

FRANCHISE DISCLOSURE DOCUMENT
OWL BE THERE FRANCHISING, LLC

a Virginia limited liability company
6200 Rolling Road, #2400
Springfield, Virginia 22152
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<https://owlbetherefranchise.com>



Owl Be There Franchising, LLC (“OBT”, “Franchisor”) franchises offer senior living placement, referral and advisory services under the “Owl Be There” trade name and business system for families in need of independent living communities, assisted living communities, memory care, or similar facility for the seniors in their lives as well as referrals to home care services.

The total initial investment necessary to begin operation of an OBT franchised business ranges from \$88,989 - \$104,589. This includes \$68,400 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 this disclosure document at least 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive this disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Laura Greenwood at 6200 Rolling Road, #2400, Springfield, Virginia 22152 and Laura.greenwood@owlbethere.com.

The terms of your contract will govern your franchise relationship. Do not rely on this 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 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 (“FTC”). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You also can 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.

Your state also may have other laws on franchising. Ask your state agencies about them.

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former Franchisees. You can find their names and contact information in Item 20 or Exhibit E.
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 B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only OBT 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 an OBT Franchisee?	Item 20 or Exhibit E 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 A.

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 Virginia. 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 the franchisor in Virginia than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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.

DISCLOSURES REQUIRED BY MICHIGAN LAW

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§445.1501 – 445.1546 applies, the terms of this Addendum apply.

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub franchisor.
 - (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 franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 670 Law Building, Lansing, Michigan 48913, telephone: (517) 373-7117.

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this franchise disclosure document (“**Disclosure Document**”), the terms “**we**”, “**us**”, “**our**”, and “**Franchisor**” mean Owl Be There Franchising, LLC (“**OBT**”) and its subsidiaries. The terms “**you**” and “**your**” refer to the individual or business entity buying the franchised business. The terms “**you**” and “**your**” do not include any individual or business entity which owns an interest in you. We may require all individuals and business entities which own an interest in you to guarantee your obligations to us.

The Franchisor

We are a Virginia limited liability company formed on October 2, 2020. Our principal business address is 6200 Rolling Road, #2400, Springfield, Virginia 22152. We do not do business under any name other than our corporate name and the name OBT. We began offering OBT franchised businesses on November 23, 2020. We have never offered franchises in any other line of business, nor do we operate any business of the type being offered to you. We do not conduct any other business activities apart from offering and selling franchises for, and supporting, OBT franchised businesses. Our agents for service of process are listed in Exhibit A of this Disclosure Document.

Parents, Predecessors and Affiliates

Our parent, OBT Corporation (“**OBT Corporation**”), is a Virginia corporation formed on May 18, 2020. OBT Corporation shares our principal business address. OBT Corporation has not offered franchises in this or any other line of business and does not conduct any other business activities.

Our affiliate, Owl Be There Intellectual Property, LLC (“**OBT IP**”), is a Virginia limited liability company formed on October 2, 2020. OBT IP shares our principal business address. OBT IP has granted us a license to use and to grant to third parties the right to use, the System (defined below) and the Marks (defined below). OBT IP has not offered franchises in this or any other line of business and does not conduct any other business activities.

Our affiliate, Custom Senior Living Search LLC dba “Owl Be There” (“**CSLS**”) is a Virginia limited liability company formed on April 5, 2013. CSLS shares our principal business address. CSLS operates an OBT Business that provides support for families seeking senior care options, including information, consultation and advice for the placement of a family member in an assisted living, Alzheimer’s or memory care, home care or temporary respite stay. The services that CSLS performs are similar to the services that will be provided by OBT franchised businesses. CSLS has not offered franchises in this or any other line of business and does not conduct any other business activities.

Other than described above, we have no parents, predecessors or affiliates that offer franchises in any line of business or sell goods or services to you.

The Franchised Business

Franchise Agreement

We offer to qualified entities OBT Franchise Agreements (“**Franchise Agreements**”) for the establishment and operation of franchised business (“**OBT Business**” or “**Franchised Business**”). The form of Franchise Agreement that we intend to enter into with you, should you and we mutually agree to enter into a franchise relationship, is attached to this Disclosure Document as Exhibit C.

Your Franchised Business will operate according to the “**OBT System**” or “**System**,” the distinguishing characteristics of which include, among other things, OBT’s standards, specifications, policies and

procedures for business development, consulting and management; quality, distinctiveness and uniformity of services and products; software and computer programs, client management procedures; OBT's training program; and advertising and promotional programs, all as more particularly described and designated in the Manuals (defined below). We identify the System by certain licensed trade names, service marks, trademarks, logos, and emblems, including the name and mark "Owl Be There." Your Franchised Business will operate under the mark "Owl Be There" and other associated marks that we are now and, in the future, may designate as part of the System (collectively, the "**Marks**").

OBT Businesses

OBT Businesses support individuals and families seeking information, consultation and advice for the placement of an individual in a private pay housing and/or care facility or in a home-care facility and provide related services and products that we designate or approve under the System and the Marks ("**OBT Services and Products**"). OBT Business franchisees are defined in this Disclosure Document as "**Franchisees**."

The Franchise Agreement grants you the right to operate a Franchised Business under the System and using the Marks, as the System and Marks may be changed from time to time. The Franchise Agreement will designate a protected territory (the "**Territory**"). Except as we otherwise approve under the System Placement Program, you will provide the OBT Services and Products only for the placement of individuals in private pay housing facilities and private pay care facilities located within the Territory, and in-home care at homes located within the Territory. Franchised Businesses typically will be located in either urban or suburban areas.

We expect that you will operate the OBT Business as a home-based business, but you may rent your own commercial space from which to operate the OBT Business. We anticipate that you will not meet with clients and prospective clients in your home-based or other office and that you will meet with them at their homes, the care facilities, other locations or via video conferencing.

We expect that you will be paid by the senior living and care providers after placing individuals with the providers.

You must operate the Franchised Business according to our standards and procedures, as set out in our confidential Brands Standards Manual and Best Practices Manual (the "**Manuals**"). We will lend you a copy of the Manuals for the duration of the Franchise Agreement. We may periodically change and improve parts of the System, and you must promptly comply with all new or changed items.

If you are already affiliated with any assisted living facilities, senior housing facilities or home care services, you must comply with the standards and procedures in the Manuals regarding disclosure of these affiliations to clients and client referrals to the facilities and services with which you are affiliated.

Market and Competition

The market for the OBT Services and Products is well-developed. You will compete with individuals and companies that provide services and products similar to the OBT Services and Products including established locally owned, regional or national senior care placement businesses. We do not expect that your sales will be seasonal in nature.

Industry Specific Regulations

Your Franchised Business will be subject to federal laws and regulations and laws and regulations in the county, state, or municipality in which it is located. In certain circumstances, you may be subject to the Health Insurance Portability and Accountability Act ("HIPAA"). In some jurisdictions, there may be restrictions, limitations, or prohibitions on patient solicitation or the amounts of referral fees or placement

fees. You are advised to examine these laws and regulations before entering into the Franchise Agreement.

You are also subject to employment laws such as the Fair Labor Standards Act and various state laws governing such matters as minimum wages, overtime, and working conditions. You will be subject to other laws or regulations that are not specific to the industry, but applicable to businesses generally, including labor laws, insurance requirements, business licensing laws and tax regulations, and the Americans with Disabilities Act.

ITEM 2 BUSINESS EXPERIENCE

Co-Founder & Chief Executive Officer: David Greenwood

Mr. Greenwood is our co-founder and has served as our Chief Executive Officer since our inception in October 2020. He is a co-founder and has served as a director of our parent, OBT Corporation, located in Springfield, Virginia, since May 2020. Mr. Greenwood is the founder and has been a member of our affiliate, OBT IP, located in Springfield, Virginia, since October 2020. In addition, he has also served as the Chief Executive Officer of our affiliate, CSLS, located in Springfield, Virginia, since March 2013.

Co-Founder & President: Laura Greenwood

Ms. Greenwood is our co-founder and has served as our President since our inception in October 2020. She is a co-founder and has served as a director of our parent, OBT Corporation, located in Springfield, Virginia, since May 2020. Ms. Greenwood has been a member of our affiliate, OBT IP, located in Springfield, Virginia, since October 2020. Since April 2013, she has also served as the President of our affiliate, CSLS, located in Springfield, Virginia. She received a certified franchise executive (CFE) designation through the International Franchise Association. In addition, between February 2008 and September 2022 Ms. Greenwood served in strategy, development and finance and planning roles at the American Red Cross National Headquarters, based in Washington, D.C.

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

Initial Franchise Fee

When you sign the Franchise Agreement, you will pay us an initial franchise fee of \$54,400 (“**Initial Franchise Fee**”). At our discretion, we may offer to qualified candidates the right to purchase more than one single franchise unit. Qualified candidates who are allowed to purchase additional units will be required to sign a separate franchise agreement for each franchise they purchase.

Veterans Discount

If you are a qualifying honorably discharged United States veteran, you will receive a 10% discount off the Initial Franchise Fee for your first Franchise Agreement. A qualified veteran is any former member of the

United States Armed Forces who can provide a DD214 indicating an Honorable Discharge. This discount is only granted to new franchisees and is not available to existing franchisees. We may discontinue or modify this discount program at any time.

Onboarding and Training Fee

When you sign the Franchise Agreement, you will also pay us an onboarding and training fee of \$10,000 (“**Onboarding and Training Fee**”) for you or, if you are a business entity, your Operating Principal to be set up in our system and communication platforms, receive access to required software, to attend our initial training program (“**Initial Training Program**”) and to receive additional training and content for three months of localized launch marketing, social media, and related digital services we deem advisable to be conducted for your OBT Business. Such services may include online business listings and local search engine optimization (“**SEO**”), CRM, local referral prospect lists, content and training for local e-mail drip campaigns, e-mail newsletter distribution, and social media presence. We, or an affiliate or a third party we designate, may conduct the localized digital marketing and social media setup and training. We may, at our discretion, require you to use a particular accounting vendor to perform the initial setup of the required QuickBooks Online software, standard chart of accounts, and products and services. The cost of the initial QuickBooks Online setup is included in your Onboarding and Training Fee. We strongly urge you, for the sake of consistency, to use this same vendor for your ongoing business bookkeeping needs, however we do not currently require the use of a particular vendor for ongoing bookkeeping work.

Start-Up Kit Fee

When you sign the Franchise Agreement, you will also pay us a fee of \$4,000 (“**Start-Up Kit Fee**”) for the purchase of a start-up kit containing a 90-day supply of business cards, brochures, promotional items, forms, and other materials.

The Initial Franchise Fee, Onboarding and Training Fee, and Start-Up Kit Fee are fully earned and non-refundable in consideration of the administrative and other expenses incurred by us in granting this franchise and for our lost or deferred opportunity to franchise to others. The Initial Franchise Fee, Onboarding and Training Fee and Start-Up Kit Fee are uniformly applied.

ITEM 6 OTHER FEES

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fee ²	The greater of 6.5% to 10% of Gross Sales per the Royalty Fee calculation schedule or a minimum Royalty Fee per month (see note 2)	The Royalty Fee is payable monthly by the 10 th day of each month and is based on the Gross Sales ² of the Franchised Business for the preceding month.	Royalty Fees must be paid using a designated bank account from which you allow us to electronically deduct the amounts owed to us.
Local Marketing and Engagement	\$1,000 per month starting in month two following the effective date of the Franchise Agreement (purchase of the Start Up Kit satisfies the first months’ requirement for Local Marketing and	As incurred.	Payable for marketing, advertising and promotion of the OBT Business in the Territory. You are required to document and share monthly marketing spend reporting with us. We reserve the right upon at least 30 days’ notice to increase your Local Marketing and Engagement

Type of Fee ¹	Amount	Due Date	Remarks
	Engagement expenses), subject to increase.		obligation, however we will not increase this obligation by more than 20% in any 12-month period.
National Brand Fund Fee	\$250 per month	Payable monthly by the 5 th of each month.	Payable beginning on the 5 th of the month following effective date. We may increase the National Brand Fund Fee at any time.
Regional Cooperative Fee	Currently, 0% of Gross Sales, but if the Regional Cooperative is established, not more than 2% of the preceding month's Gross Sales.	Monthly, as specified	Payable if we require you and other Franchisees to join a Regional Cooperative. Any amount you pay toward the Regional Cooperative Fee will offset your obligation to pay the National Brand Fund Fee. Currently, there are no Regional Cooperatives.
Tech Fee ³	\$750	Payable monthly by the 5 th day of each month.	We may increase the Tech Fee upon 30 days' notice to you and may change the due date of the Tech Fee upon 10 days' notice to you.
Certified Senior Advisor Fees	\$990 initial fees; \$175 annual renewal	Lump sum/ Annual	Payable directly to the Society of Certified Senior Advisors. You must become a Certified Senior Advisor (CSA) through the Society for Senior Advisors. You must obtain this certification within 6 months following the effective date of the Franchise Agreement.
NPRA Membership	\$399 per year	Lump sum/ Annual	Payable directly to the National Placement and Referral Alliance. You must become a member of the NPRA within 2 months following the effective date of the Franchise Agreement.
Interest Charge	1% per month or 12% per year, or maximum rate permitted by law, whichever is less	As incurred	Payable if you fail to remit Royalty Fees or other fees when due.
Late Report Fee	\$100 per week or partial week	As incurred	Due for late payments or reports, in addition to other remedies available to us
Audit Fees and Expenses	Cost of Audit, plus late fees	Immediately after notice from us	You must pay for the cost of the audit if the audit shows that you understated your Gross Sales by more than 2%.

Type of Fee ¹	Amount	Due Date	Remarks
Transfer Fee	\$15,000	Prior to transfer	The transfer fee is payable when you request the transfer for our legal, accounting, training and other expenses incurred in connection with the transfer.
Renewal Fee	10% of then-current Initial Franchise Fee, but in no event less than \$8,000	When you sign the then-current form of Franchise Agreement or other form of agreement, such as an amendment to the existing Franchise Agreement or an extension.	
Liquidated Damages	Varies	As incurred	If the Franchise Agreement is terminated due to your breach you must pay to us liquidated damages. The damages for Royalty Fees due during the remainder of the term of this Agreement will equal the average yearly amount of all fees paid or payable by you under the Franchise Agreement during the three years immediately preceding the termination (or the period the Franchised Business was open for business, if the Franchised Business was not open for business during the entire three year period) – without regard to any fee waivers or other reductions - multiplied by the number of years remaining in the term, minus 20%.
Third Party Broker Listing Fee ⁴	Varies by broker	Upon execution of new franchise agreement by buyer	Payable to escrow agent.
Indemnification Costs	Varies	As incurred	You must pay for the cost of defending us against any liability as a result of your operations.
New Product, Service, Supplier Testing	Will not exceed our reasonable cost of the inspection and the actual cost of the test paid by you or the supplier.	As incurred	If you wish to purchase any unapproved supplies or services or products or any other items from an unapproved supplier, we may require that our representatives inspect the supplier's facilities, and that

Type of Fee ¹	Amount	Due Date	Remarks
			samples be either delivered, to us, or to a third party designated by us, for testing.
Reimbursement of Insurance	Cost of obtaining coverage	On receipt of invoice	If you fail to procure the required insurance, we may secure that insurance and require you to reimburse us for the premiums and other expenses relating to obtaining that insurance.
Annual Convention ⁵	Varies	Prior to convention	See Note 5.

1. Unless otherwise noted, you must pay all fees to us, and we have no obligation to refund them. At our option, all payments to us (other than the Initial Franchise Fee), must be made via automatic bank draft. We uniformly impose the fees described above.
2. The Royalty Fee is paid on a monthly basis based on Gross Sales of the Franchised Business for the immediately preceding calendar month, or for such other period as we specify. **“Gross Sales”** means the total gross revenue from the provision of all services and products sold or performed by or for you in, at, from or away from the Franchised Business, or through or by means of the Franchised Business, whether from cash, check, credit card, debit card, barter or exchange, or other means, and irrespective of the collection thereof, and including, the following: (a) all client fees and payments, including, without limitation, client agreement fees, subscription fees, corporate/third party payor fees, retainer fees and (b) proceeds from any business interruption insurance. The following amounts will be deducted from Gross Sales: (i) sales taxes, use taxes, and other similar taxes added to the sales price and collected from the client and paid to the appropriate taxing authority; and (ii) any bona fide refunds and credits that are actually provided to clients and other customers.

Your monthly Royalty Fee will be calculated as shown in the chart below:

Royalty Fee Calculation

Gross Sales (month)	Royalty % Applied to Total Month Gross Sales
\$0-\$20,000	10%
\$20,001-\$32,000	8.5%
\$32,001+	6.5%

- ** During months 1-2 following the Effective Date of the Franchise Agreement your monthly Royalty Fee will be \$0
 - ** During months 3-24 your monthly Royalty Fee will be \$500 or the Royalty Calculation amount, whichever is greater.
 - ** During Year 3 and Year 4, your monthly Royalty Fee will be \$950 or the Royalty Calculation amount, whichever is greater
 - ** During Year 5 and Year 6, your monthly Royalty Fee will be \$1,550 or the Royalty Calculation amount, whichever is greater
 - ** After Year 6 and for the remainder of the term, your monthly Royalty Fee will be \$1,950 or the Royalty Fee Calculation amount, whichever is greater.
3. The Tech Fee covers your access for up to two users per month to certain technology systems, services, platforms, and software we require you to obtain or access through us that support our network of franchisees. If additional users require access to OBT systems and software, you will pay an additional \$200 per month for each additional user. The Tech Fee may cover, among other things, access and licenses, subscriptions, maintenance, and development for OBT's customized customer relationship management ("CRM") system with mapping capabilities; Intranet/learning management system ("LMS"); building, hosting and maintaining your location page on the OBT website; OBT e-mail address(es); website and social media development; digital marketing platforms; OBT voice and video communications tool with phone app, Internet calling, messaging, call routing, and video conferencing services, live call answering service, as we deem necessary and advisable. We may make changes to the types, nature, and ultimate vendor of technology systems, services, platforms, and software we require you to obtain or access through us. Your precise monthly Tech Fee may change if there are changes in any cost or aspect of the technology systems, services, platforms, and software we require you to obtain or access through us, or in our costs regarding such technology systems, services, platforms, and software. Your Tech Fee is determined by third-party vendors. We do not anticipate the Tech Fee to increase by more than 20% in any given 12-month period.
 4. If a franchise sales broker is used to sell your Franchised Business, you must pay that broker a Third-Party Brokers Sales Fee. Fees vary by broker and may consist of a flat fee, a percentage of your eventual price, or a combination of both. It is your responsibility to understand the terms and conditions, including the fees, any Third-Party Broker may require. Additionally, these fees may be assessed for each individual territory sold and must be paid to a licensed escrow agent to then be disbursed to the Third-Party Broker.
 5. We may conduct periodic national or regional conventions, conferences, or meetings for all franchisees and managers. If we make attendance at these events mandatory, you must pay this fee even if you don't attend. We may increase the conference registration fee with 90 days' written notice prior to the event. We reserve the right not to hold an annual conference or other events. You will be responsible for your and any approved attendees' costs and expenses to attend the convention, including transportation, meals, and lodging.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Paid
Initial Franchise Fee ²	\$54,400	Lump Sum via Wire Transfer	Upon signing Franchise Agreement	Us
Onboarding and Training Fee ²	\$10,000	Lump Sum via Wire Transfer	Upon signing Franchise Agreement	Us
Travel & Expenses During Training	\$2,000 to \$3,900	As Arranged	As Necessary	Third Parties
Start-Up Kit Fee ²	\$4,000	Lump Sum via Wire Transfer	Upon signing Franchise Agreement	Us
CSA Certification ³	\$990	As Agreed	As Agreed	Third Party
NPRA Membership ⁴	\$399	As Agreed	As Agreed	Third Party
Computer System ⁵	\$1,800 to \$2,500	As Agreed	As Agreed	Vendors
General Supplies	\$100 to \$300	Varies	As Necessary	Vendors
Insurance ⁶	\$1,800 to \$2,600	As Agreed	As Incurred	Third Parties
Professional Fees, Business Licenses, Legal Fees ⁷	\$1,500 to \$3,500	As Agreed	As Incurred	Third Parties
Rent and Utilities ⁸	\$0	As Agreed	Prior to Opening	Utilities and Service Providers
Additional Funds – 3 Months ⁹	\$12,000 to \$22,000	Varies	As Incurred	Various
TOTAL	\$88,989 to \$104,589			

NOTES

1. Explanation of Estimates. The chart above describes the estimated initial investment for a Franchised Business operated from a home-based office. We prepared these estimates based on the experience and data collected from the operating expenses of our affiliate's business. Except as expressly indicated otherwise, these estimates are intended to estimate your required initial cash investment up to the opening date of your Franchised Business, and potential working capital needs for the first ninety (90) days of operations thereafter. They do not include your cash needs to cover any financing incurred by you or your other expenses. We have no obligation to refund any fees or costs paid to us. Whether any third party will refund any fees or costs will depend on the third party involved.

2. The Initial Franchise Fee, Onboarding and Training Fee, and Start-Up Kit Fee are described in Item 5. You will be responsible for other expenses incurred in connection with training, including the costs of transportation, lodging, meals, wages, workers' compensation insurance.
3. We require you to register for courses to acquire a Certified Senior Advisor ("CSA") certification within the first three months following the effective date of the Franchise Agreement, and successfully acquire certification within six months of the effective date of the Franchise Agreement. You must maintain the CSA certification throughout the length of your initial contract term. At our option, we may waive this requirement for certain individuals with senior industry experience. We encourage franchisees to also pursue a CDP designation (Certified Dementia Practitioner), however we do not require the CDP designation currently. You will be solely responsible for the cost of obtaining and maintaining a CSA certification and any other certifications or designations.
4. We require you to obtain membership with the National Placement and Referral Alliance (NPRA) within the first two months following the effective date of the Franchise Agreement and maintain your membership throughout the length of your initial contract term. You will be solely responsible for the cost of obtaining and maintaining your NPRA membership.
5. You must obtain and maintain a Computer System as described in the Manuals. You must also install and maintain high-speed Internet access.
6. You must carry insurance for the types of coverage and the amounts that we specify in the Franchise Agreement and the Manuals. The amount listed above represents our best estimate of the premiums required for certain types of insurance including commercial general liability and worker's compensation insurance during the first three months of operation of a Franchised Business. Insurance costs vary in different locations. If you have employees, you will incur expenses for workers' compensation insurance. You are responsible for determining if your state requires a higher level of coverage than the one we recommend. You are solely responsible to carry insurance that satisfies the higher requirement of either our recommendation or your state's requirement.
7. This fee includes any legal, accounting (beyond chart of accounts setup), licensing, and business consulting services you may need in setting up your Owl Be There business.
8. We expect that you will operate the OBT Business as a home-based business, and the above estimate is based on this expectation. Nevertheless, if you choose to do so, you may rent your own commercial space from which to operate the OBT Business. If you rent space for your office, rental rates will vary based on the location and size of the office premises. You will likely incur costs for a lease deposit and applicable utility deposits. You should investigate all real estate costs thoroughly before signing a lease if you decide to rent space for your office.
9. As noted above in note 1, the amounts listed above represent an estimate of your operating expenses for the initial three (3) months of business. These estimates are based on the experience of our affiliate CSLS, the experiences of our franchise owners, and the advice of our business consultants. We do not offer any financing directly or indirectly for any part of the initial investment. Whether any third party will refund any costs or expenses will depend on the third party. We recommend that you begin your Franchised Business with at least three to six months of additional working capital funds in reserve. You will need to spend some funds on local marketing and engagement activity to introduce your OBT business to the community. The higher expense level includes payroll/payroll costs for at least one other employee (part or full time administrator or marketer, depending on your role in the business), but does not include the owner's salary. The figures provided are our best estimates and we cannot guarantee that you will not have additional expenses as you start your business.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

To ensure that the highest degree of quality and service is maintained, you must operate the Franchised Business in compliance with your Franchise Agreement and in conformity with the methods, standards, and specifications as we may periodically prescribe in the Manuals or otherwise in writing. You must not deviate from our standards and specifications, unless you have received our prior written consent.

Operations

You must establish and operate your OBT Business in compliance with your Franchise Agreement and the Manuals we loan to you, which we may modify occasionally, in our discretion.

Products and Services

At all times during the term of the Franchise Agreement, you must:

1. maintain in sufficient supply, and use and/or sell at all times only the products, materials, supplies, and services we have approved, and that have been supplied to you by vendors approved by us, as set forth in the Manuals or otherwise in writing;
2. offer for sale only those services and products for which we have given our written approval;
3. sell or offer for sale all of the services and products that we require; and
4. stop selling and offering for sale any services or products that we have later disapproved.

You must purchase the services and products we designate only from approved suppliers. We will provide you with a list of approved suppliers, which we may update from time to time. If you want to buy any unapproved services or products or purchase approved services or products from an unapproved supplier, you first must submit to us a written request for our approval. You may not purchase unapproved services or products or purchase from an unapproved supplier until we have given our approval in writing. We expect to provide you with approval or disapproval within 30 days after our receipt of your request and all requested samples and information. We also may require that the proposed new service, product or supplier comply with certain other requirements that we may deem appropriate, including, for example, payment of reasonable continuing inspection fees and administrative costs or reimbursement of our actual costs associated with the investigation of the service(s), product(s), or suppliers(s). Currently, we do not charge you any fees in connection with securing supplier approval, but we may charge you or the supplier our reasonable cost of inspection and testing. We may approve or disapprove of the suppliers who may be permitted to sell products to you at our option and we may modify our list of approved services and products and suppliers. Except for confidential and proprietary specifications, our criteria for supplier approval are available to our franchisees.

You must obtain, and thereafter maintain during the term of your Franchise Agreement, a Certified Senior Advisor (“CSA”) certification. We require you to register for courses to acquire a CSA certification within the first three months following the effective date of the Franchise Agreement, and successfully acquire certification no greater than 120 days following your Franchise Business Opening Date.. You must maintain the CSA certification throughout the length of your Franchise Agreement. At our option, we may waive this requirement for certain individuals with senior industry experience.

You must obtain membership with the National Placement and Referral Alliance (NPRA) and maintain membership status for the length of your Franchise Agreement. You must obtain your membership within two months of the effective date of the Franchise Agreement.

Currently, you are not required to purchase or lease from us or our affiliates, or any vendors that we designate, any goods, services, supplies, equipment, inventory, or real estate for the establishment or operation of the Franchised Business, but we may require you to do so.

Although we do not currently do so, we may, at our option, negotiate certain purchase and pricing arrangements with suppliers for the benefit of the Owl Be There system, including us, our affiliates, and/or our Franchisees. We do not provide any special benefits to Franchisees based upon their use of these suppliers.

We and our affiliates may earn revenue or rebates from your purchase of required services or products.

In the year ending June 30, 2024, our total revenue was \$347,542.90 and we received \$0 in revenue from required purchases by Franchisees, which was 0% of our total revenue.

Developing Community Relationships

You are responsible for establishing and developing relationships with Communities and Services in your designated Territory. These are the Communities and Services that will compensate you when and if your Clients move into their Community or contract with their Care Services. You will be responsible for obtaining a signed referral agreement or contract with the Community or Service. We have the exclusive right to negotiate and enter into referral agreements or contracts with Communities that operate in multiple locations in a particular region or nationwide (“National Accounts”). Any client that you refer to such a National Account will be compensated at the rate set forth in the National Account’s agreement with us. Our National Account agreement will supersede any local terms that you negotiate with a Community in your Territory. We will provide to you the standard agreement form. We may change the terms of the standard contract from time to time. We will provide you with guidelines for establishing a referral relationship and typical referral fees charged in the industry. These guidelines may be in our Manuals. Certain states regulate compensation arrangements for Senior Placement Services and you will be required to comply with such laws and regulations.

Within 90 days after your Business opens, you must have referral agreements in place with at least 30% of the Communities in your Territory (that are not National Accounts) or we may terminate the Franchise Agreement.

Computer System, Software and Other Technology

You must purchase or lease a Computer System that meets our specifications, including any required software indicated below in this Item 8. We may require that you purchase additional hardware and software meeting our minimum specifications, including any proprietary or customized software that we may develop or have developed on our behalf. Currently, we require you to use QuickBooks for accounting and Owl Be There’s Standard Chart of Accounts.

Advertising and Marketing

All advertising, marketing and promotion of your Franchised Business must conform to our standards and specifications. You must submit to us samples of all advertising and promotional materials that have not been prepared or previously approved by us. Your Franchised Business must participate in promotions and public relations campaigns that we institute from time to time. We may require that you purchase advertising through the media buyers or advertising companies that we designate from time to time in an amount not to exceed the National Brand Fund Fee.

Internal Website and Communications

We will establish an internal website or portal and make it available to Franchisees. The website may offer a variety of functionalities. For instance, the internal website may allow you and other franchisees to access training courses and materials, post and respond to questions, view other responses in question-and-answer forums, view and print news items, download files and software updates, update and order business forms, and order products you will use in the operation of your business.

We will provide you with a specific OBT e-mail address that you must use in connection with the operation of your Franchised Business. We will establish a separate website location page on OwlBeThere.com specifically for you to use in connection with your Franchised Business. The location page includes contact information that may include: business and biographical information; franchise location and territory specifics; your business phone number, email address, social media page(s); and service request form(s) that route potential customer requests directly to your email. The costs associated with your email accounts and the maintaining, augmenting, and supporting your franchise location page on OwlBeThere.com is included in your Tech Fee. The current Tech Fee is \$750 per month for up to two authorized users, plus \$200 per month for each additional user. We may make changes to the types, nature, and ultimate vendor of technology systems, services, platforms, and software we require you to obtain or access through us. Your precise monthly Tech Fee may change if there are changes in any cost or aspect of the technology systems, services, platforms, and software we require you to obtain or access through us, or in our costs regarding such technology systems, services, platforms, and software.

Insurance

You must obtain and maintain the insurance coverages and policies that we prescribe in the Franchise Agreement and/or our Manuals prior to operating your business. Each insurance policy must be issued by an issuer we approve, who must have an A.M. Best Rating of not less than A-VII. We require that these policies name us as an additional insured and contain a waiver of subrogation in our favor, subject to applicable law and be primary and non-contributory to any insurance we might carry. The policies must provide us with written statutory cancellation notice and non-renewal. We may periodically increase required coverage limits or require additional or different coverage to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances. You must deliver to us (and in the future maintain on file with us) valid and current certificates of insurance showing that all required insurance is in full force and effect, or any other evidence of coverage that we may require from time to time. You are responsible for determining if your state requires a higher level of coverage than the one we require. You are solely responsible for carrying insurance that satisfies the higher requirement of either our requirement, your lease or your state and/or local requirement. If you fail to comply with the terms set forth in this section we reserve the right but not the duty to force place insurance on your behalf for which you will reimburse us for the premiums paid plus any administration fee that may apply, immediately upon request.

We currently require that you obtain and maintain, at a minimum, the following types and amounts of insurance:

1. Liability. A comprehensive general liability policy in the amount of not less than \$2,000,000 bodily injury aggregate and \$1,000,000 per occurrence, including operations, products and completed operations, broad form contractual liability, personal injury, and advertising liability.
2. Business Income and Extra Expense. Business income and extra expense insurance in an amount not less than adequate to pay for continuing expenses at a limit of 50% of annual sales or 12 months actual loss sustained basis.

3. Professional Liability. Consultants Error's and Omission's coverage for \$1,000,000 per occurrence and aggregate, a claims-made form will be acceptable noting that "tail coverage" will be required for 2 years following if the franchised business is sold or closes;
4. Commercial Umbrella Liability Insurance. Commercial umbrella liability insurance with limits which bring the total of all primary underlying coverages to not less than \$2,000,000 total limit of liability, in excess of commercial general liability, auto liability and employer's liability coverage.
5. Cyber Liability Insurance. Cyber Liability insurance coverage for \$1,000,000 to cover any first or third party claims including but not limited to data breach, network security breach, ransomware, social engineering or personal identity theft.
6. Auto. If you will be using a personally titled vehicle for your OBT Business, you must include a "Business Use Endorsement" on the personal auto policy and/or ensure there are no exclusions for business use.
7. [If you have at least one employee] Statutory Workers' Compensation Insurance. Statutory workers' compensation insurance and employer's liability insurance for a minimum limit of at least \$1,000,000, as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Franchised Business is located. You must have and maintain this insurance for all of your employees prior to any employee commencing any training with us.
8. [If you have at least one employee] Automobile Liability insurance and property damage liability insurance including owned, non-owned and hired vehicle coverage with coverage limits of at least \$1,000,000 Combined Single Limit Liability.
9. Employment Practices Liability. \$1,000,000 limit of liability to cover wrongful employment acts, Wage & Hour Defense Coverage of \$100,000 and harassment and discrimination of any non-employee. This policy must include us as Co-Defendant.
10. Other Insurance. Any other insurance coverage that is required by federal, state, or municipal law. We reserve the right to mandate an insurance provider at any time in the future in the states we are legally able to do so. If this occurs you will need to comply at your next renewal date.

Except as described in this Item 8, you are not obligated to purchase or lease any other goods, services, products, or materials in accordance with specifications from us or from designated sources. We do not provide any material benefits to you (such as preferential renewal rights or granting additional franchises) based on your use of designated or approved suppliers except as stated in this Disclosure Document.

There are currently no purchasing or distribution cooperatives in the System.

We estimate that the costs of your purchases from designated or approved sources, or according to our standards and specifications, will range from 20% to 30% of the total cost of establishing your Franchised Business and approximately 20% to 30% of the total cost of operating your Franchised Business after that time. None of our officers own any interest in an approved or designated supplier at this time.

ITEM 9 FRANCHISEE'S OBLIGATIONS

The following table lists your principal obligations under the Franchise Agreement. It will help you find more detailed information about your obligations in those agreements and in other items of this Disclosure Document.

Obligation	Section in Franchise Agreement (FA)	Item(s) in Disclosure Document
a. Location selection and acquisition/lease	FA – 1.1 and 1.2	7 and 11
b. Pre-opening purchases/leases	FA – 5.2	7, 8 and 11
c. Location development and other pre-opening requirements	FA – 5.1 and 5.2	5, 6, 7, 8 and 11
d. Initial and ongoing training	FA – 5.3	7 and 11
e. Opening	FA – 5.1 and 5.2	7 and 11
f. Fees	FA – 3	5, 6 and 7
g. Compliance with standards, policies and manuals	FA – 5	8 and 11
h. Trademarks and proprietary information	FA – 8 and 10	13 and 14
i. Restrictions on products and services offered	FA – 5.7 and 5.8	16
j. Warranty and customer service requirements	FA – 5.1	8
k. Territorial development and sales quotas	FA – 1.2, 1.3, and 1.5	12
l. Ongoing product and service purchases	FA – 5.8 and 5.9	8
m. Maintenance, appearance and remodeling requirements	FA – 5.6 and 5.7	11
n. Insurance	FA – 11	6, 7 and 8
o. Advertising	FA – 6	5, 6, 7 and 11
p. Indemnification	FA – 16	6
q. Owner's participation, management and staffing	FA – 5.5 and 5.17	11 and 15
r. Records and reports	FA – 7	Not Applicable
s. Inspections and audits	FA – 5.8 and 7.4	6
t. Transfers	FA – 12	6 and 17
u. Renewal	FA – 2	6, 11 and 17
v. Post-termination obligations	FA – 14	17
w. Non-competition covenants	FA – 10	17
x. Dispute resolution	FA – 17	17
y. Other: Guaranty	FA – 5.18 and 10.5, Ex. D to FA	1, 15

ITEM 10 FINANCING

Neither we nor any of our affiliates offer, directly or indirectly, any financing arrangements to our Franchisees. We do not guarantee your notes, leases or other obligations.

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

Except as listed below, we need not provide any assistance to you.

Pre-opening Obligations

Before you open your business, we or our designee will provide the following assistance:

1. We will provide pre-opening training in the OBT System, including standards, methods, procedures and techniques, at the times and places we designate for our training programs, together with any additional training and assistance we determine necessary in connection with the opening of your Franchised Business, including assistance by our personnel. (Franchise Agreement, Section 4.1). A description of that training appears later in this Item 11.
2. We will provide you pre-opening assistance in the manner we determine. (Franchise Agreement, Section 4.2).
3. We will loan to you or otherwise provide you access to our Manuals, which we may revise from time to time. (Franchise Agreement, Section 4.3).
4. We will provide you with advertising assistance, sales advice, or related materials as we deem advisable and as we may develop from time to time. (Franchise Agreement, Section 4.4).
5. We will provide you with periodic individual or group advice, consultation and assistance, by personal visit, telephone, video conference, mail or e-mail as we may deem advisable. (Franchise Agreement, Section 4.5).
6. We will provide you with bulletins, brochures and reports that we may publish from time to time. (Franchise Agreement, Section 4.6).
7. We will inspect the Computer System and records and reports of the OBT Business prior to opening. (Franchise Agreement, Section 4.8).

Post-opening Obligations

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

1. Monitor the level of training and assist you in training. We will make training available to all of your future management employees during the term of the Franchise Agreement. (Franchise Agreement, Section 4.2)
2. Provide advertising, sales and other advice we periodically develop. (Franchise Agreement, Section 4.4). An explanation of the advertising program appears in more detail later in this item.
3. Provide periodic individual or group advice, consultation and assistance, rendered by personal visit, telephone, video conference, or bulletins made available, as we deem necessary. (Franchise Agreement, Section 4.5)
4. Provide bulletins, brochures and reports we periodically publish regarding our plans, policies, research, developments, and activities. (Franchise Agreement, Section 4.6)

5. Provide other resources and assistance we may develop in the future. (Franchise Agreement, Section 4)

Location Selection and Opening

We designate a specific Territory for each Franchised Business. The factors that we consider in selecting the Territory include the general characteristics and population density of the geographic area, demographic characteristics, and the estimated number of senior living communities, residential-style senior housing facilities, hospitals, and rehabilitation centers.

We expect that you will operate the OBT Business as a home-based business. You do not have to obtain our approval for the proposed site of your office. You may operate the Franchised Business only at and from your office, except that we anticipate that you will not meet with clients and prospective clients in your home-based or other office and that you will meet with them at their homes, the care facilities, other locations, or via video conference.

The typical length of time from the signing of a Franchise Agreement to the commencement of operations by a franchisee is expected to be 30-90 days. Factors affecting the length of time before opening usually include completing the training program, acquiring insurance and providing documentation, and preparing to open. The Franchise Agreement requires that you open the Franchised Business within 3 months after the date you sign the Franchise Agreement. The date you “open” is the date that you first begin to offer the OBT Services and Products to prospective clients. Your failure to open will constitute an event of default under the Franchise Agreement, for which we may terminate your franchise.

Advertising and Promotion

National Brand Fund

We have established a National Brand Fund to be maintained and administered by us or by our designee as follows:

1. We or a designee will have the right to direct all advertising programs, as well as all aspects of the advertising program, including the concept, materials, and media used in the programs and the placement and allocation of the programs. The National Brand Fund is intended to maximize general public recognition, acceptance, and use of the System; and we and our designee are not obligated, in administering the National Brand Fund, to make expenditures for you which are equivalent or proportionate to your contribution, to ensure that any particular Franchisee benefits directly or pro rata from expenditures by the National Brand Fund, or to expend any particular amount of money in any Franchisee’s Territory.
2. The National Brand Fund, and all contributions to and earnings from the National Brand Fund, will be used only (except as otherwise provided below) to meet any and all costs of maintaining, administering, directing, conducting, creating, and/or otherwise preparing advertising, marketing, public relations and promotional programs and materials, and any other activities that we believe will enhance the image of the System. This includes, among other things, the costs of preparing and/or conducting media advertising campaigns, social media campaigns, direct mail advertising, marketing surveys and other public relations activities; product development and market testing; brand research and development; developing and hosting marketing, brand enhancement, and customer engagement seminars for Franchisees; employing advertising and/or public relations agencies; developing new or modified trade dress and marks; design and photographs; conducting and administering visual merchandising, and other merchandising programs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs; market research and customer satisfaction surveys;

developing and implementing customer retention programs; the creative development of, and actual production associated with, public relation events, and charitable or non-profit events; developing, implementing and maintaining an electronic commerce website and/or related strategies; maintaining and developing software or hardware or websites for the benefit of the System, the Marks and/or the OBT brand; providing promotional and other marketing materials and services to the OBT Businesses operated under the System; and the salaries of our employees to the extent such employees provide services in conjunction with System marketing activities. The National Brand Fund may also be used to provide rebates or reimbursements to Franchisees for local expenditures on products, services, or improvements, approved in advance by us, which products, services, or improvements we will have the right to determine, that we believe will promote general public awareness and favorable support for the System.

3. You will pay to us or to our designee a National Brand Fund Fee in an amount determined from time to time by OBT. For all OBT Businesses owned by us, we will contribute to the National Brand Fund and/or Regional Cooperative (as described below) on the same basis as franchisees. You must contribute to the National Brand Fund in the manner we specify, which will typically be by EFT, by the 5th of each month. All sums you pay to the National Brand Fund will be maintained in an account separate from our other monies.
4. We will have the right to charge the National Brand Fund for the reasonable administrative costs and overhead that we incur in activities reasonably related to the direction and implementation of the National Brand Fund and marketing programs for Franchisees and the System (for example, costs of personnel for creating and implementing, associated overhead, advertising, merchandising, promotional and marketing programs, and accounting services reasonably related to the operation and functions of the National Brand Fund). The National Brand Fund and its earnings will not otherwise inure to our benefit. We or our designee will maintain separate bookkeeping accounts for the National Brand Fund.
5. The National Brand Fund will not be used for our ordinary operating expenses, and it is not a trust. We do not assume any fiduciary obligation to you or any other Franchisee for maintaining, directing, or administering the National Brand Fund or for any other reason. A statement of the operations of the National Brand Fund will be prepared annually. We will provide a copy of the statements of the National Brand Fund to you upon written request. The National Brand Fund may be audited by us at our option, but we have no obligation to conduct an audit.
6. Although the National Brand Fund is intended to be of perpetual duration, we maintain the right to terminate the National Brand Fund. The National Brand Fund will not be terminated, however, until all monies in the National Brand Fund have been spent for advertising and/ or promotional activities or returned to National Brand Fund contributions.

OBT Businesses owned by us or our affiliates will contribute to the National Brand Fund at the same rate as Franchisees.

We do not expect that any portion of the National Brand Fund will be used for marketing that is principally a solicitation for the sale of franchises.

As of June 30, 2024, we have not collected any National Brand Fund Fees.

Regional Cooperative

We have the right to designate any geographical area for the purpose of establishing a market brand development and promotional cooperative fund (“**Regional Cooperative**”). We also have the right to

change, dissolve, or merge any Regional Cooperative. The purpose of the Regional Cooperative is to conduct marketing campaigns for the OBT Businesses located in that geographic area.

If a Regional Cooperative for your area is established before you begin to operate the Franchised Business, then when you open the Franchised Business, you must immediately join that Regional Cooperative. If a Regional Cooperative for your area is established after you begin to operate the Franchised Business, then you must join the new Regional Cooperative within 30 days after the Regional Cooperative commences operations. You will not be required to be a member of more than one Regional Cooperative for the Franchised Business. The following provisions will apply to each Regional Cooperative (if and when organized):

1. You will contribute to the Regional Cooperative of which you are a member an amount each calendar month during the term of this Agreement as determined by us, which will not be more than 2% of Gross Sales (the “**Regional Cooperative Fee**”).
2. Regional Cooperatives will be organized and governed in the form and manner that we approve in advance. Unless we specify otherwise, the activities carried on by each Regional Cooperative will be decided by a majority vote of its members. Any OBT Businesses that we operate in the region will have the same voting rights as those owned by Franchisees. Each individual OBT Business will be entitled to cast one vote. Any disputes arising among or between you, other members of the Regional Cooperative, and/or the Regional Cooperative, will be resolved according to the rules and procedures set forth in the Regional Cooperative’s governing documents.
3. Regional Cooperatives will be organized for the exclusive purpose of administering regional marketing programs and developing (subject to our approval) standardized promotional materials for use by the members in local marketing and engagement.
4. Regional Cooperatives may not use advertising or promotional plans or materials without our prior written approval, as described below.
5. You must submit your required contribution to the Regional Cooperative at the same time as payments are required for royalties and the National Brand Fund Fee, together with the statements and reports that may be required by us or by the Regional Cooperative, with our written approval. If we request in writing, you must submit your payments and reports for the Regional Cooperative directly to us and we will distribute the money and reports to the Regional Cooperative.
6. A Regional Cooperative may be managed or administered by us or another designee.
7. Although, if established, a Regional Cooperative is intended to be of perpetual duration, we maintain the right to terminate any Regional Cooperative. A Regional Cooperative will not be terminated, however, until all monies in that Regional Cooperative have been expended for marketing or promotional purposes.

Currently, we have not formed any Regional Cooperatives. If a Regional Cooperative is established, OBT Businesses owned by us or our affiliates will contribute to the Regional Cooperative at the same rate as Franchisees.

Brand Development Council

We do not have a brand development council for Franchisees, however, we may initiate one after we have a reasonable number of franchisees.

Local Marketing and Engagement

You must spend no less than \$1,000 per month on Local Marketing and Engagement (defined below) within the Territory. We may increase this fee at any time. Starting on the 10th day of each month, starting with the first full month following your Business Opening Date, you must provide documentation to us regarding all Local Marketing and Engagement expenditures made in the prior month in the reporting format that we specify. All of your local marketing and promotion, including the digital marketing described below must be conducted in the media, type, and format that we have approved, must be conducted in a dignified manner, and must conform to our standards and requirements, including our standards and requirements for marketing and promotion using websites, social media, networking sites and other platforms. We have the right to control all use of any platforms by you that uses the Marks. You must comply with all of our written instructions, policies, procedures, and restrictions regarding advertising and marketing within the Territory, outside of the Territory, and in areas that may be territories assigned to other Franchisees. You may not use any marketing or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials before you use the materials. If we have not approved the materials within 15 days of our receipt, then the marketing and promotional materials will be deemed disapproved. All advertising and promotional materials developed by or on your behalf, and any copyrights thereto, will be our sole property, and you must execute such documents (and, if necessary, require your independent contractors to execute such documents) as we may deem reasonably necessary memorialize our ownership of these materials.

As used in the Franchise Agreement, the term “**Local Marketing and Engagement**” refers to only the direct costs of purchasing and producing marketing materials (such as camera-ready advertising and accounting materials), media (space or time), and your direct out-of-pocket expenses related to costs of advertising and sales promotion in your Territory. Local Marketing and Engagement also includes postage, shipping, telephone, and photocopying costs. Local Marketing and Engagement does not, however, include any of the following:

- (a) salaries, incentives or discounts offered to your employees, and your employees expenses, including salaries or expenses for attendance at advertising meetings or activities, or incentives provided or offered to your employees;
- (b) charitable, political, or other contributions or donations, whether in cash or services; and
- (c) the value of discounts given to consumers.

We have no obligation to spend any amount on advertising in your area or territory.

Digital Marketing

Our digital marketing team will establish and SEO-optimize your local business listing online. Your initial localized e-mail campaign will also be established after the signing of your Franchise Agreement and will provide three to four months of brand exposure and contact with local prospects and referral sources. We may provide you additional content for subsequent post-launch e-mail campaigns at our discretion.

We may require you to invest in additional digital marketing related to social media or paid advertising campaigns as our marketing strategy evolves.

Any additional digital marketing or advertising you wish to pursue on your own must be approved by us prior to implementation.

Computer System

We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, computer software, and hardware used by, between, or among Franchised Businesses and us including: (a) back office and contact management systems, data, audio, video, and voice storage,

retrieval, and transmission systems; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) e-mail systems; and (f) Internet access mode and speed (collectively, the “**Computer System**”). You agree to record all sales on computer-based accounting programs or similar client management systems that we have the right to designate or approve (“**Customer Relationship Management**”). The Customer Relationship Management system is part of your Computer System and includes features to schedule and manage operations. You may use the Computer System only for the Franchised Business.

Currently, the Computer System includes a desktop or laptop, all-in-one laser printer and high-speed business class Internet service. You must use a computer with adequate memory, speed and storage to run the proprietary software we may develop from time to time. We estimate this will cost between \$0 (if you already have an adequate computer system established) and \$3,000, although the cost of these systems may increase. We will provide you with our other specifications for computer hardware and operating systems in our Manuals. You may acquire your computer hardware from any source.

You may use your current mobile phone or purchase a new one for use in operating your OBT Franchised Business. The phone you use must be Internet capable and able to install and run the applications used in connection with your OBT Franchised Business, including CRM, communications apps, Zoom, Ring Central and similar applications). The cost of the mobile phone and service is not included in the Computer System estimate.

You must use the software and programs that we designate and approve including QuickBooks Online (set up with our Standard Chart of Accounts), an accounting software program with currently estimated costs of \$75 per month.

The total cost to purchase the current Computer System, including all hardware, licenses and peripherals, will range from \$2,800 to \$4,400.

You must pay for all maintenance of your Computer System at your own expense. We do not guarantee, warrant, maintain or support any of your computer hardware in any manner. You should determine for yourself whether or not any third-party supplier from whom you purchase any component of your Computer System is obligated to provide ongoing maintenance, repairs, upgrades or updates to any component of your Computer System, and determine the additional cost for the services. Our computer hardware and software requirements may periodically change and you will be required to update your computer hardware and software periodically. We will advise you in writing of any required upgrades.

You must pay us a monthly Tech Fee for access to certain technology systems, services, platforms, and software we require you to obtain or access through us, including CRM and mapping software, our Learning Management System (LMS), various digital marketing platforms, email, and communications tools, as well as website development, social media, and hosting and maintenance of your location page on the OwlBeThere.com website. The current Tech Fee is \$750 per month for up to two authorized users, plus \$200 per month for each additional user. We may make changes to the types, nature, and ultimate vendor of technology systems, services, platforms, and software we require you to obtain or access through us. Your precise monthly Tech Fee may change if there are changes in any cost or aspect of the technology systems, services, platforms, and software we require you to obtain or access through us, or in our costs regarding such technology systems, services, platforms, and software.

We (or our designee) have the right to independently access the electronic information and data relating to your Franchised Business and to collect and use your electronic information and data in any manner, including to promote the System and the sale of OBT Businesses. This may include posting financial information of each Franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through the Computer System. We may access the electronic information and data from your Computer System remotely, in your franchisee office, or from other locations.

The contractual limits on required upgrades are described below.

Equipment Upgrades

In addition to your obligation to maintain the Franchised Business, you must also undertake all periodic and ongoing upgrading as we require in the Manuals or otherwise in writing. For example, you must make, from time to time, the upgrades and other changes to the Computer System and related equipment as we may request in writing (collectively, “**Equipment Upgrades**”). We have the right to require any Equipment Upgrades we deem necessary for your Franchised Business. Other than as stated in this paragraph, there are no other limitations on our ability to require you to make Equipment Upgrades.

Website and Internet

We have the right, but not the obligation, to establish and maintain a website to promote the Marks and/or the System (the “Website”). We will have sole control over all aspects of the Website, and can discontinue operation of the Website at any time without notice to you. Unless you obtain our prior written consent, you are prohibited from establishing or maintaining a separate website or otherwise maintaining another presence on the Internet through any social networking site in connection with the operation of the Franchise Business. We have the right to modify or supplement our policies regarding social media and Internet use at any time in writing, whether as part of the Manuals, or otherwise.

We may, at our option, discontinue, replace, and/or modify the Website at any time and at our sole discretion. Nothing in this Section will limit our right to maintain websites other than the Website, or to maintain other portals.

Unless otherwise authorized by us, you will only use the “owlbethere.com” e-mail address we procure for you, related to or associated with the operation of your Franchise Business.

OBT Manuals

On request, we will permit you to view our Manuals and other manuals at our headquarters or elsewhere as mutually arranged before you sign a Franchise Agreement. The table of contents for our Manuals are attached to this Disclosure Document as Exhibit G. The Brand Standards Manual contains 51 pages. The Best Practices Manual contains 32 pages.

Franchisee Advisory Council

We have an Advisory Council (currently “Founders Circle Advisory Council”) made up of up to five franchisees and one member from our corporate office who serves as a liaison to these meetings. The Advisory Council meets every other month to discuss our growth plans and discuss other matters of common interest. We will consider the Advisory Council’s recommendations, but we have the sole right to accept or reject its recommendations. We have the right to change, modify or dissolve the Advisory Council.

Initial Training Program

You or your Operating Principal (if you are a business entity) must complete our initial training program to our satisfaction within sixty (60) days of the effective date of the Franchise Agreement unless you otherwise receive written permission from us for a different timeline. An “**Operating Principal**” is an individual who owns at least 51% of the equity interest in you and who we have approved to supervise the day-to-day operations of the Franchised Business. The fee for you to attend the initial training program is included in the \$10,000 Onboarding and Training Fee. The Onboarding and Training Fee covers, at our option, up to two individuals to attend our initial training program and to attend subsequent training sessions

concurrently. If a second owner or employee requires training sessions to be conducted at separate times (requiring additional hours from our executive team and staff), we will charge additional fees at our then-current hourly rate. In addition, we may permit additional individuals to attend initial training, at our option, but may charge a fee for those additional attendees to attend initial training.

The charts below generally summarize the subjects we typically cover in training and the approximate hours of instruction.

TRAINING PROGRAM

Initial Training Program (Pre-Opening)			
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Establishing Your Franchise Business	8	0	Northern VA, OBT Training Center
Referral Fees & Facilities Contracts	6	0	Northern VA, OBT Training Center
Monitoring, Reporting, KPIs	0	0	Northern VA, OBT Training Center
The Client Tours	4	0	Northern VA, OBT Training Center
Using the OBT Management Software	4	0	Northern VA, OBT Training Center
Client Service Offerings	3	0	Northern VA, OBT Training Center
Building Relationships with Your Referral Network	4	0	Northern VA, OBT Training Center
The OBT Client Intake Process & Forms	2	0	Northern VA, OBT Training Center
The OBT Sales and Marketing Approach	5	0	Northern VA, OBT Training Center
TOTAL	36	0	

Initial Training Program (Post-Opening)
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Subject	Training Hours	Location
The OBT Franchise System	0	Northern VA OBT Training Center via Zoom, or teleconference
Certified Senior Advisor (CSA) Certification The Journey of Aging Health Transitions as People Grow Older Quality of Life Choices for Older Adults Financial and Estate Planning for Age 65 and Older Federal and State Programs for Retirement Health Care Essential Ethics for Working with Older Adults (Your CSA Certification must be obtained no more than 120 days following your Business Open Date.)	60	Online in the Territory or at a CSA training location
Referral Fees & Facilities Contracts	6	Northern VA OBT Training Center via Zoom, or teleconference
Monitoring, Reporting, KPIs	4	Northern VA OBT Training Center via Zoom, or teleconference
The Client Tours	4	Northern VA OBT Training Center via Zoom, or teleconference
Using the OBT Management Software	6	Northern VA OBT Training Center via Zoom, or teleconference
Client Service Offerings	2	Northern VA OBT Training Center via Zoom, or teleconference
Building Relationships with Your Referral Network	9	Northern VA OBT Training Center via Zoom, or teleconference

The OBT Client Intake Process & Forms	10	Northern VA OBT Training Center via Zoom, or teleconference
The OBT Sales and Marketing Approach	15	Northern VA OBT Training Center via Zoom, or teleconference
Total	116	

We require that the pre-opening training portion of the initial training program be attended in person at our Northern Virginia OBT Training Center. We may require that franchisee return to the Northern Virginia OBT Training Center for a portion of the post-opening training of the initial training program to complete the initial training requirement. At our option, we may allow the franchisee to complete the post-opening portion of the initial training program via Zoom or teleconference. Our experience and observation is that franchise owners who are required to return for a second in-person training event experience earlier success as they open their own territory.

We may provide some of the training described in this chart either pre-or post-opening depending on your and our trainers' schedules and other factors. The post-opening training hours are not required to be completed before your franchise opens for business. A portion of the training described above is provided as on-the-job-training. We reserve the right to modify the training program, the schedule or frequency of training, and the location of your training at any time.

Our co-founder and Chief Executive Officer, David Greenwood, oversees our training programs. Mr. Greenwood has been with the Owl Be There brand since 2013 and has more than 10 years of industry experience in assisting individuals to seek information, consultation and advice regarding placement with care providers. He also has 14 years' experience in other healthcare and financial advisory roles geared towards the senior population. We may use additional or substitute instructors as needed, at our option. The training materials include our Manuals and other written materials that will be provided. Details of instruction and times for particular sessions may vary according to availability of staff, areas of concentration needed by trainees and other factors.

If you require or request additional training for services or ancillary services or consulting services outside the scope of our training program, we may charge additional fees for such training or consulting services. Currently, we charge a daily fee of \$500 plus expenses for any special assistance you request, however we reserve the right to change this fee. We may offer other required or optional training programs to your personnel, such as new service or product training, in locations we designate or via our online training site. If we direct you to do so, you must ensure that your employees satisfactorily complete any required training. You must cover all out-of-pocket expenses (if any) for you and your employees to participate in all travel, meal, lodging, and payroll expenses associated with sending attendees to our training programs.

Convention

You and other individuals we designate must attend an annual convention if we choose to host one. We may require you and any additional attendees we approve to pay a registration fee to attend the convention. We expect that the registration fee to attend the convention will not exceed \$1,250 per person. You will also be responsible for you and your additional attendees' costs and expenses to attend the convention, including transportation, meals and lodging. The convention will be hosted at a location we designate, which typically will be in the United States. If we make attendance mandatory, you must pay the registration fee even if you don't attend. If your Principal Owner or an Operating Manager do not attend the Convention two years in a row, you will be in default of your Franchise Agreement, and we may terminate your Franchise Agreement. We may increase the registration fee with 90 days' written notice prior to the event. We reserve the right not to hold an annual convention or other events.

Pricing

We have no obligation to assist you with establishing prices for your services and products, but we reserve the right to establish, advertise, and promote minimum and/or maximum prices on services and products, subject to applicable law. You must comply with any minimum or maximum prices we establish, subject to applicable law. Otherwise, you have sole discretion as to the prices you charge for authorized services and products.

ITEM 12 TERRITORY

Except as described below, you must provide the OBT Services and Products only for (i) the placement of individuals in private pay housing facilities and private pay care facilities located within the Territory, and (ii) in-home care at homes located within the Territory.

We designate a specific Territory for each Franchised Business. The factors that we consider in designating the Territory include the general characteristics and population density of the geographic area, demographic characteristics including senior age categories and household income, and the estimated number of senior living communities, residential senior housing facilities, hospitals, and rehabilitation centers. The Territory will generally consist of a population between 500,000 and 800,000 people according to the most recent census data. We may identify the Territory by zip codes, street boundaries, city boundaries or county boundaries. We reserve the right to create non-conforming territories to develop new and unique programs and methods of delivering Owl Be There services to the public.

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.

You may not use the Internet or any other channels to advertise or market the OBT Services and Products to clients and prospective clients located outside of the Territory.. Your placement of a client in another franchisee's territory without our prior written consent or in violation of our then-current System Placement Program is a breach of the Franchise Agreement.

You do not receive options, rights of first refusal or similar rights to acquire additional Franchised Businesses within the Territory. You are not given a right of first refusal on the sale of existing Franchised Businesses.

As long as you are in compliance with the Franchise Agreement, during the term of your Franchise Agreement, we will not authorize another OBT Business to offer, sell, or provide OBT Services and Products for (i) the placement of individuals in private pay housing facilities and private pay care facilities located within the Territory, and (ii) in-home care at homes located within the Territory, subject to the reservations and limitations described below. Under the Franchise Agreement, we and our affiliates retain all rights not expressly granted to you, including the following rights, without compensation or other recourse due to you, regardless of location, proximity to, or economic impact upon you or the Franchised Business:

1. To advertise and promote the System and brand within and outside of the Territory;
2. To operate, and license others to operate, OBT Businesses servicing any locations outside the Territory, including locations that are adjacent to the Territory and despite the proximity of such locations to the Territory or their actual or threatened impact on sales of the Franchised Business;
3. To offer and sell, or license others to offer and sell, any products or services (including those offered by the Franchised Business), under any marks (including the Marks) outside of the Territory, and through any means (including through an OBT Business);

4. To establish, operate, and license others to establish and operate any businesses other than OBT Businesses within and outside of the Territory;
5. To develop or become associated with other concepts (including other franchise systems), whether or not using the System and/or the Marks, and/or offer or sell franchises under such concepts, within and outside of the Territory;
6. To acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not) with outlets located anywhere and, even if such businesses are located in the Territory and offer and sell services and products similar or identical to the OBT Services and Products, including the placement of individuals at facilities located within the Territory: (i) convert the other businesses to OBT Businesses; (ii) permit the other businesses to continue to operate under another name; and/or (iii) permit the other businesses to operate under another name and convert existing OBT Businesses to such other name;
7. To provide OBT Services and Products to National Accounts located in the Territory;
8. To coordinate a System Placement Program, as described below and in the Manuals; or
9. To engage in any other activity, action or undertaking that we or our affiliates are not expressly prohibited from taking under the Franchise Agreement.

You must meet minimum performance criteria under the Franchise Agreement (the “**Minimum Performance Standards**”). Each Franchised Business must make minimum payments and demonstrate performance in terms of average numbers of client “**placements**” per month as described below:

Months of Term	Average placements per month	Minimum royalty payment
12	2	Greater of % of royalty or \$500
24	3	Greater of % of royalty or \$500
36	4	Greater of % of royalty or \$950
48	5	Greater of % of royalty or \$950
60	6	Greater of % of royalty or \$1,550
72	6	Greater of % of royalty or \$1,550
84 +	6	Greater of % of royalty or \$1,950

A “**placement**” or “**client placement**” means (i) admittance of an individual, for a reasonably anticipated initial period of at least thirty days, into a private pay housing facility or a private pay care facility located within the Territory, and (ii) the contracting of full-time in-home care for an individual for a reasonably anticipated initial period of at least thirty days. A placement occurs when you are paid for all or the first installment or portion of the payment for the placement.

Achieving the minimum “Average Placements per Month” can be demonstrated by achieving the average required placements per month over a the span of a 2-month or 3-month period prior to the end of the indicated month. Month 1 will start on the effective date of the Franchise Agreement and Month 12 will conclude one year after the effective date of the Franchise Agreement. Each successive 12-month period

will start on the conclusion of the immediately preceding 12-month period and will conclude one year after. If you fail to meet the Minimum Performance Standards, we may take one or more of the following actions, in addition to any of our additional rights and remedies under the Franchise Agreement:

1. reduce the size of the Territory, with a corresponding reduction in the minimum performance standard if we deem appropriate; and/or
2. permit other franchisees, or we or our affiliates, to provide OBT Services and Products for (i) the placement of individuals in private pay housing facilities and private pay care facilities located within the Territory, and (ii) in-home care at homes located within the Territory; and/or
3. terminate the Franchise Agreement.

In addition to the number of placements, you are also required to meet minimum royalty payments.

1. Months 3-24, Five Hundred Dollars (\$500) per month or the Royalty Fee calculation of the monthly Gross Sales percentage, whichever is greater.
2. Years 3 and 4, Nine Hundred and Fifty Dollars (\$950) per month or the Royalty Fee calculation of the monthly Gross Sales percentage, whichever is greater.
3. Years 5 and 6, One Thousand Five Hundred and Fifty Dollars (\$1,550) per month or the Royalty Fee calculation of the monthly Gross Sales percentage, whichever is greater.
4. Year 7 and beyond, One Thousand Nine Hundred and Fifty Dollars (\$1950) per month or the Royalty Fee calculation of the monthly Gross Sales percentage, whichever is greater.

We have the right, but not the obligation, to establish from time to time policies and procedures to facilitate and permit the offer, sale and provision of OBT Services and Products by OBT Businesses for (i) the placement of individuals in private pay housing facilities and private pay care facilities located outside of such OBT Businesses' respective territories or other designated geographic areas, including within the Territory, and (ii) in-home care at homes located outside of such OBT Businesses' respective territories or other designated geographic areas, including within the Territory (the "**System Placement Program**"). The System Placement Program will be described in the Manuals or otherwise in writing, and may, among other things: (1) contain terms and conditions for participation, (2) determine the eligibility of services provided by you under the System Placement Program for credit as a "placement" or "client placement", and (3) require OBT Businesses to (a) make referrals to, and perform services in connection with referrals received from, other OBT Businesses, and (b) make payment, in an amount determined by us, to us and/or other OBT Businesses in consideration for the receipt of such referrals and/or the performance of services in connection with such referrals. If established by us, you must at all times comply with the System Placement Program. The System Placement Program may result in the placement by other OBT Businesses of (x) individuals in private pay housing facilities and private pay care facilities located within the Territory, and (y) in-home care at homes located within the Territory.

We may offer and sell services and products through other channels of distribution, including the Internet, within the Territory, under the Marks, or under different trademarks without compensation to you. You are not permitted to advertise or market the OBT Services and Products to clients and prospective clients located outside the Territory or through other channels of distribution (such as catalog sales, telemarketing, or other direct marketing), except the channels of distribution we have specifically approved as reflected in the Manuals, including those websites that we have approved.

You may not change or relocate your Territory without our prior written consent. We currently do not anticipate any circumstances under which we will approve relocation of a franchisee's Territory once


established. We expect that you will operate the OBT Business as a home-based business, but you may rent your own commercial space from which to operate the OBT Business. We anticipate that you will not meet with clients and prospective clients in your home-based or other office and that you will meet with them at their homes, the care facilities, other locations or via video conferencing. While we anticipate that franchisees will generally locate their home-based or other office at a location within their Territory, we do not currently require you to do so and you may freely relocate your home-based or other office.

As described above, our affiliate CSLS provides similar services to those that are provided by OBT Businesses. We and our affiliates do not operate, franchise or plan to operate or franchise any business under a different trademark that sells or will sell services or products similar to those offered by the Franchised Business.

ITEM 13 TRADEMARKS

The Franchise Agreement grants you the right to use in the Territory the trade name and service mark “OWL BE THERE” and those other current or future Marks that we designate for the operation of your Franchised Business.

Our affiliate, OBT IP, owns the following Marks on the principal register of the United States Patent and Trademark Office (“USPTO”). OBT IP intends to renew the registrations for the Marks listed below. All required affidavits have been filed.

Mark	Registration Number	Registration Date
OWL BE THERE	6148981	September 8, 2020
 Owl Be There	6339320	May 4, 2021

There is no presently effective determination of the USPTO, the trademark administrator of any state, or any court, and no pending interference, opposition or cancellation proceeding or any pending material litigation involving the Marks. Except as described below, there are no agreements currently in effect which significantly limit our rights to use or license the use of such trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to the franchise.

OBT IP has licensed to us the perpetual right to use the Marks and the System, and to sublicense the use of the Marks and the System to operate Franchised Business under a trademark and system license agreement (the “**Trademark License Agreement**”) effective as of October 26, 2020. The parties may terminate the Trademark License Agreement by mutual written agreement at any time. Either party may terminate the Trademark License Agreement by written notice to the other if a material breach of the Trademark License Agreement occurs and is not cured within 30 days after the non-breaching party gives the breaching party notice of the breach. If the Trademark License Agreement is terminated, any then-existing Franchise Agreements will continue for the duration of their terms, provided that the Franchisees comply with all other terms of their Franchise Agreements. The Trademark License Agreement contains no other material limitations.

You cannot use the Marks as part of a corporate, limited liability company, or partnership name or with modifying words, designs or symbols. You may not use the Marks in connection with the sale of any unauthorized products or services or in any manner not authorized by us. You must operate the Franchised Business only as “Owl Be There” and you may not use any other name in connection with the operation of the Franchised Business.

For all proposed advertising, marketing, and promotional plans, you must follow and comply with our policies, procedures, guidelines and standards as set out in the Manuals or otherwise in writing, which may be modified from time to time.

You must promptly notify us of any unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our affiliate's ownership of, right to use and to license others to use, or your right to use, the Marks. As between you and us, we have the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. As between you and us, we also have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks.

If we undertake the defense or prosecution of any litigation concerning the Marks, you must sign any documents and agree to do the things as may, in our counsel's opinion, be necessary to carry out that defense or prosecution, such as becoming a nominal party to any legal action. Unless the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out of pocket costs in doing these things (although you will still be responsible for the salary costs of your employees) and we will bear the costs of any judgment or settlement. However, if the litigation results from your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, then you will have to reimburse us for the cost of the litigation, including attorneys' fees, as well as the cost of any judgment or settlement. We do not have to indemnify you against, or reimburse you for, any damages that you suffer in any proceeding arising out of the use of any name or Mark, or for any costs incurred by you in the defense of any of those claims.

We reserve the right to substitute different proprietary marks for use in identifying the System and the businesses operating under it, at our sole discretion. We will have no obligation or liability to you to bear the costs of conforming to our new Marks as a result of this substitution. We also have the right at any time to modify, discontinue, add to, or substitute the Marks that you are licensed to use under the Franchise Agreement.

We may grant other licenses for the Marks, in addition to those granted to you. We can use the Marks to sell products and services. We also can develop and establish other systems using the same or similar Marks or other marks, and we can grant rights to others to use them without extending them to you for your use.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no patents material to the Franchised Business.

Our affiliate, OBT IP, claims copyright protection in our Manuals and related materials, although neither we nor OBT IP have registered those copyrights with the United State Copyright Office. We consider the Manuals and related materials confidential, proprietary and our affiliate's property. You may use them only in the operation of your Franchised Business as provided in the Franchise Agreement. You may not use our and our affiliate's confidential and proprietary information in any unauthorized manner and must take reasonable steps to prevent its disclosure to others. Your right to use those materials continues as long as the Franchise Agreement remains in effect.

Neither the United States Copyright Office nor any court has made any currently effective determinations regarding any of our copyrighted materials. We have no agreements in effect that significantly limit our right to use or license the use of our copyrighted materials. Finally, we know of no infringing uses that could materially affect your use of our copyrighted materials in any state. We have no obligation to protect or defend our copyrights or confidential information, although we intend to do so when in the best interest of our System.

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

Your designated General Manager, or the designated Operating Principal must participate personally in the direct operation of the Franchised Business. The General Manager or Operating Principal must dedicate his or her full-time efforts to your business. “Full-time” is defined as the expenditure of at least 35 hours of work per week, including vacation, sick leave, and other excused absences. You or Your designated Operating Principal must attend and satisfactorily complete the initial training program conducted by us. We may require or permit additional individuals (i.e., your designated General Manager) to attend some or all of the initial training program, at our option and may require you to pay a fee for their attendance. Your designated Operating Principal will oversee the management and supervision of the Franchised Business. Your Operating Principal will control and be solely responsible for the day-to-day operation of the Franchised Business and the terms and conditions and employment of your personnel, including the soliciting, hiring, firing, disciplining, paying, scheduling, and managing of your employees. The Operating Principal must have at least a 51% equity ownership interest in you. Your General Manager, if not the Operating Principal, is not required to possess any equity interest in the franchised business. If you have a General Manager, your General Manager will be responsible for the oversight and management of the day-to-day operations and personnel. The General Manager and the Operating Principal may be the same person, if he/she is qualified to perform both roles and duties and is approved by us.

All functions of the Franchised Business must be provided by you or your employees, except as we designate or prescribe in the Manuals.

The Operating Principal and General Manager must sign a Non-Disclosure and Non-Competition Agreement, the form of which is attached to the Franchise Agreement as Exhibit E. All of your employees and other agents or representatives who may have access to our confidential information must sign a confidentiality agreement (unless they have already signed a Non-Disclosure and Non-Competition Agreement), in a form that we provide. If you are a legal entity, each owner (each person holding an ownership interest in you) and their spouse, if applicable, must sign a Guarantee, Indemnification, and Acknowledgment Agreement guarantying the obligations of the legal entity, the form of which is attached to the Franchise Agreement as Exhibit C.

You must maintain a staff sufficient to adequately serve the client base of your territory or territories, and sufficient to achieve compliance with your minimum performance standard. You may employ a marketer(s) or administrator(s), depending on your role in the Franchised Business. If you are awarded multiple Franchised Businesses, in addition to the staffing above, you must also employ, on a full-time basis, a dedicated marketer for each additional territory.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must provide only the OBT Services and Products and/or other services or products that we approve. You may not perform any services or offer for sale any products that we have not authorized in writing. We have the right to change the OBT Services and Products and any other types of authorized services and products, without limitation.

You may provide the OBT Services and Products only for (i) the placement of individuals in private pay housing facilities and private pay care facilities located within the Territory, and (ii) in-home care at homes located within the Territory, except as we may otherwise approve as part of the System Placement Program. You must keep your Franchised Business open and in normal operation for such hours and days as we may from time to time specify in the Manuals or as we may otherwise approve in writing.

OBT reserves the right to develop a national accounts program for the benefit of the System and Franchisees, and other operators of the System. A “**National Account**” is a client, a group of clients, or an organization or entity that has the right, by common ownership, control, or legal status, to arrange for OBT Services and Products to be provided at multiple locations, for the placement at facilities and in home-care and/or for multiple clients, regardless of whether local, regional or national in scope. National Accounts may include a variety of different organizations, including state or local government agencies, insurance companies, or institutional referral sources. The locations of some of the National Account clients may be in the Territory and they may also have locations in other OBT Businesses’ Territories or areas. National Accounts may also require services for placement at facilities located in the Territory or for in-home care at homes located in the Territory.

If a National Account requires the OBT Services and Products for the placement of individuals in private pay housing facilities and private pay care facilities located within the Territory, and in-home care at homes located within the Territory, you are in compliance with this Agreement, and we determine that you are capable of fully providing the OBT Services and Products in accordance with the terms of the National Account agreement within the Territory, we will offer you the right to provide the OBT Services and Products in accordance with the terms of the National Account agreement, including price terms, and such other terms as OBT we may designate. If you elect not to provide the OBT Services and Products in accordance with the National Account agreement or fail to respond to OBT’s offer within a reasonable time (which in no event will be more than seven days), we will have the right to provide or to authorize a third party to provide OBT Services and Products in accordance with the National Account agreement, including any amendment, renewal or extension of the National Account agreement, without violating your territorial or other rights. You agree to comply with our National Accounts rules and policies as they may be modified from time to time.

We may change, supplement, improve, or modify the System at any time, as we deem appropriate. These changes may include, among others, the adoption or use of new or different services, products or equipment for Franchised Business; development of new techniques and methods for the promotion and sale of services and products; and the use of new marks or copyrights. You must, upon reasonable notice, accept, adopt, implement, use, and display any change to the System we may make, at your expense. There are no limits on our right to make changes.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The following table lists certain important provisions of the Franchise Agreement pertaining to renewals, terminations, transfers and dispute resolutions. You should read those provisions in the Franchise Agreement attached as Exhibit C to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provision	Section in the Agreement	Summary
a. Term of the franchise	2.1	The initial term expires 10 years after the Effective Date of the Franchise Agreement.
b. Renewal or extension of the term	2.2	If you are in good standing and meet other requirements you may renew for one additional term, which will be for 10 years.

Provision	Section in the Agreement	Summary
c. Requirements for you to renew or extend	2.2.1 – 7	Renewal means the right to sign a successor franchise agreement. Among other things, no default may exist under the existing agreement; you must provide notice of renewal at least 12 months in advance and no more than 18 months in advance prior to expiration of the initial term; we may require that you sign a then-current form of Franchise Agreement, which may have materially different terms and conditions than your existing Franchise Agreement (including an increase in the fees payable by you), sign a general release (see Exhibit F), all monetary obligations have been met, and pay a Renewal Fee. We also may require that you complete additional training.
d. Termination by you	Not Applicable	Not Applicable, subject to state law.
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	13	We may terminate the Franchise Agreement upon default.
g. “Cause” defined defaults which can be cured	13.3	Except for defaults that cannot be cured (see below), you have 30 days to cure Franchise Agreement defaults, but 5 days to cure monetary defaults.
h. “Cause” defined defaults which cannot be cured	13.1, 13.2, and 13.4	“ Cause ” includes danger to health or safety, bankruptcy, assignment for the benefit of creditors, felony conviction, repeated violations, execution of levy not discharged within five days, attachment of property, and unsatisfied final judgments of \$10,000 or more for 30 days or longer, and default under any other agreement between you and us or our affiliates.
i. Your obligations on termination and non-renewal	14.1, 10.6	You must cease to operate the Franchised Business, pay any amounts due plus damages, cease the use of our Marks, return our manuals, de-identify the Studio, cancel any assumed name or equivalent registration, which contains the Marks, and comply with post-term covenant not to compete.
j. Assignment of contract by us	12.1	The Franchise Agreement has no restriction on our right to assign.
k. “Transfer” by you – definition	12.3	The term “ transfer ” includes the transfer of the Franchise Agreement, the assets of the Franchised Business, or any interest in you.
l. Our approval of transfer by you	12.4	We have the right to approve all transfers; we will not withhold our consent unreasonably.
m. Conditions for our approval of transfer	12.4	No default may exist and you must pay all amounts due and sign a general release; the transferee must complete our training and meet all of our other requirements, sign our then-current form of Franchise Agreement, and pay a transfer fee.

Provision	Section in the Agreement	Summary
n. Our right of first refusal to acquire your business	12.6	We have an option for 30 days to purchase upon same terms and conditions offered to the third party.
o. Our option to purchase your business	Not Applicable.	Not Applicable.
p. Your death or disability	12.7 and 12.8	Upon your death or disability, your interest in the Franchise Agreement or Franchisee must be transferred to a third party whom we approve. We will not withhold consent unreasonably to a transfer to a third party within 6 months, provided the transferee meets our general conditions of transfer.
q. Non-competition covenants during the term of the franchise	10.5	You cannot divert business to a competitor. You cannot have involvement in or operate any “ competitive business ” anywhere in the U.S., which means any business that provides assistance in connection with the placement of individuals in senior care or assisted living facilities, including, any business that provides any services that are the same as or substantially similar to or competitive with the OBT Services and Products.
r. Non-competition covenants after the franchise terminates or expires	10.6	For a period of two years, you cannot have an interest in or operate a competitive business within 75 miles of the Territory boundaries, or within 75 miles of any OBT Business.
s. Modification of the agreement	23	The Franchise Agreement may not be modified unless you and we mutually agree in writing to modify it. The Manuals are subject to change.
t. Integration/ merger clause	23	Only the written terms of the Franchise Agreement and exhibits bind the parties (subject to applicable state law). Any representations or promises outside of this Disclosure Document and Franchise Agreement may not be enforceable. Subject to applicable state law.
u. Dispute resolution by arbitration or mediation	17	The parties must arbitrate any controversy or claim, except that either party may file for preliminary injunctive relief, a restraining order, or order of specific performance, including, without limitation, injunctive relief pertaining to the use of the OBT System and Marks. Subject to applicable state law.
v. Choice of forum	17.2 and 17.3	Any litigation or arbitration must take place in Springfield, Virginia, subject to applicable state law. See Exhibit D.
w. Choice of law	17.1 and 17.3	Virginia law applies, subject to applicable state law. See Exhibit D.

ITEM 18 PUBLIC FIGURES

We currently do not use any public figures to promote the Franchised Business.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The Federal Trade Commission's Franchise Rule permits us to provide information about the actual or potential financial performance of our franchised and/or company-owned Franchised Businesses, if a reasonable basis for the information exists and we include the information in this Disclosure Document. We may give financial performance information that differs from the information included in this Item 19 only if (1) we provide the actual records of an existing Franchised Business that you are buying or (2) we supplement the information provided in this item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The following tables include historical information for the 2024 fiscal year (July 1, 2023 – June 30, 2024) regarding all OBT Businesses that were open for all of the 2024 fiscal year. Table 1 includes historical information related to OBT Franchised Businesses and Table 2 includes historical information related to our company-owned OBT outlet. OBT Franchised Businesses that were not open and operating for all of the 2024 fiscal year are not included. As of June 30, 2024, we had six OBT Franchised Businesses open and operating. Of those, three (50%) were open for all of the 2024 fiscal year. Those three OBT Franchised Businesses, which had been operating for an average of 24.6 months as of June 30, 2024, operate in the Washington, D.C. Metropolitan Area, in Charlotte, North Carolina, and in Wilmington, DE / Philadelphia, PA, all of which have a higher cost-of-living than the U.S. average. Our company-owned outlet also operates in the Washington, D.C. Metropolitan Area. In our experience, neither the characteristics of the OBT Franchised Businesses, nor our company-owned outlet, included in the table differ materially from those of a franchise offered under this Disclosure Document. No OBT Franchised Businesses closed during the 2024 fiscal year after being open for less than 12 months. The data in the following table is based on information provided to us by the relevant franchisees.

Table 1

Annual Gross Sales and Placement Values of OBT Franchised Businesses Fiscal Year 2024 (July 1, 2023 – June 30, 2024)					
Average Gross Sales	Median Gross Sales	Gross Sales Range	Average Placement Value	Median Placement Value	Placement Value Range
\$89,251	\$81,561	\$75,761 - \$110,432	\$4,250	\$3,498	\$190 - \$10,076

Table 2

Annual Gross Sales and Placement Values of OBT Company-Owned Businesses Fiscal Year 2024 (July 1, 2023 - June 30, 2024)*					
Average Gross Sales	Median Gross Sales	Gross Sales Range	Average Placement Value	Median Placement Value	Placement Value Range

\$218,066	\$218,066	n/a	\$5,102	\$5,500	\$129 - \$12,000
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* Our company-owned outlet's financial performance represents performance for a mature territory comparable in size to the average franchise territory size in fiscal year 2024; specifically, the average size of the three reported franchised territories (average population = 781,533). Our company-owned outlet's territory was calculated using the population of the zip codes in which it did business (i.e., collected fees) in fiscal year 2024. Total gross sales for our company-owned outlet for fiscal year 2024 was \$658,205.86.

NOTES

- (1) Our 2024 fiscal year is the 365-day period commencing on July 1 and ending on June 30. The term "average" refers to the sum of all data points in a set, divided by the number of data points in that set. The term "median" is the numerical value separating the higher half of the sample from the lower half of the sample.
- (2) "Gross Sales" has the same meaning as defined in the Franchise Agreement and means the total gross revenue from the provision of all services and products sold or performed by or for Franchisee in, at, from or away from the Franchised Business, or through or by means of the Franchised Business, including all client fees and payments, including, without limitation, placement fees, client agreement fees, subscription fees, corporate/third party payor fees, or retainer fees, and proceeds from any business interruption insurance, less sales taxes, use taxes, or other taxes, or client or customer refunds or credits.
- (3) Of the three OBT Franchised Businesses included in the above table, one (33%) met or exceeded the Average Gross Sales for the 2024 fiscal year.
- (4) A "placement" or "client placement" means (i) admittance of an individual, for a reasonably anticipated initial period of at least thirty days, into a private pay housing facility or a private pay care facility located within a territory, and (ii) the contracting of full-time in-home care for an individual for a reasonably anticipated initial period of at least thirty days. A placement occurs when the franchised business is paid for all or the first installment or portion of the payment for the placement. For purposes of this Item 19, the placement of two individuals in a single unit is treated as one placement. If an individual moved from one referred/receiving facility to a new referred/receiving facility or to a referred home care service, it is treated as two placements (or more, depending on the number of moves). "Average Placement Value" means the total annual gross placement fees collected by a OBT Franchised Business from providers, divided by the number of placements made by the OBT Franchised Business during the fiscal year.
- (5) Of the three OBT Franchised Businesses included in the above table, two (66%) met or exceeded the Average Placement Value for the 2024 fiscal year.

The information presented in this Item 19 has not been audited. You should conduct an independent investigation of the costs and expenses you will incur in operating your OBT Business.

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

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any representations about a Franchisee's future financial performance or the past financial performance of company-owned or

franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our President, Laura Greenwood, at 6200 Rolling Road #2400, Springfield, VA 22152 or Laura.greenwood@owlbethere.com and (703) 981-7890, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEM-WIDE OUTLET SUMMARY
FOR FISCAL YEARS 2022 TO 2024

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2022	0	2	+2
	2023	2	4	+2
	2024	4	5	+1
Company-Owned*	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	1	3	+2
	2023	3	5	+2
	2024	5	6	+1

*Our affiliate, CSLS, operates a business that provides services and products similar to those provided by an OBT Business.

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR)
FOR FISCAL YEARS 2022 TO 2024

State	Year	Number of Transfers
All States	2022	0
	2023	0
	2024	0
Totals	2022	0
	2023	0
	2024	0

TABLE NO. 3
FRANCHISED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Outlets Reacquired by Franchisor	Outlet Ceased Operations for Other Reasons	Outlets at End of the Year
Arizona	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Colorado	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Delaware	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Maryland	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
North Carolina	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	1	0	0	0	0
Totals	2022	0	2	0	0	0	0	2
	2023	2	2	0	0	0	0	4
	2024	4	2	1	0	0	0	5

TABLE NO. 4
COMPANY-OWNED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets At End of Year
Virginia	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets At End of Year
	2024	1	0	0	0	0	1
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

**TABLE NO. 5
PROJECTED OPENINGS
AS OF JUNE 30, 2024**

State	Franchise Agreement Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
Florida	2	2	0
Georgia	0	2	0
Louisiana	1	0	0
Maryland	1	1	0
North Carolina	0	1	0
Pennsylvania	0	2	0
Tennessee	0	1	0
Texas	0	0	0
Totals	4	9	0

Our most recent fiscal year end was June 30, 2024.

List of Current and Former Franchisees

Exhibit E reflects the name of each of our franchisees and the address and telephone numbers of their businesses as of June 30, 2024. Exhibit E also reflects the name, city, state, and current business telephone number of every franchisee who ceased to do business under the Franchise Agreement or had an outlet terminated, canceled, not renewed, or transferred within the last fiscal year ended June 30, 2024, or who has not communicated with us within 10 weeks of the application date of this Disclosure Document.

Purchase of Previously-Owned Franchise

If you are purchasing a previously-owned franchised outlet, we will provide you additional information on the previously-owned franchised outlet in an addendum to this Disclosure Document.

Confidentiality Clauses

In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with OBT. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Trademark-Specific Franchisee Organizations

There is no active Franchisee organization associated with the System.

ITEM 21 FINANCIAL STATEMENTS

Exhibit B to this Disclosure Document contains our audited financial statements as of June 30, 2024, and June 30, 2023, and June 30, 2022. Also included in Exhibit B is our unaudited balance sheet as of November 1, 2024. Our fiscal year ends June 30th each year.

ITEM 22 CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit C	Franchise Agreement (and Exhibits)
Exhibit D	State Specific Addenda
Exhibit F	Form of General Release
Exhibit H.	Franchisee Disclosure Acknowledgment

ITEM 23 RECEIPTS

Attached as the last two pages of this Disclosure Document are duplicate Receipts. Please sign and return one copy to us and keep the other copy for your records.

EXHIBIT A

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard State Capitol, 14 th Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East 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	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B
FINANCIAL STATEMENTS

Exhibit B

Owl Be There Franchising, LLC

(A Virginia Limited Liability Company)

**Financial Statements with Report of Independent Auditors
June 30, 2024**

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Report of Independent Auditors

To the Member of
Owl Be There Franchising, LLC:

Opinion

We have audited the accompanying financial statements of Owl Be There Franchising, LLC (the Company), a Virginia limited liability company, which comprise the balance sheet as of June 30, 2024, and the related statements of operations, changes in member's equity and cashflow 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 the Company as of June 30, 2024, and the results of its operations and its cashflows for the year ended June 30, 2024 in accordance with accounting principles generally accepted in the United States of America.

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 required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after September 26, 2024.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

DA Advisory Group PLLC

Troy, MI
September 26, 2024

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
BALANCE SHEET
As of June 30, 2024

	<u>2024</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,849
Undeposited funds	750
Accounts receivable	70,600
Prepaid expenses	7,475
Prepaid commissions, current	<u>17,604</u>
Total current assets	101,278
Other assets:	
Prepaid commissions, net of current portion	88,217
Software	<u>4,935</u>
Total other assets	93,152
Total assets	<u><u>\$ 194,430</u></u>
LIABILITIES AND MEMBER'S DEFICIT	
Current liabilities:	
Accounts payable	\$ -
Credit cards	7,456
Accrued expenses and other current liabilities	4,368
Deferred revenue-current	93,067
Due to related party	<u>-</u>
Total current liabilities	104,891
Noncurrent liabilities:	
Deferred revenue - net of current portion	<u>312,097</u>
Total liabilities	<u>416,988</u>
Member's deficit	<u>(222,558)</u>
Total liabilities and member's deficit	<u><u>\$ 194,430</u></u>

see accompanying notes

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2024

	<u>2024</u>
REVENUE	
Franchise fees	\$ 102,283
Technology fees	63,218
Royalties	<u>39,308</u>
Total revenue	204,809
OPERATING EXPENSES	
Selling and administrative expenses	<u>368,204</u>
Operating loss	(163,395)
Other income	3,940
Net loss	<u><u>\$ (159,455)</u></u>

see accompanying notes

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
STATEMENT OF CHANGES IN MEMBER'S EQUITY (DEFICIT)
For the Year Ended June 30, 2024

	<u>2024</u>
BALANCE, JUNE 30, 2023	<u><u>\$ (16,103)</u></u>
Capital contributions	213,500
Capital distributions	(260,500)
Net loss	<u>(159,455)</u>
BALANCE, JUNE 30, 2024	<u><u>\$ (222,558)</u></u>

see accompanying notes

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	\$ (159,455)
Change in:	
Undeposited funds	(750)
Accounts receivable	(67,463)
Prepaid commissions	(12,403)
Accounts payable	(1,044)
Credit cards	7,456
Accrued expenses and other current liabilities	(13,870)
Due to related party	(634)
Deferred revenue - current	66,467
Deferred revenue - noncurrent	<u>152,729</u>
Net cash used in operating activities	<u>(28,967)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Software purchases	<u>(4,935)</u>
Net cash used in investing activities	<u>(4,935)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Equity adjustments	-
Member capital contributions	213,500
Member capital distributions	<u>(260,500)</u>
Net cash used in financing activities	<u>(47,000)</u>
Net change in cash and cash equivalents	\$ (80,902)
Cash and cash equivalents at beginning of year	<u>85,751</u>
Cash and cash equivalents at end of year	<u>\$ 4,849</u>
Total cash and cash equivalents	<u>\$ 4,849</u>

see accompanying notes

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

1. Organization

Owl Be There Franchising, LLC (the "Company" or "Franchisor"), a wholly-owned subsidiary of OBT Corporation (the "Parent"), was formed on October 2, 2020, as a Virginia limited liability company to sell franchises pursuant to a non-exclusive license agreement dated October 26, 2020, between the Company and Owl Be There Intellectual Property LLC (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate businesses known as "Owl Be There" in the United States of America. Franchisees will operate a business offering support for those seeking information, consultation and advice for the placement of an individual in a private pay housing and/or care facility or in a home-care facility and the related services and products that the Company designates or approves.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

For the year ended June 30, 2024, capital contributions were \$213,500 and total member distributions were \$260,500.

Franchised outlets

The following data reflects the status of the Company's franchises as of June 30, 2024 and activity for the year then ended:

Franchises sold	5
Franchises purchased	-
Franchised outlets in operation	4
Franchised outlets not yet open	4
Franchisor-owned outlets in operation	-
Affiliated by common ownership outlets	
in operation	-
Terminated outlets	1

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

2. Summary of significant accounting policies and nature of operations (continued)

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

The Company maintains its cash in bank deposit accounts which, could exceed federally insured limits. The Company has not experienced an instance where cash held in the account exceeded insured limits since their inception and have not had losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable

Accounts receivable arise in the normal course of business through franchise sales and royalties earned. The timing of revenue recognition may be different from the timing of invoicing to customers. The Company records accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received.

The Company had no bad debt expense for the year ended June 30, 2024. The Company had no allowance for doubtful accounts as of June 30, 2024.

Royalties receivable

Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. No write-offs were made in the reporting period. Royalties receivable is captured with accounts receivable on the balance sheet.

Revenue and cost recognition

The Company derives its revenues from franchise agreements related to franchise fee revenue, royalty revenue, technology fees, transfer fees and brand fund revenue.

Franchise fees and royalties

Contract consideration from franchisees primarily consists of initial or renewal franchise fees, sales-based royalties, sales-based brand fund fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The initial franchise fees are nonrefundable and collectible when the underlying franchise agreement is signed by the franchisee. Sales-based royalties and marketing fund fees are payable on a monthly basis. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

2. Summary of significant accounting policies and nature of operations (continued)

The Company's primary performance obligation under the franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include site selection, training and other such activities commonly referred to collectively as "pre-opening activities."

Pre-opening activities consistent with those under ASU No. 2021- 02, Franchisors - Revenue from Contracts with Customers (Subtopic 952-606) ("ASU 2021-02"), are recognized as a single performance obligation.

For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The portion of pre-opening activities that is not brand specific will be deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property, and will therefore be accounted for as a separate performance obligation. All other pre-opening activities are expected to be highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific, are recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 is recognized when those performance obligations are satisfied. Initial and renewal franchise fees allocated to the right to use the Company's intellectual property will be recognized as revenue on a straight-line basis over the term of the respective franchise agreement. Royalties are earned as a percentage of a franchisee's gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

National brand fund

The Company reserves the right to maintain a national brand fund which will be established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. National brand fund fees will be collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the national brand fund and therefore will recognize the revenues and expenses related to the national brand fund on a gross basis.

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

2. Summary of significant accounting policies and nature of operations (continued)

The Company has determined that the right to access its intellectual property and administration of the national brand fund are highly interrelated and therefore will be accounted for as a single performance obligation.

As a result, revenues from the national brand fund represent sales-based royalties related to the right to access the Company's intellectual property, which will be recognized as franchisee sales occur.

When brand fund fees exceed the related national brand fund expenses in a reporting period, advertising costs will be accrued up to the amount of national brand fund revenues recognized. As of June 30, 2024, the Company has not yet established the national brand fund.

Other revenues

The Company recognizes revenue from other fees and other services, consisting of software system services provided to the franchisees, as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement.

Advertising

The Company expenses costs for advertising as the costs are incurred. Total advertising expenses for the year ended June 30, 2024, were \$173,269.

Income taxes

The Company has elected to be taxed as a flow-through entity under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax returns of its members and no provisions for federal or state franchise taxes have been recorded on the accompanying balance sheet.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB Accounting Standards Codification ("ASC") 740, Income Taxes. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at June 30, 2024.

The Parent files income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

2. Summary of significant accounting policies and nature of operations (continued)

Fair value of financial instruments

The Fair Value Measurements and Disclosure Topic of the FASB Accounting Codification establishes a framework for measuring fair value that is based on the inputs market participants use to determine fair value of an asset or liability and establishes a fair value hierarchy to prioritize those inputs.

The accounting guidance describes a hierarchy of three levels of input that may be used to measure fair value:

- | | |
|---------|--|
| Level 1 | Inputs based on quote prices in active markets for identical assets and liabilities. |
| Level 2 | Inputs other than Level 1 quoted prices, such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability. |
| Level 3 | Unobservable inputs based on little market or no market activity and which are significant to the fair value of the assets and liabilities. |

The Company's material financial instruments consist of primarily cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses. The fair values of cash, accounts and notes receivable, accounts payable and accrued expenses are equal to their carrying values based on their liquidity. The fair value measurement of these assets is categorized as Level 1. For the Company's financial instruments which consist of cash and cash equivalents the carrying amounts approximate fair value due to their short maturities.

Leases

The Company determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease.

For leases with a lease term of 12 months or less (a "Short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term and are not recognized on the balance sheet. Lease terms include the noncancelable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Company uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments.

Certain leases contain fixed and determinable escalation clauses for which the Company recognizes rental expense under these leases on the straight-line basis over the lease terms, which include the period of time from when the Company takes possession of the leased space. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

3. Revenues and related contract balances

Disaggregated revenues

The Company incurs payroll expenses through a related party and reimburses the related party for such costs. Additionally, we note that of the six operating franchise locations, three are corporate owned franchises and the other three are franchised by related parties.

The Company derives its revenues from franchisees located in the Southeast and Mid- Atlantic regions of the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States, and the Company's ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by timing of revenue recognition by type of revenue, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenues by timing of recognition for the year ended July 30, 2024, are as follows:

	<u>2024</u>
<i>Point in time:</i>	
Royalties	\$ 39,308
Technology fees	63,218
Franchise fees	<u>80,110</u>
Total point in time	182,636
 <i>Over time:</i>	
Franchise fees	<u>22,173</u>
Total over time	<u>22,173</u>
 Total revenue	 <u>\$ 204,809</u>

Contract balances

Contract liabilities are comprised of unamortized initial franchise fees received from franchisees, which are presented as "Deferred revenues" in the accompanying balance sheet. A summary of significant changes in deferred revenues during the year ended June 30, 2024, is as follows:

	<u>2024</u>
Deferred revenue - beginning of year	\$ 185,968
Additions for initial franchise fees received	321,480
Revenue recognized during the year	<u>(102,284)</u>
Deferred revenues- end of year	<u>\$ 405,164</u>

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

3. Revenues and related contract balances (continued)

At June 30, 2024, deferred revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

<u>Year ending June 30, 2024</u>	<u>Amount</u>
2025	\$ 93,067
2026	39,716
2027	39,716
2028	39,716
2029	39,716
Thereafter	<u>153,233</u>
Total	<u>\$ 405,164</u>

Deferred revenues as of June 30, 2024, consisted of the following:

	<u>2024</u>
Franchise units not yet opened	\$ 192,220
Opened franchise units	<u>212,944</u>
Total	<u>\$ 405,164</u>

Direct and incremental costs, principally consisting of commissions, are included in "Prepaid commissions" in the accompanying balance sheets. The direct and incremental costs expected to be recognized over the remaining term of the associated franchise agreements at June 30, 2024, are as follows:

<u>Year ending June 30:</u>	
2025	\$ 17,603
2026	10,845
2027	10,845
2028	10,845
2029	10,845
Thereafter	<u>44,838</u>
Total	<u>\$ 105,821</u>

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4. Related-party transactions

License agreement

On October 26, 2020, the Company entered into a perpetual non-exclusive license agreement (the "license agreement") with the Licensor, a related party under common ownership, for the use of the registered name "Owl Be There."

Pursuant to the license agreement, the Company acquired the right to sell "Owl Be There" franchises, and the right to earn franchise fees, royalties and other fees from franchisees. In accordance with the license agreement, the Company will be required to pay the Licensor a license fee based on the Company's gross revenue, as defined. For the year ended June 30, 2024, the Company incurred license fees of \$9,894.

Related-party revenues

The Company receives technology fees from an entity related to the Company by common ownership and control. For the year ended June 30, 2024, technology fees earned from the related party totaled \$9,000 and are included in "Technology fees" in the accompanying statements of operations and member's equity. There were no receivables related to technology fees owed from this related party as of June 30, 2024.

Related-party transactions

In the ordinary course of business, the Company periodically advances funds to and receives funds from a party related to the Company by common ownership and control. No interest is charged on these advances. Advances to and from the related party are unsecured and have no specific repayment terms. Management expects such balances to be settled within the next 12 months of the balance sheet date. At June 30, 2024, the balance due to the affiliate is \$0.

5. National brand and cooperative funds

Brand fund

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect brand fund fees of up to 3% of franchisees' reported sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. As of June 30, 2024, the Company has not yet established the brand fund.

Regional advertising cooperative

The Company reserves the right to establish a regional advertising cooperative (the "Cooperative") in order to designate any geographical area for the purpose of establishing a market brand fund. Franchisees will contribute no more than 2% of the preceding month's gross sales. Any contribution to the Cooperative will be credited towards the national brand fund fee or the franchisee's local marketing and engagement expenditure. As of June 30, 2024, the Company has not yet established the Cooperative.

Owl Be There Franchising, LLC
(A Virginia Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

6. Commitments and contingencies

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

Lease agreement

The Company entered into a month-to-month lease agreement effective November 18, 2021, with monthly rental payments of \$1,000. Effective January 1, 2022, the lease agreement was amended, at which time, the monthly rent became \$500. Rent expense for the year ended June 30, 2024, amounted to \$11,579.

7. Subsequent events

Subsequent events have been evaluated through September 26, 2024, which is the date the financial statements were available to be issued. No significant events or transactions were identified that would require adjustment to the financial statements or disclosure.

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022 AND
PERIOD FROM OCTOBER 2, 2020 (INCEPTION)
THROUGH JUNE 30, 2021

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022 AND
FOR THE PERIOD FROM OCTOBER 2, 2020 (INCEPTION)
THROUGH JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Member
Owl Be There Franchising, LLC

Opinion

We have audited the accompanying financial statements of Owl Be There Franchising, LLC (a limited liability company), which comprise the balance sheets as of June 30, 2023 and 2022, and the related statements of operations and member's equity (deficit) and cash flows for the years ended June 30, 2023 and 2022, and for the period from October 2, 2020 (inception) through June 30, 2021, 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 Owl Be There Franchising, LLC as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years ended June 30, 2023 and 2022, and for the period from October 2, 2020 (inception) through June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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


CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
September 29, 2023

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
BALANCE SHEETS
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 85,751	\$ 89,483
Accounts receivable	3,137	530
Prepaid expenses	7,475	5,338
Prepaid commissions, current	<u>12,675</u>	<u>6,528</u>
Total current assets	109,038	101,879
Other asset:		
Prepaid commissions, net of current portion	<u>80,743</u>	<u>33,909</u>
TOTAL ASSETS	<u>\$ 189,781</u>	<u>\$ 135,788</u>
<u>LIABILITIES AND MEMBER'S DEFICIT</u>		
Current liabilities:		
Accounts payable	\$ 1,044	\$ 26,888
Accrued expenses and other current liabilities	18,238	16,033
Deferred revenues	26,600	15,738
Due to related party	<u>634</u>	<u>-</u>
Total current liabilities	46,516	58,659
Long-term liability:		
Deferred revenues, net of current portion	<u>159,368</u>	<u>81,750</u>
Total liabilities	205,884	140,409
Commitments and contingencies (Notes 5, 6 and 7)		
Member's deficit	<u>(16,103)</u>	<u>(4,621)</u>
TOTAL LIABILITIES AND MEMBER'S DEFICIT	<u>\$ 189,781</u>	<u>\$ 135,788</u>

See accompanying notes to financial statements.

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY (DEFICIT)
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022 AND
FOR THE PERIOD FROM OCTOBER 2, 2020 (INCEPTION)
THROUGH JUNE 30, 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues:			\$ -
Royalties	\$ 19,576	\$ 1,531	-
Technology fees	34,376	8,250	-
Franchise fees	<u>32,541</u>	<u>22,832</u>	<u>-</u>
Total revenues	86,493	32,613	-
Selling, general and administrative expenses	<u>298,530</u>	<u>212,965</u>	<u>175,448</u>
Loss from operations	(212,037)	(180,352)	(175,448)
Other income	<u>29,555</u>	<u>1,071</u>	<u>-</u>
Net loss	(182,482)	(179,281)	(175,448)
Member's equity (deficit) - beginning	(4,621)	73,110	-
Contributions	<u>171,000</u>	<u>101,550</u>	<u>248,558</u>
MEMBER'S EQUITY (DEFICIT) - ENDING	<u>\$ (16,103)</u>	<u>\$ (4,621)</u>	<u>\$ 73,110</u>

See accompanying notes to financial statements.

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022 AND
FOR THE PERIOD FROM OCTOBER 2, 2020 (INCEPTION)
THROUGH JUNE 30, 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:			
Net loss	\$ (182,482)	\$ (179,281)	\$ (175,448)
Adjustments to reconcile net loss to net cash used in operating activities:			
Changes in operating assets and liabilities:			
Accounts receivable	(2,607)	(530)	-
Prepaid expenses	(2,137)	-	(5,338)
Prepaid commissions	(52,981)	(40,437)	-
Accounts payable	(25,844)	26,888	-
Accrued expenses and other current liabilities	2,205	11,258	4,775
Deferred revenues	88,480	97,488	-
Due to related party	<u>634</u>	<u>-</u>	<u>-</u>
Net cash used in operating activities	(174,732)	(84,614)	(176,011)
Net cash provided by financing activities:			
Contributions	<u>171,000</u>	<u>101,550</u>	<u>248,558</u>
Net increase (decrease) in cash	(3,732)	16,936	72,547
Cash - beginning	<u>89,483</u>	<u>72,547</u>	<u>-</u>
CASH - ENDING	<u>\$ 85,751</u>	<u>\$ 89,483</u>	<u>\$ 72,547</u>
Supplemental disclosures of cash flow information:			
Interest paid	<u>\$ 151</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Organization

Owl Be There Franchising, LLC (the "Company" or "Franchisor"), a wholly-owned subsidiary of OBT Corporation (the "Parent"), was formed on October 2, 2020, as a Virginia limited liability company to sell franchises pursuant to a non-exclusive license agreement dated October 26, 2020, between the Company and Owl Be There Intellectual Property LLC (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate businesses known as "Owl Be There" in the United States of America. Franchisees will operate a business offering support for those seeking information, consultation and advice for the placement of an individual in a private pay housing and/or care facility or in a home-care facility and the related services and products that the Company designates or approves.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

Franchised outlets

The following data reflects the status of the Company's franchises as of June 30, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Franchises sold	2	2	-
Franchises purchased	-	-	-
Franchised outlets in operation	4	2	-
Franchisor-owned outlets in operation	-	-	-
Affiliated by common ownership outlets in operation	1	1	1

NOTE 2. LIQUIDITY AND MEMBER'S DEFICIT

The Company has sustained continued losses and, as a result, has an accumulated member's deficit of \$16,103 as of June 30, 2023. Since inception, the Company's operations have been funded through a combination of contributions from members and entities affiliated by common control and ownership.

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

As of the date these financial statements were available to be issued, management of the Company continues to focus on selling franchises, and royalties are expected to increase. Subsequent to year end, the Company had four new franchise locations open for operations and has sold franchise locations. Management's plans to support continued operations include the ability to reduce operating expenses and to continue to collect royalties from the operating franchisees. Further, Management has been advised that affiliated entities of the Company, which are commonly owned by the Members, have the ability and intent to support the Company with funds for at least one year from the date these financial statements were available to be issued, if necessary.

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates may be adjusted due to changes in future economic, industry or other financial conditions. Actual results could differ from those estimates. The Company evaluates its estimates and assumptions on an ongoing basis.

Variable interest entities

In October 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements. This standard is effective for fiscal years ending after December 15, 2020, with early adoption permitted. The Company has elected to adopt and apply the alternative accounting and disclosures for certain variable interest entities provided to private companies pursuant to U.S. GAAP. The Company has determined that related parties, as described in Note 5, meet the conditions under the standard, and accordingly, it is not required to include the accounts of related parties in the Company's financial statements.

Concentrations of credit risks

Cash

Financial instruments that potentially expose the Company to concentrations of credit risks consist primarily of cash. The Company's cash is placed with a major financial institution and at times may be in excess of the Federal Deposit Insurance Corporation insurance limits. Management believes that this investment policy limits the Company's exposure to credit risk.

In March 2023, the shut-down of certain financial institutions raised economic concerns over disruption in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system. However, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. Management of the Company has assessed the risk and has taken actions to minimize any risk.

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of credit risks (continued)

Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of some of its franchisees to make required payments. Management considers the following factors when determining the collectibility of specific franchisee accounts: franchisee creditworthiness, past transaction history with the franchisee, and current economic industry trends. If the financial conditions of the Company's franchisees were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Generally, the Company does not require collateral to support accounts receivable.

There was no allowance for doubtful accounts at June 30, 2023, 2022 and 2021. The balance in accounts receivable at June 30, 2023, 2022 and 2021, amounted to \$3,137, \$530 and \$-, respectively.

For the years ended June 30, 2023 and 2022, the Company had four franchisees that accounted for approximately 84% of total revenues and two franchisees that accounted for approximately 85% of total revenues, respectively. For the period from October 2, 2020 (inception) through June 30, 2021, there were no franchisees. At June 30, 2023 and 2022, the Company had three franchisees account for 100% of accounts receivable and one franchisee that accounted for 100% of accounts receivable, respectively. At June 30, 2023, the Company had no receivables or franchisees.

Revenue and cost recognition

The Company derives its revenues from franchise agreements related to franchise fee revenue, royalty revenue, technology fees, transfer fees and brand fund revenue.

Franchise fees and royalties

Contract consideration from franchisees primarily consists of initial or renewal franchise fees, sales-based royalties, sales-based brand fund fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The initial franchise fees are nonrefundable and collectible when the underlying franchise agreement is signed by the franchisee. Sales-based royalties and marketing fund fees are payable on a monthly basis. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligation under the franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include site selection, training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under ASU No. 2021-02, *Franchisors - Revenue from Contracts with Customers* (Subtopic 952-606) ("ASU 2021-02"), are recognized as a single performance obligation.

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees and royalties (continued)

For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The portion of pre-opening activities that is not brand specific will be deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property, and will therefore be accounted for as a separate performance obligation. All other pre-opening activities are expected to be highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific, are recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 is recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to use the Company's intellectual property will be recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties are earned as a percentage of a franchisee's gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

National brand fund

The Company reserves the right to maintain a national brand fund which will be established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. National brand fund fees will be collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the national brand fund and therefore will recognize the revenues and expenses related to the national brand fund on a gross basis.

The Company has determined that the right to access its intellectual property and administration of the national brand fund are highly interrelated and therefore will be accounted for as a single performance obligation. As a result, revenues from the national brand fund represent sales-based royalties related to the right to access the Company's intellectual property, which will be recognized as franchisee sales occur.

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

National brand fund (continued)

When brand fund fees exceed the related national brand fund expenses in a reporting period, advertising costs will be accrued up to the amount of national brand fund revenues recognized. As of June 30, 2023, the Company has not yet established the national brand fund.

Other revenues

The Company recognizes revenue from other fees and other services, consisting of software system services provided to the franchisees, as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement.

Advertising

Advertising costs are expensed as incurred and amounted to \$138,901, \$89,471, and \$52,063 for the years ended June 30, 2023 and 2022, and for the period from October 2, 2020 (inception) through June 30, 2021, respectively.

Income taxes and uncertain tax positions

The Company is treated as a partnership for tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at June 30, 2023 and 2022.

The Parent files income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

Leases

The Company determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "Short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the balance sheets.

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Lease terms include the noncancelable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Company uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments.

Certain leases contain fixed and determinable escalation clauses for which the Company recognizes rental expense under these leases on the straight-line basis over the lease terms, which include the period of time from when the Company takes possession of the leased space. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Recently adopted accounting pronouncement

In February 2016, FASB issued ASU No. 2016-02, *Leases* (Topic 842) ("ASC 842"), as amended, which requires the recording of operating lease right-of-use assets and lease liabilities and expanded disclosure for operating and finance leasing arrangements. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of operations and member's equity (deficit). The Company adopted ASC 842 under the modified retrospective method as of July 1, 2022.

The Company adopted the package of practical expedients available at transition that retained the lease classification under ASC 840 and initial direct costs for any leases that existed prior to adoption of the standard. Contracts entered into prior to adoption were not reassessed for leases or embedded leases. The Company did not elect the practical expedient to use hindsight in determining its lease terms. The Company made the accounting policy elections to not recognize Short-term leases on the balance sheets and to utilize the risk-free discount rate when the rate implicit in the lease is not readily determinable.

The Company performed an analysis of contracts containing leases as of July 1, 2022. At the date of initial application, the Company did not recognize operating lease right-of-use assets and aggregate operating lease liabilities as the lease was deemed a short-term lease.

Recently issued but not yet effective accounting pronouncements

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). Under current U.S. GAAP, entities generally recognize credit losses when it is probable that the loss has been incurred. The guidance under ASU 2016-13 will remove all current recognition thresholds and will require entities under the new current expected credit loss ("CECL") model to recognize an allowance for credit losses for the difference between the amortized cost basis of a financial instrument and the amount of amortized cost that an entity expects to collect over the instrument's contractual life. The new CECL model is based upon expected losses rather than incurred losses. Additionally, the credit loss recognition guidance for available-for-sale securities was amended and will require that credit losses on such debt securities be recognized as an allowance for credit losses rather than a direct write-down of amortized cost balance. The ASU is effective for fiscal years beginning after December 15, 2022. The Company is evaluating the effect that ASU 2016-13 will have on its financial statements and related disclosures.

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through September 29, 2023, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in the financial statements.

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located in the Southeast and Mid-Atlantic regions of the United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States, and the Company's ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by timing of revenue recognition by type of revenue, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenues by timing of recognition for the years ended June 30, 2023 and 2022, and for the period from October 2, 2020 (inception) through June 30, 2021, are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Point in time:</i>			
Royalties	\$ 19,576	\$ 1,531	\$ -
Technology fees	34,376	8,250	-
Franchise fees	<u>12,400</u>	<u>15,400</u>	<u>-</u>
Total point in time	66,352	25,181	-
<i>Over time:</i>			
Franchise fees	<u>20,141</u>	<u>7,432</u>	<u>-</u>
Total revenues	<u>\$ 86,493</u>	<u>\$ 32,613</u>	<u>\$ -</u>

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Contract balances

Contract liabilities are comprised of unamortized initial franchise fees received from franchisees, which are presented as "Deferred revenues" in the accompanying balance sheets. A summary of significant changes in deferred revenues during the years ended June 30, 2023 and 2022, is as follows:

	<u>2023</u>	<u>2022</u>
Deferred revenues - beginning of year	\$ 97,488	\$ -
Additions for initial franchise fees received	121,021	120,320
Revenue recognized during the year	<u>(32,541)</u>	<u>(22,832)</u>
Deferred revenues - end of year	<u>\$ 185,968</u>	<u>\$ 97,488</u>

At June 30, 2023, deferred revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

<u>Year ending June 30:</u>	<u>Amount</u>
2024	\$ 26,600
2025	26,600
2026	26,600
2027	19,605
2028	16,108
Thereafter	<u>70,455</u>
Total	<u>\$ 185,968</u>

Deferred revenues at June 30, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
Franchise units not yet opened	\$ -	\$ -
Opened franchise units	<u>185,968</u>	<u>97,488</u>
Total	<u>\$ 185,968</u>	<u>\$ 97,488</u>

Direct and incremental costs, principally consisting of commissions, are included in "Prepaid commissions" in the accompanying balance sheets. The direct and incremental costs expected to be recognized over the remaining term of the associated franchise agreements at June 30, 2023, are as follows:

<u>Year ending June 30:</u>	<u>Amount</u>
2024	\$ 12,675
2025	12,675
2026	12,675
2027	9,774
2028	8,323
Thereafter	<u>37,296</u>
Total	<u>\$ 93,418</u>

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5. RELATED-PARTY TRANSACTIONS

License agreement

On October 26, 2020, the Company entered into a perpetual non-exclusive license agreement (the "license agreement") with the Licensor, a related party under common ownership, for the use of the registered name "Owl Be There." Pursuant to the license agreement, the Company acquired the right to sell "Owl Be There" franchises, and the right to earn franchise fees, royalties and other fees from franchisees. In accordance with the license agreement, the Company will be required to pay the Licensor a license fee based on the Company's gross revenue, as defined. For the years ended June 30, 2023 and 2022, and for the period from October 2, 2020 (inception) through June 30, 2021, the Company incurred license fees of \$5,026, \$- and \$-, respectively.

Related-party revenues

The Company receives technology fees from an entity related to the Company by common ownership and control. For the years ended June 30, 2023 and 2022, and for the period from October 2, 2020 (inception) through June 30, 2021, technology fees earned from the related party totaled \$9,000, \$1,500 and \$-, respectively, and are included in "Technology fees" in the accompanying statements of operations and member's equity (deficit). There were no receivables related to technology fees owed from this related party as of June 30, 2023 and 2022.

Related-party transactions

In the ordinary course of business, the Company periodically advances funds to and receives funds from a party related to the Company by common ownership and control. No interest is charged on these advances. Advances to and from the related party are unsecured and have no specific repayment terms. Management expects such balances to be settled within the next 12 months of the balance sheet date. At June 30, 2023 and 2022, the balance due to the affiliate amounted to \$634 and \$-, respectively, which is included in "Due to related party" in the accompanying balance sheets.

NOTE 6. NATIONAL BRAND AND COOPERATIVE FUNDS

Brand fund

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect brand fund fees of up to 3% of franchisees' reported sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. As of June 30, 2023, the Company has not yet established the brand fund.

Regional advertising cooperative

The Company reserves the right to establish a regional advertising cooperative (the "Cooperative") in order to designate any geographical area for the purpose of establishing a market brand fund. Franchisees will contribute no more than 2% of the preceding month's gross sales. Any contribution to the Cooperative will be credited towards the national brand fund fee or the franchisee's local marketing and engagement expenditure. As of June 30, 2023, the Company has not yet established the Cooperative.

OWL BE THERE FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7. COMMITMENTS AND CONTINGENCIES

Lease agreement

The Company entered into a month-to-month lease agreement effective November 18, 2021, with monthly rental payments of \$1,000. Effective January 1, 2022, the lease agreement was amended, at which time, the monthly rent became \$500. Rent expense for the years ended June 30, 2023 and 2022, and for the period from October 2, 2020 (inception) through June 30, 2021, amounted to \$8,839, \$8,235 and \$-, respectively.

**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.**

Exhibit B

Owl Be There Franchising, LLC

Profit and Loss

January - November, 2024

	<u>Total</u>
Income	
40000 Fee Income	
40050 Initial Franchise Fee	271,456.00
40055 Royalty Fee Income	42,652.10
40060 Training Fee Income	46,220.00
40062 Digital Marketing/Onboard Income	-2,790.00
40063 Tech Fee Income	66,750.01
40065 Start Up Kit Income	17,570.00
40075 Veteran Discount	-10,336.00
40080 Referral Discount	-5,000.00
Total 40000 Fee Income	<u>\$ 426,522.11</u>
40047 Unapplied Cash Payment Income	1,500.00
Total Income	<u>\$ 428,022.11</u>
Gross Profit	<u>\$ 428,022.11</u>
Expenses	
60000 Advertising, Marketing & Sales	
60010 Creative Services	9,005.00
60020 Local Area Advertising	2,429.45
60030 Online Advertising	66,445.07
60040 Printing	8,615.37
60050 Web Design & Maintenance	11,588.43
60060 Website Hosting Fee	3,118.80
60070 Promo Lunches/Gifts/Materials	9,661.99
Total 60000 Advertising, Marketing & Sales	<u>\$ 110,864.11</u>
70000 Administrative Services & Supplies	
70010 Bank Charges & Fees	122.45
70030 Credit Card Processing Fees	183.12
70040 Dues, Subscriptions, Memberships	4,048.11
70050 Insurance	
70054 Insurance-BSIC	8,808.00
70056 Insurance - CNA	9,969.00
Total 70050 Insurance	<u>\$ 18,777.00</u>
70060 Meals & Entertainment	7,097.63
70070 Office Supplies & Software	13,596.06
70090 Shipping and Postage	344.87
70120 License Expense	13,656.75
70121 Taxes	473.39
70130 Travel	7,906.88
Total 70000 Administrative Services & Supplies	<u>\$ 66,206.26</u>

71000 Facility Expense		
71030 Rent & Lease		8,511.61
71050 Telephone & Internet		8,935.12
Total 71000 Facility Expense	\$	17,446.73
72000 Legal & Professional Fees		
72010 Accounting & Bookkeeping		15,649.26
72020 Consulting		68,453.00
72030 Legal Fees		17,180.00
72040 Franchise Commissions		0.00
72055 Background Check Fee		279.12
Total 72000 Legal & Professional Fees	\$	101,561.38
73000 Salary & Benefits		
73010 Clothing and Uniforms		225.68
73020 Continuing Education		1,375.00
73035 Payroll Expenses		
73036 Taxes		-112.95
Total 73035 Payroll Expenses	-\$	112.95
Total 73000 Salary & Benefits	\$	1,487.73
81000 Franchisee Expenses		
81005 Training Expense		9,844.50
Total 81000 Franchisee Expenses	\$	9,844.50
QuickBooks Payments Fees		2,850.23
Unapplied Cash Bill Payment Expense		0.00
Total Expenses	\$	310,260.94
Net Operating Income	\$	117,761.17
Other Income		
91000 Other Miscellaneous Income		
91005 Cash Back Rewards		2,288.03
Total 91000 Other Miscellaneous Income	\$	2,288.03
91020 Liquidated Damages Income		21,000.00
Total Other Income	\$	23,288.03
Other Expenses		
90000 Other Miscellaneous Expense		
90040 Interest Paid		144.18
Total 90000 Other Miscellaneous Expense	\$	144.18
Total Other Expenses	\$	144.18
Net Other Income	\$	23,143.85
Net Income	\$	140,905.02

Owl Be There Franchising, LLC

Balance Sheet

As of November 30, 2024

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
10000 Bus Fundamentals Checking (7422)	7,784.65
Total Bank Accounts	<u>\$ 7,784.65</u>
Accounts Receivable	
10100 Accounts Receivable (A/R)	0.00
Total Accounts Receivable	<u>\$ 0.00</u>
Other Current Assets	
11010 Royalty Receivable	0.00
11034 Prepaid Insurance	4,087.59
11035 Prepaid Expenses	1,250.00
11040 Uncategorized Asset	36.00
11045 Undeposited Funds	3,400.00
11050 Accrued Expenses	-3,618.50
15100 Prepaid Commissions	0.00
20014 Customer Deposits	0.00
Total Other Current Assets	<u>\$ 5,155.09</u>
Total Current Assets	<u>\$ 12,939.74</u>
Fixed Assets	
12005 Software	4,935.00
Total Fixed Assets	<u>\$ 4,935.00</u>
TOTAL ASSETS	<u>\$ 17,874.74</u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable (A/P)	0.00
Total Accounts Payable	<u>\$ 0.00</u>
Credit Cards	
20010 CORP (5510)	-630,315.36
20011 Business Advantage C.C.-3969	246,808.86
20012 Business Advantage C.C.-1815	391,475.45
Total 20010 CORP (5510)	<u>\$ 7,968.95</u>
Total Credit Cards	<u>\$ 7,968.95</u>
Other Current Liabilities	
21000 Payroll Liabilities	
21010 Federal Taxes (941/944)	0.00
21030 VA Income Tax	0.00

Total 21000 Payroll Liabilities	\$	0.00
22000 Deferred Franchise Fees		0.00
22500 Due to related party		0.00
Total Other Current Liabilities	\$	0.00
Total Current Liabilities	\$	7,968.95
Total Liabilities	\$	7,968.95
Equity		
31000 Investments		
31010 Owner's Draw-Greenwood		-3.74
Total 31000 Investments	-\$	3.74
31030 Retained Earnings		-198,008.63
32000 Capital Contributions		
32012 Contribution - Custom Senior Living dba OWL Be There		526,050.00
32013 Distribution - Custom Senior Living dba Owl Be There		-381,500.00
32014 Contribution - OBT Corporation		0.00
Total 32000 Capital Contributions	\$	144,550.00
Net Income		63,368.16
Total Equity	\$	9,905.79
TOTAL LIABILITIES AND EQUITY	\$	17,874.74

Thursday, Dec 12, 2024 07:03:59 AM GMT-8 - Cash Basis

EXHIBIT C
FRANCHISE AGREEMENT

Exhibit C



OWL BE THERE FRANCHISE AGREEMENT

SUMMARY PAGE

This Summary Page summarizes certain provisions of this Franchise Agreement to which it is attached. In the event of any conflict in the Summary Page and the Franchise Agreement, the provisions of the Franchise Agreement will control.

Territory: _____,
as geographically constituted as of the Effective Date.

Initial Franchise Fee: \$54,400

Onboarding and Training Fee: \$10,000

Start-Up Kit Fee: \$4,000

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Exhibits:

- A Identification of Franchisee
- B Authorization Agreement for Prearranged Payments (Direct Debits)
- C Statement of Ownership Interests
- D Guarantee, Indemnification, and Acknowledgment
- E Non-Disclosure and Non-Competition Agreement

OWL BE THERE FRANCHISING, LLC FRANCHISE AGREEMENT

Owl Be There Franchising, LLC (“**OBT**” or “**Franchisor**”), a _____ limited liability company, and the undersigned (the “**Franchisee**”) enter into this Franchise Agreement (this “**Agreement**”) as of the ____ day of _____, 20____ (the “**Effective Date**”).

RECITALS

A. OBT, as the result of the expenditure of significant time, skill, effort and money, has developed a distinctive and proprietary system (the “**OBT System**” or “**System**”) for establishing and operating businesses that provide support for those seeking information, consultation and advice for the placement of an individual in a private pay housing and/or care facility or in a home-care facility and related services and products that OBT designates or approves under the System and the Marks (defined below) (“**OBT Services and Products**”), (each referred to generally as a “**OBT Business**”);

B. The distinguishing characteristics of the System include, among other things: OBT’s standards, specifications, policies and procedures for business development, consulting and management; quality, distinctiveness and uniformity of services and products; software and computer programs, client management procedures; OBT’s training program; and advertising and promotional programs, all as more particularly described and designated in the Manuals (defined in Section 4.3 below) and all of which OBT may change, improve, and further develop at its option from time to time;

C. OBT identifies the System by means of certain licensed trade names, service marks, trademarks, logos, emblems, and indicia of origin, that have been licensed to OBT by its affiliate **OBT IP, LLC**, including the name “**Owl Be There,**” and such other trade names, service marks and trademarks as are now designated (and may hereinafter be designated by OBT or its affiliate in writing) for use in connection with the System (the “**Marks**”). OBT and its affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance, and service;

D. Franchisee desires to operate an OBT Business and to receive the training and other assistance provided by OBT in connection therewith; and

E. Franchisee understands and acknowledges the importance of OBT’s high standards of quality and service and the necessity of operating the business franchised under this Agreement in conformity with OBT’s standards and specifications.

Now, therefore, in consideration of the foregoing and of the covenants contained in this Agreement, the parties agree as follows:

1. GRANT

1.1 Grant of Rights. Upon the terms and conditions set forth in this Agreement, OBT hereby grants to Franchisee the right, and Franchisee accepts and undertakes the obligation, to: (a) establish and operate one (1) OBT Business under the System (the “**Franchised Business**”); (b) to use, only in connection with the Franchised Business, the Marks and the System, as they may be changed, improved, or further developed from time to time by OBT; and (c) and to do so only within the Territory (defined below in Section 1.2).

1.2 **Territory.** Except as otherwise provided in Section 1.5 hereof, Franchisee shall offer, sell and provide the OBT Services and Products only for (i) the placement of individuals in private pay housing facilities and private pay care facilities located within the Territory, and (ii) in-home care at homes located within the Territory. “**Territory**” shall mean the area described on the Summary Page. Franchisee shall not advertise or market the OBT Services and Products to clients and prospective clients located outside of the Territory. Franchisee’s placement of a client in another franchisee’s territory without OBT’s prior written consent or in violation of any then-current System Placement Program (as described in Section 1.5) is a breach of the Franchise Agreement. Provided Franchisee is in compliance with this Agreement and except as otherwise provided in this Agreement (including Section 1.5 hereof), during the term of this Agreement, OBT shall not authorize another OBT Business to offer, sell, or provide OBT Services and Products for (i) the placement of individuals in private pay housing facilities and private pay care facilities located within the Territory, and (ii) in-home care at homes located within the Territory. OBT and its affiliates retain all rights not expressly granted in this Agreement. For example, without obligation to Franchisee, OBT and its affiliates may, among other things, and without any compensation or other recourse to Franchisee, regardless of proximity to or economic impact upon Franchisee or the Franchised Business:

1.2.1 Advertise and promote the System and brand within and outside of the Territory;

1.2.2 Operate, and license others to operate, OBT Businesses servicing any locations outside the Territory, including locations that are adjacent to the Territory and despite the proximity of such locations to the Territory or their actual or threatened impact on sales of the Franchised Business.

1.2.3 Offer and sell, or license others to offer and sell, any products or services (including those offered by the Franchised Business), under any marks (including the Marks) outside of the Territory, and through any means (including through an OBT Business);

1.2.4 Establish, operate, and license others to establish and operate, businesses other than an OBT Business, which businesses may be identified by other trademarks and/or may offer or sell products and services that are the same as or similar to the products and services offered by OBT Businesses, within and outside of the Territory and despite the proximity of such businesses to the Territory or their actual or threatened impact on sales of the Franchised Business;

1.2.5 Develop or become associated with other concepts (including other franchise systems), whether or not using the System and/or the Marks, and/or offer or sell franchises under such concepts within and outside of the Territory;

1.2.6 Acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not) with outlets located anywhere and, even if such businesses are located within the Territory and offer and sell services and products similar or identical to the OBT Services and Products, including the placement of individuals at facilities located within the Territory: (i) convert the other businesses to OBT Businesses; (ii) permit the other businesses to continue to operate under another name; and/or (iii) permit the other businesses to operate under another name and convert existing OBT Businesses to such other name;

1.2.7 Provide OBT Services and Products to National Accounts located in the Territory in accordance with Section 5.21;

1.2.8 Coordinate a System Placement Program, as described in Section 1.5; or

1.2.9 Engage in any other activity, action, or undertaking that OBT or its affiliates are not expressly prohibited from taking under this Agreement.

1.3 **Performance Criteria.** You acknowledge and agree that the limited territorial grant described in this Section 1 is conditioned upon your compliance with this Agreement, and the System standards. In addition, the Franchised Business must generate a minimum number of client placements on an annual basis, in the amounts set forth below (the “**Minimum Performance Standards**”). The Minimum Performance Standards are as follows:

Table 1

Months of Term	Average placements per month	Minimum royalty payment
12	2	Greater of % of royalty or \$500
24	3	Greater of % of royalty or \$500
36	4	Greater of % of royalty or \$950
48	5	Greater of % of royalty or \$950
60	6	Greater of % of royalty or \$1,550
72	6	Greater of % of royalty or \$1,550
84+	6	Greater of % of royalty or \$1,950

1.3.1 Month 1 shall commence upon the Effective Date and Month 12 shall conclude one (1) year after the Effective Date. Each successive 12-month period shall commence upon the conclusion of the immediately preceding 12-month period and shall conclude one (1) year thereafter. Franchisee agrees and acknowledges that the Minimum Performance Standards are reasonable and that OBT makes no representations or warranties, express or implied, that Franchisee will attain any of the Minimum Performance Standards. For purposes of this Agreement, a “**placement**” or “**client placement**” shall mean (i) the admittance of an individual, for a reasonably anticipated initial period of at least thirty (30) days, into private pay housing facility or a private pay care facility located within the Territory, and (ii) the contracting of full-time in-home care for an individual for a reasonably anticipated initial period of at least thirty (30) days. A placement shall be deemed to occur upon payment to Franchisee of all or the first installment or portion of the payment therefor.

1.3.2 In addition to the placements required, the Franchise shall also be required to remit a payment to the Franchisor equal to the greater of (i) the minimum payment amount listed in Table 1 or (ii) the Franchisee’s Royalty Fee, defined in Section 3.4, the payment amounts are also laid out as follows:

1.3.2.1. During the third (3th) through twenty-fourth (24th) months following the Effective Date of this Agreement the Royalty Fee will be no less than Five Hundred Dollars (\$500) per month or the Royalty Fee calculation of the monthly Gross Sales percentage, whichever is greater.

1.3.2.2. During the third (3rd) and fourth (4th) years following the Effective Date of this Agreement the Royalty Fee will be no less than Nine Hundred and Fifty Dollars (\$950)

per month or the Royalty Fee calculation of the monthly Gross Sales percentage, whichever is greater.

1.3.2.3. During the fifth (5th) and sixth (6th) years following the Effective Date of this Agreement the Royalty Fee will be no less than One Thousand Five Hundred and Fifty Dollars (\$1,550) per month or the Royalty Fee calculation of the monthly Gross Sales percentage, whichever is greater.

1.3.2.4. After the sixth (6th) year following the Effective Date of this Agreement and for the remainder of the term the Royalty Fee will be no less than One Thousand Nine Hundred and Fifty Dollars (\$1,950) per month or the Royalty Fee calculation of the monthly Gross Sales percentage, whichever is greater.

1.3.3 If Franchisee fails to satisfy the Minimum Performance Standards, OBT may take any one or more of the following actions, in addition to all rights and remedies available to OBT:

1.3.3.1. Reduce the size of the Territory, with a corresponding reduction in the Minimum Performance Standard; and/or

1.3.3.2. Permit other franchisees, or OBT or its affiliates, to provide OBT Services and Products for (i) the placement of individuals in private pay housing facilities and private pay care facilities located within the Territory, and (ii) in-home care at homes located within the Territory; and/or

1.3.3.3. Terminate this Agreement pursuant to Section 13.3 hereof.

1.4 No Right to Subfranchise. Franchisee may not subfranchise, sublicense, or relicense to others any right to use the System or the Marks.

1.5 System Placement Program. OBT shall have the right, but not the obligation, to establish from time to time policies and procedures to facilitate and permit the offer, sale and provision of OBT Services and Products by OBT Businesses for (i) the placement of individuals in private pay housing facilities and private pay care facilities located outside of such OBT Businesses' respective territories or other designated geographic areas, including within the Territory, and (ii) in-home care at homes located outside of such OBT Businesses' respective territories or other designated geographic areas, including within the Territory (the **"System Placement Program"**). The System Placement Program will be described in the Manuals (defined below) or otherwise in writing, and may, among other things: (1) contain terms and conditions for participation, (2) determine the eligibility of services provided by Franchisee under the System Placement Program for credit as a "placement" or "client placement" under Section 1.3 hereof, and (3) require OBT Businesses to (a) make referrals to, and perform services in connection with referrals received from, other OBT Businesses, and (b) make payment, in an amount determined by OBT, to OBT and/or other OBT Businesses in consideration for the receipt of such referrals and/or the performance of services in connection with such referrals. If established by OBT, Franchisee shall at all times comply with the System Placement Program. Franchisee agrees and acknowledges that the System Placement Program may result in the placement by other OBT Businesses of (x) individuals in private pay housing facilities and private pay care facilities located within the Territory, and (y) in-home care at homes located within the Territory; and that such placements shall not constitute a breach of Franchisee's rights hereunder, including Section 1.2 hereof. OBT shall have no liability to Franchisee as a result of OBT's administration of the System Placement Program or any other OBT Business' participation in the System Placement Program, except as expressly provided in the Manuals or otherwise in writing.

1.6 Facility and Service Affiliations. Franchisee must comply with OBT's standards and procedures described in the Manuals (defined below) regarding (i) disclosures to clients of Franchisee's existing arrangements or affiliations with any assisted living facility, senior housing facility or home care services and the (ii) number and placement of referrals to such affiliated facilities and/or services.

2. TERM AND RENEWAL

2.1 Term. Except as otherwise provided herein and unless sooner terminated in accordance with the provisions hereof, the initial term of this Agreement shall commence on the Effective Date and expire on the date that is ten (10) years after the Effective Date.

2.2 Renewal. Franchisee may, at its option, renew Franchisee's right to operate the Franchised Business for one (1) additional consecutive term of ten (10) years, subject to the following conditions, each of which Franchisee must meet prior to such renewal:

2.2.1 Franchisee shall deliver to OBT a written notice of Franchisee's election to renew no fewer than twelve (12) months nor more than eighteen (18) months prior to the end of the initial term;

2.2.2 Franchisee shall pay, in lieu of the initial franchise fee, a renewal fee equal to ten percent (10%) of OBT's then-current initial franchise fee for a new OBT Business, but in no event less than Eight Thousand Dollars (\$8,000) when the Franchisee signs the then-current form of franchise agreement as described in Section 2.2.6, or such other form of agreement as Franchisor designates or prescribes;

2.2.3 Franchisee shall not have received, prior to its election to renew, written notice of a default under this Agreement on more than three (3) separate occasions and, from the time of Franchisee's election to renew through the expiration of the initial term, Franchisee shall not have been in default of any provision of this Agreement, any amendment to this Agreement, or any other agreement between Franchisee (or its affiliates) and OBT or its affiliates; and, in the reasonable judgment of OBT, Franchisee shall have substantially complied with all the terms and conditions of this Agreement, such other agreements with OBT or its affiliates, as well as the operating standards prescribed by OBT during the term of this Agreement;

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

2.2.5 Franchisee shall execute a general release, in a form satisfactory to OBT of any and all claims against OBT and its current and former affiliates, and their respective past and present officers, directors, agents, and employees;

2.2.6 Franchisee shall execute OBT's then-current form of franchise agreement, which agreement shall supersede this Agreement in all respects (except with respect to the renewal provisions of the new franchise agreement, which shall not supersede this Section 2.2), and Franchisee acknowledges that the terms, conditions, and provisions of which, and the obligations of the parties thereto, may differ substantially from the terms, conditions, provisions and obligations in this Agreement, including a higher percentage Royalty Fee, National Brand Fund Fee, and advertising expenditure, and a different or modified Territory; and

2.2.7 Franchisee and its personnel shall comply with OBT's then current qualification and training requirements, prior to commencement of operations under the renewal form of franchise agreement.

2.3 No assurances of a renewal franchise agreement. Franchisee accepts this Agreement with the full and complete understanding that the grant of rights to operate a Franchise hereunder is not a promise or assurance that Franchisee will be granted a renewal franchise agreement.

3. FEES AND PAYMENTS

3.1 Initial Franchise Fee. Franchisee shall pay to OBT an initial franchise fee in the amount described on the Summary Pages upon execution of this Agreement (the “**Initial Franchise Fee**”). Except as otherwise stated in this Agreement, the Initial Franchise Fee is fully-earned and non-refundable in consideration of the administrative and other expenses incurred by OBT in granting this franchise and for OBT’s lost or deferred opportunity to offer the rights to this franchise to others.

3.2 Onboarding and Training Fee. Franchisee shall pay to OBT a non-refundable onboarding and training fee of Ten Thousand Dollars (\$10,000) (the “**Onboarding and Training Fee**”) upon execution of this Agreement, in consideration for the initial and post-initial training of Franchisee and other digital marketing and OBT onboarding services, as described in Section 5.3 hereof. The Onboarding and Training Fee covers initial training for up to two individuals.

3.3 Start-Up Kit. Franchisee shall pay to OBT a non-refundable fee of Four Thousand Dollars (\$4,000) upon execution of this Agreement for the purchase of a start-up kit containing a 90-day supply of business cards, brochures, promotional items and such other materials as OBT may prescribe for the initial operation of the Franchised Business.

3.4 Royalty Fees. Franchisee shall pay to OBT a continuing royalty fee, (“**Royalty Fees**”) starting in the third (3rd) month following the Effective Date of this Agreement in an amount equal to:

3.4.1 (a) ten percent (10%) of the Franchised Business’s Gross Sales when the monthly Gross Sales are Zero dollars (\$0) to Twenty Thousand Dollars (\$20,000);

3.4.2 (b) eight and a half percent (8.5%) of the Franchised Business’s Gross Sales when the monthly Gross Sales are Twenty Thousand and One Dollars (\$20,001) to Thirty-Two Thousand Dollars (\$32,000);

3.4.3 (c) six and a half percent (6.5%) of the Franchised Business’s Gross Sales when the monthly Gross Sales are Thirty-Two Thousand and One Dollars and greater.

3.4.4 No Royalty Fees will be owed during the first two months following the Effective Date. Franchisee shall pay the Royalty Fees on a monthly basis, based on the Gross Sales of the Franchised Business for the immediately preceding calendar month, or for such other period as OBT may specify in the Manuals or otherwise in writing. In addition, Franchisee shall report to Franchisor a Gross Sales (a “**Sales Report**”) no later than the tenth (10th) day of each calendar month or at such other time as OBT may designate.

3.4.5 “**Gross Sales**” means the total gross revenue from the provision of all services and products sold or performed by or for Franchisee in, at, from or away from the Franchised Business, or through or by means of the Franchised Business, whether from cash, check, credit card, debit card, barter or exchange, or other means, and irrespective of the collection thereof, and including, the following: (a) all client fees and payments, including, without limitation, client agreement fees, subscription fees, corporate/third party payor fees, retainer fees and (b) proceeds from any business interruption insurance. Notwithstanding the foregoing, the following amounts will be deducted from “**Gross Sales**”: (i) sales taxes, use taxes, and other similar taxes added to the sales price and collected from the client and paid to the

appropriate taxing authority; and (ii) any bona fide refunds and credits that are actually provided to clients and other customers.

3.5 National Brand Fund. Franchisor has established a national Brand Fund (the “Brand Fund”) on behalf of the System for national advertising, marketing, and business system development and enhancements. Franchisee is required to contribute an amount equal to Two Hundred and Fifty Dollars (\$250) of the Gross Sales generated monthly by Franchisee’s Franchised Business to the Brand Fund (“Brand Fund Contribution”). Franchisor reserves the right, in Franchisor’s sole discretion and at any time and from time to time, to make reasonable increases to the amount of the Brand Fund Contribution owed. Payments will be made in the same manner and time as the Royalty Fees. If Franchisee fails to timely report Gross Sales, then, in addition to a late fee and interest pursuant to Section 3.9.1 hereof, Franchisor shall collect two percent (2%) of the last Brand Fund Contribution payable. Franchisor shall reconcile amounts when Gross Sales are reported.

3.6 Technology Fee. Franchisee shall pay to OBT a monthly technology fee (“**Tech Fee**”) in its then-current amount for access to and/or use of such technology platforms, systems, software, and services as OBT designates that OBT requires Franchisee to obtain or access through OBT, as OBT deems necessary and advisable in its sole determination. The current Tech Fee is Seven Hundred Fifty Dollars (\$750) per month or partial month for up to two (2) authorized users, plus Two Hundred Dollars (\$200) per month or partial month for each additional user. The Tech Fee may include, for example, licenses, subscriptions, maintenance, and development for the technology systems that support the OBT network of franchisees including CRM software, mapping software, e-mail address(es), Intranet/learning management system (“**LMS**”), phone and communications services, digital marketing platforms, website development, social media, and hosting and maintenance of Franchisee’s location page on the OBT website. OBT reserves the right to change, add to, remove from, or substitute the types, nature, and ultimate vendor of technology systems, services, platforms, and software that Franchisee must obtain or access through OBT. OBT may increase or otherwise change the amount of the Tech Fee upon thirty (30) days’ prior written notice to Franchisee, including upon changes in the technology systems, services, platforms, and software that Franchisee must obtain or access through or from OBT or changes in OBT’s costs regarding such technology systems, services, platforms, and software. Franchisee shall pay the Tech Fee on the fifth (5th) day of each calendar month or for and based on such other period as OBT may specify in the Manuals or otherwise in writing. OBT expressly reserves the right to change the due date of the Tech Fee upon ten (10) days’ prior written notice to Franchisee.

3.7 Third-Party Broker Listing Fee. If Franchisee uses a sales broker to sell the Franchised Business, Franchisee must pay the broker a Third-Party Broker Sales Fee. Fees vary by broker and may consist of a flat fee, a percentage of the sales price, or a combination of both. Franchisee is responsible for the terms and conditions of the agreement made with the sales broker including all fees, any Third-Party Broker may require. Franchisee is responsible for the fees for each individual territory sold and must be paid to a licensed escrow agent to then be disbursed to the Third-Party Broker.

3.8 Continuing Payments, EFT, and Reporting Obligations. Except as otherwise described in this Agreement, all payments required by this Section 3 and Section 6 below based on the Gross Sales for the preceding calendar month shall be paid and submitted by electronic funds transfer so as to be received by OBT by the tenth (10th) day of each calendar month, or such other date as OBT may designate in writing. For all ongoing fees required hereunder, Franchisee shall execute a form of electronic funds transfer (“**EFT**”) authorization (in the form attached as Exhibit B to this Agreement or such other form that OBT designates) for direct debits from Franchisee’s business bank operating account. Franchisee shall deliver to OBT any and all reports, statements and/or other information required by this Agreement, including under Section 7 below, at the time and in the format reasonably requested by OBT. Franchisee shall comply with the payment and reporting procedures specified by OBT in this Agreement and the Manuals. To

ensure that payments are received by OBT on as timely basis, such policies and procedures may require that Franchisee have sufficient funds in its account by a date certain, as the EFT process may sweep such account the day before for payment on the preceding day. Franchisee's obligations for the full and timely payment of Royalty Fees, and all other amounts provided for in this Agreement, shall be absolute, unconditional, fully earned, and due upon Franchisee's generation of Gross Sales. Franchisee shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set off same against any claims or alleged claims Franchisee may allege against OBT or others. Franchisee shall not, on the grounds of any alleged nonperformance by OBT or others, withhold payment of any fee due hereunder, including Royalty Fees, nor withhold or delay submission of any reports due hereunder. OBT reserves the right to change the due date of any fees upon ten (10) days' prior written notice to Franchisee. OBT reserves the right to designate another method for Franchisee's payment of fees. Franchisee agrees to sign and deliver to OBT any other documents that OBT may require to authorize any such alternative method of payment.

3.9 Overdue Payments and Reports; Interest. Any payment or report not actually received by OBT (or the appropriate advertising fund) on or before the date such payment or report is due shall be deemed overdue.

3.9.1 If Franchisee's Royalty Fees are overdue, Franchisee must pay to OBT a late fee (the "**Late Fee**") in the amount of two percent (2%) of the overdue amount. If Franchisee does not remit Royalty Fees by the twentieth (20th) day of each calendar month or period, in addition to the Late Fee, and in addition to all other rights and remedies available to OBT, and not as an election of remedies, OBT will assess interest on the entire amount owing at the rate of one percent (1%) per calendar month or period (or twelve percent (12%) per annum) or the maximum rate permitted by law, whichever is less (the "**Interest Charge**"). The Interest Charge will continue to accrue on any portion of the Royalty Fees that are in arrears, until such delinquent Royalty Fees are paid in full, including payment of the Late Fee.

3.9.2 If any payment or report (other than the Royalty Fees) is overdue, Franchisee shall pay OBT, in addition to the overdue amount, and in addition to all other rights and remedies available to OBT and not as an election of remedies, a late payment/late report charge of one hundred and one hundred dollars (\$100) for each week or part thereof that the payment or report is late, and the Interest Charge.

3.10 Payments on Behalf of Franchisee. Franchisee shall pay to OBT, within fifteen (15) days after any written request by OBT which is accompanied by reasonable substantiating material, any monies which OBT has paid, or has become obligated to pay, on behalf of Franchisee, by consent or otherwise under this Agreement.

3.11 Other Payments. All payments and fees owed by Franchisee to OBT shall be paid by Franchisee in the manner and within the time periods as provided for in this Agreement or in the Manuals. OBT reserves the right to collect all fees and payments due by Franchisee by EFT as provided for in Section 3.7 or otherwise in the Manuals.

3.12 No Refunds. Upon the expiration or termination of this Agreement, OBT shall not refund any amounts paid pursuant to this Agreement for any reason whatsoever.

4. SERVICES BY OBT

4.1 Initial and Ongoing Assistance. Prior to the Franchised Business opening, OBT shall provide to Franchisee, its Operating Principal (as defined in Section 5.17.3.1 below) and to such of Franchisee's other employees of which OBT shall approve for training, such training programs as OBT may designate, to be conducted at such time(s) and location(s) designated by OBT. OBT shall also provide

such ongoing training as it may, from time to time, deem appropriate. OBT shall be responsible for the cost of instruction and materials, subject to the terms set forth in Section 3.2 above and Section 5.3 below.

4.2 Opening Assistance. OBT will provide such pre-opening assistance to Franchisee as OBT prescribes in the Manuals or otherwise in writing. The date, time, and nature of the pre-opening support will be determined by OBT, at its sole option.

4.3 Manuals. OBT shall loan or otherwise provide Franchisee access to OBT's confidential Brand Standards Manual and other manuals (the "**Manuals**"), which may be revised from OBT from time to time.

4.4 Advertising and Promotion. OBT shall have the right to approve or disapprove all advertising and promotional materials that Franchisee proposes to use, pursuant to Section 6 below. In addition, during the term of this Agreement, OBT shall provide Franchisee with such other advertising assistance, sales advice, or related materials as OBT deems advisable.

4.5 Ongoing Assistance. OBT shall provide such periodic individual or group advice, consultation and assistance, rendered by personal visit, telephone, video conferencing, mail or e-mail and made available from time to time as OBT deems advisable at the time(s) and in the manner determined by OBT.

4.6 Bulletins and Reports. OBT shall provide Franchisee such bulletins, brochures and reports published by OBT from time to time as OBT deems advisable regarding its plans, policies, research, developments and activities.

4.7 Computer System. OBT shall have the right to specify or require that certain brands, types, makes, and/or models of communications systems, computer systems, and hardware used by, between, or among OBT Businesses, including: (a) back office and accounting systems, client systems, data, audio, video, and voice storage, retrieval, and transmission systems for use in the Franchised Business, between or among OBT Businesses, and between and among the Franchised Business and OBT and/or Franchisee; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) e-mail systems; and (f) Internet access mode and speed (collectively, the "**Computer System**").

4.8 Inspection. OBT shall have the right to inspect the Computer Systems and records and reports of the Franchised Business prior to the opening of the Franchised Business and periodically throughout the term of the Agreement as described in Section 7.4 below. Franchisee shall not commence operation of the Franchised Business without OBT's prior written approval.

4.9 Delegation of Duties. Franchisee acknowledges and agrees that any designee, employee, or agent of OBT may perform any duty or obligation imposed on or available to OBT by the Agreement, as OBT may direct.

5. OBLIGATIONS OF FRANCHISEE; OPERATIONAL STANDARDS

5.1 Development of the Franchised Business. Franchisee understands and acknowledges that every detail of the Franchised Business is important to Franchisee, OBT, and other franchisees in order to develop and maintain high operating standards, to increase the demand for the OBT Services and Products, and to protect OBT's reputation and goodwill. Franchisee shall open the Franchised Business according to the requirements contained herein, and Franchisee shall open the Franchised Business no later than ninety (90) days after the Effective Date.

5.2 Franchised Business Opening. “**Opening**” as defined in this Franchise Agreement means the date on which Franchisee first offers OBT Services and Products to prospective clients provided, however, that for purposes of this Section 5.2, the placement of advertising shall not be deemed to constitute an offer. In connection with the opening of the Franchised Business:

5.2.1 Franchisee shall not open the Franchised Business without first complying with all of OBT’s pre-opening requirements and obligations contained in this Agreement and the Manuals.

5.2.2 Franchisee shall not open the Franchised Business until the Operating Principal has successfully completed all training required by OBT to OBT’s satisfaction.

5.2.3 Franchisee shall not open the Franchised Business until all amounts due to OBT under this Agreement or any other related agreements have been paid.

5.2.4 Franchisee shall not open the Franchised Business until all required insurance has been acquired and documentation of coverage details has been provided to OBT.

5.3 Training. Franchisee acknowledges that its owners and manager(s) must be knowledgeable regarding the operation of OBT Businesses, including the provision of client service in accordance with the brand standards established by OBT, which may be modified by OBT from time to time. Franchisee acknowledges that successful completion of OBT’s training programs by Franchisee’s owners and managers is critical to properly own, operate and manage the Franchised Business. Franchisee’s employees must be covered by Franchisee’s workers’ compensation insurance policy prior to commencing training with OBT, and Franchisee must provide evidence of such coverage upon request by OBT. Prior to the opening of the Franchised Business, Franchisee’s Operating Principal shall attend and successfully complete, to OBT’s satisfaction, the initial training program offered by OBT (the “**Initial Training Program**”) and Franchisee must pay OBT the Training Fee described in Section 3.2. The Training Fee is nonrefundable. The Operating Principal must complete the Initial Training Program no later than ninety (90) days after the Effective Date. OBT may permit additional individuals to attend some or all of the initial training program, at OBT’s option, and OBT may require that Franchisee pay an additional fee for such additional attendees. OBT may also require that additional individuals attend training, at OBT’s option. All individuals who complete OBT’s Initial Training Program are “**Franchisee’s Principal Trainees.**” Initial training may require Franchisee’s Principal Trainees to successfully complete all examinations and tests administered by OBT. The training programs including the Initial Training Program shall be conducted at facilities designated by OBT, which may include company-owned OBT Businesses, OBT Businesses owned and operated by other franchisees, and other facilities. Franchisee’s Principal Trainees and other applicable personnel must successfully complete OBT’s training program and receive OBT’s certification to provide such services prior to offering or selling any OBT Services and Products for which OBT requires training and certification. OBT reserves the right to charge fees for any additional training programs.

5.3.1 Operating Principal and General Manager. All aspects of the Franchised Business shall be conducted under the management and supervision of the Operating Principal. In addition, the daily operations of the Franchised Business shall be supervised under the active full-time management of the Operating Principal, or with the written approval of OBT, a General Manager who has successfully completed (to OBT’s satisfaction) the Initial Training Program. If the Operating Principal or the General Manager cease active management of or employment at the Franchised Business, Franchisee shall enroll a qualified replacement (who shall be reasonably acceptable to OBT) in the Initial Training Program not more than thirty (30) days after the cessation of the former person’s full time employment and/or management responsibilities. The replacement shall attend and successfully complete the basic management training

program, to OBT's reasonable satisfaction, as soon as it is practical to do so. Franchisee shall pay OBT's then-current training fees and per diem expenses.

5.3.2 Ongoing Training. The Franchisee's Principal Trainees may also be required to attend such refresher courses, seminars, and other training programs as OBT may reasonably specify from time to time, including up to five (5) days of ongoing training or refresher training programs each year during the term of the Agreement. In addition, such of the Franchisee's Principal Trainees as OBT may require, may be required to attend OBT's annual convention for up to three (3) days per year.

5.3.3 Conventions, Meetings, and Conferences. If OBT elects to hold an annual convention, Franchisee shall attend OBT's annual convention, and attend the annual convention at Franchisee's expense. Franchisee shall be responsible for Franchisee's and any approved-attendees' costs and expenses to attend the convention, including transportation, meals and lodging. OBT reserves the right to charge a registration fee for franchisees to attend the annual conference. If we make attendance at these events mandatory, you must pay the event registration fee even if you don't attend.

5.3.4 Training Costs. In exchange for Franchisee's payment of the Training Fee set forth in Section 3.2, the cost of all initial training instruction and required materials provided by OBT shall be borne by OBT. All other expenses incurred in connection with training attendance at any OBT annual convention, including the costs of transportation, lodging, meals, wages, workers' compensation insurance and trainees' meals during training sessions, for Franchisee, its investors, and all of its employees, shall be borne by Franchisee.

5.3.5 CSA Certification. Franchisee must obtain and thereafter maintain a Certified Senior Advisor ("CSA") certification. Within three (3) months of the Effective Date, Franchisee must register for third-party courses to acquire a CSA certification and provide evidence of such registration to OBT. Within six (6) months of the Effective Date, Franchisee must successfully acquire CSA certification and provide evidence of such CSA certification to OBT. Franchisee must maintain CSA certification throughout the term of this Agreement.

5.4 Hours of Operation. Franchisee shall keep the Franchised Business open and in normal operation for such hours and days as OBT may from time to time specify in the Manuals or as OBT may otherwise approve in writing. Franchisee shall provide a plan and coverage for any absences from the business as specified in the Manuals or as OBT may otherwise approve in writing.

5.5 Personnel. Franchisee agrees to maintain a competent, conscientious, trained staff in numbers sufficient to promptly service clients and customers, including at least one (1) manager on duty at all times and to take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such dress code as OBT prescribes in the Manuals. Franchisee shall comply with all applicable labor, employment, personnel, and wage and hour laws and regulations. Franchisee is solely responsible for all employment and personnel decisions and functions of the Franchised Business including those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, scheduling, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether Franchisee receives advice from OBT on these subjects. Franchisee acknowledges and agrees that all employment and personnel decisions, including hiring, firing, disciplining, compensation, benefits, and scheduling, shall be made by Franchisee, without any influence from OBT, and such decisions and actions shall not be, nor be deemed to be, a decision or action of OBT. Further, it is the intention of the parties to this Agreement that OBT shall not be deemed an employer or joint employer of Franchisee or Franchisee's employees for any reason. If OBT incurs any cost, loss, or damage as a result of any actions or omissions of Franchisee or Franchisee's employees, including any that relate to any party making a finding of any joint employer status, Franchisee will fully indemnify OBT for such loss.

5.6 Equipment Upgrades. Franchisee shall make, from time to time, such upgrades, replacements, or other changes to the Computer System as OBT may request in writing (and as also specified above) (collectively, “**Equipment Upgrades**”). OBT shall have the right to require any Equipment Upgrades it deems necessary for the Franchised Business.

5.7 Standards and Specifications. To ensure that the highest degree of quality and service is maintained, Franchisee shall operate the Franchised Business in strict conformity with such methods, standards, and specifications as OBT may from time to time prescribe in the Manuals or otherwise in writing. Franchisee agrees:

5.7.1 To sell or offer for sale only and all OBT Services and Products as have been expressly approved for sale in writing by OBT (the “**OBT Services and Products**”); to sell or offer for sale all OBT Services and Products as specified by OBT; to refrain from any deviation from OBT’s standards and specifications without OBT’s prior written consent; and to discontinue selling and offering for sale any services and products which OBT shall have the right to disapprove, in writing, at any time.

5.7.2 To maintain in sufficient supply, and to use at all times only such services and products as conform to OBT’s written standards and specifications, and to refrain from deviating therefrom by the use or offer of any non-conforming items without OBT’s specific prior written consent.

5.8 Supplies and Suppliers. Franchisee shall purchase, lease, or license all equipment, products, supplies, services and materials used or offered for sale at the Franchised Business solely from suppliers that OBT has approved in writing. In determining whether it will approve any particular supplier, OBT shall consider various factors, including a supplier who can demonstrate, to OBT’s continuing reasonable satisfaction, the ability to meet OBT’s then current standards and specifications for such items; who possesses adequate quality controls and capacity to supply Franchisee’s needs promptly and reliably; who would enable the system, in OBT’s sole opinion, to take advantage of marketplace efficiencies; and who has been approved in writing by OBT prior to any purchases by Franchisee from any such supplier, and have not thereafter been disapproved. For the purpose of this Agreement, the term “**supplier**” shall include, but not be limited to, manufacturers, distributors, resellers, and other vendors. Franchisee recognizes that OBT shall have the right to appoint only one manufacturer, distributor, reseller, and/or other vendor for any particular service or product, and that OBT may designate itself or its affiliate as the only supplier, or one of a limited number of suppliers, for any services or products. For any services or products that OBT deems to be proprietary to the System, OBT reserves the right to designate one (1) supplier, which supplier may be OBT or an affiliate.

5.8.1 If Franchisee wishes to purchase any unapproved services or products or any services or products or any other items from an unapproved supplier, Franchisee shall first submit to OBT a written request for such approval. Franchisee shall not purchase any unapproved services or products or any services or products from any supplier until, and unless, such services or products or supplier has been approved in writing by OBT. OBT shall have the right to require that its representatives be permitted to inspect the unapproved services or products or the supplier’s facilities, as applicable, and that samples of the services or products be delivered to OBT or to a third party designated by OBT for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee or the supplier. OBT may also require that the supplier comply with such other requirements as OBT may deem appropriate, including payment of reasonable continuing inspection fees and administrative costs, or other payment to OBT by the supplier on account of their dealings with Franchisee or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that OBT may render to such suppliers. OBT reserves the right, at its option, to reinspect from time to time the facilities, services and products and to revoke its approval upon the failure of the services, products or supplier to continue to meet any of OBT’s then current criteria.

5.8.2 Nothing in the foregoing shall be construed to require OBT to approve any particular service, product or supplier, nor to require OBT to make available to prospective suppliers, standards and specifications, which OBT shall have the right to deem confidential.

5.8.3 Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at OBT's sole option, OBT may establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally-known suppliers who are willing to supply all or some Franchised Businesses with some or all of the equipment, products, and services that OBT requires for use and/or sale in the development and/or operation of Franchised Businesses. Such suppliers may be affiliates of OBT. In this event, OBT may limit the number of approved suppliers with whom Franchisee may deal, designate sources that Franchisee must use for some or all equipment, services and products, and/or refuse any of Franchisee's requests if OBT believes that this action is in the best interests of the System or the network of Franchised Businesses. OBT shall have the sole option to approve or disapprove of the suppliers who may be permitted to sell equipment, services and products to Franchisee.

5.8.4 Franchisee shall comply with all terms, conditions, and obligations of all contracts and arrangements with suppliers, including contracts and arrangements negotiated by OBT or third parties as part of a network or multiple-franchise or multiple-OBT Business supply and distribution arrangement, and Franchisee's contracts with and obligations to suppliers. Franchisee shall promptly pay all suppliers in accordance with the agreed-upon terms. In the event Franchisee fails to promptly pay one or more suppliers as required, OBT may, but is not required to, pay such supplier(s) on behalf of Franchisee, and Franchisee shall promptly reimburse OBT for such payment following notice from OBT, or OBT may obtain payment through the EFT process described in Section 3.7 above and the Manuals.

5.8.5 Franchisee acknowledges and agrees that all functions of the Franchised Business shall be provided by Franchisee or Franchisee's employees, except as designated or prescribed in the Manuals.

5.9 Technology and Computer System. At OBT's request, Franchisee shall purchase, lease, license, and/or subscribe to solely from suppliers that OBT has approved in writing, which may be OBT or its affiliate, and thereafter maintain, the Computer System, and comply with OBT's requirements, specifications and policies concerning the use of technology, as they may be specified in this Agreement, or specified or modified in the Manuals or otherwise in writing.

5.9.1 OBT shall have the right at any time to retrieve and use such data and information from Franchisee's Computer System or from such other technology or mobile applications or systems that support the OBT network of franchisees or that OBT deems necessary or desirable. In view of the contemplated interconnection of computer systems and the necessity that such systems be compatible with each other, Franchisee expressly agrees that it shall strictly comply with OBT's standards and specifications for all item(s) associated with the Computer System, and will otherwise operate the Computer System and such other technology or mobile applications or systems in accordance with OBT's standards and specifications. To ensure full operational efficiency and optimum communication capability between and among equipment, computer systems and such other technology or mobile applications or systems installed and/or used by Franchisee, OBT, and other franchisees, Franchisee agrees, at its expense, that Franchisee shall keep its Computer System in good maintenance and repair, and, at its expense, and following the determination that OBT shall have the right to make, to the effect that same will prove economically or otherwise beneficial to all System franchisees, that Franchisee shall promptly install such additions, changes, modifications, substitutions and/or replacement to Franchisee's computer hardware, software, telephone and power lines, and other related facilities, as OBT directs periodically in writing. Franchisee shall provide to OBT, upon OBT's request, all e-mail lists and customer lists used or maintained by Franchisee on the Computer System or elsewhere.

5.9.2 OBT has the right, but not the obligation, to develop or have developed for it, or to designate, any or all of the following: (a) computer software programs and accounting system software that Franchisee must use in connection with the Computer System (“**Required Software**”), which Franchisee must install; (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee must install; (c) the tangible media upon which such Franchisee must record or receive data; (d) the database file structure of Franchisee’s Computer System; and (e) an Extranet for informational assistance, which may include the Manuals, training other assistance materials, and management reporting solutions.

5.9.3 Franchisee agrees to install and use the Computer System and Required Software in the manner that OBT requires, and to use only the Computer System and Required Software that OBT designates.

5.9.4 Franchisee agrees to implement and periodically upgrade and make other changes to the Computer System and Required Software as OBT may reasonably request in writing (collectively, “**Computer Upgrades**”), at Franchisee’s own expense.

5.9.5 Franchisee agrees to comply with OBT’s written specifications (whether in the Manuals or otherwise) with respect to the Computer System and the Required Software, and with respect to Computer Upgrades, at Franchisee’s own expense.

5.9.6 Franchisee agrees to afford OBT unimpeded access to its Computer System and Required Software in the manner, form, and at the times that OBT requests.

5.9.7 Because changes to technology are dynamic and not predictable during the term of this Agreement, and in order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees: (a) that OBT will have the right to establish, in writing, reasonable new standards to address new technologies, whether published in the Manuals or otherwise in writing, and that OBT has the right to implement those changes in technology into the System; and (b) to abide by OBT’s new standards as if this Section 5.9, and other technology provisions in this Agreement, were periodically revised for that purpose.

5.10 Customer Data. Franchisee agrees that all data that it collects from clients, customers and potential clients and customers in connection with the Franchised Business including information on referral sources and facilities (“**Customer Data**”) is deemed to be owned exclusively by OBT. Franchisee has the right to use Customer Data while this Agreement or a successor or renewal Franchise Agreement is in effect, but only in connection with operating the Franchised Business and only in accordance with the policies that OBT establishes from time to time. Franchisee may not sell, transfer, or use Customer Data for any purpose other than operating the Franchised Business and marketing the OBT Services and Products. However, if Franchisee transfers the Franchised Business (as provided in Section 12.3 below), as part of the Transfer, Franchisee must also Transfer use of the Customer Data to the buyer as part of the total purchase price paid for the Franchised Business. Franchisee must secure from its vendors, customers, prospective customers, and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Customer Data to OBT and its affiliates and for OBT and its affiliates to use that Customer Data in the manner that this Agreement contemplates.

5.11 Privacy Laws. Franchisee agrees to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information (“**Privacy Laws**”).

5.11.1 Franchisee agrees to comply with OBT’s standards and policies pertaining to Privacy Laws. If there is a conflict between OBT’s standards and policies pertaining to Privacy Laws and

actual applicable law, Franchisee shall: (i) comply with the requirements of applicable law; (ii) immediately give OBT written notice of such conflict; and (iii) promptly and fully cooperate with OBT and its counsel in determining the most effective way, if possible, to meet its standards and policies pertaining to Privacy Laws within the bounds of applicable law.

5.11.2 Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without OBT's prior written consent as to such policy.

5.11.3 For purposes of this Section 5.11, "**Personal Information**" means Customer Data and any other information that is received from OBT, or collected on OBT's behalf, that identifies, relates to, describes, is capable of being associated with, or is linked or could reasonably be linked, directly or indirectly, with a particular consumer or household, and including particular elements of "personal information" as defined under Cal. Civ. Code § 1798.140.

5.11.4 With regard to Personal Information that Franchisee may collect, receive, or otherwise process as a result of any agreements between Franchisee and OBT (or its subsidiaries or affiliates), including this Agreement, Franchisee agrees and certifies that it will:

5.11.4.1. Process Personal Information only for the limited and specified purposes of providing services requested by OBT.

5.11.4.2. Notify OBT, and provide OBT with the ability to object, before transmitting Personal Information to a service provider, sub-processor, subcontractor, or other vendor.

5.11.4.3. Require any service provider, sub-processor, subcontractor, or other vendor that receives Personal Information to agree to provisions materially similar to those found within this Section 5.11.

5.11.4.4. Cooperate and assist OBT with responding to any request from an individual to exercise their rights under a data privacy or data security law or regulation.

5.11.4.5. Comply with all applicable data privacy and data security laws including, but not limited to, Cal. Civ. Code 1798.100. et seq.

5.11.4.6. Notify OBT if it believes that it can no longer meet the obligations of this Section 5.11.

5.11.4.7. Implement and maintain reasonable and appropriate security procedures and practices designed to protect the Personal Information from unauthorized access, destruction, use, modification, or disclosure.

5.11.4.8. Notify OBT immediately after becoming aware of any loss, unauthorized, or unlawful processing, destruction, damage, alteration, or unauthorized disclosure of, or access to, the Personal Information (a "Security Breach"), and cooperate with OBT in the event of a Security Breach, including by sharing information relevant to the Security Breach.

5.11.4.9. Allow and contribute to reasonable audits by OBT, including inspections by the OBT or its auditor, to verify Franchisee's compliance with data processing and security obligations and applicable data protection statutes and regulations.

5.11.5 Franchisee further agrees and certifies that it will not:

5.11.5.1. Sell, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, Personal Information to another business or a third party for monetary or other valuable consideration.

5.11.5.2. Retain, use, disclose, collect, sell, or otherwise process Personal Information for any purpose other than for the specific purpose of, and as necessary for, performing services for OBT pursuant to a written agreement(s). For clarity, Franchisee may not retain, use, or disclose the Personal Information for any other commercial purposes or outside of the direct business relationship between Franchisee and OBT.

5.11.5.3. Combine the Personal Information that it receives from OBT with the Personal Information that it receives from another company or business (or that it collects from its own interaction with individuals), except if expressly permitted to do so by OBT or required to do so by law.

5.11.5.4. Share, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, Personal Information for the purpose of cross-context behavioral advertising.

5.11.6 This Section 5.11 will survive expiration or termination of this Agreement and any other agreement(s) that may exist between Franchisee and OBT (or its subsidiaries or affiliates). Existing terms in such agreement(s) remain in effect except that this Section 5.11 controls in the event of a conflict with such terms. In the event of a breach of this Section 5.11, OBT may take reasonable and appropriate steps to stop and remediate the unauthorized use by Franchisee of Personal Information.

5.12 Website. OBT will maintain a Website for the benefit of OBT and its franchisees. Franchisee shall not establish a Website or permit any other party to establish a Website that relates in any manner to the Franchised Business or refers to the Marks without OBT's prior written consent. OBT has the right, but not the obligation, to provide one or more references or webpage(s) to Franchisee's Franchised Business, as OBT may periodically designate, within OBT's Website. (The term "**Website**" as used in this Agreement means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including the Internet, World Wide Web, social networking sites (including Facebook, Twitter, LinkedIn, Instagram, YouTube, etc.), blogs, vlogs, and other applications, etc.). Franchisee agrees, if OBT so requires, to establish maintain, and update a Website other than or in addition to the OBT Website for the Franchised Business, and/or to engage the supplier(s) that OBT may, at its option, designate to establish, maintain, and update such Website on Franchisee's behalf. If OBT approves in writing a request for Franchisee to use a Website, or if OBT instructs Franchisee to establish and maintain a Website for the Franchised Business, then OBT shall have the right to require that Franchisee meet any or all of the following requirements (but this provision is not meant to imply that OBT is obligated to permit Franchisee to have its own Website):

5.12.1 Franchisee agrees that any Website that is maintained for Franchisee's benefit or that Franchisee owns will be deemed "**advertising**" under this Agreement, and will be subject to (among other things) OBT's prior written approval pursuant to Section 6 below.

5.12.2 Franchisee agrees not to use or modify any such Website without OBT's prior written approval as to such proposed use or modification.

5.12.3 Franchisee agrees, in addition to any other applicable requirements, to comply with OBT's written standards and specifications for Websites, whether set forth in the Manuals or otherwise.

5.12.4 Franchisee shall pay the then-current Tech Fee and sign any agreements that OBT may require in connection with the Website.

5.13 Business Management System. Franchisee agrees to record all sales on computer-based client management systems that OBT has the right to designate or approve in the Manual or otherwise in writing (“**Business Management System**”). The Business Management System is deemed to be part of Franchisee’s Computer System. Franchisee must utilize computer-based devices, software and/or hardware that are fully compatible with any program or system that OBT has the right to designate, and Franchisee must record all Gross Sales and all revenue information on such equipment.

5.14 E-Mail, Internet and Other Media. Franchisee must comply with OBT’s requirements and policies (as described in the Manuals or otherwise in writing) with respect to the transmission of all e-mails and other electronic communications in connection with the Franchised Business, and in connection with discussing, advertising, or disseminating any information, or otherwise having a presence, on the Internet, or in any other media, regarding the Franchised Business. Such activities include participation in any Internet “blogs” or social networking sites. Any such activities which are not expressly permitted in the Manuals or otherwise in writing, or for which Franchisee has not previously received approval from OBT, shall be subject to OBT’s approval as described in Section 6 below.

5.14.1 Franchisee agrees that exchanging information with OBT by e-mail is an important way to enable quick, effective, and efficient communication, and that OBT and Franchisee are entitled to rely upon each other’s use of e-mail for communicating as part of the economic bargain underlying this Agreement. To facilitate the use of e-mail to exchange information, Franchisee authorizes the transmission of e-mail by OBT and OBT’s employees, vendors, and affiliates (on matters pertaining to the business contemplated hereunder) (together, “**Official Senders**”) to Franchisee and Franchisee’s employees during the term of this Agreement. OBT’s list of Official Senders shall be the master and official list of Official Senders.

5.14.2 Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by telephone, text, or e-mail or other electronic media without OBT’s prior written consent as to: (a) the content of such advertisements or solicitations; and (b) Franchisee’s plan for transmitting such advertisements or solicitations. OBT’s review of Franchisee’s advertisements or solicitations, or of Franchisee’s plan for transmitting such advertisements or solicitations, is only for OBT’s benefit and OBT’s review will pertain to whether the proposed advertisements or solicitations comply with OBT’s standards and specifications. Franchisee agrees that it will be solely responsible for complying with any laws pertaining to sending such advertisements and solicitations, including the Controlling the Assault of Non-Solicited Pornography and Proprietary Marketing Act of 2003 (known as the “CAN-SPAM Act of 2003”) and the Telephone Consumer Protection Act of 1991.

5.14.3 Franchisee agrees that: (a) Official Senders are authorized to send e-mails to Franchisee and its employees; (b) Franchisee will cause its officers, directors, and employees (as a condition of their employment or position with Franchisee) to give their consent (in an e-mail, electronically, or in a pen-and-paper writing, as OBT may reasonably require) to Official Senders’ transmission of e-mails and faxes to those persons, and that such persons shall not opt-out, or otherwise ask to no longer receive e-mails, from Official Senders during the time that such person works for or is affiliated with Franchisee; and (c) Franchisee will not opt-out, or otherwise ask to no longer receive e-mails, from Official Senders during the term of this Agreement.

5.14.4 The consent given above in this Section 5.14 will not apply to the provision of formal notices under this Agreement by either party using e-mail unless and until the parties have otherwise agreed, in a pen-and-paper writing that both parties have signed.

5.15 Credit Cards and Other Methods of Payment. At all times, Franchisee must maintain credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, and electronic-funds-transfer systems that OBT designates as mandatory, and Franchisee must not use any such services or providers that OBT has not approved in writing or for which OBT has revoked its approval. OBT has the right to modify its requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke its approval of any service provider. Franchisee must comply with all credit-card policies as prescribed in the Manuals. Franchisee must comply with the Payment Card Industry Data Security Standards (“**PCI DSS**”) as they may be revised and modified by the Payment Card Industry Security Standards Council (see www.pcisecuritystandards.org), or such successor or replacement organization and/or in accordance with other standards as OBT may specify, and the Fair and Accurate Credit Transactions Act (“**FACTA**”). Franchisee shall also upgrade periodically its Business Management System and related software, at Franchisee’s expense, to maintain compliance with PCI DSS, FACTA, and all related laws and regulations.

5.16 Prices. With respect to the sale of all services and products, Franchisee shall have sole discretion as to the prices to be charged to its clients and customers; provided, however, that OBT may establish, advertise, and promote minimum and/or maximum prices on such products or services, subject to compliance with applicable laws. If OBT has imposed such a minimum or maximum price on a particular product or service, and subject to applicable law, Franchisee may not charge a price for such product in excess of the maximum price set by OBT or below the minimum price set by OBT.

5.17 Franchisee Structure; Operating Principal and Owners. Franchisee shall, at all times during the term of this Agreement, be organized as a corporation or limited liability company as further described below:

5.17.1 Except as otherwise approved in writing by OBT, if Franchisee is a corporation, it shall: (i) be newly organized, and confine its activities, and its governing documents shall at all times provide that its activities are confined, exclusively to operating the Franchised Business; (ii) furnish OBT with a copy of its articles or certificates of incorporation and bylaws, as well as such other documents as OBT may reasonably request, and any amendment thereto; (iii) maintain stop transfer instructions on its records against the transfer of any equity securities and shall only issue securities upon the face of which a legend, in a form satisfactory to OBT, appears which references the transfer restrictions imposed by this Agreement; (iv) not issue any voting securities or securities convertible into voting securities; and (v) maintain a current list of all owners of record and all beneficial owners of any class of voting stock of Franchisee and furnish the list to OBT upon request, which list shall be amended to reflect changes in ownership, as permitted under this Agreement.

5.17.2 If a Franchisee is a limited liability company, Franchisee shall: (i) be newly organized, and confine its activities, and its governing documents shall at all times provide that its activities are confined, exclusively to operating the Franchised Business; (ii) furnish OBT with a copy of its articles of organization and operating agreement, as well as such other documents as OBT may reasonably request, and any amendments thereto; (iii) prepare and furnish to OBT, upon request, a current list of all members and managers in Franchisee, which list shall be amended to reflect changes in ownership, as permitted under this Agreement; and (iv) maintain stop transfer instructions on its records against the transfer of equity securities and shall only issue securities upon the face of which bear a legend, in a form satisfactory to OBT, which references the transfer restrictions imposed by this Agreement.

5.17.3 Franchisee shall either designate an Operating Principal or designate a General Manager to oversee, full time, the day-to-day operations of the Franchised Business. The designations are subject to the review and approval or disapproval by OBT, individuals to serve in the following positions:

5.17.3.1. Operating Principal. If designated, the Operating Principal shall participate personally in the direct operation of the Franchised Business. Franchisee shall notify OBT promptly if the individual serving as the Operating Principal for the Franchised Business no longer serves as an employee of Franchisee or no longer meets the requirements of being an Operating Principal for the Franchised Business. “**Operating Principal**” shall mean an individual who: (1) has completed OBT’s required training program, (2) OBT has approved to supervise the day-to-day operations of the Franchised Business, and (3) owns at least fifty-one percent (51%) of the equity interest in Franchisee.

5.17.3.2. Owners: An “**owner**” is any person that has any direct or indirect interest in Franchisee, or in any entity that has any direct or indirect ownership interest in Franchisee. All owners along with their ownership interests, shall be identified in Exhibit C hereto, and any change in ownership, whether subject to Section 12.3 or not, shall be provided to OBT, in advance and in writing, and Exhibit C shall be amended to reflect all changes in ownership.

5.17.3.3. General Manager: If required, the Franchisee shall designate a Franchised Business general manager, subject to approval by OBT, and satisfactory completion of OBT’s training programs, who shall be responsible for the direct oversight and management of the day-to-day operations and personnel at the Franchised Business (the “General Manager”). The General Manager and the Principal Operator may be the same person, if he/she is qualified to perform both roles and duties, and is approved by OBT.

5.18 Personal Guarantee. Concurrent with its execution of this Agreement, each owner shall execute the Guarantee, Indemnification and Acknowledgement in the form attached to this Agreement as Exhibit D, provided, however, that no guarantee shall be required from a person who acquires Franchisee’s securities (other than a controlling interest) if and after Franchisee becomes registered under the Securities Exchange Act of 1934. In addition, OBT may require that the spouse (or domestic partner or other immediate family member) of an owner sign the Guarantee, Indemnification and Acknowledgment.

5.19 System Modifications. Franchisee acknowledges and agrees that from time to time hereafter OBT may change or modify the System as OBT deems appropriate, including to reflect the changing market and/or to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of OBT Businesses. OBT’s changes to the System may include additions, deletions, or other modifications to the OBT Services and Products, to the adoption and use of new or modified products, services, equipment and furnishings and new techniques and methodologies relating to the operation of an OBT Business, and new trademarks, service marks and copyrighted materials. Notwithstanding the provisions and limitations of Section 5.9, Franchisee shall, upon reasonable notice, accept, implement, use in the operation of the Franchised Business any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at Franchisee’s sole expense. Additionally, OBT reserves the right, in its sole discretion, to vary the standards throughout the System, as well as the services and assistance that OBT may provide to some franchisees based upon the peculiarities of a particular circumstance, existing business practices, or other factors that OBT deems to be important to the operation of any OBT Business or the System. Franchisee shall have no recourse against OBT on account of any variation to any franchisee and shall not be entitled to require OBT to provide Franchisee with a like or similar variation hereunder.

5.20 No Third-Party Management. The Franchised Business shall be operated under the control and supervision of Franchisee, its Principal Operator, the General Manager or another general manager hired by and employed by Franchisee and approved by OBT. Franchisee shall not hire or retain a management company, manager (other than an employee manager trained and approved by OBT), or third party to undertake any of the management or operational functions of the Franchised Business.

5.21 National Accounts. OBT reserves the right to develop a national accounts program for the benefit of the System, franchisees, and operators of the System. A “**National Account**” is a client, a group of clients, or an organization or entity that has the right, by common ownership, control, or legal status, to arrange for OBT Services and Products to be provided at multiple locations, for the placement at facilities and in-home care at multiple locations, and/or for multiple clients, regardless of whether local, regional or national in scope. National Accounts may include a variety of different organizations, including state or local government agencies, insurance companies, or institutional referral sources. The locations of some of the National Account clients may be in the Territory and they may also have locations in other OBT Businesses’ Territories or areas. National Accounts may also require services for placement at facilities located in the Territory or for in-home care at homes located in the Territory. Accordingly, regardless of any contrary provision of this Agreement, Franchisee and OBT agree as follows:

5.21.1 If (i) a National Account requires that OBT Services and Products for (a) the placement of individuals in private pay housing facilities and private pay care facilities located within the Territory, and (b) in-home care at homes located within the Territory, (ii) Franchisee is in compliance with this Agreement, and (iii) OBT determines in its reasonable judgement that Franchisee is capable of fully providing the OBT Services and Products described in Section 5.21.(i)(a) and (b) above in accordance with the terms of the National Account agreement, OBT shall offer Franchisee the right to provide such OBT Services and Products in accordance with the terms of the National Account agreement, including price terms, and such other terms as OBT may designate. If Franchisee elects not to provide such OBT Services and Products in accordance with the National Account agreement or fails to respond to OBT’s offer within a reasonable time, which in no event shall be more than seven (7) days, OBT shall have the right to provide or to authorize a third party to provide such OBT Services and Products in accordance with the National Account agreement, including any amendment, renewal or extension thereto, without violating any territorial or other rights of Franchisee.

5.21.2 Franchisee agrees to comply with OBT’s National Accounts rules and policies as they may be modified from time to time.

6. ADVERTISING AND MARKETING

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

6.1 Establishment of National Brand Fund and Regional Cooperative. OBT shall have the right to establish the National Brand Fund and/or a Regional Cooperative, as described in this Section 6.

6.2 National Brand Fund. OBT may establish and administer a system-wide advertising, marketing, public relations, promotional, and/or national brand fund, which may be referred to as the “**National Brand Fund**,” or such other name as OBT may designate, in the manner set forth in Section 6 and the Manuals. Commencing once OBT has established the National Brand Fund and continuing for each calendar month thereafter during the term of this Agreement, Franchisee shall contribute the fee described in Section 3.4 hereof (the “**National Brand Fund Fee**”). OBT shall have the right to increase the National Brand Fund Fee by not more than one percent (1%) of the Franchised Business’ Gross Sales per year. During the term of this Agreement, the National Brand Fund Fee shall not exceed three percent (3%) of the Franchised Business’ Gross Sales. For all OBT Businesses owned by OBT, OBT shall contribute to the National Brand Fund and/or Regional Cooperative (as described below) on the same basis as franchisees. The National Brand Fund shall be maintained and administered by OBT or its designee, as follows:

6.2.1 OBT or its designee shall have the right to direct all advertising programs, as well as all aspects thereof, including the concepts, materials, and media used in such programs and the placement and allocation thereof. The National Brand Fund is intended to maximize general public recognition, acceptance, perception of, and use of the System; and OBT and its designee are not obligated, in administering the National Brand Fund, to make expenditures for Franchisee which are equivalent or proportionate to OBT's contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the National Brand Fund.

6.2.2 The National Brand Fund, all contributions thereto, and any earnings thereon, shall be used exclusively (except as otherwise provided in this Section 6.2) to meet any and all costs of maintaining, administering, directing, conducting, creating and/or otherwise preparing brand development, advertising, marketing, public relations and/or promotional programs and materials, and any other activities which OBT believes will enhance the image of the System, including the costs of preparing and/or conducting: media advertising campaigns; social media campaigns; direct mail advertising; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist therein; brand research and development; developing and hosting marketing, brand development and enhancement, and client and customer engagement seminars for franchisees; purchasing promotional items; developing new or modified trade dress and marks; design and photographs; conducting and administering visual merchandising, and other merchandising programs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs; market research and client and customer satisfaction surveys; the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or non-profit events and sponsorships; developing, implementing and maintaining an electronic commerce website and/or related strategies; maintaining and developing one (1) or more websites devoted to the System, the Marks and/or the "OWL BE THERE" brand; providing promotional and other marketing materials and services to the OBT Businesses operated under the System; and the salaries of OBT employees to the extent such employees provide services in conjunction with System marketing activities. The National Brand Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by OBT, which products, services, or improvements OBT shall have the right to determine will promote general public awareness and favorable support for the System.

6.2.3 Franchisee shall contribute to the National Brand Fund in the manner specified by OBT. All sums paid by Franchisee to the National Brand Fund shall be maintained in an account separate from OBT's other monies. OBT shall have the right to charge the National Brand Fund for such reasonable administrative costs and overhead as OBT may incur in activities reasonably related to the direction and implementation of the National Brand Fund and advertising programs for franchisees and the System, including costs of personnel for creating and implementing, advertising, merchandising, promotional and marketing programs and accounting services reasonably related to the operation and functions of the National Brand Fund. The National Brand Fund and its earnings shall not otherwise inure to OBT's benefit. OBT or its designee shall maintain separate bookkeeping accounts for the National Brand Fund.

6.2.4 The National Brand Fund is not intended to be, and will not be used for, OBT's ordinary operating expenses, nor is it a trust, and OBT does not assume any fiduciary obligation to Franchisee for maintaining, directing or administering the National Brand Fund or for any other reason. A statement of the operations of the National Brand Fund as shown on OBT's books shall be prepared annually by OBT and shall be made available to Franchisee upon written request by Franchisee.

6.2.5 Although the National Brand Fund is intended to be of perpetual duration, OBT maintains the right to terminate the National Brand Fund. The National Brand Fund shall not be terminated,

however, until all monies in the National Brand Fund have been expended for advertising and/or promotional purposes or returned to National Brand Fund contributors.

6.2.6 The National Brand Fund may be audited by OBT at its option, but OBT has no obligation to conduct an audit.

6.3 OBT shall have the right to designate any geographical area for the purpose of establishing a market brand development and promotional cooperative fund (“**Regional Cooperative**”). If a Regional Cooperative for the geographic area in which the Franchised Business is located has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Regional Cooperative, unless otherwise permitted by OBT. If a Regional Cooperative for the geographic area in which the Franchised Business is located is established during the term of this Agreement, Franchisee shall become a member of such Regional Cooperative within thirty (30) days after the date on which the Regional Cooperative commences operation, unless otherwise permitted by OBT. In no event shall Franchisee be required to be a member of more than one (1) Regional Cooperative relating to the Franchised Business. Franchisee shall contribute to the Regional Cooperative of which Franchisee is a member an amount each calendar month during the term of this Agreement that is determined by OBT, which shall not be more than two percent (2%) of Gross Sales (the “**Regional Cooperative Fee**”); provided that any amount paid by Franchisee toward the Regional Cooperative Fee will be credited towards Franchisee’s obligation to expend the Local Marketing and Engagement Amount, described in Section 6.4. The following provisions shall apply to each such Regional Cooperative:

6.3.1 Each Regional Cooperative shall be organized (including bylaws and other formation documents) and governed in a form and manner, and shall commence operations on a date, approved in advance by OBT in writing. Unless otherwise specified by OBT, the activities carried on by each Regional Cooperative shall be decided by a majority vote of its members. Any OBT Businesses that OBT operates in the region shall have the same voting rights as those owned by franchisees. Each OBT Business owner shall be entitled to cast one (1) vote for each OBT Business owned.

6.3.2 Each Regional Cooperative shall be organized for the exclusive purpose of administering regional marketing programs and developing, subject to OBT’s approval, standardized promotional materials for use by the members in local marketing and engagement.

6.3.3 No marketing or promotional plans or materials may be used by a Regional Cooperative or furnished to its members without OBT’s prior approval, pursuant to the procedures and terms as set forth in this Agreement.

6.3.4 Franchisee shall submit Franchisee’s required contribution to the Regional Cooperative at the time required under Section 3.7 above, together with such statements or reports as may be required by OBT or by the Regional Cooperative with OBT’s prior written approval. If so requested by OBT in writing, Franchisee shall submit Franchisee’s payments and reports to the Regional Cooperative directly to OBT for distribution to the Regional Cooperative.

6.3.5 A Regional Cooperative, may at OBT’s option, be managed or administered by a designee of OBT.

6.3.6 Although once established, each Regional Cooperative is intended to be of perpetual duration, OBT shall maintain the right to terminate any Regional Cooperative. A Regional Cooperative shall not be terminated, however, until all monies in that Regional Cooperative have been expended for marketing and/or promotional purposes or returned to its members.

6.4 Local Marketing and Engagement. Commencing on the ~~fourth~~ second month after the Effective Date, Franchisee must spend at least –One Thousand Dollars (\$1,000) per month on Local Marketing and Engagement (defined below in Section 6.5) (the “**Local Marketing and Engagement Amount**”) within the Territory. Subject to purchase of the Start-Up Kit pursuant to Section 3.3 of this Agreement, Franchisee will have no minimum Local Marketing and Engagement Amount during the first month following the Effective Date. OBT has the right to increase the Local Marketing and Engagement Amount. All local marketing and engagement by Franchisee shall be in such media, and of such type and format as OBT may approve; shall be conducted in a dignified manner; shall conform to such standards and requirements as OBT may specify; and shall comply with all applicable laws. Franchisee shall not use any marketing, advertising or promotional plans or materials unless and until Franchisee has received written approval from OBT, pursuant to the procedures and terms set forth in Section 6.6 below. Franchisee shall comply with all of OBT’s written instructions, policies, procedures, and restrictions regarding advertising and marketing. Franchisee shall furnish OBT, within five (5) days after OBT’s request, evidence satisfactory to OBT confirming Franchisee’s expenditure of the Local Marketing and Engagement Amount.

6.5 Costs of Local Marketing and Engagement. As used in this Agreement, the term “**Local Marketing and Engagement**” shall consist only of the direct costs of purchasing and producing marketing advertising materials (including, but not limited to, camera ready advertising and branded materials), media (space or time), and those direct out of pocket expenses related to costs of marketing, advertising and sales promotion spent by Franchisee in the Territory, postage, shipping, telephone, and photocopying; however, the parties expressly agree that advertising and sales promotion shall not include costs or expenses incurred by or on behalf of Franchisee in connection with any of the following:

6.5.1 Salaries and expenses of any employees of Franchisee, including salaries or expenses for attendance at advertising meetings or activities, or incentives provided or offered to such employees;

6.5.2 Charitable, political, or other contributions or donations, whether in cash or services; or

6.5.3 The value of discounts provided to customers.

6.6 Approvals. For all proposed local marketing and engagement, Franchisee shall submit samples of such plans and materials to OBT in the manner that OBT prescribes, for OBT’s review and prior written approval (except with respect to prices to be charged by Franchisee). If written approval is not received by Franchisee from OBT within fifteen (15) days after the date of receipt by OBT of such samples or materials, OBT shall be deemed to have disapproved them. Franchisee acknowledges and agrees that any and all copyright in and to advertising and promotional materials developed by or on behalf of Franchisee shall be the sole property of OBT, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by OBT to give effect to this provision.

6.7 Promotional Materials. OBT may make available to Franchisee from time to time, at Franchisee’s expense, advertising plans and promotional materials, including newspaper mats, merchandising materials, sales aids, special promotions, direct mail materials, community relations programs, and similar advertising and promotional materials for use in local marketing and engagement. OBT may provide periodic marketing assistance to Franchisee, including telephone, video conference and email marketing assistance, and templates or other materials for email-based marketing. OBT shall have the right to require all advertising and promotional materials and accessories, signs, decorations, all forms and stationery used in the Franchised Business, and other items which may be designated by OBT, to bear the OBT’s then-current Marks and logos in the form, color, location, and manner then-prescribed by OBT.

7. RECORDS AND REPORTS

7.1 **Records.** Franchisee shall maintain for a period of not less than three (3) years during the term of this Agreement, and, for not less than three (3) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles, as required by law, and in the form and manner prescribed by OBT from time to time in the Manuals or otherwise in writing. Franchisee shall prepare and maintain all books and records required under this Agreement and as prescribed by OBT during each fiscal year during the term of this Agreement and for the three (3) years prior to each fiscal year. To the extent books and records are created and/or maintained in an electronic form, all such books and records must be capable of being reviewed by OBT or its designee without special hardware or software.

7.2 **Periodic Reports.** Franchisee shall, at its expense, provide to OBT, in a format specified by OBT, such financial and operating reports that OBT prescribes.

7.3 **Reporting Requirements.** In addition to the Sales Reports required pursuant to Section 3.3, Franchisee shall also submit to OBT such other forms, reports, records, information, and data as and when OBT may reasonably designate, in the form and format, and at the times and places reasonably required by OBT, upon request and as specified from time to time in the Manuals or otherwise in writing.

7.4 **Audit.** OBT or its designee shall have the right at all reasonable times to examine, copy, and/or personally review or audit, at OBT's expense, all books, records, and sales and income tax returns of Franchisee. Franchisee shall cooperate fully with all audits and requests for information made by OBT or its designees. OBT shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection should reveal that any payments have been understated or overstated in any report to OBT, then Franchisee shall immediately pay OBT, in the event of an understatement, the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. If an inspection is necessitated because Franchisee fails to timely provide Sales Reports or if an inspection discloses an understatement in any report by Franchisee of two percent (2%) or more, Franchisee shall, in addition, reimburse OBT for any and all costs and expenses connected with the inspection (including, without limitation, travel, lodging and wages expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies OBT may have.

7.5 **Data.** All data provided by Franchisee in any form, and whether required by this Section 7.5 or any other requirement under the System or in the Manuals, including data uploaded to OBT's computer system from Franchisee's Computer System, and/or downloaded from the Franchisee's Computer System to OBT's computer system, is and will be owned exclusively by OBT, including without limitation, Customer Data (described in Section 5.10 above), customer lists and e mail lists, and OBT will have the right to use such data in any manner that OBT deems appropriate without compensation to Franchisee. In addition, all other data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the business (including but not limited to consumer and transaction data), is and will be owned exclusively by OBT during the term of, and following termination or expiration of, this Agreement. Copies and/or originals of such data must be provided to OBT upon OBT's request. OBT hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the business franchised under this Agreement. OBT may use all such information, data, and reports in any manner, including, without limitation, providing financial and operating reports to franchisees and operators operating under the System, preparing franchise disclosure documents, and providing information to prospective franchisees, and/or in complying with government regulations.

8. MARKS

8.1 Ownership of the Marks. OBT represents with respect to the Marks that:

8.1.1 OBT's affiliate OBT IP, LLC is the owner of all right, title, and interest in and to the Marks.

8.1.2 OBT's affiliate has taken and will take all steps reasonably necessary to preserve and protect OBT's affiliate's ownership of, and validity in, the Marks.

8.1.3 OBT's affiliate has granted OBT the right to use, and sublicense the right to use, the Marks and the System in connection with the development and operation of OBT Businesses.

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

8.2.1 Franchisee shall use only the Marks designated by OBT, and shall use them only in the manner authorized and permitted by OBT; all items bearing the Marks shall bear the then-current logo.

8.2.2 Franchisee shall use the Marks only for the operation of the business franchised hereunder, or in OBT approved marketing for the business conducted within the Territory.

8.2.3 Unless OBT otherwise directs Franchisee, in writing, to do so, Franchisee shall operate and advertise the Franchised Business only under the name "Owl Be There," without prefix or suffix.

8.2.4 During the term of this Agreement and any renewal of this Agreement, Franchisee shall identify itself (in a manner reasonably acceptable to OBT) as the independent owner of the Franchised Business in conjunction with any use of the Marks, including uses on invoices, order forms, receipts, and contracts, as OBT may designate in writing.

8.2.5 Franchisee's right to use the Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of OBT's rights.

8.2.6 Franchisee shall not use the Marks to incur any obligation or indebtedness on behalf of OBT.

8.2.7 Franchisee shall not use the Marks or any variant thereof as part of its corporate or other legal name, or as part of any e-mail address, domain name, websites or other identification of Franchisee in any electronic medium (including e-mail addresses, account names in a social media site, and the like) of Franchisee or the Franchised Business in any forum or medium.

8.2.8 Franchisee shall execute any documents deemed necessary by OBT to obtain protection for the Marks or to maintain their continued validity and enforceability

8.2.9 Franchisee shall promptly notify OBT of any suspected infringement of the Marks, any known challenge to the validity of the Marks, or any known challenge to OBT's ownership of, or Franchisee's right to use, the Marks licensed hereunder. Franchisee acknowledges that OBT or its affiliate shall have the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement thereof. OBT or its affiliate shall also have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks.

8.2.10 Except to the extent that any litigation involving the Marks is the result of Franchisee's use of the Marks in a manner inconsistent with the terms of this Agreement or involving any other claim against OBT, OBT or its affiliate shall reimburse Franchisee for its out of pocket litigation costs in doing such acts and things, except that Franchisee shall bear the salary costs of its employees, and OBT or its affiliate shall bear the costs of any judgment or settlement but only if the claim on which the judgment or settlement is made is solely related to the validity or ownership of the mark. To the extent that such litigation is the result of Franchisee's use of the Marks in a manner inconsistent with the terms of this Agreement, Franchisee shall reimburse OBT or its affiliate for the cost of such litigation (or, upon OBT's written request, pay OBT's legal fees directly), including attorney's fees, as well as the cost of any judgment or settlement. If OBT or its affiliate undertakes the defense or prosecution of any litigation relating to the Marks, Franchisee shall execute any and all documents and do such acts and things as may, in the opinion of counsel for OBT, be necessary to carry out such defense or prosecution, including becoming a nominal party to any legal action.

8.3 Franchisee Acknowledgements Regarding the Marks. Franchisee expressly understands and acknowledges that:

8.3.1 As between Franchisee and OBT, OBT or its affiliates are the exclusive owner of the Marks. The Marks are valid, owned by OBT's affiliate, and serve to identify the System and those who are authorized to operate under the System.

8.3.2 Neither Franchisee nor any Principal of Franchisee shall directly or indirectly contest the validity or OBT's affiliate's ownership of the Marks, nor shall Franchisee, directly or indirectly, seek to register the Marks with any government agency, except with OBT's and its affiliate's express prior written consent.

8.3.3 Franchisee's right to use Marks is derived solely from this Agreement and limited to its operation of the Franchised Business pursuant to and in compliance with this Agreement and OBT's standards and specifications. Franchisee's use of the Marks does not give Franchisee any ownership interest or other interest in or to the Marks, except the license granted by this Agreement.

8.3.4 Any and all goodwill arising from Franchisee's use of the Marks shall inure solely and exclusively to OBT's affiliate's benefit. This Agreement does not confer any goodwill or other interests in Marks upon Franchisee other than the limited right to operate the Franchised Business in compliance with this Agreement. Upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Marks.

8.3.5 The right and license of the Marks granted hereunder to Franchisee is nonexclusive, and OBT and its affiliate thus have and retain the rights, among others:

8.3.5.1. To use the Marks itself in connection with selling services and products;

8.3.5.2. To grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees or other licensees authorized to operate using the Marks;

8.3.5.3. To develop and establish other systems using the same or similar marks, or any other marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

8.3.6 OBT may, at any time, at its sole option, require Franchisee to use any additional, alternative, or substitute Marks. If OBT for any reason is required to or deems it advisable to modify or discontinue the use of any Marks and/or use one or more additional, alternative, or substitute trademarks or service marks, Franchisee will comply with OBT's directions within a reasonable time after receiving notice from OBT. All costs and expenses relating to the modification or discontinuance of the use of any Marks and/or the use of one or more additional, alternative, or substitute trademarks or service marks will be paid by Franchisee. All provisions of this Agreement applicable to Marks apply to any additional, alternative, or substitute trademarks and service marks or other commercial symbols that OBT authorizes Franchisee to use pursuant to this Agreement.

9. MANUALS

9.1 Manuals. In order to protect the reputation and goodwill of OBT, its affiliates, the Owl Be There brand, and the OBT System, and to maintain high standards of operation under OBT's Marks, Franchisee shall conduct its business in accordance with the Manuals, one (1) copy of which Franchisee acknowledges having received on loan from OBT for the term of this Agreement. The Manuals may consist of multiple volumes of printed text, video and/or audio tapes and files, computer disks, and other electronically stored data, and various and periodic or episodic operational and/or management bulletins, in any format, and Franchisee acknowledges and agrees that OBT may provide a portion or all of the Manuals (including updates and amendments), and other instructional information and materials in, or via, electronic media, including through the Internet.

9.2 Confidentiality of the Manuals. Franchisee shall at all times treat the Manuals, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use best efforts to maintain such information as secret and confidential, protect it from viewing by others, and treat the Manuals with the same degree of care as it would treat its most highly confidential documents. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

9.3 Protection of the Manuals. The Manuals shall at all times remain the sole property of OBT and shall at all times be kept in a secure place on the business premises of Franchisee. Franchisee shall ensure that the Manuals are kept current and up to date; and, in the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by OBT at OBT's home office shall be controlling.

9.4 Revisions to the Manuals. OBT may from time to time revise the contents of the Manuals, and Franchisee expressly agrees to make corresponding revisions to its copy of the Manuals and to comply with each new or changed standard immediately upon receipt of such revision.

10. CONFIDENTIALITY AND COVENANTS NOT TO COMPETE

10.1 Confidential Information. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, trade secrets, knowledge, or know-how concerning the System or the methods of operation of the business franchised hereunder which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement (the "**Confidential Information**"). Franchisee shall divulge such Confidential Information only to such of its employees as must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know-how, and techniques which OBT designates as confidential shall be deemed confidential for purposes of this Agreement, except information

which Franchisee can demonstrate came to its attention prior to disclosure thereof by OBT; or which, at or after the time of disclosure by OBT to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others. Any employee who may have access to any Confidential Information regarding the Franchised Business shall execute a covenant that s/he will maintain the confidentiality of information they receive in connection with their association with Franchisee. Such covenants shall be on a form provided by OBT, which form shall, among other things, designate OBT as a third party beneficiary of such covenants with the independent right to enforce them. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets, as specified in the Manuals.

10.2 Irreparable Injury. Franchisee acknowledges that any failure to comply with the requirements of this Section 10 will cause OBT irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by OBT in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 10.

10.3 Information Exchange. Franchisee agrees to disclose to OBT all ideas, concepts, methods, techniques and products conceived or developed by Franchisee, its affiliates, owners, agents, or employees during the term of this Agreement relating to the development and/or operation of the Franchised Business. Franchisee hereby agrees that OBT or its affiliates own any such ideas, concepts, methods, techniques, and products and shall execute and obtain the execution of such documents as OBT or its affiliate may prescribe to affect such ownership. OBT shall have no obligation to make any payments to Franchisee with respect to any such ideas, concepts, methods, techniques or products. Franchisee agrees that Franchisee will not use or allow any other person or entity to use any such concept, method, technique or product without obtaining OBT's prior written approval.

10.4 Full Time and Best Efforts. During the term of this Agreement, except as otherwise approved in writing by OBT, the Operating Principal or a Manager appointed in accordance with Section 5 shall devote full time, energy, and best efforts to the management and operation of the Franchised Business.

10.5 In-Term Covenants. Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and Confidential Information, including information regarding OBT's operational, sales, promotional, and marketing methods and techniques and the System. During the term of this Agreement, except as otherwise approved in writing by OBT, Franchisee shall not within anywhere in the United States, either directly or indirectly, for Franchisee, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

10.5.1 Divert or attempt to divert any business or customer of the Franchised Business or of any OBT Business using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks, brand, and the System.

10.5.2 Except as otherwise approved in writing by OBT directly or indirectly own, maintain, operate, engage in, have any interest in or provide any assistance to (whether as owner, stockholder, partner, officer, director, employee, consultant, franchisor, franchisee, lessor, or otherwise) any "**Competitive Business,**" which shall mean any business that provides assistance in connection with the placement of individuals in senior care or assisted living facilities, including, any business that provides any services that are the same as or substantially similar to or competitive with the OBT Services and Products.

10.6 Post-Term Covenants. Except as otherwise approved in writing by OBT, Franchisee shall not, for a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under

Section 12.3 below; (b) expiration or earlier termination of this Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 10.6 either: (1) directly or indirectly own, maintain, operate, engage in, have any interest in, or provide any assistance to (whether as owner, stockholder, partner, officer, director, employee, consultant, franchisor, franchisee, lessor, or otherwise) any Competitive Business which is, or is intended to be, located: (a) within the Territory or (b) within seventy five (75) miles of any other OBT Business office owned and/or operated by OBT or a franchisee as of the time that the obligations under this Section 10.6 commence or (2) solicit any former customers of the Franchised Business or any other OBT Business, or (3) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System. If Franchisee does not comply with the post-term covenants as specified in this Section 10.6, the post-term non-compete period shall not begin to run until Franchisee begins to comply.

10.7 Publicly-Held Corporations. Section 10.6 above shall not apply to ownership by Franchisee of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation. As used in this Agreement, the term “**publicly held corporation**” shall be deemed to refer to a corporation which has securities that have been registered under the Securities Exchange Act of 1934.

10.8 Individual Covenants. Franchisee shall require and obtain execution of covenants similar to those set forth in Sections 8, 9, 10, 12, and 14 (as modified to apply to an individual, if applicable) from any or all of Franchisee’s owners holding a ten percent (10%) or greater interest in Franchisee, the Operating Principal, and any spouse (or domestic partner or other immediate family member) of an owner. The covenants required by this Section 10.8 shall be in the form provided in Exhibit D to this Agreement. Franchisee shall deliver to OBT copies of such executed covenants immediately upon OBT’s request. Failure by Franchisee to obtain execution of a covenant required by this Section 10.8 shall constitute a default under Sections 10.5 and 10.6 above.

10.9 Severability. 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 Section 10 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which OBT is a party, Franchisee agrees to be bound by any lesser covenant subsumed 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 Section 10.

10.10 Scope of Covenants. OBT shall have the right to reduce the scope of any covenant set forth in Sections 10.5 and 10.6 in this Agreement, or any portion thereof, without Franchisee’s consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Sections 24.1 and 24.2 below.

10.11 Enforcement of Claims. The existence of any claims Franchisee may have against OBT, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by OBT of the covenants in this Section 10. Franchisee agrees to pay all costs and expenses (including reasonable attorneys’ fees, costs, and expenses (and interest on such fees, costs, and expenses)) incurred by OBT in connection with the enforcement of this Section 10.

10.12 Irreparable Injury. Franchisee acknowledges that Franchisee’s violation of the terms of this Section 10 would result in irreparable injury to OBT for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section 10.

10.13 Remedies Not Exclusive. The remedies in this Section 10 are in addition to the other right and remedies available to OBT and shall not serve as an election of remedies or a waiver of any other rights.

11. INSURANCE

11.1 Franchisee shall comply with the following insurance provisions:

11.1.1 Insurance Requirements. Prior to the commencement of any activities or operations pursuant to this Agreement, Franchisee shall procure and maintain in full force and effect during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement), at Franchisee's expense, the following insurance policy or policies in connection with the Franchised Business. Such policy or policies shall be written by an insurance company or companies approved by OBT, having a rating of at least "A"-VII in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that OBT reasonably designates if A.M. Best Company no longer publishes the Key Rating Guide) and licensed to do business in the state in which the Franchised Business is located. All policies will be primary and non-contributory to any insurance OBT may carry and include a waiver of subrogation in OBT's favor. Such policy or policies shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified for all franchisees from time to time by OBT in the Manuals or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances), the following:

11.1.1.1. Liability. A comprehensive general liability policy in the amount of not less than \$2,000,000 bodily injury aggregate and \$1,000,000 per occurrence, including operations, products and completed operations, broad form contractual liability, personal injury, and advertising liability.

11.1.1.2. Business Income and Extra Expense. Business income and extra expense insurance in an amount not less than adequate to pay for continuing expenses for a limit of fifty percent (50%) of annual sales or twelve (12) months actual loss sustained basis.

11.1.1.3. Professional Liability – Consultants Error's and Omission's coverage for \$1,000,000 per occurrence and aggregate, a claims-made form will be acceptable noting that "tail coverage" will be required for 2 years following if the franchised business is sold or closes;

11.1.1.4. Commercial Umbrella Liability Insurance. Commercial umbrella liability insurance with limits which bring the total of all primary underlying coverages to not less than Two Million Dollars (\$2,000,000) total limit of liability, in excess of commercial general liability, auto liability and, employer's liability coverage.

11.1.1.5. Cyber Liability Insurance. Cyber liability insurance in an amount that OBT designates./are no exemption/exclusions for business use.

11.1.1.6. [If you have at least one employee] Statutory Workers' Compensation Insurance. Statutory workers' compensation insurance and employer's liability insurance for a minimum limit of at least \$1,000,000, as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Franchised Business is located. You must have and maintain this insurance for all of your employees prior to any employee commencing any training with us.

11.1.1.7. [If you have at least one employee] Automobile Liability insurance and property damage liability insurance including owned, non-owned and hired vehicle coverage with coverage limits of at least \$1,000,000 in the aggregate Combined Single Limit Liability.

11.1.1.8. Employment Practices Liability. \$1,000,000 limit of liability to coverage wrongful employment acts, Wage & Hour Defense Coverage of \$100,000 and harassment and discrimination of any non-employee. This policy must include us as Co-Defendant.

11.1.1.9. Other Insurance. Any other insurance coverage that is required by federal, state, or municipal law. We reserve the right to mandate an insurance provider at any time in the future in the states we are legally able to do so. If this occurs you will need to comply at your next renewal date.

11.2 Referenced in Manuals. All policies listed in Section 11.1 (unless otherwise noted below) shall contain such endorsements as shall, from time to time, be provided in the Manuals.

11.3 Policy Cancellation. In the event of cancellation, material change-remove, or non-renewal of any policy, thirty (30) days' advance written notice must be provided to OBT in the manner provided in Section 11.7 below. Franchisee shall arrange for a copy of such notification to be sent to OBT by the insurance company.

11.4 Construction and Remodeling Insurance. In connection with all significant construction, reconstruction, or remodeling of the premises of the Franchised Business (if applicable) during the term of this Agreement, Franchisee will cause the general contractor, its subcontractors, and any other contractor, to effect and maintain at general contractor's and all other contractor's own expense, such insurance policies and bonds with such endorsements as are set forth in the Manuals, all written by insurance or bonding companies approved by OBT, having a rating as set forth in Section 11.1.1 above.

11.5 No Waiver of Obligations. Franchisee's obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by OBT, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 16.1.3 below.

11.6 OBT to be Additional Named Insured. All insurance policies shall list OBT and its affiliates, and their respective officers, directors, employees, partners, members, subsidiaries, employees and agents as additional insureds, and shall also contain a provision that OBT, although named as an insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to OBT or its servants, agents, or employees by reason of the negligence of Franchisee or its servants, agents, or employees. Additional insured status shall include coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20-26 or such equivalent form that OBT approves in writing that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) OBT's negligent acts, errors or omissions or other additional insureds. Franchisee shall maintain such additional insured status for OBT on Franchisee's liability policies continuously during the term of the Franchise Agreement.

11.7 Evidence of Insurance. At least thirty (30) days prior to the time any insurance is first required to be carried by Franchisee, and thereafter at least thirty (30) days prior to the expiration of any

such policy, Franchisee shall deliver to OBT, certificates of insurance, endorsements, insurance declarations and/or other documents requested by OBT (collectively, “**certificates**”), evidencing the required minimum coverage required hereunder. All certificates shall expressly provide that no less than thirty (30) days’ prior written notice shall be given OBT in the event of material alteration to, cancellation, or non-renewal of the coverages evidenced by such certificates. Further certificates evidencing the insurance required by Section 11.1.1 above shall expressly provide that any interest of same therein shall not be affected by any breach by Franchisee of any policy provisions for which such certificates evidence coverage. In the event that Franchisee fails to obtain the required insurance or to provide evidence reasonably satisfactory to OBT of the insurance policies required by Section 11, OBT shall have the right, but not the duty, to obtain such required policies on Franchisee’s behalf, and Franchisee agrees that it will promptly reimburse OBT for all costs related to obtaining such policies upon notice from OBT.

11.8 **Proof of Insurance.** In addition to its obligations under Section 11.7 above, on the first (1st) anniversary of the Effective Date, and on each subsequent anniversary thereof during the term of this Agreement and any renewal hereof, Franchisee shall provide OBT with proof of insurance evidencing the proper coverage with limits not less than those required hereunder, in such form as OBT may reasonably require.

11.9 **Policy Limit Changes.** OBT shall have the right, from time to time, to make such changes in minimum policy limits and endorsements as it deems advisable.

11.10 **OBT’s Insurance.** Franchisee acknowledges and agrees that any insurance policies maintained by OBT for OBT’s benefit shall have no effect upon Franchisee’s obligation to obtain any insurance required by this Section 11.

12. TRANSFER OF INTEREST

12.1 **OBT Transfers.** OBT has the right to transfer or assign this Agreement, the System, Confidential Information, and all or any part of OBT’s rights or obligations under this Agreement or OBT’s interest in the System and Confidential Information to any person or legal entity without Franchisee’s consent. Any transferee or assignee of this Agreement from OBT will become solely responsible for all of OBT’s obligations under this Agreement from the date of the transfer or assignment. Without limiting the foregoing, OBT may sell its assets (including its rights in the Marks and the System) to a third party; may offer its securities privately or publicly; may merge with or acquire other legal entities, or be acquired by another legal entity; and may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring. With regard to any or all of the above transfers, sales, assignments, and dispositions, Franchisee waives any claims, demands, or damages against OBT or its affiliates arising from or related to OBT’s transfer of its rights in this Agreement, the System, or Confidential Information to any other party. Nothing contained in this Agreement will require OBT to remain in the business of operating or licensing the operation of OBT Businesses or other businesses or to offer any services or products to Franchisee, whether or not bearing the Marks, if OBT transfers or assigns its rights in or obligations under this Agreement and the System.

12.2 **Owners.** Each owner of Franchisee, and the interest of each of them in Franchisee, is identified in Exhibit A hereto. Franchisee represents and warrants that its owners are set forth on Exhibit A attached to this Agreement, and covenants that Franchisee will not permit the identity of such owners, or their respective interests in Franchisee, to change without OBT’s consent and without complying with this Agreement.

12.3 Franchisee Transfers. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that OBT has granted this franchise in reliance on Franchisee or its owners' business skill, financial capacity, and personal character. Accordingly:

12.3.1 Franchisee and its owners shall not, without OBT's prior written consent, transfer, assign, sell, convey, pledge, give, or otherwise encumber: (a) this Agreement or any of Franchisee's rights and obligations under this Agreement; (b) the Franchised Business all or substantially all of the assets of the Franchised Business; or (c) Franchisee or any direct or indirect ownership interest in Franchisee (individually and collectively, a "Transfer").

12.3.2 Franchisee shall not, without OBT's prior written consent, issue any voting securities or securities convertible into voting securities, and the recipient of any such securities shall become an owner under this Agreement, if so designated by OBT.

12.3.3 Franchisee's owner shall not, without OBT's prior written consent, Transfer any interest of an owner in Franchisee as shown in Exhibit A.

12.4 Conditions for Approval. No Transfer is permitted or authorized without OBT's prior written consent. OBT will not unreasonably withhold any consent required by Section 12.3 above; provided, OBT may require, among other things, any or all of the following as conditions of OBT's consent:

12.4.1 Franchisee and the proposed transferee shall comply with OBT's then-current transfer policies. Franchisee and the proposed transferee shall provide OBT with all information and documents requested by OBT for its evaluation of the proposed transfer, transaction, and transferee, including the business and financial terms of the proposed transaction, financial and operational information regarding the proposed transferee, and evidence of any financing that may be required to complete the transaction and/or fund the transferee's operation after the transfer.

12.4.2 Franchisee and its owners shall execute a general release (which shall include a release from the transferor, Franchisee, Franchisee's owners, and guarantors), in a form satisfactory to OBT, of any and all claims against OBT and its affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including claims arising under this Agreement, any other agreement between OBT and Franchisee or their affiliates, and federal, state, and local laws and rules.

12.4.3 The transferee of an owner shall be designated as an owner and each transferee who is designated as an owner shall enter into a written agreement, in a form satisfactory to OBT, agreeing to be bound as an owner under the terms of this Agreement as long as such person or entity owns any interest in Franchisee; and, if Franchisee's obligations were guaranteed by the transferor, the owner shall guarantee the performance of all such obligations in writing in a form satisfactory to OBT.

12.4.4 Prior to and after the transfer, the transferee and its owners shall meet OBT's educational, managerial, and business standards; each shall possess a good moral character, business reputation, and credit rating; have the aptitude and ability to operate the Franchised Business, as may be evidenced by prior related business experience or otherwise; and have adequate financial resources and capital to operate the Franchised Business. The price, consideration, and other proposed terms of the proposed transfer must not, in OBT's reasonable business judgment, have the effect of negatively impacting the future viability of the Franchised Business.

12.4.5 At OBT's option, the transferee shall execute the form of franchise agreement then being offered to new franchisees, and such other ancillary agreements required by OBT for the business

franchised hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including higher Royalty Fees, and a different or modified Territory provided, however, that the term of such franchise agreement shall be equal to the then unexpired term of this Agreement.

12.4.6 At OBT's option, Franchisee or transferee, at the sole cost and expense of Franchisee or transferee, as applicable, shall upgrade the Franchised Business to conform to the then-current standards and specifications of new Franchised Business then being established in the System, and shall complete the upgrading and other requirements set forth in this Section 12.4.6 or as required under Section 5.9 above within the time specified by OBT.

12.4.7 All of Franchisee's monetary obligations hereunder shall be paid in full on a current basis, and Franchisee must not be otherwise in default of any of Franchisee's obligations hereunder including Franchisee's reporting obligations.

12.4.8 The transferor shall remain liable for all of the obligations to OBT in connection with the Franchised Business that arose prior to the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by OBT to evidence such liability.

12.4.9 Transferee and its Operating Principal, and such other owners or managers as specified by OBT, shall successfully complete (to OBT's satisfaction) all training programs required by OBT (including the Initial Training Program) upon such terms and conditions as OBT may reasonably require (including transferee's payment of OBT's then-current training fee for attendance at such training programs and the transferee's responsibility for the salary and all expenses of all persons who attend such training).

12.4.10 To compensate OBT for OBT's legal, accounting, training, and other expenses incurred in connection with the transfer, Franchisee shall pay OBT a non-refundable transfer fee in the amount of ten thousand dollars (\$10,000). The transfer fee shall be paid at the earlier of (a) when the transferee signs the new franchise agreement, or (b) when the transferee begins training. The transfer fee is non-refundable. In addition, in the event a proposed transfer is not consummated or closed, for any reason except for disapproval by OBT, Franchisee or the proposed transferee shall reimburse OBT for all of OBT's costs and expenses incurred in connection with OBT's evaluation of the proposed transfer, including attorneys' and accountants' fees, background checks, and training, if applicable, to the extent the portion of the transfer fee paid does not cover those costs and expenses.

12.4.11 The transferor must certify to OBT that transferor has provided to the transferee true, complete and accurate copies of Franchisee's financial information and documents regarding the operation of the Franchised Business, including the trailing two years of financial statements and monthly cash reports, material contracts, and such other information as may be specified by OBT.

12.4.12 The transferor must acknowledge and agree that the transferor shall remain bound by the covenants contained in Section 10 above

12.4.13 The transferring franchisee must assign or transfer to the transferee all referral service agreements related to the Franchised Business, including any referral service agreements with a home health services agency, private pay housing facility, or care facility.

12.5 Transfers to Entities for the Convenience of Ownership. If Franchisee desires to transfer all of Franchisee's interest in this Agreement, or if all of Franchisee's owners desire to transfer all of their

ownership interests in Franchisee, to a corporation, limited liability company, or other entity, solely for the convenience of ownership and/or for tax or estate planning reasons, OBT shall not unreasonably withhold OBT's consent to such transfer, and OBT shall not require that Franchisee comply with the provisions and conditions of Section 12.4 or 12.6, if Franchisee complies with all of the following conditions:

12.5.1 Franchisee shall provide written notice to OBT not less than thirty (30) days prior to the date of the proposed transfer, and shall provide OBT with such documents and information as OBT may request in support of Franchisee's request, which may include, among other things, entity formation and good standing certifications, evidence of insurance in the name of the new franchisee entity, and bank information for the new franchisee entity.

12.5.2 Franchisee and Franchisee's owners shall own all of the outstanding equity interests in the new franchisee entity, and shall own the same percentage ownership interests in the new franchisee entity as they own in Franchisee.

12.5.3 Each owner who owns at least ten percent (10%) of the outstanding equity interest in the new franchisee entity shall execute a Guarantee in the form attached as Exhibit D hereto.

12.5.4 Franchisee and Franchisee's owners shall comply with the provisions of Sections 12.4.1, 12.4.2, 12.4.6, 12.4.7, and 12.4.11 of this Agreement, and the new entity and its owners shall comply with Sections 5.17 and 5.18 of this Agreement.

12.5.5 Franchisee and Franchisee's owners shall execute such transfer documents, agreements and other materials as OBT may require.

12.6 Right of First Refusal.

12.6.1 If Franchisee or any owner desires to accept any *bona fide* offer from a third party to purchase Franchisee, all or substantially all of the assets of the Franchised Business, or any direct or indirect interest in Franchisee, Franchisee or such owner shall promptly notify OBT of such offer and shall provide such information and documentation relating to the offer as OBT may require. OBT shall have the right and option, exercisable within thirty (30) days after receipt of all such information, to send written notice to the seller that OBT intends to purchase the seller's interest on the same terms and conditions offered by the third party. If OBT elects to purchase the seller's interest, the closing on such purchase shall occur within sixty (60) days after the date of notice to the seller of the election to purchase by OBT.

12.6.2 Any material change in the terms of the *bona fide* offer prior to closing shall constitute a new offer subject to the same rights of first refusal by OBT as in the case of the third party's initial offer. OBT's failure to exercise the option afforded by this Section 12.6 shall not constitute consent to a proposed transfer, a waiver of any other provision of this Agreement, including all of the requirements of this Section 12 with respect to a proposed transfer, or a waiver of any subsequent offer.

12.6.3 In the event the consideration, terms, and/or conditions offered by a third party are such that OBT may not reasonably be required to furnish the same consideration, terms, and/or conditions, then OBT may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they must attempt to appoint a mutually-acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one (1) independent appraiser, then an independent appraiser shall be promptly designated by OBT and another independent appraiser shall be promptly designated by Franchisee, which two (2) appraisers shall, in turn, promptly designate a third appraiser; all three (3) appraisers shall promptly confer and reach a single determination,

which determination shall be binding upon OBT and Franchisee. The cost of any such appraisal shall be shared equally by OBT and Franchisee. If OBT elects to exercise its right under this Section 12.6, OBT shall have the right to set off all amounts due from Franchisee, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

12.7 Transfer Upon Death. Within six (6) months after the death of Franchisee (if a natural person and notwithstanding Section 5.17 hereof) or the death of an owner of Franchisee, the executor, administrator, or other personal representative of the deceased will transfer the interest of the deceased in this Agreement or Franchisee to a third party approved by OBT in accordance with Section 12.4. If no personal representative is designated or appointed and no probate proceedings are instituted with respect to the estate of the deceased, the distributee of the interest of the deceased must be approved by OBT. If the distributee is not approved by OBT, the distributee will transfer the interest of the deceased to a third party approved by OBT within six (6) months after the date of death of the deceased in accordance with Section 12.4.

12.8 Transfer Upon Permanent Disability. Upon Franchisee's permanent disability (notwithstanding Section 5.17 hereof) or the permanent disability of any owner with a controlling interest in Franchisee, OBT may require Franchisee's or the owner's interest to be transferred to a third party approved by OBT within six (6) months after notice to Franchisee. "**Permanent Disability**" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six (6) consecutive months from the date of determination of disability is unlikely. If OBT and Franchisee or Franchisee's representative disagree as to whether a person has a permanent disability, the existence of the permanent disability shall be determined by a licensed practicing physician selected by OBT upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 12.8 as of the date of refusal. OBT shall pay the cost of the required examination.

12.9 Notification Upon Death or Permanent Disability. Within ten (10) days after the death or permanent disability of Franchisee (if a natural person and notwithstanding Section 5.17 hereof) or an owner, Franchisee or Franchisee's representative shall notify OBT of the death or permanent disability in writing. Any transfer upon death or permanent disability will be subject to the same terms and conditions set out in this Section 12 for any transfer.

12.10 No Waiver of Claims. OBT's consent to a transfer which is the subject of this Section 12 shall not constitute a waiver of any claims OBT may have against the transferring party, nor shall it be deemed a waiver of OBT's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

12.11 Insolvency. If Franchisee or any person holding any interest (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding, intent, and agreement that any transfer in Franchisee, this Agreement, Franchisee's obligations and/or rights hereunder, all or substantially all of the assets of the Franchised Business, or any indirect or direct interest in Franchisee shall be subject to all of the terms of this Section 12.

12.12 Securities Offerings. All materials for an offering of stock or membership interests in Franchisee or any of Franchisee's affiliates which are required by federal or state law shall be submitted to OBT for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering shall be submitted to OBT for such review prior to their use. No offering by Franchisee or any of Franchisee's affiliates shall imply (by use of the Marks or otherwise)

that OBT is participating in an underwriting, issuance, or offering of the securities of Franchisee or Franchisee's affiliates; and OBT's review of any offering shall be limited solely to the relationship between OBT and Franchisee and any subsidiaries and affiliates, if applicable, and shall not constitute any opinion as to any legal requirement. OBT may, at its option, require the offering materials to contain a written statement prescribed by OBT concerning the limitations stated in the preceding sentence. Franchisee (and the offeror if not Franchisee), the owners, and all other participants in the offering must fully indemnify OBT, its subsidiaries, affiliates, successor, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in connection with the offering and shall execute any and all documents required by OBT to endorse such indemnification. For each proposed offering, Franchisee shall pay OBT a non-refundable fee of Five Thousand Dollars (\$5,000) or such greater amount as is necessary to reimburse OBT for its reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering. Franchisee shall give OBT written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 12 commences. Any such offering shall be subject to all of the other provisions of this Section 12; and further, without limiting the foregoing, it is agreed that any such offering shall be subject to OBT's approval as to the structure and voting control of the offeror (and Franchisee, if Franchisee is not the offeror) after the financing is completed.

13. DEFAULT AND TERMINATION

13.1 Automatic Termination. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; or if Franchisee is adjudicated bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment of Ten Thousand Dollars (\$10,000) or more against Franchisee or Franchisee's affiliate remains unsatisfied or of record for thirty (30) days or longer (unless an appeal or a supersedeas bond is filed); or if Franchisee is dissolved; or if an attachment or execution is levied against Franchisee's business or property, including Franchisee's bank accounts, property or any receivables and is not dismissed within thirty (30) days.

13.2 Termination Upon Notice Without Opportunity to Cure. Franchisee shall be deemed to be in default and OBT may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the delivery of written notice to Franchisee by OBT (in the manner set forth under Section 20 below), upon the occurrence of any of the following events:

13.2.1 If Franchisee fails to open the Franchised Business in accordance with this Agreement and OBT's standards and specifications;

13.2.2 If Franchisee, its Operating Principal, or managers fail to complete the initial and post-initial Training Program pursuant to Section 5.3 of this Agreement;

13.2.3 If Franchisee at any time without the written consent of OBT ceases to operate or otherwise abandons the Franchised Business for three (3) consecutive business days, or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located;

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

13.2.5 If Franchisee engages in any conduct or practice that is fraudulent, unfair, unethical, or a deceptive practice;

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

13.2.7 If Franchisee or any of Franchisee's owners purports to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 12;

13.2.8 If Franchisee fails to permit an inspection or an audit pursuant to Section 7.4;

13.2.9 If Franchisee fails to comply with the covenants in Section 10.5 or fails to timely obtain execution of the covenants required under Section 10.8;

13.2.10 If, contrary to the terms of Sections 9 or 10 above, Franchisee discloses or divulges the contents of the Manuals or other Confidential Information provided to Franchisee by OBT;

13.2.11 If Franchisee knowingly maintains false books or records, or submits any false reports (including information provided as part of Franchisee's application for this franchise) to OBT;

13.2.12 If Franchisee makes, or has made, any misrepresentation or engaged in any act of fraud in connection with obtaining this Agreement or in conducting the business franchised and licensed under this Agreement;

13.2.13 If Franchisee fails to pay any supplier or vendor when due, and fails to cure such default within the time period specified by the supplier or vendor, or in the applicable supply contract;

13.2.14 If Franchisee fails to pay any third party, including a lender, seller or lessor of products, services or equipment, any amount due by Franchisee to such parties on any note, financing, obligation, or financial instrument when due, and such failure to pay the full amount owed is not cured after any notice required by the contract or under applicable law;

13.2.15 If Franchisee makes any unauthorized or improper use of the Marks, or if Franchisee or any owner of Franchisee fails to utilize the Marks solely in the manner and for the purposes directed by OBT, or directly or indirectly contests the validity of OBT's ownership of the Marks or OBT's right to use and to license others to use the Marks;

13.2.16 If Franchisee fails to submit to OBT any financial or other information required under this Agreement;

13.2.17 If Franchisee fails to operate the Franchised Business in accordance with this Agreement, including operating the Franchised Business in compliance with the operating standards and specifications established from time to time by OBT as to the quality of service, specifications and use of computer hardware and software;

13.2.18 If any other agreement between Franchisee (or any of its affiliates) and OBT (or any of its affiliates) is terminated for cause;

13.2.19 If Franchisee fails on more than three (3) occasions during any 12-month period to comply with one or more requirements of this Agreement or any other agreement with OBT, regardless of whether the prior defaults were cured;

13.2.20 If Franchisee fails to comply with any applicable laws as more specifically set forth in Section 15.3;

13.2.21 If Franchisee, prior to operating the Franchised Business, does not obtain OBT's prior written approval of an Operating Principal if Franchisee does not participate personally in the direct operation of the Franchised Business; or

13.2.22 If Franchisee fails to comply with OBT's standards and procedures regarding (i) disclosures to clients of Franchisee's existing arrangements or affiliations with any assisted living facility, senior housing facility or home care services and the (ii) number and placement of referrals to such affiliated facilities and/or services.

13.3 Termination With Opportunity to Cure. Except as otherwise provided in Sections 13.1 and 13.2 above, upon any other default by Franchisee of Franchisee's obligations hereunder, OBT may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 20 below) setting forth the nature of such default to Franchisee at least thirty (30) days prior to the effective date of termination (or, with respect to monetary defaults, five (5) days); provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to OBT's satisfaction, and by promptly providing proof thereof satisfactory to OBT, all within the thirty (30) (or five (5)) day period. If any such default is not cured within the specified time, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the thirty (30) (or five (5)) day period or such longer period as applicable law may require.

13.4 Assignment Upon Bankruptcy. If, for any reason, this Agreement is not terminated pursuant to this Section 13, and this Agreement is assumed, or assignment of the same to any person or entity who has made a bona fide offer to accept an assignment of the Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: (i) the name and address of the proposed assignee; and (ii) all of the terms and conditions of the proposed assignment and assumption, shall be given to OBT within twenty (20) days after receipt of such proposed assignee's offer to accept assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and OBT shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of such proposed assignment and assumption, to accept an assignment of this Agreement to OBT upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by Franchisee out of the consideration to be paid by such assignee for the assignment of this Agreement. In the event OBT does not elect to exercise the options described in this Section 13.4, any transfer or assignment pursuant to the United States Bankruptcy Code shall be subject to the same terms and conditions of any other transfer or assignment set forth in Section 12.

13.5 Other Remedies. OBT has the right to undertake any one or more of the following actions in addition to, or lieu of, terminating this Agreement:

13.5.1 OBT may require Franchisee to close the Franchised Business and take the necessary steps to bring the Franchised Business into strict conformity with OBT's standards and specifications and the requirements of this Agreement. Franchisee shall not reopen the Franchised Business until Franchisee has brought it into conformity with OBT's standards and specifications;

13.5.2 OBT may elect, but has no obligation, to assume complete operating control and possession of the Franchised Business and operate the same in the capacity of a receiver. OBT shall apply funds received from that operation, first to the payment of all of OBT's costs and expenses of operation, then to the current obligations of Franchisee to OBT or any third party, and then to the past due obligations of Franchisee to OBT or any third party, with any remaining funds paid over to Franchisee;

13.5.3 OBT may disable access to or remove all or any references to the Franchised Business or webpage(s) of the Franchised Business from the Authorized Website, until such time as the default is fully cured;

If any of such rights, options, arrangements, or areas are terminated or modified in accordance with this Section 13.5, such action shall be without prejudice to OBT's right to terminate this Agreement in accordance with Sections 13.2 or 13.3 above, and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

14. OBLIGATIONS UPON TERMINATION OR EXPIRATION

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

14.1.1 Cease Operations. Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold Franchisee out as a present or former franchisee of OBT.

14.1.2 Cease Use of Marks. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System, the mark "OWL BE THERE" and all other Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, Franchisee shall cease to use all signs, advertising materials, displays, stationery, forms, and any other articles that display the Marks, remove all such articles and/or permit OBT to enter the Franchised Business and remove or permanently cover all signs or advertisements identifiable in any way with OBT's name or business, at Franchisee's expense.

14.1.3 Cancellation of Assumed Names. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Proprietary Mark "Owl Be There" and all other Marks, and/or any other service mark or trademark, and Franchisee shall furnish OBT with evidence satisfactory to OBT of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

14.1.4 Pay Monies Owed; Liquidated Damages. Within ten (10) days after the effective date of expiration or termination of this Agreement, or such later date that the amounts due to OBT or its affiliates are determined, Franchisee shall pay OBT all sums and amounts then due to OBT or its affiliates. Franchisee shall also pay to OBT, in addition to any amounts then due and owing, all damages suffered and expenses incurred by OBT as a result of any default, including reasonable attorneys' fees, expenses, and costs, and interest on such attorneys' fees, expenses, and costs. Franchisee acknowledges and agrees that, in the event this Agreement is terminated prior to its expiration due to a default by Franchisee, such

termination will result in lost future revenue and profits to OBT, harm to the goodwill associated with the Marks, and increased costs to OBT to re-develop or re-franchise the Territory in which the Franchised Business is located. Franchisee further acknowledges and agrees that the actual damages that would be incurred by OBT in the event of any early termination of this Agreement would be difficult to calculate or ascertain. Accordingly, if this Agreement is terminated prior to its expiration due to a default by Franchisee, Franchisee will, within ten (10) days after the effective date of such termination, pay OBT in a single lump sum payment, as liquidated damages and not as a penalty, an amount equal to the product of the average yearly amount of Royalty Fees paid by Franchisee under Section 3.4 of this Agreement during the three (3) years immediately preceding the termination (or such period as the Franchised Business was open for business, if the Franchised Business was not open for business during the entire three-year period), multiplied by the lesser of (i) three (3) or (ii) the number of years remaining in the Agreement's then-current initial term or renewal term. Franchisee acknowledges and agrees that such amount is considered to be a reasonable, bona fide pre-estimate of damages, which is fair and reasonable under the circumstances, and not a penalty. Franchisee acknowledges and agrees that the liquidated damages specified in this Section 14.1.4 are only intended to compensate OBT for the early termination of this Agreement and OBT's loss of revenue resulting therefrom, but not for any other breach of this Agreement by Franchisee or any other damages, losses, or expenses incurred by OBT, and all other applicable remedies under the law remain available to OBT.

14.1.5 Return of Manuals and Other Materials. Franchisee shall immediately deliver to OBT the Manuals, plans, specifications, designs, records, data, samples, models, programs, handbooks and drawings relating to the Owl Be There brand, the System, or OBT's operations or business, and all other materials containing Confidential Information (including any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be OBT's property.

14.1.6 No Confusion. Franchisee agrees that, if it continues to operate or subsequently begins to operate any other business, Franchisee shall not use any reproduction, counterfeit copy, or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute OBT's rights in and to the Marks, and further agrees not to utilize any designation of origin, description, trademark, service mark, or representation which suggests or represents a present or past association or connection with OBT, the Owl Be There brand, the System, or the Marks.

14.1.7 Listings. Franchisee shall cease use of, and if OBT requests shall transfer to OBT, all telephone numbers, customer lists, and any domain names, websites, e-mail addresses, and any other identifiers, whether or not authorized by OBT, used by OBT while operating the Franchised Business, and shall promptly execute such documents or take such steps necessary to remove reference to the Franchised Business from all trade or business telephone directories, including "yellow" and "white" pages, or at OBT's request transfer same to OBT.

14.1.8 Option to Purchase Equipment. OBT shall have the option, to be exercised within thirty (30) days after expiration or earlier termination of this Agreement, to purchase from Franchisee any or all of the equipment or inventory related to the operation of the Franchised Business, at the lesser of the fair market value or Franchisee's book value. The book value shall be determined based upon a five (5) year straight line depreciation of original costs. For equipment that is five (5) or more years old, the parties agree that fair market value shall be deemed to be ten percent (10%) of the equipment's original cost. If OBT elects to exercise any option to purchase herein provided, OBT shall set off all amounts due from Franchisee. Notwithstanding any term or provision in this subparagraph to the contrary, OBT expressly reserves the right, but not the obligation, to negotiate to purchase the equipment directly from the lessor of the equipment. The transfer of the equipment from Franchisee to OBT shall take place within sixty (60) days after the expiration or earlier termination of this Agreement upon receipt of payment or any applicable

transfer and release documents from OBT; provided, however, that if the transfer cannot take place within that time period because of delays caused by Franchisee's lender or lessor, the time period shall extend by a like number of days. If OBT exercises the foregoing option, Franchisee shall leave all of the equipment at the Franchised Business in good working order and repair and shall allow OBT to use the equipment without charge until the transfer of the equipment takes place.

14.1.9 Damages and Costs. Franchisee shall pay OBT all damages, costs, interest, and expenses, including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), incurred by OBT subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 14.1.

14.1.10 Other Rights of Franchisee. The termination of this Agreement shall not affect the rights of Franchisee to operate other OBT Businesses in accordance with the terms of any other applicable franchise agreements with OBT until and unless the other franchise agreements, or any of them, terminate or expire; provided, however, that this Section 14.1.10 shall not serve to negate or otherwise effect any cross default provisions contained in such franchise agreements.

15. TAXES, PERMITS, AND INDEBTEDNESS

15.1 Taxes. Franchisee shall promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the Franchised Business. If Franchisee is required to deduct any sales tax, gross receipts tax, income tax, withholding tax or similar tax from any payment to OBT, then, to the extent that OBT is not able to successfully obtain and utilize a tax credit from the applicable taxing authorities, the amount payable by OBT shall be increased by such amount as is necessary to make the actual amount received (after such withholding tax and after any additional taxes on account of such additional payment) equal to the amount that OBT would have received had no tax payment been required, provided that such shortfall is not caused by OBT's negligence in filing the claims, or for reasons that can be solely attributable to OBT.

15.2 Tax Disputes. In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law.

15.3 Compliance With Laws and Good Business Practices. Franchisee shall comply with all applicable federal, state, and local laws, rules, ordinances, and regulations, including government contracting, employment, labor, and wage and hour laws, tax laws, and local operating laws and regulations. Franchisee is solely responsible for ensuring that it and its agents, representatives, employees, independent contractors, and all persons or entities it contracts with, and all services offered or performed at or through the Franchised Business, comply with all applicable laws, rules, ordinances, and regulations at all times. Franchisee shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including licenses to do business, health certificates, fictitious name registrations, sales tax permits, and fire clearances. To the extent that the requirements of such laws are in conflict with the terms of this Agreement, the Manuals, or OBT's other instructions, Franchisee shall: (a) comply with such laws; and (b) immediately provide written notice describing the nature of such conflict to OBT. All advertising and promotion by Franchisee shall be factually accurate and conform to the highest standards of ethical advertising. Franchisee shall in all dealings with its customers, suppliers and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct, and shall comply with all consumer protection and unfair competition laws and regulations. Franchisee agrees to refrain from any business or advertising practice which may be injurious to the business of OBT and the goodwill associated with the Marks.

15.4 Notification of Claims. Franchisee shall notify OBT in writing within three (3) days FTER receipt of notice of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, or within three (3) days occurrence of any accident or injury which may adversely affect the operation of the Franchised Business or Franchisee's financial condition, or give rise to liability or a claim against Franchisee or OBT.

16. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

16.1 It is understood and agreed by the parties hereto that this Agreement does not in any way create the relationship of principal, agent, fiduciary, joint venture, joint employer, or employer/employee between OBT and Franchisee; that Franchisee shall be an independent contractor; and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee, or servant of the other for any purpose whatsoever. For the avoidance of doubt, OBT is not the employer or joint employer of Franchisee or Franchisee's employees.

16.1.1 Identification as Independent Contractor. At all times during the term of this Agreement and any extensions hereof, Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a franchise from OBT.

16.1.2 No Agency. Franchisee shall not act or attempt to act or represent itself, directly or by implication, as an agent of OBT. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on OBT's behalf, or to incur any debt or other obligation in OBT's name; and that OBT shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall OBT be liable by reason of any act or omission by Franchisee in Franchisee's conduct of the Franchised Business or for any claim or judgment arising therefrom against Franchisee or OBT. Franchisee shall not have the authority, express or implied, to bind or obligate OBT in any way.

16.1.3 Indemnification. Franchisee, on behalf of itself, its affiliates, and their respective owners, will, to the fullest extent permissible under applicable law, indemnify, defend, and hold harmless OBT, its affiliates, and each of their respective owners, officers, directors, members, employees and agents (the "Indemnified Parties") against and reimburse any one or more of the Indemnified Parties for any and all losses, compensatory, exemplary or punitive damages, arbitration costs, mediation costs, settlement amounts, judgments, court costs, fines, charges, costs, and expenses, including, without limitation, reasonable attorneys' fees, and consequential damages (together, "Losses and Expenses") arising out or from, or related to, any claims, directly or indirectly, arising out or from, in connection with, or related to this Agreement, the Franchised Business, Franchisee's operation of the Franchised Business, Franchisee and its employees' actions and inaction, or any breach of this Agreement by Franchisee, its affiliates, any of their respective owners, or any breach by Franchisee, its affiliate, or any of their respective owners of any other agreement between OBT or its affiliate, on the one hand, and Franchisee, its affiliate, or any of their respective owners, on the other hand. The indemnity set forth above includes claims, directly or indirectly, arising out of, from, or related to the Indemnified Parties' negligence, but not claims caused solely by the Indemnified Parties' gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. OBT has the right, at its option, to defend any such claim against it at Franchisee's sole cost and expense with counsel of OBT's choosing. If Franchisee defends any claim, it may not enter into any settlement agreement or otherwise resolve or conclude the matter without OBT's prior written consent. This indemnity will continue in full force and effect subsequent to, and notwithstanding, the expiration or earlier termination of this Agreement. Under no circumstances will OBT or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate its or Franchisee's Losses and Expenses, in order to maintain

and recover fully a claim against Franchisee, Franchisee's affiliate, or their respective owners. Any failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts recoverable by OBT or another Indemnified Party from Franchisee, Franchisee's affiliate, or their respective owners. Franchisee's obligations under this Section 16.1.3 will survive the expiration or earlier termination of this Agreement.

17. GOVERNING LAW AND DISPUTE RESOLUTION

17.1 Governing Law. This Agreement and the relationship of the parties shall be governed and construed in accordance with the laws of the Commonwealth of Virginia, without regard to its conflicts of laws provisions. However, the laws of the state in which the Franchised Business operates shall govern the enforcement of the non-compete provisions of Section 10 of this Agreement. Nothing in this Section 17 is intended by the parties to subject this Agreement to any franchise, business opportunity, antitrust, consumer protection, or any other law, rule, or regulation of the Commonwealth of Virginia to which this Agreement would not otherwise be subject.

17.2 Venue. Subject to the terms and provisions of Section 17.3 below, the parties agree that any action brought by one party against the other in any court, whether federal or state, shall be brought only before a federal or state court of competent jurisdiction encompassing Springfield, Virginia. The parties agree that this Section 17.2 shall not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue shall be as set forth above. Franchisee and its owners hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Any such action shall be conducted on an individual basis, and not as part of a consolidated, common, or class action, and Franchisee and its owners waive any and all rights to proceed on a consolidated, common, or class basis.

17.3 Arbitration. Except as otherwise provided in this Agreement, any claim, controversy or dispute arising out of or relating to this Agreement, the Franchised Business, or the relationship created by this Agreement, including any claim by Franchisee or its owners, regarding the entry into, the performance under, or the termination of this Agreement, or any other Agreement between the parties or their affiliates will be resolved via binding arbitration under the authority of the Federal Arbitration Act in accordance with the following provisions:

17.3.1 Any arbitration will be administered by the American Arbitration Association (or its successor) pursuant to its then-current commercial arbitration rules and procedures. The arbitrator will have the authority to decide issues regarding arbitrability and the scope of the arbitrator's jurisdiction. The arbitration must take place in the county in which our headquarters are located at the time of the dispute (currently Springfield, Virginia).

17.3.2 Any arbitration must be on an individual basis, and not as part of a common, consolidated, or class action. The parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. If a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties will submit all claims to the jurisdiction of the courts.

17.3.3 The arbitrator must follow the law and not disregard the terms of this Agreement or its related agreements. Except as otherwise provided in this Agreement, the arbitrator will have the authority to award any interim, interlocutory, or final remedy or relief that a court of the Commonwealth of Virginia could order or grant, including, without limitation, general damages, specific performance of any obligation created under this Agreement, the issuance of an injunction or other extraordinary relief, or

the imposition of sanctions for abuse or frustration of the arbitration process; however, the arbitrator may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or other prohibited damages; or (iii) make an award that extends, modifies, or suspends any lawful term of this Agreement or its related agreements or any reasonable standard of business performance that we set. A judgment may be entered upon the arbitration award by any state or federal court of competent jurisdiction. The decision of the arbitrator will be binding and final on all parties to the dispute.

17.3.4 Except as necessary to obtain interim or provisional relief, to enforce any arbitration award or order, or to comply with any franchise-specific disclosure obligation, the arbitration proceeding and award will be maintained as strictly confidential and neither party hereto nor the arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties hereto.

17.3.5 Each party will bear its share of the costs of the arbitration proceeding. The prevailing party to the arbitration will have the right to an award of its reasonable attorneys' fees and costs incurred after the filing of the demand for arbitration. If either OBT or Franchisee seeks to enforce this Agreement in any arbitral or other proceeding, the prevailing party will be entitled to recover its reasonable costs and expenses (including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel or living expenses) incurred in connection with such judicial or other proceeding.

17.3.6 This agreement to arbitrate shall survive the expiration or earlier termination of this Agreement.

17.4 Injunctive Relief. Notwithstanding anything to the contrary contained in this Section 17, either party may file suit in a court of competent jurisdiction (pursuant to Section 17.2) for the entry of temporary or preliminary injunctive relief, restraining orders and orders of specific performance, including injunctive relief pertaining to Franchisee's use or misuse of the System, Marks, or Confidential Information, or impermissible competition, prior to or after the expiration or earlier termination of this Agreement. The Parties hereto agree that seeking and obtaining such relief will not waive the parties' agreements to arbitrate.

17.5 Limitation of Actions. **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 17.5, ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE FRANCHISE RELATIONSHIP, OR FRANCHISEE'S OPERATION OF THE FRANCHISED BUSINESS, (INCLUDING ANY DEFENSES AND ANY CLAIMS OF SET-OFF OR RECOUPMENT), SHALL BE IRREVOCABLY BARRED UNLESS BROUGHT OR ASSERTED BEFORE THE EXPIRATION OF THE EARLIER OF (A) THE TIME PERIOD FOR BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS; (B) ONE (1) YEAR AFTER THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN ALLEGED CLAIM; OR (C) TWO (2) YEARS AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM. CLAIMS ATTRIBUTABLE TO UNDERREPORTING OF SALES, AND CLAIMS OF THE PARTIES FOR FAILURE TO PAY MONIES OWED AND/OR INDEMNIFICATION SHALL BE SUBJECT ONLY TO THE APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS.**

17.6 Waiver of Damages. Except with respect to the exclusions set forth in this Section 17.6, to the fullest extent permitted by applicable law and as provided below, OBT, Franchisee, and Franchisee's owners waive to the fullest extent permitted by law any right to or claim of any punitive, exemplary, treble, incidental, indirect, consequential, or other similar damages against OBT, Franchisee, any of their

respective affiliates, owners, officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, and employees, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort, statutory or otherwise). However, the foregoing waiver will not apply to any claim (a) by any party for attorneys' fees or costs and expenses under this Agreement; (b) for any damages whatsoever, including, without limitation, consequential damages, for adverse harm to the Marks or the System; or (c) indemnification and damages for any third-party claims arising under Section 16.1.3. Notwithstanding anything to the contrary in this Agreement, if any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of limited waiver by agreement of punitive, exemplary, incidental, indirect, or consequential damages will continue in full force and effect.

17.7 Waiver of Jury Trial. The parties hereto irrevocably waive trial by jury in any action, proceeding, or counterclaim in connection with any matter or dispute of any kind arising under or in any way connected with this Agreement or any right or remedy hereunder, whether at law or in equity, brought by either party hereto.

18. TIME IS OF THE ESSENCE

As to all reports and fees payable to or to be made to OBT and any inspections initiated by OBT under Section 7.4, time shall be of the essence.

19. APPROVALS, WAIVERS, AND BINDING EFFECTS

19.1 Approvals. Whenever this Agreement requires OBT's prior approval or consent, Franchisee shall make a timely written request to OBT for the approval or consent, which OBT shall grant, if at all, only in writing.

19.2 Waivers. Except as set forth in this Agreement, no rights or remedies set forth in this Agreement shall exclude any other right or remedy allowed by law or in equity. No waiver by a party of any covenant or condition or breach of any covenant or condition of this Agreement shall constitute a waiver of any subsequent breach or nonobservance on any other occasion of the same or any other covenant or condition of this Agreement. Subsequent acceptance by OBT of payments due it shall not constitute a waiver by OBT of any prior breach. No failure by any party to this Agreement to take action on account of any default by any other party, or to exercise any right hereunder, whether in a single instance or repeatedly, shall constitute a waiver of any such default or right or the performance required of such other party.

19.3 Binding Effect; No Other Rights. This Agreement shall bind the parties and their respective executors, administrators, successors and assigns. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, OBT, and such of the parties' respective successors and assigns as may be contemplated (and, as to Franchisee, permitted) by Section 12.1 and 12.3 above, any rights or remedies under or by reason of this Agreement.

20. NOTICES

20.1 Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, a recognized overnight delivery service (e.g., UPS, FedEx, etc.), or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses below, unless and until a different address has been designated by written

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

OBT: Owl Be There Franchising, LLC
6200 Rolling Road, #2400
Springfield, Virginia 22152
Attention: Laura Greenwood
E-Mail: Laura.greenwood@owlbethere.com

Franchisee: Franchisee's notice address set forth on Exhibit A to this Agreement

21. FORCE MAJEURE

Neither OBT nor Franchisee will be liable for loss or damage or deemed to be in breach of this Agreement if performance is rendered impossible or commercially impractical by a Force Majeure Event (defined below). Any delay resulting from any Force Majeure Event will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable in the judgment of the party to whom performance is owed, except no Force Majeure Event will operate to excuse Franchisee from the prompt payment of any fee or other amount due to OBT or its affiliates under this Agreement. Franchisee or OBT will, within five (5) days of the occurrence of the Force Majeure Event, give a written notice to the other party stating the nature of the Force Majeure Event, its anticipated duration, and any action being taken to avoid or minimize its effect. Any suspension of performance will be of no greater scope and of no longer duration than is reasonably required; provided, however, if the suspension of performance continues for ninety (90) days from the date of the occurrence and such failure to perform would constitute an event of default of this Agreement in the absence of such Force Majeure Event, OBT may, subject to any applicable franchise relationship law, terminate this Agreement immediately by giving written notice to Franchisee. As used in this Agreement, "Force Majeure Event" means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire, or other natural catastrophe); strikes, lockouts, or other industrial disturbances; war (declared or undeclared), riot, terrorist act, or other civil disturbances; cybersecurity incidents; epidemics; pandemics; public health emergencies; governmental action; or any other cause that is beyond the reasonable control of the party affected thereby and that materially and adversely affects the ability of such party to perform. Financial inability of a party hereto will not constitute a Force Majeure Event.

22. IMMUNITY FOR CERTAIN LIMITED DISCLOSURES

Notwithstanding anything in this Agreement to the contrary, Franchisee and its affiliates may, in accordance with any applicable law, including the federal Defend Trade Secrets Act, disclose Confidential Information, including OBT's trade secrets, (a) in confidence, to federal, state, or local government officials, or to an attorney of Franchisee, for the sole purpose of reporting or investigating a suspected violation of law; or (b) in a document filed in a lawsuit or other legal proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with any applicable law or create liability for disclosures expressly allowed by law.

23. ENTIRE AGREEMENT AND AMENDMENT

This Agreement and the exhibits referred to in this Agreement constitute the entire, full, and complete Agreement between OBT and Franchisee concerning the Agreement's subject matter, and supersede any and all prior or contemporaneous negotiations, discussions, understandings, and agreements. There are no other oral or written understandings or agreements between OBT and Franchisee relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Franchise Agreement

is intended to disclaim any representations made by OBT in the Franchise Disclosure Document that OBT furnished to Franchisee, if any. Except for those permitted to be made unilaterally by OBT hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. The System and Manuals are subject to change by OBT at any time, at OBT's option.

24. SEVERABILITY; ENFORCEMENT OF COVENANTS; CONSTRUCTION

24.1 Severability. If any of the provisions of this Agreement may be construed in more than one way, one of which would render the provision illegal or otherwise voidable or unenforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to its fair meaning and not strictly against any party. In the event any court or other government authority shall determine that any provision in this Agreement is not enforceable as written, the parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the parties the same basic rights and obligations and has the same economic effect. If any provision in this Agreement is held invalid or otherwise unenforceable by any court or other government authority or in any other proceeding, such findings shall not invalidate the remainder of the Agreement.

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

24.3 Construction. All captions and headings in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision. Each pronoun used in this Agreement shall include the other numbers and genders, as appropriate. The words “include” and “including” will be construed to include the words “**without limitation**.”

25. JOINT AND SEVERAL OBLIGATION

If Franchisee consists of more than one person or entity, each person and entity shall have joint and several liability for Franchisee's obligations under this Agreement.

26. INCORPORATION OF EXHIBITS

All exhibits referred to in this Agreement constitute an integral part of this Agreement.

27. COUNTERPARTS

This Agreement may be executed in any number of counterparts each of which when so executed will be an original, but all of which together will constitute one (1) and the same instrument.

28. SURVIVAL OF PROVISIONS

All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement.

29. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS

29.1 Franchisee represents, warrants, and acknowledges to OBT as follows:

29.1.1 Modification of Offers. Franchisee understands that present and future franchisees of OBT may operate under different forms of agreements and, consequently, the obligations and rights of the parties to those agreements may differ materially from the obligations and rights contained in this Agreement. Franchisee also acknowledges and agrees that OBT may modify the offer of OBT franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

29.1.2 No Other Obligations. Each party represents and warrants to the others that his/her/its execution of this Agreement and all exhibits and addenda hereto do not violate or breach any other agreement, contract or covenant to which such party is bound, and further represents and warrants to the other parties that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

29.1.3 Compliance with Anti-Terrorism Laws and Other Laws. Franchisee and its owners represent and warrant to OBT that: (a) neither Franchisee nor any of its owners have made any untrue statement of any material fact nor omitted to state any material fact in Franchisee and their franchise application and other documents and information submitted to OBT, or in obtaining the rights granted herein; (b) neither Franchisee nor any of its owners have any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as otherwise completely and accurately disclosed in Franchisee's franchise application materials; (c) Franchisee and its owners have a legal right to own and operate the Franchised Business, and the owner or officer that executes this Franchise Agreement on Franchisee's behalf has all legal right an authority to execute on Franchisee's behalf and to legally and contractually bind Franchisee; and (d) neither Franchisee nor its owners (i) have been designated as suspected terrorists under U.S. Executive Order 13244; (ii) is identified, either by name or an alias, pseudonym or nickname, on the lists of "**Specially Designated Nationals**" or "**Blocked Persons**" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx_/); (iii) have not violated and will not violate any law (in effect now or which may become effective in the future) prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act (text currently available at <http://www.epic.org/privacy/terrorism/hr3162.html>), U.S. Executive Order 13244 (text currently available at <http://www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html>), the Foreign Corrupt Practices Act, or any similar law. Franchisee has a continuing obligation to advise OBT of any material changes in these statements and representations made to OBT in this Agreement or in the franchise application.

30. BUSINESS JUDGMENT

Franchisee understands and agrees that OBT may operate and change the System in any manner that is not expressly and specifically prohibited by this Agreement. Whenever OBT has expressly reserved in this Agreement or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, OBT may make such decision or exercise its right and/or discretion on the basis of OBT's sole judgment of what is in the best interest of OBT, the System, and the brand overall, including OBT, its affiliates, and the franchise network, at the time OBT's decision is made or OBT's right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by OBT; (2) OBT's decision or the action taken promotes OBT's financial or other individual interest; (3) OBT's decision or the action it takes applies differently to Franchisee and one or more other franchisees or OBT company-owned or affiliate-owned operations; or (4) OBT's decision or the exercise of its right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, OBT will have no liability to Franchisee for any such decision or action. OBT and Franchisee intend that the exercise of OBT's right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, OBT and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with the express wording of the terms of this Agreement and that this Agreement grants OBT the right to make decisions, take actions, and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

Executed as of the day and year first set forth above.

Franchisor:

OWL BE THERE FRANCHISING, LLC

By: _____

Its: _____

Date: _____

Franchisee:

By: _____

Its: _____

Date: _____

Exhibit A

Identification of Franchisee

- | | | |
|----|-------------------------------|---------------|
| 1. | Name of Franchisee: | _____ |
| 2. | Type of Entity | _____ |
| 3. | Statement of Formation | _____ |
| 4. | Notice Address of Franchisee: | _____ |
| | | _____ |
| | | E-Mail: _____ |
| 5. | Date of Opening: | _____ |

Exhibit B

**Authorization Agreement for Prearranged Payments
(Direct Debits)**

The undersigned depositor (“Depositor”) hereby authorizes Owl Be There Franchising, LLC (“OBT”) to initiate debit entries and/or credit correction entries to the Depositor’s checking and/or savings account(s) indicated below and the depository (“Depository”) to debit such account pursuant to OBT’s instructions.

Depository	Branch
Street Address, City, State, Zip Code	
Bank Transit/ABA Number	Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from OBT and Depositor of the Depositor’s termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Notwithstanding the foregoing, Depository shall provide OBT and Depositor with 30 days’ prior written notice of the termination of this authority. If an erroneous debit entry is initiated to Depositor’s account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if within 15 calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or 45 days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

Depositor

By: _____
Title: _____
Date: _____

Exhibit C

Statement of Ownership Interests

The following is a list of all of Franchisee's owners, the percentage of their ownership interest and a description of the nature of their ownership interest:

Individual/Entity Name

Percentage of Ownership/Nature of Interest*

* Must equal 100%.

Exhibit D

Guarantee, Indemnification, and Acknowledgment

As an inducement to OBT, LLC (“OBT” or “Franchisor”) to execute the OBT Franchise Agreement between OBT and _____ (“Franchisee”), dated _____, 20__ (the “Agreement”), the undersigned jointly and severally, hereby unconditionally guarantee to OBT and its successors and assigns that all of Franchisee’s monetary and other obligations under the Agreement will be punctually paid and performed.

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

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

The undersigned each hereby jointly and severally acknowledge and expressly agree to be individually bound by all of the covenants contained in Sections 8, 9, and 10 of the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the “Owl Be There” Marks or System licensed to Franchisee under the Agreement.

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

If OBT is required to enforce this Guarantee in a judicial or arbitration proceeding, and prevails in such proceeding, OBT shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants’, attorneys’, attorneys’ assistants’, arbitrator’, and expert witness fees, costs, and expenses, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and interest, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If OBT is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse OBT for any of the above-listed costs and expenses OBT incurs.

Subject to the obligations and provisions below, each of the undersigned agrees that all actions arising under this Guarantee or the Agreement, or otherwise as a result of the relationship between OBT and the undersigned, shall be governed by the provisions of Section 17 of the Agreement, and must be commenced in the state or federal court of general jurisdiction in the Commonwealth of Virginia and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that OBT may enforce this Guarantee and any orders and awards in the courts of the state or states in which he or she is domiciled.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 17 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the Commonwealth of Virginia. In the event of any conflict of law, the laws of the Commonwealth of Virginia shall prevail (without regard to, and without giving effect to, the application of Virginia conflict of law rules).

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

GUARANTOR(S)

Signed: _____

Name: _____

Address: _____

Signed: _____

Name: _____

Address: _____

Signed: _____

Name: _____

Address: _____

Exhibit E

Non-Disclosure and Non-Competition Agreement

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT (“**Agreement**”) is made this ____ day of _____, 20____, by and between _____ (the “**Franchisee**”), and _____, who is an owner, manager, supervisor, member, partner, or a person in a managerial position with, Franchisee (the “**Obligee**”).

BACKGROUND:

A. OBT, as the result of the expenditure of significant time, skill, effort and money, has developed a distinctive and proprietary system (the “**OBT System**” or “**System**”) for establishing and operating businesses that provide support for those seeking information, consultation and advice for the placement of an individual in a private pay housing and/or care facility and related services and products that OBT designates or approves under the System and the Marks (defined below) (“**OBT Services and Products**”), (each such business referred to generally as a “**OBT Business**”);

B. OBT and Franchisee have executed a Franchise Agreement (“**Franchise Agreement**”) granting Franchisee the right to operate one (1) OBT Business (the “**Franchised Business**”) and to produce and distribute services and products approved by OBT and use the Marks in connection therewith under the terms and conditions of the Franchise Agreement;

C. The Obligee, by virtue of his or her position with Franchisee, will gain access to certain of OBT’s Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement that Franchisee is bound by.

IN CONSIDERATION of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Obligee shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, trade secrets, knowledge, or know how concerning the System or the methods of operation of the Franchised Business which may be communicated to Obligee or of which Obligee may be apprised by virtue of Franchisee’s operation under the terms of this Agreement. Any and all information, knowledge, know how, and techniques which OBT designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Obligee can demonstrate came to its attention prior to disclosure thereof by OBT; or which, at or after the time of disclosure by OBT to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets, as specified in the Manuals.

2. Covenants Not to Compete.

(a) Oblige specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of its position with Franchisee, Oblige will receive valuable specialized training and confidential information, including information regarding the operational, sales, promotional, and marketing methods and techniques of OBT and the System.

(b) Oblige covenants and agrees that during the term of Oblige's employment with, or ownership interest in, Franchisee, and except as otherwise approved in writing by OBT, Oblige shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(i) Divert or attempt to divert any business or customer of the Franchised Business or of any OBT Business using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with OBT's Marks and the System; or

(ii) Own, maintain, operate, engage in, be employed by, or have any interest in any business that provides assistance in connection with the placement of individuals in senior care or assisted living facilities, including, any business that provides any services that are the same as, substantially similar to or competitive with the services offered by the Franchised Business or OBT Businesses. ("**Competitive Business**").

(c) Oblige covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by OBT, Oblige shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in, or provide any assistance to (whether as an owner, stockholder, partner, officer, director, employee, consultant, franchisor, lessor or otherwise) any Competitive Business which is, or is intended to be, located: (a) within the Territory of the Franchised Business or (b) within twenty five (25) miles of any other OBT Business owned and/or operated or then under construction by OBT or any other franchisee or licensee of OBT as of the time that the obligations under this Section commence.

(d) As used in this Agreement, the term "Post-Term Period" shall mean a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under Section 12.3 of the Franchise Agreement with respect to Oblige; and/or (b) termination of Oblige's employment with, and/or ownership interest in, Franchisee.

3. Injunctive Relief. Oblige acknowledges that any failure to comply with the requirements of this Agreement will cause OBT irreparable injury, and Oblige agrees to pay all court costs and reasonable attorney's fees incurred by OBT in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then the Oblige agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect OBT's and/or Franchisee's legitimate business needs as permitted by applicable law and public policy. In so doing, the Oblige agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. Delay. No delay or failure by OBT or the Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. Jurisdiction, Venue and Choice of Law. This agreement shall be interpreted and construed in accordance with Section 17 of the Agreement. In the event of any conflict of law, the laws of the Commonwealth of Virginia shall prevail (without regard to, and without giving effect to, the application of Virginia conflict of law rules).

7. Third-Party Beneficiary. Obligee hereby acknowledges and agrees that OBT is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

IN WITNESS WHEREOF, the Franchisee and the Obligee attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this ____ day of _____, 20____.

FRANCHISEE

OBLIGEE

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

EXHIBIT D

STATE SPECIFIC ADDENDA

Certain states have laws governing the franchise relationship and require modifications to the Disclosure Document, Franchise Agreement and other documents related to the sale of a franchise. The State Specific Addenda (“Addenda”) below will modify these agreements to comply with specific state laws. The terms of the Addenda will only apply if you meet the requirements of the applicable state. The terms of the Addenda will override any inconsistent provision of the Disclosure Document, Franchise Agreement, or any related documents.

If your state requires these modifications, you will sign the Acknowledgment below, along with the Franchise Agreement, Area Development Agreement, and any other related agreements.

Exhibit D

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
OWL BE THERE FRANCHISING, LLC

MARYLAND

1. Item 5: Item 5 is amended to state the following:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

2. Item 17: The following language is added as a new sentence at the end of the Summary Section of Provision (c) of the Franchise Agreement table entitled **Requirements for you to renew or extend:**

The general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17: The following language is added as a new sentence at the end of the Summary Section of Provision (m) of the Franchise Agreement table entitled **Conditions for our approval of transfer:**

The general release that we require shall not apply to any liability we may have under the Maryland Franchise Registration and Disclosure Law.

4. Item 17: The following language is added as a new sentence at the end of the Summary Section of Provision (u) of the Franchise Agreement table entitled **Dispute resolution by arbitration or mediation:**

The 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.

5. The following language is added to the Franchise Agreement table in Item 17 as a new paragraph (x) entitled **Claims Arising Under the Maryland Franchise Registration and Disclosure Law** at the end of the Summary Section:

(x) **Claims Arising Under the Maryland Franchise Registration and Disclosure Law.** Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. 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.

**MARYLAND AMENDMENT
TO THE OWL BE THERE FRANCHISING, LLC
FRANCHISE AGREEMENT BETWEEN OWL BE THERE FRANCHISING, LLC AND**

DATED _____, _____

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law and the Rules and Regulations promulgated thereunder, the OBT Franchise Agreement shall be modified as follows:

1. **Fee Deferral.** Section 3 of the Franchise Agreement is amended by the addition of a new Section 3.12 which provides as follows:

Notwithstanding Sections 3.1 through 3.6 of this Agreement, the Initial Franchise Fee and all other initial payments Franchisee owes to Franchisor before Franchisee opens the Franchised Business shall be deferred until Franchisor completes all of its pre-opening obligations to Franchisee under this Agreement.

2. **Acknowledgments.** Section 29 of the Franchise Agreement is amended by the addition of the following language as a new Section 29.1.8:

The representations, warranties and acknowledgments made herein are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration Disclosure Law.

3. **Conditions for Approval of Transfer.** Section 12.4.2 of the Franchise Agreement is amended by the addition of the following language at the end thereof:

This general release shall not apply to any liability OBT may have under the Maryland Franchise Registration and Disclosure Law.

4. **Renewal.** Section 2.2.5 of the Franchise Agreement is amended by the addition of the following language at the end thereof:

This general release shall not apply to any liability OBT may have under the Maryland Franchise Registration and Disclosure Law.

5. **Governing Law/Venue.** Section 17.2 of the Franchise Agreement is amended by the addition of the following language at the end thereof:

Subject to Franchisee's arbitration obligation, nothing in this Section affects Franchisee's right under the Maryland Franchise Registration and Disclosure Law to sue in Maryland for claims arising under that law.

6. **Arbitration.** Section 17.3 of the Franchise Agreement is amended by the addition of the following language at the end thereof:

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.

7. **Limitations of Claims.** Section 17.5 of the Franchise Agreement is amended by the addition of the following language at the end thereof:

Notwithstanding the foregoing, such limitation of claims shall not act to reduce the 3 year statute of limitations afforded Franchisee to bring a claim under the Maryland Franchise Registration and Disclosure Law.

8. 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

IN WITNESS, WHEREOF the parties hereto have executed and delivered this Amendment effective as of the day and year first above written.

Franchisor:

OWL BE THERE FRANCHISING, LLC

By: _____

Its: _____

Date: _____

Franchisee:

By: _____

Its: _____

Date: _____

NEW YORK STATE ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR 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 of 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 a 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 a 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 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.

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.

NEW YORK RIDER TO OWL BE THERE FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS RIDER TO THE FRANCHISE AGREEMENT FOR NEW YORK (“Rider”) is entered into by and between Owl Be There Franchising, LLC, a Virginia limited liability company, with its principal office at 6200 Rolling Road, #2400, Springfield, Virginia 22152 (“we,” “us” or “our”) and _____ (“you” or “your”), whose principal business address is _____.

WHEREAS, we and you have entered into a certain Franchise Agreement dated _____ which grants you the right to operate an OBT franchise (the “Franchise Agreement”);

WHEREAS, you are domiciled in New York and the OBT franchise will be located in New York, and/or any of the offering or sales activity relating to the Franchise Agreement occurred in the State of New York; and

WHEREAS, in recognition of the requirements of the General Business Law of the State of New York, Article 33, Sections 680-695, we and you desire to amend certain terms of the Franchise Agreement in accordance with the terms and conditions contained in this Rider.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Franchise Agreement and this Rider and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we and you agree as follows:

1. Sections 2.2.5 and 12.4.2 of the Franchise Agreement are amended by adding the following language to each Section:

However, to the extent required by applicable law, notwithstanding the signing of a General Release, 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.

2. Section 12.1 of the Franchise Agreement is amended by adding the following language to this Section:

However, to the extent required by applicable law, Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor’s obligations under the Franchise Agreement, in Franchisor’s good faith judgment.

3. Section 17.1 of the Franchise Agreement is amended by adding the following language:

New York Law governs any cause of action which arises under the New York General Business Law, Article 33, Sections 680-695. The provisions of this Franchise Agreement shall not be deemed a waiver of any rights conferred upon Franchisee by Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

4. In the event of any conflict between a provision of the Franchise Agreement and this Rider, the provision of this Rider shall control. All terms which are capitalized in this Rider and not otherwise defined, will have the meanings given to them in the Franchise Agreement. Except as amended by this Rider, the Franchise Agreement is unmodified and in full force and effect in accordance with its terms.

5. Each provision of this Rider will be effective only to the extent that the jurisdictional requirements of the New York General Business Law, Article 33, Sections 680-695 are met independent of this Rider.

The parties hereto have duly executed this New York Rider to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

OWL BE THERE FRANCHISING, LLC

By: _____

_____,
(Print Name, Title)

FRANCHISEE:

By: _____

_____,
(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
OWL BE THERE FRANCHISING, LLC

VIRGINIA

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Owl Be There 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.

2. The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.
3. **Estimated Initial Investment.** The franchisee will be required to make an estimated initial investment ranging from \$79,750 to \$93,205. This amount exceeds the franchisor’s member’s equity as of June 30, 2023, which is -\$16,103.
4. 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.

ACKNOWLEDGMENT

If any one of the foregoing Addenda is checked as an applicable Addenda below, then that Addenda will be incorporated into the Disclosure Document, Franchise Agreement, and any other specified agreement entered into by Franchisor and the undersigned Franchisee. To the extent any terms of the Addenda conflict with the terms of the Disclosure Document, Franchise Agreement, or any other specified agreement, the terms of the Addenda will control.

- | | | |
|-------------------------------------|---------------------------------------|-------------------------------------|
| <input type="checkbox"/> California | <input type="checkbox"/> Minnesota | <input type="checkbox"/> Virginia |
| <input type="checkbox"/> Hawaii | <input type="checkbox"/> New York | <input type="checkbox"/> Washington |
| <input type="checkbox"/> Illinois | <input type="checkbox"/> North Dakota | <input type="checkbox"/> Wisconsin |
| <input type="checkbox"/> Indiana | <input type="checkbox"/> Rhode Island | |
| <input type="checkbox"/> Maryland | <input type="checkbox"/> South Dakota | |

IN WITNESS WHEREOF, the parties hereto have read and agree to remain subject to the foregoing Addenda, as applicable, and have executed and delivered this Acknowledgment effective as of the date shown below.

FRANCHISOR:

OWL BE THERE FRANCHISING, LLC

Dated: _____, 20____

By: _____

Title: _____

FRANCHISEE:

By: _____

Title: _____

EXHIBIT E

LISTS OF CURRENT AND FORMER FRANCHISEES

Exhibit E

**LIST OF CURRENT FRANCHISEES
AS OF JUNE 30, 2024**

FRANCHISEE/OWNER	ADDRESS	CITY	STATE	ZIP	PHONE
Staci and Kirk Anderson Owl Be There Chandler- Gilbert-Tempe	3133 W Frye Road, Suite 101	Chandler	AZ	85266	(480) 805-5871 (480) 805-5881
Peter and Tracy Doig Owl Be There of 5280 West	1100 13 th Street	Golden	CO	80401	(408) 805-5871 (408) 805-5881
Kimberly Roman Owl Be There of Wilmington-West Chester	10 Rosecroft Court	Wilmington	DE	19808	(302) 295-0444 (484) 866-9000
K.C. Ryerson Owl Be There of Frederick & Loudoun	8292 Waterside Ct.	Frederick	MD	21701	(240) 623-7632 (703) 559-7633
LuAnn H. Martinson Owl Be There of Charlotte South	4100 Carmel Rd., Suite B, #146	Charlotte	NC	28226	(704) 882-7110

**FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED
AS OF JUNE 30, 2024**

FRANCHISEE/OWNER	ADDRESS	CITY	STATE	ZIP	PHONE
Lynda Krueger Owl Be There Tampa North	9508 West Park Village Drive #102	Tampa	FL	336264	(813) 733-4995
Carlos Diaz Owl Be There Tampa South	10805 Kirkwall Port Drive	Wimauma	FL	33598	(813) 725-4492
Vince E. Showers Owl Be There North Shore-Baton Rouge	544 Jessica Way	Covington	LA	70435	(985)338-5959
Patrick Evans	10317 Royal Woods Ct	Gaithersburg	MD	20886	TBD

**LIST OF FORMER FRANCHISEES
AS OF JUNE 30, 2024**

FRANCHISEE/OWNER	ADDRESS	CITY	STATE	ZIP	PHONE
Patrice Watts Owl Be There of Katy	2414 Paintedfern Pl	Katy	TX	77449	(281) 201-5805

**TRANSFERS
AS OF JUNE 30, 2024**

None.

EXHIBIT F

FORM OF GENERAL RELEASE

The Franchisee, on behalf of itself and its subsidiaries, affiliates, heirs, successors and assigns, hereby releases and discharges any and all liabilities, obligations or claims, whether known or unknown, including without limitation, any claimed violation or breach of the Franchise Agreement or Federal or state laws, including franchise investment laws, against Owl Be There Franchising, LLC (“**OBT**”), including its current and former parents, officers, directors, limited liability company managers, employees, subsidiaries and affiliates, and any and all of its respective past and present representatives. The Franchisee realizes the facts as presently known or understood to exist with respect to any known or unknown claims it may have against OBT may, in fact, be either incorrect or incomplete, or both. Notwithstanding such possibility, the Franchisee freely enters into this Agreement and assumes all risks of any such possibility and waives any rights whatsoever to challenge the validity and finality of this Agreement even if the present knowledge and understanding of the facts on the part of the Franchisee is in any way incorrect.

IN WITNESS, WHEREOF the parties hereto have executed and delivered this General Release effective as of the day and year first above written.

Franchisor:

OWL BE THERE FRANCHISING, LLC

By: _____

Its: _____

Date: _____

Franchisee:

By: _____

Its: _____

Date: _____

EXHIBIT G

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Exhibit G

OWL BE THERE BRAND STANDARDS MANUAL

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OWL BE THERE BEST PRACTICES

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NOT FOR USE IN CALIFORNIA

DOES NOT APPLY IN MARYLAND. DO NOT SIGN OR COMPLETE IF YOU ARE A MARYLAND FRANCHISEE

EXHIBIT H

OWL BE THERE ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

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.

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated

by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation, or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

Initial

7. Franchisee acknowledges that it has received the Owl Be There Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants, and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE OWL BE THERE FRANCHISING, LLC, OWL BE THERE INTELLECTUAL PROPERTY, LLC, AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.

Initial

FRANCHISEE:

By: _____

(Print Name, Title)

Date: _____

PRINCIPAL:

(Print Name)

Date: _____

PRINCIPAL:

(Print Name)

Date: _____

State Effective Dates

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

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

STATE	EFFECTIVE DATE
Maryland	Pending
Michigan	February 26, 2024
New York	December 13, 2024
Virginia	December 17, 2024

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 Owl Be There Franchising, LLC (“**OBT**”) offers you a franchise, OBT must provide this Disclosure Document to you at least 14 calendar days (or sooner, if required by applicable state law) before you sign a binding agreement with, or make a payment to, OBT, or any affiliate of OBT in connection with the proposed franchise sale.

New York and Iowa require that OBT give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (14 calendar days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that OBT give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If OBT does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed on Exhibit A to this Disclosure Document.

Only the following individuals have the authority to offer and sell Franchised Businesses:

- David Greenwood, at 6200 Rolling Road, #2400, Springfield, Virginia 22152, (240) 462-8027
- Laura Greenwood, at 6200 Rolling Road, #2400, Springfield, Virginia 22152, (703) 981-7890

We have authorized the persons listed on Exhibit A to this Franchise Disclosure Document to receive service of process for us in the listed states.

Issuance Date: October 28, 2024

I have received this Disclosure Document dated October 28, 2024. Please refer to the State Cover Page for the effective date of this Disclosure Statement in your state. This Disclosure Document included the following exhibits:

A	State Administrators and Agents for Service of Process	E	Lists of Current and Former Franchisees
B	Financial Statements	F	Form of General Release
C	Franchise Agreement	G	Table of Contents to Manuals
D	State Specific Addenda	H	Franchisee Disclosure Acknowledgment

Date of Receipt

Signature of Prospective Franchisee

By _____
Print Name

Copy for Franchisee

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Date of Receipt

Signature of Prospective Franchisee

By _____

Print Name

Copy for Owl Be There Franchising, LLC

Please sign and date both copies of this receipt, keep one copy (the first receipt page) for your records, and mail one copy (the second receipt page) to the address listed on the front page of this Disclosure Document or send it to us by e-mail to laura.greenwood@owlbethere.com.