011 · Clients	282.64
7010 · Interest Income - Other	78.44
Total 7010 · Interest Income	361.08
Total Other Income	361.08
Other Expense	
8005 · Suspense	40,833.60
Total Other Expense	40,833.60
Net Other Income	-40,472.52
Net Income	308,589.37

EXHIBIT A-II

MASTERCARE FRANCHISING, LLC

UNAUDITED FINANCIAL REPORT

For the period January 1, 2025, through May 31, 2025

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

5:01 AM
06/23/25
Accrual Basis

Mastercare Franchising, LLC
Balance Sheet
As of May 31, 2025

	May 31, 25
ASSETS	
Current Assets	
Checking/Savings	
Chase	2,519.58
Total Checking/Savings	2,519.58
Other Current Assets	
Investments MCHC	1,130.00
Loan-Anwar	40,219.58
Loan-Staffingpower	50,000.00
Total Other Current Assets	91,349.58
Total Current Assets	93,869.16
TOTAL ASSETS	93,869.16
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Loan-Mastercare, Inc.	100,000.00
Shareholder Equity	2,597.15
Total Other Current Liabilities	102,597.15
Total Current Liabilities	102,597.15
Total Liabilities	102,597.15
Equity	
Members Draw	-6,181.63
Members Equity	-4,546.36
Opening Balance Equity	2,000.00
Total Equity	-8,727.99
TOTAL LIABILITIES & EQUITY	93,869.16

5:01 AM
06/23/2025
Accrual Basis

Mastercare Franchising, LLC
Profit & Loss
January through May 2025

	Jan - May 25
Ordinary Income/Expense	
Income	
Sales	0.00
Total Income	0.00
Expense	
	0.00
Total Expense	0.00
Net Ordinary Income	0.00
Net Income	0.00

EXHIBIT B

FRANCHISE AGREEMENT



MASTERCARE FRANCHISING, LLC

FRANCHISE AGREEMENT

Franchisee: _____
Date: _____
Territory: _____

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FRANCHISE AGREEMENT

This Franchise Agreement (the “Agreement”) is entered into by and between Mastercare Franchising, LLC, a Texas Limited Liability Company, located at 7920 Belt Line Rd., Ste. 720, Dallas, TX 75254 (“Franchisor”), and _____, (“Franchisee”), an individual(s) residing at _____. This Agreement shall commence on the Effective Date, as defined herein.

In consideration of the mutual promises in this Agreement, the parties agree as follows:

1. DEFINITIONS

1.01 “Approved Location” means the location of the outlet as identified in Attachment I of this agreement, to be operated within the Designated Territory

1.02 “Assets” means the Outlet, including all inventories, supplies, furnishings, equipment, fixtures, land, buildings and improvements, and other tangible items.

1.03 “Business” means the right which is granted to Franchisee to operate an Outlet as set forth in this Agreement.

1.04 “Business Records” means evidence of each business transaction, and all financial, marketing, and other operating aspects of the Business, and all evidence and records with respect to customers, clients, employees, and other service professionals relating the Business including, without limitation, all databases in print, electronic or other form, including all names, addresses, phone numbers, e-mail addresses, customer/client records, and all other records contained in the database, and all other records created and maintained by Franchisee in operation of the Business.

1.05 “Confidential Information” means all methods for establishing, operating and promoting the Business pursuant to the Franchisor’s distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks and information and know-how of the Franchisor and such other information as may be further developed periodically by the Franchisor.

1.06 “Designated Marketing Area” means that area included in a Regional Marketing Co-Operative.

1.07 “Designated Territory” means the territory described in Attachment I to this Agreement, subject to any reservations or exceptions contained in this Agreement.

1.08 “Effective Date” means the date that the Franchisor signs the Agreement, as indicated in its signature block

1.09 “Franchise” means the Outlet which Franchisee is granted the right to operate in conformity with the requirements of this Agreement.

1.10 “Gross Revenue” means the total of all receipts derived from gross revenue receipts, whether the receipts are evidenced by cash, credit, checks, services, property, or other means of

exchange. “Gross Revenue” shall exclude only sales tax receipts that Franchisee must by law collect from customers and that Franchisee pays to the government, promotional or discount coupons to the extent that Franchisee realizes no revenue, and employee receipt of services, if free, or any portion not paid for by an employee.

1.11 “Manual” means Franchisor’s operations manual and other written materials, including information posted on Franchisor’s Web site and information sent to or accessed by Franchisee in print or electronic form, manuals, written procedures, memoranda and their supplements loaned to Franchisee by Franchisor.

1.12 “Marks” means Franchisor’s trade names, trademarks, service marks, logos, decor, trade dress, lay out, and commercial symbols, and similar and related words or symbols, now or in the future associated with Franchisor, the System or the Outlets, whether or not they are registered, including, but not limited to, “Mastercare.”

1.13 “Multi-Area Marketing Program” (MAM Programs) means a regional, national, or international program designed to increase business, such as marketing to multi-area customers, Internet, shows, events, yellow pages, directories, affinity marketing, vendor programs, and co-branding programs. Such programs may require Franchisee’s cooperation and participation, including refraining from certain channels of marketing and distribution, and payment of commissions or referral fees. Franchisee must also adhere to maximum pricing to the extent permitted by law. All such programs are Trade Secrets of Franchisor.

1.14 “National Marketing Fund” means the separate bank account used by Franchisor for the purposes specified in this Franchise Agreement. The Marketing Fund is not a trust or escrow account and is managed by Franchisor in its sole discretion.

1.15 “Outlet” means the Business which Franchisee is granted the right to operate in conformity with the requirements of this Agreement.

1.16 “Premises” means the one Outlet within the Designated Territory and as described in Attachment I at which Franchisee may operate the Outlet using the System.

1.17 “Regional Advertising Cooperative” means an advertising cooperative made up of franchisees that are located in or near Designated Marketing Areas, as determined by Franchisor, and managed by franchisees elected by the group. The cooperative, if established, may adopt its own written governing regulations, which you must follow but these regulations are subject to consent by us. These regulations will be made available to the Franchisee upon written request.

1.18 “System” means, collectively, Franchisor’s valuable know how, information, trade secrets, methods, Manuals, standards, designs, methods of trademark usage, copyrightable works, sources and specifications, software, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of the Outlets, as modified by Franchisor at any time.

1.19 “Trade Secret” is the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures, and improvements regarding the System that is valuable and secret in the sense that it is not generally known to competitors of Franchisor.

“Transfer” means to voluntarily or involuntarily transfer, assign, sell, or encumber any interest in or ownership or control of, the Outlets, substantial assets of the Outlets, or of this Agreement.

2. GRANT OF FRANCHISE

2.01 Grant of License. Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee an exclusive license to operate a Franchise as designated in Attachment I to this Agreement and described in Section 4, using the System and the Marks for the term of this Agreement. Franchisee may use the Marks and System only in accordance with the terms and conditions of this Agreement.

2.02 Modification of System. Franchisor reserves the right to periodically change, improve, or further develop the System, or any part of the System. Franchisee must promptly accept and comply with any change to the System and make any reasonable expenditure as necessary to comply. Franchisor will not alter these basic rights and obligations of the parties arising under this Agreement through changes in the Manual.

2.03 Ownership and Principal Contact of Franchisee. If Franchisee assigns this Agreement to a business entity, each of the officers, directors, and/or members of the entity, plus any individual who owns, directly or indirectly, a 5% or greater interest in the entity must also sign the Confidentiality and Covenant Not to Compete Agreement (Attachment IV).

Franchisee shall also provide to Franchisor a resolution signed by all members, directors or partners, as appropriate, designating the principal contact for the Business. This principal contact must be a managing member, general partner or controlling shareholder. Such representative shall have the sole authority to speak for and bind Franchisee in all matters pertaining to this Agreement, and all matters relating to the Business (Attachment III)

2.04 National Accounts.

- a) Franchisor will have the exclusive right, unless otherwise specifically delegated in writing, on behalf of itself, Franchisee, and/or other franchisees utilizing the Licensed Marks, to negotiate and enter into agreements or approve forms of agreement to provide services to "National Account" customers, including any affiliate, company owned or franchised locations within the Designated Territory.
- b) Upon completion of Franchisee's initial training, Franchisee must sign up to receive National Account business and must service any National Accounts Franchisor refers to Franchisee in accordance with the National Account contract and the guidelines set forth in the Operations Manual, including any service requirements based upon the National Accounts gross margin percentages identified in the Operations Manual.
- c) The term National Account means any customer which on its own behalf or through agents, franchisees, or other third parties owns, manages, services, controls or otherwise has responsibility for a business in more than one (1) location in more than one (1) state, including, but not limited to, institutional customers such as hospital chains, insurance companies, referral services, nursing homes, senior citizen centers, hospice facilities, facilities for the mentally and physically impaired, and elder and/or child daycare facilities or facilities providing homecare services to individuals, whose presence is not confined within any one particular franchisee's Designated Territory regardless of the aggregate contract amount of the services the Franchisee wishes to perform. Any dispute as to

whether a particular customer is a National Account will be determined by Franchisor and Franchisor's determination will be final and binding.

- d) Following the execution of a contract with or the acceptance of a bid by a National Account customer which contemplates the provision of services to one or more National Account customer locations within or outside of the Designated Territory, Franchisor will, if Franchisee is qualified to perform the services and conditioned upon Franchisee's substantial compliance with the terms of this Agreement and any addendum, refer the National Account to Franchisee, and Franchisee must perform such services pursuant to the terms and conditions of the National Account contract and the guidelines contained in the Operations Manual.
- e) If Franchisee fails to provide services to a National Account customer in conformity with the terms and conditions of the National Account contract or the Operations Manual, Franchisor will have the right to:
 - i) Terminate this Agreement in accordance with Section 13.02(a)(iv); and/or
 - ii) Provide, directly or through any other licensee or franchisee utilizing the Licensed Marks, services to the National Account customer location(s) within the Designated Territory on the terms and conditions contained in the National Account bid or contract; and/or
 - iii) Contract with another party to provide such services to the National Account customer location(s) within the Designated Territory on the terms and conditions contained in the National Account bid.
- f) Neither the direct provision by Franchisor (or a franchisee, licensee, or agent of Franchisor) of services to National Account customers as authorized in (b) above, nor Franchisor's contracting with another party to provide such services as authorized in (c) above, will constitute a violation of this Section 4 relating to territorial exclusivity, even if such services are delivered from a location within the Designated Territory. Franchisee disclaims any compensation or consideration for work performed by others in the Designated Territory pursuant to this section 2.04.

3. TERM AND RENEWALS

3.01 Term of Agreement. This Agreement begins on the date executed by both parties and will continue for a period of ten (10) years, unless earlier terminated as provided under this Agreement.

3.02 Rights Upon Expiration. At the end of the term of this Agreement, Franchisee may renew its license for one successive period of ten (10) years, provided Franchisor does not exercise its rights of refusal as set forth below.

3.03 Right of Refusal to Renew. Franchisor may refuse, in Franchisor's sole discretion, to renew Franchisee's license if Franchisee:

- a) fails to remedy, in the time frame set forth in this Agreement, any material breach of this Agreement specified by Franchisor in a written notice;
- b) has committed two (2) or more material breaches of this Agreement in the preceding twenty four (24) months prior to expiration and said breaches have not been remedied;
- c) fails to give notice of Franchisee's intent to renew at least six (6) months, but no more than twelve (12) months, prior to the expiration of this Agreement. Failure to give timely notice will be considered an election not to renew this Agreement; or

- d) is not current in payment obligations to Franchisor or its subsidiaries and affiliates and to trade creditors, landlords, or mortgage holders at the time Franchisee delivers its notice of renewal or on the date this Agreement is scheduled to expire.
- e) After we have received from you all executed Renewal Franchise Documents and the renewal fee, we shall inspect your Outlet to determine the extent of any required updating, remodeling, redecorating or other refurbishment for the Outlet in order to bring the Outlet up to our then-current image and standards for new Mastercare outlet. We will provide notice to you of the modifications you shall be required to make, and you shall have six (6) months from the date of such notice to effectuate such modifications. If you fail or refuse to make the required modifications in any material respect, we shall have the right to terminate the Renewal Franchise Documents.

If Franchisor intends not to renew Franchisee's license, Franchisor shall give Franchisee at least one-hundred fifty (150) day notice of non-renewal prior to expiration of the term.

3.04 Renewal Agreement. Franchisee must execute a renewal franchise agreement and all other legal agreements in Franchisor's then-current form for new franchisees. These agreements may vary in material aspects from this Agreement, including, but not limited to, higher royalty and advertising fees. Franchisee must also make capital expenditures that are reasonably required for the renovation and modernization of the Franchise, signs, or any other required equipment to reflect the then-current image of Franchisor.

3.05 Renewal Fee. Upon signing a renewal franchise agreement, Franchisee will not be required to pay another Initial Franchise Fee but will be required to pay the then current renewal fee.

4. TERRITORY

4.01 Franchise. Franchisee may operate the Outlet only at the Approved Location (premises) as designated in Attachment I to this Agreement. The specific street address of the Approved Location accepted by us shall be set forth in Attachment I when such location is determined. You shall not be permitted to relocate the Approved Location to another location without our written permission, which shall not be unreasonably denied. This Agreement does not grant to you the right or license to operate the Outlet or to offer or sell any products or services described under this Agreement at or from any location other than the Approved Location.

4.02 Designated Territory. During the term of this Agreement and any extensions, provided Franchisee is in compliance with this Agreement, Franchisor will not own, operate or grant another franchised Outlet for the operation of any other Franchise within your Designated Territory as designated in Attachment I to this Agreement. Franchisee will also have the exclusive right to provide services or products in conformity with this Agreement to any persons residing in the Designated Territory, regardless of the method of sales, subject to Franchisor's express reservation of rights set forth in Section 4.04. However, although Franchisees may not market outside Franchisee's Territory, nothing should be construed in this document that would prevent customers of a Franchisee from receiving services from any other Franchisee of their choice, regardless of their proximity to any Designated Territory. Once established, and unless otherwise agreed in writing, the boundaries of Franchisee's Designated Territory will not be adjusted without Franchisor's written consent regardless of whether the population of Franchisee's Designated

Territory increases or decreases over time unless (i) you cannot adequately and properly service all of your accounts; and (ii) you fail to correct any breach or violation of your Franchise Agreement; and (iii) you fail to pay your Royalty Fee or minimum monthly Royalty Fee. In which case, we may, in our sole discretion, decrease the boundaries of your Designated Territory or grant a franchise to another franchisee within your Territory.

4.03 Soliciting Outside the Designated Territory. Subject to the requirements of Sections 9.01 and 9.02, Franchisee may not solicit or advertise to people who reside outside the Designated Territory without the express written permission of Franchisor.

4.04 Reservation of Rights. Franchisor reserves the rights, among others:

- a) to own, franchise, or operate Franchises at any location outside of the Designated Territory, regardless of the proximity to the Approved Location;
- b) to use the Marks and System to sell any equipment and supplies, similar to those which Franchisee will sell through alternative channels of distribution within or outside of the Designated Territory, other than through the Franchise at the Approved Location. This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale sale to unrelated franchises, or over the Internet. The Internet is a channel of distribution reserved exclusively to Franchisor, and Franchisee may not independently market on the Internet or conduct e-commerce;
- c) to purchase or be purchased by, or merge or combine with, any business wherever located, including a business that competes directly with Franchisee's Outlet; and
- d) to implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to customers anywhere, as set forth in Section 9. Franchisee will still have the option of servicing any customer within its Designated Territory. Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing program.

5. FEES AND ROYALTIES

5.01 Payment of Fees and Royalties. All payments required under this Section are imposed by and payable to Franchisor and are non-refundable except as expressly provided below. All payments must be made by any method Franchisor reasonably specifies, including check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer, or payment in advance. Franchisee must sign an Authorization for Electronic Withdrawal, set forth as Attachment II, and Franchisor may require Franchisee to submit any payments electronically. All payments to Franchisor and dollar amounts stated in this Agreement are in U.S. dollars unless otherwise expressed.

5.02 Initial Franchise Fee. Franchisee must pay an initial franchise fee ("Initial Franchise Fee") upon the signing of this Agreement as set forth in Attachment I. The Initial Franchise Fee is \$45,000. The Initial Franchise Fee is fully earned upon payment and is non-refundable under any circumstances.

5.03 Royalties. Franchisee must pay to Franchisor the monthly royalty in the amount of Incremental Fee 5% of Monthly Gross Revenue of \$350,000 per month or less or \$1,000 per month, whichever is greater and then 4.5% of Monthly Gross Revenue greater than \$350,001 per

month of Monthly Gross Revenue (“Royalty Fee”). The Royalty Fee is due to Franchisor, without notice from Franchisor, on the 10th day of each month. Royalties must be reported in a form specified by Franchisor.

5.04 National Marketing Fund. In addition to the Royalty Fee described in Section 5.03 above, you agree to pay us a National Marketing Fee (NMF) in an amount not to exceed two percent (2%) of the Outlets’ Gross Sales once the NMF is established. Such amount shall be contributed to an NMF maintained by us, as described in Section 9 below. The NMF is payable to us at the same time and in the same manner as the Royalty Fee. We may periodically receive allowances, rebates or other payments from approved suppliers based on purchases from such suppliers by our franchisees, and we may elect to contribute such allowances, rebates or other payments to the NMF. You understand and acknowledge, however, that any such contribution of these amounts by us to the NMF does not in any manner diminish or eliminate your obligation to pay the NMF fee.

5.05 Insufficient Funds Fee. If there are not sufficient funds in your account to permit us to debit the account for the payments you owe us, you will pay to us an insufficient funds fee equal to One Hundred Dollars (\$100). This fee is in addition to interest on any overdue amount, as described in Section 5.06 below, and any fees charged by your bank. If you incur three (3) insufficient funds fees within any twelve (12) month period, we may terminate this Agreement without providing you the opportunity to cure the default

5.06 Late Charges and Other Fees. Unless otherwise stated, Franchisee must pay interest at the rate of one-and one-half percent (1.5%) per month for any late payments due under this Agreement, or the maximum interest rate allowed by applicable law, whichever is less. Franchisee must pay any damages, expenses through appeal, collection costs, and reasonable attorneys’ fees Franchisor incurs in connection with Franchisee’s failure to make any required payments

5.07 Additional Training Fee. Franchisee will charge a fee of \$500 per day two (2) day minimum for any additional training as follows:

- a) Initial Training (For New or Replacement Employees). The cost to train two people (Franchisee and the Director) is included in the initial franchise fee. If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the additional trainees’ expenses, including travel, lodging, meals and wages.
- b) Additional On-Site Training/Remedial Training. If you request that we provide additional training at your Outlets, or if as the result of an inspection or quality assurance audit we believe that remedial training is necessary, you must pay our daily fee for each trainer we send to your Outlets, and you must reimburse each trainer’s expenses, including travel, lodging and meals

5.08 Ongoing Training/Conference Fees: Franchisor reserves the right to hold and require Franchisee to attend annual conferences to discuss on-going changes in the industry, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs. If the conference is mandatory, Franchisee will be required to pay a conference fee of up to \$250 per person attending, regardless of whether the Franchisee is in attendance. Conferences will be held at Franchisor’s corporate headquarters or at an alternate location chosen by Franchisor. Franchisor may also choose to provide these conferences through a web-based portal. Currently Franchisor does not charge a fee for web-based conferences.

Franchisor may provide other conferences from time to time, and Franchisee may be required to pay a conference fee for these additional conferences based upon the direct costs to Franchisor of retaining speakers and other direct expenses associated with the conference, but Franchisor estimates this cost to be no more than \$250 per person. In addition, Franchisor may provide some non-required training courses (marketing, sales, etc.) through web-based seminars. These web-based training courses will cost \$149 per session.

5.09 Accounts Receivable/Collections. Franchisor will bill all your accounts receivable and collect these amounts on your behalf. You pay to us a fee of 1% of total revenues collected, which we will deduct from your remittance. We will remit payment once weekly on Wednesday for the preceding calendar week. We provide:

- a) Complete Accounts Receivable and Collection Services including:
 - i) Billing/invoicing all clients for all services provided to clients by you
 - ii) Collection of all client payments.
 - iii) Administer all client contacts, invoices, payments and receivables. Franchisee will have independent access to all reports via the software. Franchisee is responsible for uploading all client contracts to the server.

Franchisor will remit to the Franchisee any balance due after deductions on Wednesday of each week for the preceding calendar week. The amount remitted to you will be and figured as follows:

- b) From Adjusted Gross Billings received from your Customers, We will deduct:
 - i) Royalties owed to Us. If for any reason you collect any payment directly from an account, you must report it to Mastercare and pay the applicable royalty and other fees, or we will deduct it from amounts we bill accounts you service. You are responsible for direct payment of the royalty on any amounts not paid by accounts you service and for all other amounts due by you to Mastercare if amounts collected in any month are insufficient to cover the amount due
 - ii) All Overnight Delivery Costs, Wire Fees, Credit Card Fees, Credit Report Fees, and
 - iii) Any other Direct Costs incurred by Us and All Other Sums Owed to Us, including any fees for the National Marketing Fund, once implemented.

In the event that the balance is negative, you will pay said sum to Mastercare immediately after being notified of the negative balance. Mastercare will have the right to set off any negative balance against any obligations owed by Us to you or any affiliate of Franchisee.

5.10 Liquidated Damages: Franchisee will promptly pay us within 45 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by the number of months remaining in the Agreement had it not been terminated.

5.11 Taxes and Debts. Franchisee will promptly pay when due all taxes, fees, debts, expenses, and assessments of the Outlets, including payroll taxes. Franchisee will not permit a tax sale, seizure, levy, execution, bankruptcy, assignment of assets for or by creditors, or similar action to occur.

5.12 Uniforms. Franchisee will purchase uniforms from Franchisor or its affiliate at the current price. Franchisee must make an initial purchase of 25 uniforms prior to opening for business. Franchisee will purchase additional uniforms as needed at the then current cost per item.

5.13 Marketing and Promotional Materials. Franchisee is required to purchase a supply of branded promotional items from Franchisor or its affiliate. The minimum initial order is \$1,500 and includes an assortment of brochures, marketing materials, pens, can openers and other promotional items. Franchisee will purchase additional items as needed at the then current cost per item.

6. MARKS

6.01 Marks. Franchisee must only use the Marks in the conduct of the Business as specified in this Agreement. Any unauthorized use of the Marks by Franchisee will constitute a breach of this Agreement and an infringement on Franchisor's rights in and to the Marks. As between Franchisor and Franchisee, Franchisor has a prior and superior claim to the Marks, and Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement.

6.02 Authorized Marks. Franchisee shall use no trademarks other than "Mastercare" or any other Marks that Franchisor may specify for use in the identification, marketing, promotion, or operation of the Outlet. If Franchisee cannot lawfully use the Marks in the Designated Territory, Franchisee must obtain Franchisor's written approval to use other marks. Franchisee must also follow the copyright guidelines as specified by Franchisor in the Manual and which approval may not be unreasonably withheld, conditioned or delayed. Franchisor will indemnify Franchisee for any claims against misuse or infringement of Marks.

6.03 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time of receiving written notification of any change, Franchisee must comply with the change, at Franchisee's sole expense unless Franchisor does not control the Marks in which case Franchisor shall bear cost of the Franchisee changing of the Marks.

6.04 Limitations on Franchisee's Use of the Marks. Franchisee must use the Marks as the sole identification of the Business but must also identify itself as the independent owner of the Business in the manner prescribed by Franchisor. All Marks must be displayed in the manner prescribed by the Franchisor. Franchisee may not use the Marks, or any words or symbols similar to the Marks, alone or with any prefix, suffix, modifying words, terms, designs, or symbols:

- a) as part of any entity or business name;
- b) in conjunction with any documents, contracts, licenses, permits and other official documents. Any reference to the Marks in any document must state that Franchisee's use of the Marks is limited by this Agreement;
- c) in any form on the Internet, including, but not limited to, addresses, domain names, links, metatags, locators, and search techniques;
- d) in connection with the performance or sale of any unauthorized services or products; or
- e) in any other manner not expressly authorized by Franchisor.

6.05 Marks on the Internet. Franchisor retains the sole right to use the Marks and market on the Internet, including all use of Web sites, domain names; URL's, linking, advertising, and co-branding arrangements. Franchisee may not establish a presence on the Internet except as we may specify, and only with our prior written consent. Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and Franchisee must sign the Internet and intranet usage agreements when developed by Franchisor. Franchisor retains the right to approve any linking to or other use of Mastercare's Web site.

6.06 Marks in Advertising. Subject to Section 9.03, Franchisee must obtain Franchisor's prior written approval for any use of any item of printed, audio, visual, Internet, electronic media, or multimedia material of any kind bearing any of the Marks, unless supplied by Franchisor. Franchisee must indicate that it is "independently owned and operated."

6.07 Goodwill. All usage of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through Franchisee's operation of the Business or other activities will inure to the exclusive benefit of Franchisor.

6.08 Infringement. Franchisee must notify Franchisor in writing within three (3) days of obtaining knowledge of any possible infringement or illegal use by others of a trademark which is the same as or confusingly similar to the Marks. Franchisor may, in its sole discretion, commence or join any claim against the infringing party, and bear the reasonable costs associated with the action.

6.09 Signage. As specified by Franchisor, Franchisee must display signage bearing the Marks and identifying the Premises as a Franchise, and signage indicating that the Business is independently owned and operated as an Outlet of the Franchise. All signage must remain current with the System's standards as Franchisor may modify periodically.

7. MANUAL AND CONFIDENTIAL INFORMATION

7.01 Confidential Information. The System, the Manual, and other Confidential Information are proprietary, involve Trade Secrets of Franchisor, and are disclosed to Franchisee solely on the express condition that Franchisee agrees, and Franchisee does hereby agree to:

- a) fully and strictly adhere to all security procedures prescribed by Franchisor, in its sole discretion, for maintaining the Confidential Information as confidential;
- b) disclose such information to its employees only to the extent necessary to market and for the operation of the Business in accordance with this Agreement;
- c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor; and
- d) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement, and follow Franchisor's security procedures, which include the execution of approved nondisclosure agreements, and intranet, extranet and Internet usage agreements when developed by Franchisor, by Franchisee and any employee or agent who is allowed access.

7.02 Standards and Authorized Use. Franchisee must maintain strict compliance with the Manual as presently set forth and as subsequently amended and revised.

7.03 Unauthorized Use. Franchisee must not copy or otherwise reproduce any Confidential Information and must establish procedures to prevent unauthorized use by any other person. Unauthorized use of the Manual or the System will constitute a breach of this Agreement and an infringement of our proprietary rights, including trade secrets and copyrights. You must promptly report any unauthorized use of the Manual or other Confidential Information.

7.04 Manual. Franchisor will loan to Franchisee during the term of the franchise one (1) copy of Franchisor's confidential operating Manual, which may be in print, on an access code-protected company intranet or extranet, or through other media. Franchisor reserves the right to require Franchisee to use the Manual in only an electronic format. The Manual will at all times remain the property of Franchisor, and Franchisee must immediately return the Manual to Franchisor upon expiration, termination, or Transfer of this Agreement. Franchisor may periodically update and revise the Manual. Franchisee acknowledges that its entire knowledge of the operation of the System is and shall be derived from information disclosed to Franchisee by Franchisor and that certain of such information is Confidential Information of Franchisor. Franchisee shall maintain the absolute confidentiality of all such Trade Secrets during and after the term of this Agreement, and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee is bound by the standards for maintaining the privacy of the Manual in the same manner as all other Confidential Information as provided in this Agreement.

7.05 Nondisclosure and Noncompetition Agreements. Franchisee and its owners, members, managers, partners or shareholders, officers, directors, agents, beneficial owners, principal employees, and immediate family members shall execute Franchisor's standard Nondisclosure and Noncompetition Agreement (Attachment IV) before performing any work at the Business or otherwise having access to Franchisor's Confidential Information. A copy of all such signed agreements shall be delivered to Franchisor within one week of their execution. Franchisor retains the right to require, that each employee of the Franchise, at the time of commencing their employment, or upon being promoted, enter into agreements of non-disclosure/confidentiality, and non-competition agreements. Such agreements, and their content, are subject to various state laws, and Franchisees are cautioned to confer with local legal counsel to determine Franchisee's rights with regard to such agreements.

7.06 Ownership of Business Records. Franchisee acknowledges and agrees that the Franchisor has access to all Business Records with respect to customers, clients, employees, and other service professionals of, and related to, the Outlet including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, phone numbers, e-mail addresses, customer records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee for evaluation and research purposes only. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion. This will in no way cause harm to Franchisee's business.

8. FRANCHISOR'S DUTIES

8.01 Services Provided by Franchisor. Franchisor will provide initial and continuing services as it deems necessary or advisable in furthering Franchisee's Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of Franchisor. The Provision of services by Franchisor, either initial or continuing, is independent from the payment the Initial Franchise Fee and the continuing Royalty Fees. Notwithstanding the foregoing, Franchisor will provide the services listed below on a continuing basis.

8.02 Site Selection. Franchisee is solely responsible for locating a site for the Approved Location for the Outlet and negotiating a lease for the property. Franchisor will provide assistance to Franchisee in analyzing a site and in negotiating a lease. Site selection is Franchisee's responsibility and proposals for the site of the Franchise must be submitted to Franchisor within three (3) months of signing the Franchise Agreement, or the Franchise Agreement will automatically terminate, and Franchisee will not receive a refund of any portion of the Franchise Fee paid. You must deliver to us any traffic, competition, demographic and similar site information relating to any proposed site, that we reasonably request, for review at least twenty (20) days before any proposed lease signing date. Franchisor will analyze a site by examining population density, traffic patterns, and proximity of the proposed franchise to any other Mastercare, or any other reasonable criteria, as set forth in Section 10.02. Franchisee agrees that the site of the Approved Location is a factor in the potential for success of the Outlet and Franchisor may reject any site in its sole discretion, but consent will not be unreasonably withheld. However, Franchisor's assistance in no way constitutes a representation or warranty with respect to the property or the lease. If you and Mastercare cannot agree on the initial site selection, then you must select two (2) alternative sites. Mastercare will give you an evaluation of each site. You may then choose one of the 2 alternative sites. Mastercare must approve or disapprove your site within 30 days after we receive notice of the site from you. If we cannot agree on any of the three sites, then Mastercare will send a representative to assist in site selection. The franchise agreement cannot be terminated due to failure to agree on site selection; however, failure to begin operations of your Mastercare Franchise within nine (9) months of signing the Franchise Agreement may result in termination of the Franchise Agreement and we will retain all monies received. (See Section 10.02 of the Franchise Agreement). We generally do not own or lease the premise for your Outlet.

8.03 Equipment, Inventory, Advertising and Services. Franchisor will specify or approve certain equipment and supplies used in the Business, as provided elsewhere in this Agreement. Franchisor may negotiate marketing programs with suppliers and obtain advertising allowances or rebates for doing so and may utilize such allowances or rebates in any manner in which Franchisor elects, in its sole discretion.

8.04 Initial Training. Franchisor will provide initial training and assistance, as Franchisor may reasonably determine to be appropriate, within sixty (60) days of signing this Agreement. Franchisor will provide the initial training program at its corporate headquarters, or at another location designated by Franchisor, at no charge to Franchisee and the Director. Franchisee may request additional persons attend training and will pay Franchisor's then current training fee for each additional person trained. Franchisee and its Director must satisfactorily complete the initial training program or reschedule and attend until training is passed. Franchisee is responsible for

personal travel, accommodation, and other costs of its employees while attending training. The training program lasts for approximately 70 hours over 2 weeks. Classroom training will be conducted at Franchisor's Corporate office or at another location of Franchisor's choosing and will last approximately 40 hours or 1 week, and consists of a discussion of the System, techniques, procedures, and methods of operation, customer service, ordering, accounting, support procedures and instructions on quality standards and practical experience in the operation of the Franchise. On Site Training will be conducted at the Franchisee's location and will take place at "go live", or when the Franchise opens for business, and will last approximately 30 hours.

8.05 Ongoing Training. Franchisor reserves the right to hold and require Franchisee to attend annual conferences to discuss on-going changes in the industry, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs. If the conference is mandatory, Franchisee will be required to pay a conference fee of up to \$250 per person attending, regardless of whether the Franchisee is in attendance. In addition, Franchisee must pay all personal wages, meals, lodging and transportation expenses for all of its employees attending the conference. Conferences will be held at Franchisor's corporate headquarters or at an alternate location chosen by Franchisor. Franchisor may also choose to provide these conferences through a web-based portal. Currently Franchisor does not charge a fee for web-based conferences. Franchisor may provide other conferences from time to time, and Franchisee may be required to pay a conference fee for these additional conferences based upon the direct costs to Franchisor of retaining speakers and other direct expenses associated with the conference, but Franchisor estimates this cost to be no more than \$250 per person. Franchisee must pay all of the wages, meals, lodging and transportation expenses for any persons from their Franchise who attend. Franchisor will not receive any net income from these conferences. In addition, Franchisor may provide some non-required training courses (marketing, sales, etc.) through web-based seminars. These web-based training courses will cost \$149 per session. Franchisor will also provide safety training for field and office employees through online videos that will be uploaded to the training site. These safety training videos are provided free of charge but are not considered part of the Initial Training and Franchisee may not withhold payments of any required fees (such as the Royalty Fees) if the programs are not working.

8.06 Opening and Continuing Assistance. Franchisor will provide reasonable ongoing assistance by telephone, Skype, email, or other form of communication to Franchisee during normal business hours, not to exceed 10 hours in a 30-day period. Should Franchisee exceed the 10 hours, an additional assistance fee may be charged. If Franchisee requires on-site assistance beyond the 30 hours of Initial Training, Franchisee will be charged Franchisor's then-current additional assistance fee per day, plus travel and living expenses for Franchisor's representative.

8.07 Advertising and Promotional Programs. Franchisor will provide advertising and promotional programs as set forth in Section 9.

8.08 Development of Programs. Franchisor may develop new designs and service methods, as Franchisor deems beneficial to the System, including setting minimum and maximum prices for use with multi-area marketing and special price promotions.

8.09 Modification of System. Franchisor will periodically continue to improve, modify, and revise the Manual and the specifications, standards, and operating procedures and rules of the System, as set forth in Sections 2.02 and 7.04.

8.10 Central Purchasing. Franchisor reserves the right to implement a purchasing system for franchisees and negotiate prices and terms with suppliers and to receive rebates from such purchases by Franchisees. Franchisor may utilize such rebated funds in any manner it chooses in Franchisor's sole discretion.

8.11 Web Site. Franchisor will provide information regarding Franchisee's Business on its Web site, as set forth in Section 9.02.

9. SOLICITATION AND ADVERTISING

9.01 Except as stated in this paragraph, Franchisee may not directly market to or solicit customers who reside outside the Designated Territory. However, Franchisee will have the exclusive right to service customers within the Designated Territory except through the Internet generated by Multi-Area Marketing Programs.

9.02 Franchisee Advertising. Franchisee is required to spend between \$2,000 and \$8,000 per month on local advertising and promotion.

Franchisee may, also be required to participate, at Franchisee's expense, in any National Advertising Fund (Fund), Multi-Area Marketing Programs (MAM Programs) or Regional Advertising Cooperative (Co-Op), as determined by Franchisor. Franchisee's requirement to contribute to such Fund or Programs (combined) will not exceed 2% per month of Franchisee's Gross Revenues. Contributions to a Co-Op will be determined by the Franchisees within the Designated Marketing Area. All expenditures will be reported to Franchisor at such times and in such manner as Franchisor specifies, including by electronic means. Subject to this Section, Franchisee may not advertise in any media with a primary circulation outside Franchisee's Designated Territory, except with Franchisor's written consent and with the reasonable consent of any franchisee whose territory is reached by the media. However, Franchisee may advertise in media whose circulation is primarily inside Franchisee's Designated Territory, even if it also reaches outside Franchisee's Designated Territory. All Internet marketing is a part of Multi-Area Marketing Programs and must be coordinated through and approved by Franchisor. You may not market independently on the Internet or acquire an independent Internet domain name or Web site, but Franchisor will include Franchisee's Franchise on its Web site.

9.03 Advertising and Marketing Materials. Franchisor will provide Franchisee with reasonable amounts of advertising and marketing materials which may include, but are not limited to, video and audiotapes, multimedia, print-ready advertising materials, posters, banners, and other items. Franchisee must purchase any additional copies of advertising and marketing materials. Franchisee may develop and produce additional advertising and marketing materials, at Franchisee's own expense, but any advertising and marketing materials must be approved in writing by Franchisor in advance of Franchisee's use of such materials. Franchisor will approve or disapprove of materials submitted by Franchisee within thirty (30) days of receipt. Franchisor

also reserves the option of utilizing the advertising, without cost, developed by Franchisee and providing the advertising to other franchisees.

9.04 National Marketing Fund / Multi-Area Marketing Programs / Regional Advertising Co-Op. In the future, Franchisee may be required to pay a fee into the National Marketing Fund (Fund) or to a Multi-Area Marketing Program (MAM Program) or Regional Advertising Co-Op to advertise the System on a regional, national, or international level. Contributions shall be made at the same time and in the same manner as the Royalty Fee and shall not exceed 2% of Gross Revenue. Franchisor will hold contributions to the Fund or Program in a separate bank account. Franchisor will use the contributions to the Fund or Program for local, regional, national, Internet, or international advertising or marketing, development and maintenance of any Internet or e-commerce programs, related expenses, and any media or agency costs or to attend franchise trade shows and other events. Franchisor may also use contributions to the Fund or MAM Program to offset or partially rebate the franchisee's local media and printing expenses. Franchisee acknowledges and agrees that expenditures from the Fund or MAM Program may or may not be proportionate to contributions made by Franchisee or provide a direct or any benefit to Franchisee. The National Marketing Fund will be spent for the purposes set forth above at Franchisor's sole discretion, and Franchisor has no fiduciary duty with regard to the Fund or MAM Program(s). Franchisor may accumulate these contributions, and the balance may be carried over to subsequent years and used for the purposes stated in this Agreement. If the National Marketing Fund operates at a deficit or requires additional funds at any time, Franchisor reserves the right to loan such funds to the National Marketing Fund on any terms Franchisor determines. Franchisor may also utilize the National Marketing Fund to reimburse itself for administrative expenses incurred in administering the National Marketing Fund. An unaudited annual financial statement of the National Marketing Fund will be prepared within one hundred twenty (120) days of the close of Franchisor's fiscal year and will be available to Franchisee upon request.

9.05 Websites. We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System. We have established one or more websites accessible through one or more uniform resource locators ("URLs"). We will provide your Outlet with a listing on our website and we may, but are not required to, design and provide for the benefit of your Outlet a "click through" subpage at our website for the promotion of your Outlet. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at the website(s) for the promotion of your Outlet, you must routinely provide us with updated copy, photographs and news stories about your Outlet suitable for posting on your "click through" subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your "click through" subpage.

- a) Any websites or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications ("apps") that we may introduce, may – in addition to advertising and promoting the products, programs or services available at Mastercare outlets – also be devoted in part to offering Mastercare franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.
- b) In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Outlet; establish a link

to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the “Mastercare” name or any names confusingly similar to the Proprietary Marks.

- c) You are not permitted to promote your Outlet or use any of the Proprietary Marks in any manner on any social or networking websites, which includes but is not limited to Facebook, Instagram, LinkedIn, YouTube, TikTok or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media relating to your Outlets’ operation, including prohibitions on your and the Outlets’ employees posting or blogging comments about the Outlet or the System, other than on a website established or authorized by us (“social media” includes but is not limited to personal blogs, common social networks like Facebook, and Instagram, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, like YouTube and TikTok, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.
- d) We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your “click through” subpage

10. CONSTRUCTION AND MAINTENANCE OF FRANCHISE

10.01 Construction. Franchisee must construct or convert a building and equip the Outlet, at Franchisee’s expense, in a good and workmanlike manner as specified by Franchisor. All interior designs, construction or conversion work must be completed in accordance with the standards and specifications of Franchisor and must conform to all applicable zoning and other requirements of local authorities. Construction or conversion must begin by the earlier of one (1) month from the date of execution of the office’s lease, or six (6) months from the date of this Agreement. Franchisor will approve or disapprove the plans within thirty (30) days of submission. If (1) Franchisee does not make reasonable efforts to open the franchise by the end of six months and (2) actually be open for business to the public within 9 months after signing this Franchise Agreement, Franchisor may terminate this Agreement and retain all monies received.

10.02 Property. Franchisee may purchase or lease the required real property and improvements from any source upon terms approved by Franchisor in writing. Proposals for site of the Approved Outlet must be submitted to Franchisor within three (3) months of the execution of this Agreement, or this Agreement will automatically terminate. In the event of such termination, the Franchisee shall have no right to receive from Franchisor a refund for any portion of franchise fees or expenses. Franchisee must deliver to Franchisor any traffic, competition, and demographic and similar site information relating to any proposed site, that Franchisor reasonably requests, for review at least twenty (20) days before any proposed lease signing date. If Franchisee and Franchisor cannot agree on the initial site selection, then Franchisee must select two (2) alternative sites. Franchisor will give an evaluation of each site. If you and Mastercare cannot agree on the initial site selection, then you must select two (2) alternative sites. Mastercare will give you an evaluation of each site. You may then choose one of the 2 alternative sites. Mastercare must approve or disapprove your site within 30 days after we receive notice of the site from you. If we

cannot agree on any of the three sites, then Mastercare will send a representative to assist in site selection. Franchisee must deliver to Franchisor a copy of the proposed lease and an option to assume the lease signed by the lessor in favor of Franchisor in a form acceptable to Franchisor, (See Attachment V) in the event Franchisee's franchise is terminated or expires and is not renewed. The terms of such lease shall also require that the Lessor provide the Franchisor with written notice of any claimed breach of the Lease obligations by the Franchisee, and an opportunity to cure such breach, at the Franchisor's option, within a period of not less than fifteen (15) days from when such notice is given to the Franchisor. Franchisor will provide Franchisee with standard sample floor layouts and architectural plans, but all final plans must be approved by Franchisor.

10.03 Lease Riders. If Franchisee leases the Premises, the lease must contain the following provisions:

- a) on termination of this Agreement for any reason, Franchisor or its designee will have the option for thirty (30) days to assume Franchisee's remaining lease obligations without accruing any liability regarding the lease prior to the effective date of any assignment; or Franchisor will have the right to execute a new lease for the remaining term on the same terms and conditions;
- b) all notices of default to Franchisee under the lease must be sent contemporaneously to Franchisor;
- c) in the event Franchisee defaults under the lease, Franchisor or its designee will have an opportunity, but not the obligation, to cure such default and to assume Franchisee's remaining obligations under the lease, but will not have any obligation to do so; and
- d) a provision reserving to Franchisor the right, at Franchisor's sole and absolute election, to receive an assignment of the leasehold interest from Franchisee upon termination or expiration of the initial term or any renewal term, or any termination of Franchisee, and the right to reassign the lease without becoming liable on the lease and without further approval from the landlord or additional charge.

10.04 Maintenance and Upgrades. Subject to the terms of this Section, Franchisee must at all times comply with Franchisor's standards, specifications, processes, procedures, requirements and instructions regarding the Franchise's physical facilities, including the layout of furnishings and fixtures. Franchisee must maintain the Franchise and any parking areas in good and safe condition, as specified in the Manual. Franchisee must remodel or upgrade the Franchise at its own cost in accordance with Franchisor's reasonable standards and requests.

11. RECORDS AND REPORTS

11.01 Records. Franchisee must keep and transmit complete and accurate Business Records on a current basis relating to the Business in the form, time, and manner that Franchisor prescribes. Franchisee must provide Franchisor with all hard copies, and access to electronic reports, as reasonably prescribed. Franchisee must maintain an accounting system, which accurately reflects all operational aspects of the Franchise including uniform reports as may be required by Franchisor. Franchisee must submit to Franchisor current financial statements and other reports as Franchisor may reasonably request to evaluate or compile research data on any operational aspect of the Franchise. Franchisor reserves the right to require that Franchisee make available its

sales records and files by way of an Internet connection. Business Records will specifically also include:

- a) tax returns;
- b) daily reports;
- c) statements of Gross Revenues and expenses, to be prepared each month for the preceding month;
- d) profit and loss statements, to be prepared at least quarterly and by an independent Certified Public Accountant annually; and
- e) balance sheets, to be prepared at least annually by an independent Certified Public Accountant.
- f) Franchisee must keep accurate records relating to the Outlet for a period of six (6) years after the termination or expiration of this Agreement.

11.02 Records Standards. Franchisee must prepare all financial reports in accordance with generally accepted accounting principles, consistently applied, in a form approved by Franchisor. Franchisee must periodically deliver to Franchisor copies of accounting, tax and other documents and information, within ten (10) business days of Franchisor's requests. Franchisee must provide Franchisor with a copy of its annual financial statements including a profit and loss statement and a balance sheet containing complete notes and disclosures. Such statements must be compiled by an independent Certified Public Accountant and be delivered to Franchisor within ninety (90) days after Franchisee's fiscal year end.

11.03 Audits. Franchisee must provide Franchisor or its agent's access to Franchisee's Business and computer systems to examine or audit Franchisee's Business, at any reasonable time without notice. Franchisor will bear the cost of the audit, unless Franchisee fails to report as required or understates Gross Revenue by two percent (2%) or more for any reported time period, in which case Franchisee will pay the audit cost plus interest on understated costs of one percent (1%) per month. Franchisee must immediately pay to Franchisor all sums owed in addition to any other remedies provided in this Agreement or by law.

12. FRANCHISEE'S DUTIES

12.01 Compliance with Applicable Laws. Franchisee agrees to (i) comply with all applicable laws, ordinances and regulations or rulings, or licensing requirements, of every nature whatsoever which in any way regulate or affect the operation of its Business, (ii) pay promptly all taxes and business expenses, and (iii) comply with all laws covering occupational hazards, accommodations for the disabled, including without limitation, the Americans with Disabilities Act, if applicable, health, workers' compensation insurance and unemployment insurance. Franchisee agrees, at its expense, to modify its Franchise, if necessary, to comply with any such applicable laws or regulations. Franchisee shall not engage in any activity or practice that result, or may reasonably be anticipated to result, in any public criticism of the System or any part thereof.

12.02 System Compliance. Franchisee must comply with the System, the Manual, and all systems, procedures and forms, as in effect from time to time. All mandatory specifications, standards, and operating procedures prescribed by Franchisor in the Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein. Accordingly, all references in this Agreement to Franchisee's obligations under

this Agreement, including to the Franchise, equipment, procedures shall include such mandatory specifications, standards, and operating procedures. Franchisor may require Franchisee to add additional concepts to the Business in the future; however, these concepts will be complementary.

12.03 Uniformity and Image. In order to maintain uniform standards of quality, appearance, and marketing, it is essential that Franchisee conform to Franchisor's standards and specifications set forth in the Manual and the System. While Franchisee will manage its own operations and employees, Franchisee must agree and conform to all the requirements of this Section.

12.04 Operations. Franchisee must operate the Business in accordance with the System and Manual, as amended by us in our discretion. Franchisee or a fully trained and qualified Manager ("Manager") approved by Franchisor must participate personally and full-time in the Business.

12.05 Right of Entry and Inspection. Franchisee must permit Franchisor or its authorized agent or representative to enter the Premises during normal business hours and to reasonably inspect the operations of the Outlets. Without any liability to Franchisee, Franchisor may confiscate any materials which Franchisor, in its reasonable judgment, determines to be either illegal or in violation of this Agreement. Franchisor shall have the right to observe Franchisee and its customers/clients rendering services, to confer with Franchisee's employees and customers/clients and to generally review the Business operations for compliance with the standards and procedures set forth in the Manual.

12.06 Restrictions on Services and Products. Franchisee is prohibited from offering for sale any products and services not authorized by Franchisor as being a part of the System. Franchisee shall purchase uniforms, operating software and office supplies and other operating supplies required for the operation of the Business from suppliers designated or approved by Franchisor. However, if Franchisee proposes to offer, conduct or utilize any services, products, materials, forms, items, supplies or services for use in connection with the Business which are not previously approved by Franchisor as meeting its specifications, Franchisee shall first request approval in writing from Franchisor. Franchisor may, in its sole discretion, for any reason whatsoever, elect to withhold such approval; however, in order to make such determination, Franchisor may require submission of outlet design specifications, information of such equipment and supplies. Franchisor will advise Franchisee within a reasonable time whether such equipment and supplies meet its specifications. Approved equipment descriptions and supplier contact information are prescribed in the Manual. If there is no designated or approved supplier for particular items, Franchisee may purchase from suppliers approved in advance by Franchisor who meet all of Franchisor's specifications and standards as to quality, composition, finish, appearance and service, and who shall adequately demonstrate their capacity and facilities to supply Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the Business.

12.07 Limitations on Supply Obligations. Nothing in this Agreement shall be construed to be a promise or guarantee by Franchisor as to the continued existence of a particular product, nor shall any provision herein imply or establish an obligation on the part of Franchisor to sell equipment and supplies to Franchisee if Franchisee is in arrears on any payment to Franchisor or otherwise in default under this Agreement. If Franchisee fails to pay in advance in full for each shipment of equipment and supplies purchased, Franchisor shall not be obligated to sell equipment and supplies

to Franchisee. In addition, Franchisor may impose interest on any late payments on the terms described in Section 5.04.

12.08 Insurance. Franchisee must keep in force insurance policies as prescribed by Franchisor in the Manual by an insurance company acceptable to Franchisor at all times during the term of this Agreement and any renewals. You must, at all times, maintain insurance as specified in the Manual. Insurance coverage for both premises and vehicle must include, but are not limited to, comprehensive general liability, combined single limit, fire and lightning, extended coverage, theft, vandalism and malicious mischief, flood (if the Franchise is in a Designated Flood Hazard Area), sprinkler leakage automobile vehicle liability insurance bodily injury and property damage insurance for premises operations, products liability and all other occurrences against claims of any person, employee, customer, and agent or otherwise, workers' compensation, automobile liability, employment practices liability, business interruption, and prepaid employee health insurance and temporary disability, and any other insurance as required by your state and local jurisdiction, in an amount per occurrence of not less than such amount set forth in the Manual and adjusted by Franchisor from time to time. Insurance policies must insure both Franchisee and Franchisor, its officers and directors, as additional named insured against any liability which may accrue against them by reason of the ownership, maintenance or operation by Franchisee of the Business. The policies must also stipulate that Franchisor shall receive a thirty (30) day prior written notice of cancellation. Original or duplicate copies of all insurance policies, certificates of insurance or other proof of insurance acceptable to Franchisor shall be furnished to Franchisor together with proof of payment within thirty (30) days of issuance thereof. In the event Franchisee fails to obtain the required insurance and keep the same in full force and effect, Franchisee shall pay Franchisor upon demand the premium cost thereof, which Franchisor shall then forward to the insurance carrier. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement pursuant to the provisions of this Agreement. Franchisee will also procure and pay for all other insurance required by state or federal law, including, without limitation, workers' compensation, temporary disability, pre-paid health insurance, and unemployment insurance.

12.09 Appearance and Customer Service. Franchisee and its employees shall (i) maintain a clean and attractive appearance, (ii) give prompt, courteous and efficient service to the public, and (iii) otherwise operate the Business in strict compliance with the policies, practices and procedures contained in the Manual so as to preserve, maintain and enhance the reputation and goodwill of the System. Franchisee may not alter, change, or modify the System, including the Franchise, in any way without the prior written consent and approval of Franchisor. Franchisee agrees to maintain the Premises, and all fixtures, furnishings, signs and equipment thereon, in conformity with Franchisor's then-current standards at all times during the term of this Agreement and to make such repairs and replacements thereto as Franchisor may require. Without limiting the generality of the foregoing, Franchisee specifically agrees:

- a) To keep the Approved Location at all times in a high degree of repair, order and condition, including, without limitation, such periodic repainting of the exterior and interior of the Approved Location, such replacement of, and/or maintenance and repair to, all fixtures, furnishings, signs and equipment as Franchisor may from time to time reasonably direct;
- b) To meet and maintain at all times all governmental standards and ratings applicable to the operation of the Outlet or such higher minimum standards and ratings as set forth by Franchisor from time to time in its Operations Manual or otherwise in writing; and

- c) To cause its employees to wear apparel which conforms strictly to the specifications, design, color and style approved by Franchisor which may be changed from time to time

12.10 Signs. All signs to be used on or in connection with the Business must be approved in writing by Franchisor prior to their use by Franchisee.

12.11 Training. The Franchisee and its Designated Director/Manager must attend and successfully complete Franchisor's initial training program described in Section 8.04. If you or your Designated Director / Manager do not successfully complete the program, it must be re-taken until it is successfully completed. Franchisee shall train its employees according to standards and procedures established by Franchisor.

12.12 Correction of Defects. Should Franchisor notify Franchisee at any time of defects, deficiencies or unsatisfactory conditions in the appearance or conduct of the Business, Franchisee shall correct within a reasonable time, any such items. Franchisee shall establish and maintain an image and reputation for the Business consistent with the standards set forth in this Agreement, the Manual, or as otherwise specified by Franchisor. Franchisee shall keep its Franchise clean and in good order and repair at all times.

12.13 Indemnification. Franchisee agrees to indemnify, defend and hold harmless Franchisor, its parent corporation, its subsidiaries and affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees against all claims and liabilities directly or indirectly arising out of the operation of the Business or arising out of the use of the Marks and System in any manner not in accordance with this Agreement. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Franchisee shall not however, be liable for claims arising as a result of Franchisor's intentional or fraudulent acts, omissions or negligence.

12.14 Computer Systems. Franchisee must acquire, maintain, and upgrade computer, information processing and communication systems, including all applicable hardware, software, and Internet and other network access providers, and Web site vendors, as prescribed in the Manual. Franchisee must comply with any separate software or other license agreement that Franchisor or its designee uses in connection with providing these services. Should any of the required hardware, software or any web based required web-based programs or access be malfunctioning or temporarily unavailable, Franchisee agrees that Franchisee will not withhold any payments due to the Franchisor.

12.15 Computer Problems, Viruses, and Attacks. Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor has taken reasonable steps so that these problems will not materially affect the System. Franchisor does not guarantee that

information or communication systems supplied by Franchisor, or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems. Franchisee agrees that Franchisee will not withhold any payments due to the Franchisor (i.e. Royalty Payments, etc.).

12.16 Company Vehicle. Franchisee must purchase at least one vehicle, for use in the operation of the Franchise. Franchisee must also pay to have the vehicle wrapped with the Mastercare logo according to Franchisor's designated specifications. Vehicles must be new or late model, (no older than 5 years), white, reliable, with good gas mileage, such as a Scion XB, Kia Soul, Honda CRV or van, at least 1 client and a cargo area/trunk big enough to accommodate a folding wheelchair if needed. Franchisee must send photos of the vehicle at least once every 6 months showing the interior and exterior condition of the vehicle. Specifications will be updated periodically in the Manual.

12.17 Hazardous Materials. Franchisee must not cause or permit any toxic or hazardous waste, substances, or materials, as defined under applicable government laws and regulations to be used, generated, stored or disposed of near, on, under, about or transported to or from the Premises or any of Franchisee's vehicles except as necessary for Franchisee's operation of the Outlets and in accordance with the Manual. Franchisee shall conduct such permissible hazardous materials activities in strict compliance, and at Franchisee's expense, with all applicable federal, state, and local laws, rules and regulations now or hereafter in effect and using all necessary and appropriate precautions. Franchisor will not be liable for any of these activities. Franchisee must provide Franchisor with a copy of all hazardous materials inventory statements and updates filed by any governmental agency or regulation and must immediately notify Franchisor both by telephone and in writing of any spill or unauthorized discharge of hazardous materials or of any conditions constituting an imminent hazard.

12.18 Organizations/Territory Development. Franchisee must develop business within the local area of the Designated Territory. Franchisee is required to join certain organizations to facilitate this development. Organizations include, but are not limited to, the local Better Business Bureau and Chamber of Commerce. Franchisee is also required to participate in local events, as well as become involved in marketing in local churches and community centers.

12.19 Operation of Outlet. Franchisee agrees to comply with all Mastercare program rules, regulations, policies and standards which are by their terms mandatory including, without limitation, those contained in the Operations Manual. Franchisee must operate and maintain the Outlet solely in the manner and pursuant to the standards prescribed herein, in the Operations Manual or in other materials provided by Franchisor to Franchisee from time to time and must make such repairs and replacements to the Approved Location as Franchisor may require to ensure that Franchisor's required degree of quality, service and image is maintained and must refrain from deviating therefrom and from otherwise operating in any manner which adversely reflects on Franchisor's name and goodwill or on the Licensed Marks. Without limiting the generality of the foregoing, Franchisee specifically agrees as follows:

- a) To purchase, install and use, at Franchisee's expense, all such fixtures, furnishings, signs and equipment, all as may be required by Franchisor, and meet the specifications of the approved site layout and plan, and all other such items as Franchisor may prescribe from time to time and to refrain from purchasing, installing or using on, about or in connection with the Approved Location any such item not meeting Franchisor's standards and specifications. Notwithstanding anything in this Section to the contrary, Franchisee must replace all signs within two (2) weeks of receiving notice from Franchisor.
- b) To maintain in sufficient supply, and use at all times, only operating products, materials, supplies and expendables, as conform with Franchisor's then-current standards and specifications and to refrain from using non-conforming items without Franchisor's prior consent.
- c) To sell and to offer for sale all such services and products as Franchisor may, from time to time require, and only those which Franchisor may, from time to time approve, which are not subsequently disapproved, as meeting its quality standards and specifications. In addition to any remodeling, repairs, replacement and redecoration required by this Article 12, in order to introduce new services and product through all Mastercare franchises, Franchisee may be required to expend additional amounts on new, different or modified software, equipment or fixtures necessary to offer such new services or products.
- d) To only use software approved by Franchisor in the operation of all aspects of the Outlet. Franchisee may not use any other software without Franchisor's prior written consent. Franchisor reserves the right to withdraw any such written consent at any time.
- e) To use such standardized accounting forms, accounting systems, reporting forms and other forms as may be developed from time to time by Franchisor and to file such forms with Franchisor in a timely manner as may be required by Franchisor.
- f) To record all billings and maintain all business information and records associated with the Outlet using the reporting systems and associated equipment specified by Franchisor in the Operations Manual and to maintain, without alteration, all information and categories required by Franchisor to be programmed into the billing reporting system unless Franchisor provides prior written approval or instructions to the Franchisee to alter such categories. Franchisee hereby authorizes Franchisor to access all information from such reporting systems and associated equipment whether by inspection of the Approved Location or via retrieval by modem or other method of retrieval, as Franchisor deems necessary. The reporting systems and associated equipment must be accessible to Franchisor 24 hours per day, for every day of the year, including Sundays and holidays, for electronic access, and during normal business hours for personal access, and Franchisee agrees not to inhibit Franchisor's access to the reporting system or associated equipment.
- g) Upon completion of Franchisee's initial training, Franchisee must sign up to receive and service National Account business and must service any National Accounts Franchisor refers to Franchisee in accordance with the National Account contract and the guidelines set forth in the Operations Manual, including any service requirements based upon the National Accounts gross margin percentages identified in the Operations Manual.
- h) To obtain all licensure to perform the fullest extent of the Mastercare business model desired by Franchisee within Franchisee's first nine (9) months after the Opening Date unless prohibited by state regulations. In those instances, however, if state regulations change, Franchisee will be required to obtain such licensure in accordance with state law.

12.20 Participation in Promotions. Franchisee agrees to participate in system-wide and applicable regional promotions and advertising campaigns that Franchisor originates or approves. These may include promotions, via the Internet, e-commerce, electronic media or other technologically advanced media. Franchisee also agrees to participate at its sole expense in all client loyalty, gift certificate and similar programs created by Franchisor.

12.21 Attendance at Annual Meetings. As provided herein Franchisee and/or Franchisee's representative must attend all annual meetings of franchisees held by Franchisor to address subjects relevant to the Mastercare system, including recruiting, service line matters, client relations, personnel administration, advertising programs, and billing control systems. If held, Franchisor may use the annual meeting to offer continuing or advanced-level training instruction. If an annual meeting is held, Franchisor will determine its length and place and the persons who must attend. Franchisor reserves the right to charge a registration fee, and Franchisee must pay all of its travel expenses (transportation, hotel, meals, etc.) and related salary expenses. Franchisee must pay any registration fee charged for an annual meeting regardless of Franchisee's attendance. The parties understand and agree that Franchisee will be required to be in attendance for no more than three (3) business days of each annual meeting.

13. DEFAULT AND TERMINATION

13.01 Termination by Franchisee. Franchisee may terminate this Agreement only if Franchisor violates a material provision of this Agreement and fails to remedy or fails to make substantial progress toward curing the violation within ninety (90) days after receiving an initial written notice from Franchisee detailing the alleged default. Termination by Franchisee shall be effective ten (10) days after Franchisor receives a subsequent written notice of termination following the referenced ninety (90) days only if Franchisor has not cured the violation or made substantial progress toward curing the violation. If Franchisee terminates this Agreement under this provision, Franchisee must follow the termination procedures as set forth in Section 13.03.

13.02 Termination by Franchisor. Subject to applicable law to the contrary, Franchisor may, at its option, terminate this Agreement before its expiration as set forth below:

- a) With Notice of 30 Days. This Agreement will terminate thirty (30) days after Franchisor gives written notice to Franchisee and Franchisee fails to cure the defect within the 30-day period, in the event that:
 - i) Franchisee fails or refuses to maintain and operate the Business in compliance with this Agreement, the System, or the Manual;
 - ii) Franchisee fails to pay Franchisor or suppliers for obligations under this Agreement;
 - iii) Franchisee fails to comply with any material federal, state, or local law or regulation applicable to the operation of the Business; or
 - iv) Franchisee is in breach of any other term, condition, or provision or Attachment of this Agreement. or any other Agreement or Attachment executed by Franchisee and relevant to the nature of this transaction
- b) Without Notice. This Agreement and license will immediately terminate without notice in the event that:
 - i) Franchisee misrepresented or omitted material facts which induced Franchisor to enter into this Agreement;

- ii) Franchisee fails to complete the required initial training or has failed to designate an acceptable site pursuant to Section 10;
- iii) Franchisee incurs three (3) insufficient funds fees within any twelve (12) month period
- iv) A permanent or temporary receiver or trustee for the Franchise or all or substantially all of Franchisee's property is appointed by any court, or any such appointment is consented to or not opposed through legal action by Franchisee, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made on the license, or an attachment or lien remains on the Franchise for thirty (30) days unless the attachment or lien is being duly contested in good faith by Franchisee and Franchisor is advised in writing;
- v) Franchisee loses possession or the right of possession of all or a significant part of the Franchise through condemnation, casualty, lease termination or mortgage default/foreclosure and the Franchise is not relocated or reopened;
- vi) Franchisee contests the validity of, or Franchisor's ownership of, any of the Marks in any court or proceeding;
- vii) Franchisee makes an unauthorized Transfer;
- viii) Franchisee is a business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate the entity without Franchisor's prior written consent.
- ix) Franchisee voluntarily abandons or ceases operation of the Business for more than five (5) consecutive days; or
- x) The Franchisee or any owner of greater than five percent (5%) of the Franchisee entity or operator is charged or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the Mastercare System, Marks, goodwill or reputation.

13.03 Effect of Termination. Upon any termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, and indemnity, will remain in effect, and Franchisee must immediately:

- a) if such termination was initiated by us, pay us within 45 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by number of months remaining in the Agreement had it not been terminated;
- b) return to Franchisor all copies of the Manual, customer lists, records, files, instructions, brochures, advertising materials, agreements, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items;
- c) cancel or assign within five (5) days all registrations relating to its use of any of the Marks, in Franchisor's sole and absolute discretion. Franchisee must notify the telephone, Internet, email, electronic network, directory, and any listing entities of the termination or expiration of the Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and must authorize their transfer

to the Franchisor or any new franchisee as may be directed by the Franchisor. The Franchisee acknowledges as between the Franchisor and the Franchisee, the Franchisor has the sole rights to, and interest in, all numbers, addresses, domain names, locators, directories and listings used by Franchisee to promote the System. The Franchisee hereby irrevocably appoints the Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing.

- d) cease doing business under any of the Marks, cancel any assumed name registration that includes any of the Marks, assign all domain names and Internet directory listings that contain the Marks to Franchisor, and refrain from identifying itself as a Mastercare franchisee;
- e) allow Franchisor or representatives access to the Business and the computer systems to verify and secure Franchisee's compliance with the obligations under this Agreement;
- f) allow Franchisor to make a final inspection and audit of your computer system, books, records and accounts; and
- g) abide by the terms of the required noncompetition covenant.

In the event that Franchisee terminates this Agreement for cause as set forth in Section 13.01, Franchisee is not required to abide by the noncompetition covenants.

13.04 Failure to Cease or Remove Identification. If, within thirty (30) days after termination of this Agreement by Franchisor, Franchisee fails to remove all displays of the Marks from the Franchise which are identified or associated with the System, Franchisor may enter the Franchise to effect removal. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials. If, within thirty (30) days after termination Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any fictitious name or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, for the purpose of amending or terminating all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System.

13.05 Other Claims. Termination of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination.

14. TRANSFER

14.01 Prohibited Acts. Any unauthorized Transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void, a breach of this Agreement, and grounds for termination of this Agreement by Franchisor.

14.02 Transfer by Franchisor. Franchisor's obligations under this Agreement are not personal, and Franchisor can unconditionally assign and transfer, in its sole and absolute discretion, this Agreement to another person or business entity at any time. Franchisor does not need permission of Franchisee for the transfer and may transfer free of any responsibility or liability whatsoever to the Franchisee, provided the transferee assumes the Franchisor's material obligations. Franchisor may also:

- a) sell or issue its stock, other ownership interests, or assets, whether privately or publicly;
- b) merge with, acquire, or be acquired by another entity, including an entity that competes directly with Franchisee; or
- c) undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

14.03 Transfer by Franchisee. Franchisee's obligations under this Agreement are personal and may not be voluntarily or involuntarily sold, pledged, assigned, transferred, shared, subdivided, sub franchised, encumbered or transferred in any way without the prior express written approval of Franchisor. Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer or assignment by Franchisee which requires Franchisor's consent under Section 14.04 of the Franchise Agreement.

14.04 Conditions for Transfer or Assignment. No Transfer of this Agreement will be approved by Franchisor or be effective unless and until:

- a) Franchisee is under no default in the performance or observance of any of its obligations under this Agreement or any other agreement with Franchisor at the time Franchisee requests permission to assign this Agreement or at the time of the assignment;
- b) Franchisee has settled all outstanding accounts with Franchisor, and Franchisee, and every principal of Franchisee's entity, have executed a general release of Franchisor and all principals of Franchisor from all claims that may be brought by you or any principal;
- c) the proposed transferee pays Franchisor a fee to transfer the Business (the "Transfer Fee") in the amount of \$5,000.00 unless the transferee is:
 - i) a corporation of which Franchisee is the majority stockholder, or a child, parent, sibling or spouse of Franchisee, in which case no Transfer Fee will be required, or
 - ii) another franchisee of Mastercare, in which case the Transfer Fee will be \$2,500.00;
- d) the proposed transferee executes a separate franchise agreement with Franchisor, using the then-current form of franchise agreement;
- e) the proposed transferee pays for, attends, and satisfactorily completes the training program for new franchisees unless:
 - i) the transferee is a current franchisee in good standing in the System, or
 - ii) the transferee is and has been a Manager for a period of one year or more of a Franchise in good standing;
- f) If requested of Franchisor by Franchisee in writing, and excepting proposed transferees who are members of Franchisee and business entities controlled by such members the individual proposed transferee, or the stockholders, partners, members, or trustees and beneficiaries of a proposed entity transferee, each execute a personal guarantee, jointly and severally guaranteeing the performance of the proposed transferee's obligations;
- g) the proposed transferee demonstrates to Franchisor's satisfaction that it, in all respects, meets Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote his or her full time and best efforts to the operation of the Outlets, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as it may reasonably require. Because of the confidential information available to a franchisee, no assignment to a competitor of the System will be permitted;

14.05 Transfer to an Entity. Notwithstanding the preceding sub-section, if the initial Franchisee is comprised of one or more individuals and after obtaining Franchisor's written consent, the franchise granted hereunder may be assigned by the initial franchisee(s) without charge, once only, to a newly formed corporate entity (such as a corporation, limited partnership or limited liability company) which shall conduct no business other than operate the franchise granted hereunder, and which is actively managed by the initial franchisee(s) and in which all of the principal individuals shall own and control the same percentage ownership interests as they held as individual franchisees. Franchisor shall be provided with a copy of the entity's organizational documents, and the initial franchisee(s) and the entity shall execute an "Assignment of Agreement to an Entity" in our standard form, wherein the initial franchisee(s) shall remain liable to us and each of the principals shall execute guarantees in our favor

In the event of such an assignment by you of the franchise granted hereunder to a corporate entity which you control, you agree, as a condition of being permitted to make such assignment, forthwith to cause the entity and its directors/managers and owners to acknowledge this Agreement and to agree in writing to be bound by the provisions hereof, cause the entity in its articles of organization to provide in effect that its object or business is confined exclusively to the operation of MCF Business as provided in this Agreement, and cause the entity to restrict the issue of, and its directors/managers and owners to restrict the transfer of, ownership interests of the entity.

14.06 Death of Franchisee. Upon the death of an individual Franchisee, the rights granted by this Agreement may pass (without payment of any Transfer Fee) to the next of kin or legatees, provided that Franchisee's legal representatives will within one hundred twenty (120) calendar days of Franchisee's death apply in writing to Franchisor for the right to transfer to the next of kin or legatee Franchisee's rights under this Agreement. Franchisor will not unreasonably withhold permission so long as the proposed transferees meet each of the then-current requirements of franchisees.

14.07 Right of First Refusal. Franchisee grants Franchisor the right to purchase the Business on the same terms and conditions specified in a bona fide written offer from a qualified third party. Within seven (7) days after receipt of the bona fide offer acceptable to Franchisee to transfer all or part of the Business, Franchisee must forward a signed copy of the written offer to Franchisor. Franchisor will then have access to all Franchisee's Business Records in order to evaluate the offer and may purchase the Business upon notification to Franchisee within thirty (30) days and 60 additional days to close the transaction.

14.08 Election of Right / Set Offs. If Franchisor elects to exercise its option to purchase under this Agreement, Franchisor will have the right to set off against any payment all amounts due from Franchisee under this Agreement and the cost of the appraisal, if any.

14.09 Rights After Refusal. If Franchisor does not exercise its right to purchase within the required timeframe, Franchisee may transfer the Business to the third party, but not at a lower price or on more favorable terms than disclosed to Franchisor in writing. Such transfer remains subject to Franchisor's prior written approval and other conditions specified in this Agreement. If Franchisor does not transfer the Outlet to the transferee on the same terms offered to Franchisor, then Franchisee must again extend the right of first refusal to Franchisor in the manner described above, before another desired transfer.

15. GENERAL PROVISIONS

15.01 Covenants Not to Compete. During the term of this Agreement and for two (2) years after termination, transfer, or expiration of this Agreement for any reason, neither Franchisee, nor persons associated with Franchisee, including owners, managers, employees or agents, may participate directly or indirectly or serve in any capacity in any business engaged in the non-medical care and companionship services the same as, similar to, or competitive with the System. This covenant not to compete applies: (i) during the term of the Agreement, within any state in which Franchisor, or franchisees do business; and after termination within a fifty (50) mile radius from the boundary of Franchisee's Designated Territory, and from any franchised, Franchisor-owned or affiliated company-owned premises; (ii) on the Internet; and (iii) on any other Multi-Area Marketing channels used by Franchisor.

15.02 This covenant not to compete is given in part in consideration for training and access to Franchisor's Trade Secrets, and which, if used in a competitive business without paying royalties and other payments, would give Franchisee an unfair advantage over Franchisor and Franchisor's franchisees. The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement. Subject to State Law.

15.03 Stock Ownership. Nothing in this Section will prevent any active officer of Franchisee or member of Franchisee's family either individually or collectively, from owning not more than a total of five percent (5%) of the stock of any company, which is subject to the reporting requirements of Sections 11 or Subsection 14(d) of the Securities and Exchange Act of 1934.

16. DISPUTE RESOLUTION

For purposes of this Section 16, "you" includes all of your owners, Affiliates and their respective employees, and "we" includes all of the "Franchisor-Related Persons/Entities."

16.01 Negotiation. The parties will first attempt to resolve any dispute relating to or arising out of this Agreement by negotiation. Franchisor will provide a procedure for internal dispute resolution as set forth in the Manual, and this procedure may be revised periodically in Franchisor's discretion.

16.02 Right to Relief. To protect from violations that would cause immediate loss and damages, Franchisor and Franchisee each have the right to seek from a court of competent jurisdiction:

- a) injunctive relief and any related incidental damages;
- b) an action for disputes or claims related to or based on the Marks; and
- c) enforcement of a covenant not to compete.

16.03 Arbitration. Except as specifically provided under this Agreement, any dispute or claim relating to or arising out of this Agreement must be resolved exclusively by mandatory arbitration by and in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") or another arbitration service agreed to by the parties. Arbitration will be conducted solely on an individual, not a class-wide, basis, unless all parties so agree. No award in arbitration involving Franchisor will have any effect of preclusion or collateral estoppel in any other adjudication or arbitration. A single arbitrator shall be selected in accordance with standard

AAA procedure, and the proceedings will be conducted at its Dallas, Texas, office. Each party shall bear all of its own costs and attorneys' fees and one-half of the arbitrator's expenses. The decision of the arbitrator shall be final and binding.

16.04 Applicability. This dispute resolution section applies to claims by and against all parties and their successors, owners, managers, officers, directors, employees, agents, and representatives, as to claims arising out of or relating to this Agreement, except as stated above. This dispute resolution clause shall survive the termination or expiration of this Agreement.

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

16.06 Governing Law/Consent to Venue and Jurisdiction. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*) or other federal law, this Agreement shall be interpreted under the laws of the state of Texas and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Texas, which laws shall prevail in the event of any conflict of law. Franchisee and Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers, directors, managers or partners (collectively, "Franchisee Affiliates") and Franchisor, its parent, subsidiaries or affiliates and their respective officers, directors and sales employees (collectively, "Franchisor Affiliates") the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Texas or the Dallas, Texas office of the AAA and each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Texas or the Dallas, Texas office of the AAA. Franchisor, Franchisor Affiliates, Franchisee and Franchisee Affiliates each waive their rights to a trial by jury.

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

17. RELATIONSHIP OF THE PARTIES

17.01 Independent Contractor. Franchisee is an independent contractor and is not an agent, partner, joint venturer, or beneficiary of Franchisor, nor is Franchisor a fiduciary of Franchisee. Neither party will be bound or obligated by the other, except as set forth in this Agreement. Franchisee may not act as an agent in the Franchisor's name or on behalf of the Franchisor for any purpose whatsoever.

17.02 Operations and Identification. Franchisee must conspicuously identify itself in all dealings with the public as “independently owned and operated” separate from Franchisor. Franchisee’s employees are employees of the Franchisee alone and are not, for any purpose, considered employees under the control of Franchisor. Franchisor and Franchisee must file separate tax, regulatory, and payroll reports for each party’s own operations, and must indemnify the other for any liability arising from the other’s reports.

18. MISCELLANEOUS

18.01 Entire Agreement. This Agreement, together with all written related agreements, exhibits and attachments, constitutes the entire understanding of the parties and supersedes all prior negotiations, commitments, and representations. Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

18.02 Modification. No modifications of the terms of this Agreement shall be valid unless made in writing and executed by both Franchisor and Franchisee. However, the Manual may be periodically modified by Franchisor and shall be fully enforceable against Franchisee.

18.03 Waiver. Franchisor’s waiver of any particular right by Franchisee will not affect or impair Franchisor’s rights as to any subsequent exercise of that right of the same or a different kind; nor will any delay, forbearance or omission by Franchisor to execute any rights affect or impair Franchisor’s rights as to any future exercise of those rights.

18.04 Severability. If any part of this Agreement, for any reason, is declared invalid by an arbitrator or court, the declaration will not affect the validity of any remaining portion. The remaining portion will remain in force and effect as if this Agreement were executed with the invalid portion eliminated or curtailed. All partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

18.05 Conflict with Local Law. If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required. The parties may execute an Addendum setting forth certain of these amendments applicable in certain jurisdictions, which will apply only so long as and to the extent that then applicable laws referred to in the addendum remain validly in effect.

18.06 Section Headings. Titles of articles and sections are used for convenience of reference only and are not part of the text, nor are they to be construed as limiting or affecting the construction of the provisions.

18.07 Legal Costs. If either party institutes a legal proceeding, including court proceeding and arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys’ fees, court costs and all of the prevailing party’s expenses in connection with any action at law.

18.08 Obligations. Franchisor has no liability for Franchisee’s obligations to any third party whatsoever.

18.09 Continuation of Agreement. The provisions of this Agreement, which by their terms or by reasonable implication require performance by Franchisee after assignment, expiration or termination, remain enforceable notwithstanding the assignment, expiration or termination of this Agreement, including those pertaining to non-competition, intellectual property protection, confidentiality and indemnity. This Agreement inures to the benefit of and is binding on the respective heirs, legal representatives, successors, and permitted assigns of the parties.

18.10 Delivery. All notices and other communications required by this Agreement must be in writing and must be delivered in person, sent by Federal Express or U.S. Mail overnight delivery, or by registered or certified mail, return receipt requested, or in any other manner Franchisor may designate. Communications sent to Franchisor must be sent to the attention of the Chief Executive Officer at Franchisor's address or at any other address Franchisor designates in writing. Communications to Franchisee will be sent to Franchisee at Franchisee's last known business address, or at any other address Franchisee designates in writing. Any notice is considered given and received, when delivered in person, or on the third business day following the mailing, if mailed.

18.11 Joint and Several Liability. If two or more persons or entities or any combination sign this Agreement, each will have joint and several liability. All owners and controllers of an entity or association which comprise the Franchisee are jointly and severally liable for the obligations of the Franchisee under this Agreement.

18.12 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.13 Set Off. Franchisee may not set off any amounts owed to Franchisor under this Agreement nor may Franchisee withhold any amounts owed to Franchisor due to any alleged non-performance by Franchisor under this Agreement. Franchisee waives any right to set off.

18.14 Completion of Agreement. The parties agree to acknowledge, execute and deliver all further documents, instruments or assurances and to perform all further acts or deeds as may be reasonably required to carry out this Agreement.

19. ACKNOWLEDGEMENT

BY SIGNING THIS AGREEMENT, FRANCHISEE ACKNOWLEDGES THAT:

19.01 FRANCHISEE HAS RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION WITH APPLICABLE EXHIBITS AT LEAST FOURTEEN (14) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED, AND HAS RECEIVED A COPY OF THE COMPLETE MASTERCARE FRANCHISE AGREEMENT AT LEAST SEVEN (7) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.

19.02 UNDER APPLICABLE U.S. LAW, INCLUDING WITHOUT LIMITATION EXECUTIVE ORDER 1224, SIGNED ON SEPTEMBER 23, 2001 (THE "ORDER"), FRANCHISOR IS PROHIBITED FROM ENGAGING IN ANY TRANSACTION WITH ANY

PERSON ENGAGED IN, OR WITH A PERSON AIDING ANY PERSON ENGAGED IN ACTS OF TERRORISM AS DEFINED IN THE ORDER. ACCORDINGLY, FRANCHISEE DOES NOT AND HEREAFTER WILL NOT, ENGAGE IN ANY TERRORIST ACTIVITY. IN ADDITION, FRANCHISEE IS NOT AFFILIATED WITH AND DOES NOT SUPPORT ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY.

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Agreement in two (2) or more counterparts on the day and year first above written.

FRANCHISOR:

Mastercare Franchising, LLC

By:

Anwar Kazi, President & CEO

Date signed: _____

FRANCHISEE:

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

Date signed: _____

ATTACHMENT I to the FRANCHISE AGREEMENT

FEE, PREMISES AND TERRITORY ADDENDUM

THIS Addendum is an Attachment to that one certain Mastercare Franchising, LLC Franchise Agreement (“Agreement”), between Master Franchising, LLC (“Franchisor”) and _____ (“Franchisee”) and is made effective as of the date of the Franchise Agreement.

1. Initial Franchise Fee Due. Upon signing, the Franchisee shall pay \$_____ as the Initial Franchise Fee due for this Unit, pursuant to (i) Section 5.02 of the Franchise Agreement.

2. Principal Office Address. Franchisee’s principal office address is:

3. Approved Location. Franchisee’s business location (the Premises) is:

4. Designated Territory. Your Designated Territory for this Outlet shall be described as the following:

Fully executed this ____ day of _____, 20__.

FRANCHISOR:
Mastercare Franchising, LLC

By:

Anwar Kazi, President & CEO

Date signed: _____

FRANCHISEE:

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

Date signed: _____

ATTACHMENT II to the FRANCHISE AGREEMENT

ELECTRONIC PAYMENT AUTHORIZATION

Franchisee(s), whether the original Franchisee or the assigned Entity Franchisee, the present owner of the financial account referenced below, hereby authorizes and requests Mastercare Franchising, LLC., (the "Franchisor") to obtain payment for all royalty amounts, National Marketing Fund amounts and any other amounts agreed to in the Franchise Agreement, or any other payment authorized by franchisee, that Franchisee owes to the Franchisor pursuant to the Franchise Agreement between Franchisor and the Original Franchisee, as those amounts become due by initiating a payment entry to Franchisee's financial account. The account number, name of financial institution, payment amount and date (if known) on or immediately after which payment should be deducted from the account are identified below or will be provided to the named Financial Institution.

In addition, Franchisee authorizes and requests Financial Institution to accept the payment entries, presented to the Financial Institution by Franchisor, and to deduct said payments from Assignee Franchisee's account without responsibility for the correctness of these payments.

Franchisee also agrees to maintain the designated account as "open" to prevent rejected or returned entries. Assignee Franchisee understands that items returned or rejected by the Financial Institution will be subject to additional fees as stated in the Franchise Agreement

ORIGINAL FRANCHISEE: _____

ENTITY FRANCHISEE (if so assigned) _____

BUSINESS ACCOUNT

Bank, Financial Institution: _____

Account Number: _____ Routing Number: _____

Please attach a check marked 'void' if this is a business checking account.

CREDIT CARD OPTION: If Assignee Franchisee prefers to use a credit card to pay the funds please complete the following and please update the card information as applicable (Expiration Date, etc.).

Name on Card: _____ Card Number: _____

Expires:___ Sec Code: ____ Billing Address: _____

A 3% (or amount as determined by current rates) charge will apply to all payments made by credit card.

Approved and Authorized:

Your Name(s): _____
(please print) (please print)

Signature(s): _____

Date Signed: _____

Title: _____ Title: _____

Note: This Authorization Form must be properly signed and submitted to Franchisor prior to the commencement of business.

ATTACHMENT III to the FRANCHISE AGREEMENT

PROPOSED TRADE NAME and DESIGNATION OF AUTHORITY

1. Franchisee shall not commence operation of the franchise, unless and until the Franchisor approves: (a) the name of franchisee's operating entity; and, (b) the assumed name under which Franchisee will operate the business. The name of Franchisee's operating entity shall not include the word(s): "Mastercare". The assumed name (DBA) under which Franchisee will present itself to the public shall include the word(s): "Mastercare".

Franchise's proposed name of its operating entity: _____

Franchisee's proposed assumed (DBA) name: _____

The proposed name of Franchisee's entity and the proposed assumed name (DBA) under which Franchisee will present itself to the public are approved by the Franchisor.

Mastercare Franchising, LLC

By: Anwar Kazi, President and CEO

Signature

Date Approved

2. If the franchisee is comprised of two or more individuals, (for example: husband and wife; a partnership, limited liability company or corporation, Franchisor requires that Franchisee designate the name of every individual that has ultimate authority to represent and make binding decisions on behalf of the other individual(s) to and or with the Franchisor.

In compliance with the above sentence, we hereby designate _____
_____ as the individuals who have authority to act on our behalf.

Signature

Printed Name

Date signed: _____

Signature

Printed Name

Date signed: _____

ATTACHMENT IV to the FRANCHISE AGREEMENT

CONFIDENTIALITY and COVENANT NOT TO COMPETE AGREEMENT

Instructions: This "Confidentiality and Covenant Not to Compete Agreement" must be completed and signed by the spouse of the Franchisee, every manager of the Franchisee, each Guarantor of the Franchisee, and each key employee having access to the Franchisor's confidential information. This is an ongoing requirement that continues beyond the execution of the Franchise Agreement. The signed original(s) of this Agreement must be delivered to the Franchisor by the Franchisee no later than 10 days following execution of the Franchise Agreement or no later than 10 days following the commencement of the relationship with the Affiliate.

This Agreement is made and entered into between _____ ("Franchisee"), and _____ ("Franchisee Affiliate") and is intended to benefit both the Franchisee and Mastercare Franchising, LLC ("Franchisor").

Recitals

Whereas, Franchisor has developed a unique system (the "System") and is engaged in the business of offering, selling or granting franchises or licenses for the operation of a location to provide a unique system to operate an office that provides non-medical care and companionship services to the public ("Business"), known as "Mastercare"; and,

Whereas, Franchisor has granted to Franchisee the limited right to develop a Mastercare Outlet using the System, the Licensed Marks and the Trade Secrets, pursuant to a Franchise Agreement by and between Franchisor and Franchisee; and,

Whereas, the System includes, but is not limited to, certain trade names, service marks, trademarks, logos, emblems and indicia of origin ("Licensed Marks"), including, but not limited to, the marks "Mastercare" and other trade names, service marks, trademarks, logos, insignia, slogans, emblems, designs and commercial symbols as Franchisor may develop in the future to identify for the public the source of services and products marketed under such marks and under the System and representing the System's high standards of quality, appearance and service and distinctive marketing, uniform standards, specifications and procedures for performing services, merchandising, management and financial control; operations; quality and uniformity of services offered; training and assistance; and advertising, marketing and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time and are used by Franchisor in connection with the operation of the System ("Trade Secrets"); and,

Whereas, the Licensed Marks and Trade Secrets provide economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means by, Franchisor's competitors who could obtain economic value from knowledge and use of the Trade Secrets; and,

Whereas, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and,

Whereas, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Trade Secrets; and,

Whereas, It will be necessary for employees, agents and independent contractors of Franchisee, or any entity having an interest in Franchisee ("Franchisee Affiliates") to have access to and to use

some or all of the Trade Secrets in the management and operation of Franchisee's Mastercare using the System; and,

Whereas, Franchisee has agreed to obtain from those Franchisee Affiliates written agreements protecting the Trade Secrets and the System against unfair competition (A copy of this Attachment); and,

Whereas, Franchisee Affiliate desires or will become associated with or be employed by Franchisee; to remain in such employment, or is or will become involved with the Company in the capacity of an officer, partner, director, agent, employee, principal, or as a beneficial owner of the person or entity that has acquired the right to operate a Business of the Company ("Franchisee"), or as an immediate family member of the Franchisee and will become privileged as to certain Confidential Information; and,

Whereas, Franchisee Affiliate desires and needs to receive and use the Trade Secrets in the course of his employment or association in order to effectively perform the services for Franchisee; and,

Whereas, Franchisee Affiliate acknowledges that receipt of and the right to use the Trade Secrets constitutes independent valuable consideration for the representations, promises and covenants made by Franchisee Affiliate herein;

Now Therefore, in consideration of the mutual covenant and obligations contained herein, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

CONFIDENTIALITY AGREEMENT

1. Franchisor and/or Franchisee may disclose to Franchisee Affiliate some or all of the Trade Secrets relating to the System. All information and materials, including, without limitation, manuals, drawings, marketing techniques, specifications, techniques and compilations of data that Franchisor provides to Franchisee and/or Franchisee Affiliate shall be deemed confidential Trade Secrets for the purposes of this Agreement.
2. Franchisee Affiliate shall receive the Trade Secrets in confidence and shall, at all times, maintain them in confidence, and use them only in the course of his employment or association with a Franchisee and then only in connection with the development and/or operation by Franchisee of a Mastercare Business for so long as Franchisee is licensed by Franchisor to use the System.
3. Franchisee Affiliate shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without Franchisor's express written permission.
4. Franchisee Affiliate shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the development or operation of a Business.
5. Franchisee Affiliate shall surrender any material containing some or all of the Trade Secrets to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which such information or material may have been furnished to Franchisee Affiliate.
6. Franchisee Affiliate shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Licensed Marks, the Trade Secrets or the System.
7. All manuals are loaned by Franchisor to Franchisee for limited purposes only and remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor's written consent.

COVENANTS NOT TO COMPETE

1. In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Franchisee Affiliate of the Trade Secrets, Franchisee Affiliate further agrees and covenants that Franchisee Affiliate will not without the prior written consent of Franchisor:

- a. Have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, except with Franchisor's approval;
- b. Perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business wherever operating except with Franchisor's approval;
- c. Employ, or seek to employ, any person who is at the time or was within the preceding 180 days employed by Franchisor, any of its affiliates or any of its franchisees, or otherwise directly or indirectly induce such person to leave that person's employment; or
- d. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of Mastercare Business to any competitor;
- e. Make any disparaging remarks, or otherwise take any action or do anything that could reasonably be anticipated to cause loss or damage to the business or business opportunities, affairs, reputation and goodwill of, or otherwise negatively reflect upon, Franchisor, the System or the Licensed Marks; and
- f. The term "Competitive Business" as used in this Agreement means any business (other than a Mastercare Business operated under a franchise agreement with Franchisor) the primary activity of which is providing non-medical care and companionship services to the public under the Mastercare trademarks, trade names, service marks, and logos ("Marks") or the offering of any product or service offered by Franchisor or by Franchisor's approved vendors.

2. This Covenant Not to Compete shall apply:

- a. during the term of Franchisee Affiliate's relationship, association with or employment by Franchisee anywhere within the United States; and,
- b. for the two years following the termination of Franchisee Affiliate's association with or employment by Franchisee:
 - (1) within Franchisee's Territory or any area serviced by Franchisee;
 - (2) within counties adjacent to Franchisee's Territory or within a Territory then operated by or under development by Franchisor or another franchisee of Franchisor;
 - (3) within a fifty-mile radius from the boundary of Franchisees Territory or from any other franchised or company-owned Mastercare Outlet, or
 - (4) on the Internet or on any other Multi-Area Marketing channels used by Franchisor.

The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent five percent (5%) or less of the number of shares of that class of securities issued and outstanding. Franchisee Affiliate, Franchisee, and its officers, directors, shareholders, managers, members and partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

MISCELLANEOUS

1. Franchisee shall make all commercially reasonable efforts to ensure that Franchisee Affiliate acts as required by this Agreement.
2. Franchisee and Franchisee Affiliate agree that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and/or a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. Franchisee and Franchisee Affiliate agree that Franchisee's and/or Franchisee Affiliate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Franchisee and by Franchisee Affiliate.
3. Franchisee Affiliate agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.
4. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by Franchisee Affiliate shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Franchisee Affiliate.
5. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. FRANCHISEE AFFILIATE HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURTS OF TEXAS OR THE U. S. DISTRICT COURT FOR THE DISTRICT OF TEXAS. FRANCHISEE AFFILIATE HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. FRANCHISEE AFFILIATE HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. FRANCHISEE AFFILIATE FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN DALLAS, TEXAS; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.
6. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, Franchisee Affiliate expressly agrees to be bound by any lesser covenant embraced within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid,

unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

7. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successor and assigns. The respective obligations of Franchisee and Franchisee Affiliate hereunder may not be assigned by Franchisee or Franchisee Affiliate without the prior written consent of Franchisor.

9. The waiver by Franchisor of any breach of any provision of this Agreement by Franchisee or Franchisee Affiliate shall not operate or be construed as a waiver of any subsequent breach thereof.

10. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

11. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile, telegram or telex (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered mail or expedited delivery service within three business days after transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

Mastercare Franchising, LLC
7920 Belt Line Rd., Ste. 720,
Dallas, TX 75254
Attention Legal Dept.
info@gomastercare.com

If directed to Franchisee, the notice shall be addressed to:

Attention: _____
Email: _____

If directed to Franchisee Affiliate, the notice shall be addressed to:

Attention: _____
Email: _____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving 15 days' written notice of such change to the other parties. A "business day" for the purpose of this Agreement excludes Saturday, Sunday and national holidays.

The effective date of the Agreement shall be _____.

FRANCHISEE:

Signature

Printed Name

FRANCHISEE AFFILIATE:

Signature

Printed Name

Relationship of Franchisee Affiliate to the Franchisee:

ATTACHMENT V of the FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned Franchisee/Tenant (“Assignor”) assigns, transfers and sets over to Mastercare Franchising, LLC., a Texas Limited Liability Company (“Assignee”), all of Assignor’s right and title to and interest in that certain “Lease” a copy of which is attached as Exhibit A respecting premises commonly known as _____. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor’s obligations under the Lease.

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

Upon Assignor’s default under the Lease or under the “Franchise Agreement” for a Mastercare Outlet between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

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

ASSIGNEE (Franchisor):

Mastercare Franchising, LLC

By:

Anwar Kazi, President & CEO

Date Signed: _____

ASSIGNOR (Franchisee):

Signature

Printed Name

Date Signed: _____

Note: Attach a copy of Lease and mark as “Exhibit A”

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor (Landlord) under the Lease:

(a) Agrees to notify Assignee in writing of and upon Assignor's failure to cure any default by Assignor under the Lease. Assignee's contact information for purpose of notice is: Anwar Kazi, at 7920 Belt Line Rd., Ste. 720, Dallas, TX 75254 and (855) 840-CARE and info@gomastercare.com

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within thirty (30) days after Lessor's delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (30) day period noted in section (b) above Assignor's defaults under the Lease; and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Buena Papa Fry Bar Outlet.

Dated: _____

Lessor: _____

Assignee (Franchisor):
Mastercare Franchising, LLC
By:

Anwar Kazi, President & CEO

Date Signed: _____

Assignor: (Franchisee)

Signature

Printed Name

Date Signed: _____

Signature

Printed Name

Date Signed: _____

ATTACHMENT VI to the FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS

Franchisee, Assignor, in consideration of Franchisor, Mastercare Franchising, LLC, granting a Mastercare franchise contemporaneously herewith to Franchisee, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby appoints Mastercare Franchising, LLC, Assignee, as Franchisee's agent to transfer and /or cancel, at the discretion of Mastercare Franchising, LLC, all telephone and/or fax numbers and/or listings utilized and/or to be utilized by Franchisee in the operation of Franchisee's MCF Outlet. This Assignment is valid on the effective date and shall remain irrevocable. It applies equally to any numbers in use on or after the effective date. Any telephone / fax number provider is authorized to rely upon this Appointment at any time that a copy of this Appointment is delivered to the provider by Franchisor. Assignee and Assignor each agree to hold harmless and indemnify the telephone / fax number provider from any and all claims based upon the telephone / fax number provider's reliance upon this Appointment / Assignment. Assignee and Assignor each agree to sign any other documents necessary in the opinion of the telephone / fax number provider to give full effect to this Assignment.

Dated: _____ [effective date]

Date signed: _____

ASSIGNEE (Franchisor):
Mastercare Franchising, LLC

By:

Anwar Kazi, President & CEO

Date signed: _____

ASSIGNOR (Franchisee):

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

Date signed: _____

Subject Telephone / Fax number(s) (as of date of this document):

ATTACHMENT VII to the FRANCHISE AGREEMENT
INTERNET WEB SITES AND LISTINGS AGREEMENT

This INTERNET WEB SITES AND LISTINGS AGREEMENT (the “Internet Listing Agreement”) is an Attachment to that one certain Mastercare Franchising, LLC Franchise Agreement (“Agreement”), between Mastercare Franchising, LLC (“Franchisor”) and _____ (“Franchisee”) and is made effective as of the date of the Franchise Agreement.

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a Mastercare outlet (the “Franchise Agreement”); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.01 Interest in Internet Web Sites and Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding internet web sites, and the right to hyperlink to certain web sites and listings on various internet search engines (collectively, the “Internet Web Sites and Listings”) related to the Outlet or the Marks (all of which right, title, and interest is referred to herein as “Franchisee’s Interest”).

2.02 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all internet service providers, domain name registries, internet search engines, and other listing agencies (collectively, the “Internet Companies”) with which Franchisee has Internet Web Sites and Listings: (i) to transfer all of Franchisee’s Interest in such Internet Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee

will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.03 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

a) Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor;

b) Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and

c) Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.04 Certification of Termination. Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.05 Cessation of Obligations. After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement.

3. MISCELLANEOUS

3.01 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement.

3.02 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, demands, or obligations that are related to or are based on this Internet Listing Agreement.

3.03 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

3.04 Further Assurances. Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

3.05 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

3.06 Effect on Other Agreements. Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.07 Survival. This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

3.08 Joint and Several Obligations. All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

3.09 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the State of Texas, without regard to the application of Texas conflict of law rules.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:
Mastercare Franchising, LLC

By:

Anwar Kazi, President & CEO

Date signed: _____

FRANCHISEE:

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

Date signed: _____

ATTACHMENT VIII to the FRANCHISE AGREEMENT

(To be used at time of Transfer of Franchise or for other Designated Purposes)
(Should not be signed at time of award of Initial Franchise)

FULL AND FINAL MUTUAL RELEASE

FOR AND IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, the parties agree and covenant as follows:

1. The undersigned Mastercare Franchising, LLC ("the Franchisor"), does hereby release and forever discharge _____ ("the Franchisee"), its officers, directors, successors, shareholders, agents, assigns, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, arising out of, related to or in any way connected with the Franchise Agreement dated _____ and specifically including but not limited to, any and all claims or demands which may have been alleged or any other future claims related to the above Franchise Agreement.
2. The undersigned _____ (the "Franchisee") and its shareholders, officers, and directors does hereby release and forever discharge Mastercare Franchising, LLC ("the Franchisor"), its, successors, agents, assigns, officers, directors, shareholders, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, breach of contract, defamation, and any claims whatsoever. This Full, Final and Absolute Mutual Release (the "Release") shall apply to all agreements or contracts existing or entered into by and between _____ ("the Franchisee") and Mastercare Franchising, LLC.
3. It is understood and agreed that the settlement evidenced by this Release is a compromise of all claims herein specified, whether past, present or future, that such claims are doubtful and disputed, and that execution of this Release is not to be construed as an admission of liability on the part of any party. Rather, liability is expressly denied.
4. The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released. No representations as to damages or liability have been made. The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Release, not herein expressly set forth, and no such promises, representations or warranties are relied upon as a consideration for this Release, or otherwise, but any and all of the parties' respective claims, of whatever nature are hereby fully and forever released, compromised and settled. Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned parties never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Release not herein expressly set forth.
5. This Agreement contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all prior negotiations or proposed agreements on this subject matter, whether written or oral. The terms contained herein may not be modified or amended except in writing signed by the parties. The terms of this Release are contractual and not

a mere recital. Since the purpose of this Release is to end this matter forever, should it develop that there are any errors, mistakes or any omissions in this instrument, whether legal or factual and whether mutual or unilateral, which would cause the release of the parties herein released to be defective or less than complete, then the undersigned will sign any and all documents and do any and all things necessary to effectuate a full, final and absolute release of said party.

6. The undersigned further state that they have carefully read the foregoing instrument; that they know the contents thereof; that they understand and agree to each and every term and condition contained herein; that they signed the same as their own free act and deed; and that they have not assigned any rights released hereunder to any person or organization, private or governmental.
7. The terms of this Release arose from negotiations and discussions between the parties. Accordingly, no claimed ambiguity in this Release shall be construed against any party claimed to have drafted or proposed the language in question.
8. This Release shall be governed by and construed pursuant to the laws of the State of Texas.
9. This Release may be executed in two copies, each of which shall be deemed an original.
10. The general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

FRANCHISOR:

Mastercare Franchising, LLC

By:

Anwar, President & CEO

Date signed: _____

FRANCHISEE:

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

signed: _____

ATTACHMENT IX to the FRANCHISE AGREEMENT

AMERICANS WITH DISABILITIES ACT CERTIFICATION

This Acknowledgement is an Attachment to that one certain Mastercare Franchising, LLC Franchise Agreement (“Agreement”) between Mastercare Franchising, LLC (“Franchisor”) and _____ (“Franchisee”) regarding the operation of a Mastercare Outlet at _____ (the “Approved Location”).

NOW THEREFORE, Franchisee stipulates that:

In accordance with Section 10.05 of the Franchise Agreement, Franchisee certifies to Franchisor that, to the best of Franchisee’s knowledge, the Approved Location and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act.

Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisee does not constitute ownership, control, leasing or operation of the Outlet.

Franchisee acknowledges that Franchisor has relied on the information contained in this certification.

Furthermore, Franchisee acknowledges its obligation under this Franchise Agreement to indemnify Franchisor and the officers, directors, and employees of Franchisor in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified part(ies) as a result of any matters associated with Franchisee’s compliance with the Americans with Disabilities Act, as well as the costs, including attorneys’ fees, related to the same.

FRANCHISEE:

Signature

Printed Name

Date Signed: _____

Signature

Printed Name

Date Signed: _____

ATTACHMENT X to the FRANCHISE AGREEMENT

ASSIGNMENT OF AGREEMENT TO AN ENTITY

The initial Franchisee(s), named below, as Assignor, hereby assign(s) that one certain Franchise Agreement and, if applicable, that one certain Multi-Unit Discount Agreement, dated _____ between MASTERCARE FRANCHISING, LLC (“Franchisor”) to Assignee: _____ an entity (LLC or INC) duly organized in the state of _____. This assignment shall be effective as of the date executed by the Franchisor, below.

WHEREAS, the Franchise Agreement was executed by Franchisee (whether comprised of one or more individuals); and,

WHEREAS, Franchisee desires to assign all of Franchisee’s rights under the Agreement(s) to a corporation or limited liability company, wholly owned and/or controlled by said Franchisee;

NOW THEREFORE, Franchisee (Assignor) and the Officer(s), Director(s) or the Managers(s), of the respective entity (Assignee), who together with the initial Franchisee(s) constitute all of the partners, Shareholders of corporation, or the Members of the limited liability company, who in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the entity in accordance with the provisions of Article 14.03 of the Franchise Agreement, jointly and severally hereby agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement. All of the undersigned Officers, Directors and Shareholders of the corporation, or the Manager(s) and Member(s) of the limited liability company, intending to be fully legally bound hereby agree, jointly and severally, to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Article 15 of the Franchise Agreement thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they hereby jointly and severally personally guarantee all of the Franchisee’s obligations set forth in said Franchise Agreement.

2. The undersigned Officer(s), Director(s) and Owner(s) of a majority of the issued and outstanding voting stock of the corporation hereby agree not to transfer any stock in the corporation or, as appropriate, the Manager(s) and Member(s) of the limited liability company hereby agree not to transfer any interest in the company without the prior written approval of the Franchisor and further agree that all stock certificates representing shares in the corporation, or all certificates representing membership interests in the company shall bear the appropriate legend:

“The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____ between initial Franchisee(s) and MASTERCARE FRANCHISING, LLC”.

Or

“The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____ between Franchisee and MASTERCARE FRANCHISING, LLC”.

- 3.a. The initial Franchisee(s), whether one or more, signing in his or her individual capacity hereby consent to the assignment:

Signature

[Printed name]

Date Signed: _____

Signature

[Printed name]

Date signed: _____

- 3.b. The Assignee Entity hereby consents to the Assignment as approved by the entity's authorized representative.

Signature

[Printed name]

Title

Date Signed

- 3.c. The following individuals, being all of the officers, directors and shareholders of the corporation or, as appropriate, the members of the limited liability company, hereby execute this Assignment, to be effective as of the dated signed by the Franchisor, below:

Signed Date

Printed Name

Signed Date

Printed Name

4. In consideration of the execution of the above Agreement by the named individuals and named entity, MASTERCAREFRANCHISING, LLC hereby consents to the above assignment

MASTERCARE FRANCHISING, LLC:

By:

Anwar Kazi, President & CEO

Date Signed

EXHIBIT C

MASTERCARE FRANCHISING, LLC

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	<p>Department of Financial Protection and Innovation (DFPI)</p> <p><u>Sacramento Main Office:</u> 2101 Arena Boulevard Sacramento, CA 95834</p> <p><u>San Francisco:</u> 651 Bannan Street, Suite 300 Sacramento, CA 95811</p> <p><u>Los Angeles:</u> 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344</p> <p>(866)-275-2677 www.dfpi.ca.</p>	<p>Commissioner of Financial Protection and Innovation 651 Bannan Street, Suite 300 Sacramento, CA 95811 1-866-275-2677 www.dfpi.ca.gov</p>
CONNECTICUT	<p>Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06106 (203) 240-8299</p>	<p>Connecticut Banking Commissioner Same Address</p>
FLORIDA	<p>Department of Agriculture & Consumer Services P.O. Box 6700 Tallahassee, FL 32399-6700 (800) 435-7352</p>	<p>Same</p>
GEORGIA	<p>Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 (404) 656-3790</p>	<p>Same</p>
HAWAII	<p>Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P. O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744</p>	<p>Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant St., Room 205 Honolulu, HI 96810</p>
ILLINOIS	<p>Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465</p>	<p>Illinois Attorney General Same Address</p>

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
INDIANA	Securities Commissioner Indiana Securities Division Room E 111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 (515) 281-5705	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 (502) 696-5300	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 (504) 342-7013 (gen. info.) (504) 342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 (207) 298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit PO Box 30213 Lansing, MI 48909 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1600	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 P.O. Box 95006 Lincoln, NE 68509-5006 (402) 471-3445	Director of the Department of Banking and Finance Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 (603) 271-3641	Same
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	Secretary of State of New York 99 Washington Avenue Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office Securities Division Legislative Annex Building 300 Salisbury Street Raleigh, NC 27602 (919) 733-3924	Secretary of State Secretary of State's Office 300 Salisbury Street Raleigh, NC 27602
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capital, 5 th Floor, Dept 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 15th Floor 30 East Broad Street Columbus, OH 43215 (614) 466-8831 or (800) 282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 (405) 521-2451	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 (503) 378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Building 69-1 Cranston, RI 02910 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Building 69-1 Cranston, RI 02910 (401) 462-9588

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166	Same
SOUTH DAKOTA	Department of Labor and Regulation Securities Regulation 124 S. Euclid Suite 104 Pierre, SD 57501 (605) 773-4823	Director of South Dakota Division of Securities Same Address
TEXAS	Attorney General's Office Consumer Protection Division P.O. Box 12548 Austin, TX 78711 (512) 463-2070	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South P.O. Box 45804 Salt Lake City, UT 84145-0804 (801) 530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, Ninth Floor Richmond, VA 23219 (804)-371-9051	Clerk of the State Corporation Commission 1300 E. Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 9850
WISCONSIN	Commission of Securities P.O. Box 1768 Madison, WI 53701-1768 (608) 266-1365	Wisconsin Commissioner of Securities Same Address

EXHIBIT D

MASTERCARE FRANCHISING, LLC

MULTI-STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are to the Mastercare Franchising, LLC Franchise Disclosure Document and Franchise Agreement and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated May 31, 2025.

CALIFORNIA

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.
2. Neither the franchisor, nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
3. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement or multi-unit development agreement contains a provision that is inconsistent with the law, the law will control.
4. The franchise agreement and the multi-unit development 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.)
5. The franchise agreement and the multi-unit development agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
6. The franchise agreement and the multi-unit development agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
7. Under Current California Law, the highest interest rate allowed is 10% per annum. Item 6 of the Franchise Disclosure Document and Section 5.4 of the Franchise Agreement are amended accordingly.
8. The franchise agreement and the multi-unit development agreement requires binding arbitration. The arbitration will occur in California with the costs being borne by both parties.
9. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
10. The franchise agreement and the multi-unit development agreement requires application of the laws of California. This provision may not be enforceable under California law.
11. 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.
12. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law

(California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

13. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION, COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

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

15. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.**

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

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.

MASTERCARE FRANCHISING, LLC

FRANCHISEE:

By:

Anwar Kazi, President and CEO

Date signed: _____

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

Date signed: _____

ILLINOIS

Item 17(v) of the Franchise Disclosure Document and Section 16.06 of the Franchise Agreement are amended to state that any provision that designates jurisdiction or venue in a forum outside the State of Illinois will not be enforceable and is amended to the extent required by Illinois law.

The governing law or choice of law clause that allows for jurisdiction or venue other than Illinois will not be enforceable under Illinois law. This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable. Therefore, Item 17(w) of the Franchise Disclosure Document and Section 16.05 of the Franchise Agreement are amended to accordingly.

Section 705(41) of the Illinois Franchise Disclosure Act states any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

The conditions under which a franchise can be terminated and your rights upon nonrenewal, as well as the application by which you must bring any claims, may be affected by Sections 705/19 and 20 of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/19 and 705/20.

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act. 805 ILCS 15/ 2, 5 (West 2018) and Medical Practice Act of 1987, 225 ILCS 60/ (West 2018).

FAILURE TO BEGIN OPERATING YOUR FRANCHISE WITHIN 9 MONTHS OF SIGNING THE FRANCHISE AGREEMENT MAY RESULT IN TERMINATION OF THE FRANCHISE AND LOSS OF YOUR INVESTMENT.

NATIONAL ACCOUNTS EXIST IN THIS FRANCHISE SYSTEM. FRANCHISOR OWNS THE EXCLUSIVE RIGHT TO NEGOTIATE AND ENTER TO AGREEMENTS WITH NATIONAL ACCOUNTS LOCATED WITHIN YOUR DESIGNATED TERRITORY.

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

SIGNATURE PAGE FOLLOWS

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.

MASTERCARE FRANCHISING, LLC

FRANCHISEE:

By:

Anwar Kazi, President and CEO

Date signed: _____

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

Date signed: _____

INDIANA

It is unlawful for any franchise agreement between any franchisor and a franchisee who is a resident of Indiana or a non-resident who is to operate the franchise in Indiana to contain a provision that requires a franchisee not to compete with the franchisor in an area greater than the Designated territory granted in the franchise agreement or, if no Designated territory is granted, in an area of more than reasonable size, upon Termination of a franchise agreement. (Ind. Code § 23-2-2.7-1(9)). Accordingly, both the Franchise Agreement and Item 17 of the Disclosure Document are amended to apply to the area within a 50-mile radius of the Outlet.

The Franchise Agreement requires binding arbitration. The arbitration will occur in a state other than Indiana, with costs being borne by the non-prevailing party. The provision concerning the place where arbitration will occur is deleted from the Franchise Agreement.

The Franchise Agreement requires application of the laws of another state. This provision is deleted from the Indiana Franchise Agreement.

Item 17 of the Disclosure Document, Sections (u), (v), and (w), is amended to omit any reference to selection of an out-of-Indiana forum or choice of law.

The franchise agreement requires you to sign a general release of claims as a condition of renewing or reselling the franchise. Under the law of Indiana any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise laws of Indiana is void. The Franchise Agreement and Item 17 of the Disclosure Document, Sections (b) (renewal) and (k) (transfer) are amended to omit the requirement that an Indiana Franchisee sign a general release of claims as a condition of renewal or resale. This will not prevent Franchisor from requiring you to sign a general release of claims as part of a settlement of a dispute.

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

MASTERCARE FRANCHISING, LLC

By:

Anwar Kazi, President and CEO

Date signed: _____

FRANCHISEE:

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

Date signed: _____

MARYLAND

The following amends the Franchise Disclosure Document, Franchise Agreement:

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.). Item 17H of the Franchise Disclosure Document and Section 5.05 of the Franchise Agreement are amended to add this provision.

Item 17M of the Franchise Disclosure Document and Section 14.04(b) of the Franchise Agreement are amended to state that; The general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 V of the Franchise Disclosure Document and Section 16.03 of the Franchise Agreement are amended to state; A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Item 17 V of the Franchise Disclosure Document and Section 16.06 of the Franchise Agreement are amended to state: Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Item 17 U of the Franchise Disclosure Document and Section 16 of the Franchise Agreement are amended to state: This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

Section 19 of the Franchise Agreement are amended to state: All representations requiring prospective franchisees to assent to a release, estoppels 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.

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

MASTERCARE FRANCHISING, LLC

By:

Anwar Kazi, President and CEO

Date signed: _____

FRANCHISEE:

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

Date signed: _____

NOTICE REQUIRED BY THE 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 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.

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise Unit
G. Mennen Williams Building
525 W. Ottawa Street
P.O. Box 30212
Lansing, Michigan 48909
Telephone Number: (517) 335-7622

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

MINNESOTA

We will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

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

In accordance with Minnesota Rule 2860.4400J, to the extent required by law, the Disclosure Document and Franchise Agreement are modified so that we cannot require you to waive your rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that we will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of our primary trade name.

Pursuant to Minn. Stat. Sec. 80C.17, Subd. 5, to the extent required by law, the Franchise Agreement and Item 17 of the Disclosure Document are amended to state that no action may be commenced pursuant to this section more than three years after the cause of action accrues.

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

MASTERCARE FRANCHISING, LLC

By:

Anwar Kazi, President and CEO

Date signed: _____

FRANCHISEE:

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

Date signed: _____

NEW YORK

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

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

2. The following is to be added at the end to Item 3.

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

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the

regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

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

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

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

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

MASTERCARE FRANCHISING, LLC

FRANCHISEE:

By:

Anwar Kazi, President and CEO

Date signed: _____

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

Date signed: _____

NORTH DAKOTA

Item 17(c) Disclosure Document and Section 1.2 of the Franchise Agreement requiring you to sign a general release upon renewal of the franchise may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(i) of the Disclosure Document and Section 16.2 of the Franchise Agreement requiring you to consent to termination or liquidated damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the Disclosure Document and Section 16.2 of the Franchise Agreement restricting competition are generally considered unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(u) of the Franchise Disclosure Document and Section 18.06 of the Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law. The site of arbitration or mediation must be agreeable to all parties.

Item 17(w) of the Franchise Disclosure Document and Section 18.06 of the Franchise Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document and Section 18.16 of the Franchise Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and is amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document and Sections 17 and 18.16 of the Franchise Agreement requiring the franchisee to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document and Section 18.16 of the Franchise Agreement requiring the franchisee to consent to a limitation of claims within one year may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Section 18.16 of the Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement, which may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law. The prevailing party in any enforcement action is entitled to recover costs and expenses including attorney's fees.

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

MASTERCARE FRANCHISING, LLC

FRANCHISEE:

By:

Anwar Kazi, President and CEO

Date signed: _____

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

Date signed: _____

OHIO

Sec. 1334.05-CANCELLATION

In addition to any right otherwise to revoke an offer, a purchaser has the right to cancel an agreement selling or leasing to him a business opportunity plan until midnight of the fifth business day after the day on which the purchaser signs the agreement. Cancellation is evidenced by the purchaser giving written notice of cancellation to the seller at the address stated in the agreement. The purchaser may deliver the notice by mail, telegram, manual delivery or other personal delivery.

Sec. 1334.13. [Compliance with FTC Rule; FDD]

Franchisor claims exemption from the Ohio Business Opportunity Statutes as provided by:

Except for Division (H) of Section 133.03 and Section 1334.04 of the Revised Code, Sections 1334.01 to 1334.15 of the Revised Code does not apply to:

(A) Any transaction that complies in all material respects with the trade regulation rule of the federal trade commission, "disclosure requirements and prohibitions concerning franchising," 16 C.F.R. 436.1 et seq., as may be amended from time to time, that is in effect on the date of the transaction

(B) Any transaction that complies in all material respects with the trade regulation rule of the federal trade commission, "disclosure requirements and prohibitions concerning business opportunities," 16 C.F.R. 437.1 et seq., as may be amended from time to time, that is in effect on the date of the transaction.

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

MASTERCARE FRANCHISING, LLC

FRANCHISEE:

By:

Signature

Anwar Kazi, President and CEO

[Printed name]

Date signed: _____

Date signed: _____

Signature

[Printed Name]

Date signed: _____

RHODE ISLAND

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.”

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

MASTERCARE FRANCHISING, LLC

FRANCHISEE:

By:

Anwar Kazi, President and CEO

Date signed: _____

Signature

[Printed name]

Date signed: _____

Signature

[Printed Name]

Date signed: _____

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Mastercare Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

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.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

MASTERCARE FRANCHISING, LLC

FRANCHISEE:

By:

Signature

Anwar Kazi, President and CEO

[Printed name]

Date signed: _____

Date signed: _____

Signature

[Printed Name]

Date signed: _____

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

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

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

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

Signature of Franchisor Representative

Signature of Franchisee Representative

Title of Franchisor Representative

Title of Franchisee Representative

EXHIBIT E

MASTERCARE FRANCHISING, LLC OPERATIONS MANUAL TABLE OF CONTENTS May 31, 2025

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EXHIBIT F

MASTERCARE FRANCHISING, LLC

STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE	AS AMENDED
California		
Hawaii:		
Illinois		
Indiana		
Maryland	September 30, 2024	
Minnesota	October 1, 2024	
New York:		
North Dakota		
Rhode Island		
South Dakota		
Virginia:	October 26, 2024	
Washington:		
Wisconsin:		

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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 Mastercare Franchising, LLC, offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

In the States of New York and Rhode Island, the delivery of the Disclosure Document is to be received at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration to us or an affiliate in connection with the proposed franchise sale.

Michigan requires the delivery of the Disclosure Document at least 10 business days before the execution of the franchise or other agreement, or the payment of any consideration, whichever comes first.

If Mastercare 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 Commissioner, Washington, D.C. 20580 and the state agency listed in Exhibit C for your state.

See Exhibit C for our registered agents authorized to receive service of process.

Date of Issuance May 31, 2025

The franchise seller for this offering is Anwar Kazi President, at Mastercare Franchising, LLC, 7920 Belt Line Rd., Ste. 720, Dallas, TX 75254 and Phone: (855) 840-CARE.

I have received a disclosure document dated May 31, 2025, on _____ that included the following Exhibits:

- A Financial Statements
 - B Franchise Agreement
 - C State Administrators and Agents for Service of Process
 - D Multi State Addendum to the Franchise Disclosure Document and Franchise Agreement
 - E Manual Table of Contents
 - F State Effective Dates
- Receipt – Last Page

Dated: _____

PROSPECTIVE FRANCHISEE:

(Print Name)

By: _____

Please sign this copy of the receipt, date your signature, and retain it 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 Mastercare Franchising, LLC, offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

In the States of New York and Rhode Island, the delivery of the Disclosure Document is to be received at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration to us or an affiliate in connection with the proposed franchise sale.

Michigan requires the delivery of the Disclosure Document at least 10 business days before the execution of the franchise or other agreement, or the payment of any consideration, whichever comes first.

If Mastercare 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 Commissioner, Washington. D.C. 20580 and the state agency listed in Exhibit C for your state.

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 - E Manual Table of Contents
 - F State Effective Dates
- Receipt – Last Page

Dated: _____

PROSPECTIVE FRANCHISEE:

(Print Name)

By: _____

Please sign this copy of the receipt, date your signature, and return it to Mastercare Franchising, LLC.

Receipt-2