



FRANCHISE DISCLOSURE DOCUMENT

Talem Home Care Franchising, LLC
A Colorado limited liability company
80 Garden Center, Suite A-6
Broomfield, Colorado 80020
Tel: (833) TALEMHC
franchising@talemhc.com
www.talemfranchising.com

The franchise that we offer is for Talem Home Care, an in-home care business that provides individuals with non-medical home care services that include personal care, companion care, and daily living assistance, senior living placement services and other services using our system and under the Talem Home Care marks and, other services and products (each, a “Franchised Business” or “Talem Home Care Business”).

The total investment necessary to begin operation of a Talem Home Care Business under a franchise agreement is \$80,824 to \$210,475. This includes \$50,275 to \$77,275 that must be paid to the franchisor or its affiliates for a primary operating territory or \$44,275 that must be paid to the franchisor or its affiliates for a small market territory.

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

You may wish to receive your disclosure document in another form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Jake Rankin, Chief Executive Officer, Talem Home Care Franchising, LLC, 80 Garden Center, Suite A-6, Broomfield, Colorado 80020.

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

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

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

Issuance Date: February 24, 2023



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 Exhibits F and G.
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 D 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 Talem Home Care business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a Talem Home Care franchisee?	Item 20 or Exhibits F and G list 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 mediation, arbitration, and/or litigation only in Colorado. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Colorado than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all your financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **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.
4. **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.

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

NOTICE REQUIRED BY THE STATE OF MICHIGAN

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

The Michigan Franchise Law states in Sec. 445.1527, Sec.27 that each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel, which deprives a franchisee of rights and protections, provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five 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 six 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Antitrust & Franchise
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48909

Talem Home Care
Franchise Disclosure Document

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Talem Home Care Franchising, LLC, the franchisor of the Talem Home Care franchise, is referred to in this franchise disclosure document (the “Disclosure Document”) as “we”, “us” or “our” as the context requires. A franchisee is referred to in this Disclosure Document as “you” and “your” as the context requires. If you are a corporation, partnership or other legal entity (a “Corporate Entity”), our Franchise Agreement will also apply to your individual owners, shareholders, members, officers, directors and other principals.

The Franchisor

We are a Colorado limited liability company established on June 12, 2015. Our principal place of business is 80 Garden Center, Suite A-6, Broomfield, Colorado 80020. We conduct business under our corporate name Talem Home Care Franchising, LLC and under the Talem Home Care trade name. Our business is operating the Talem Home Care franchise system and granting franchises to third parties like you to develop and operate a Talem Home Care Business. We began offering franchises on July 1, 2015. Other than as discussed above, we are not in any other business, we have not conducted business in any other line of business, we do not conduct or operate a Franchised Business of the type to be operated by a franchisee, and we have not offered or sold franchises in any other line of business. We do not have any predecessors and we do not have any parent company. Our registered agents for service of process are disclosed in Exhibit B of this Disclosure Document.

The Franchised Business

We license a system (the “System”) for the operation of a Talem Home Care Business that provides individuals with non-medical home care services that include personal care, companion care, and daily living assistance, senior living placement services and other services and products (the “Approved Services and Products”) using our Talem Home Care trademark and logos, and programs, materials, office equipment, products, software, systems, and supplies that we designate (the “System Supplies”).

The System is presently identified by the Talem Home Care trademark and, such other trade-names, trademarks, service-marks, logos, and trade-dress that we may designate, modify or adopt from time to time and, as same may or may not be registered with the United States Patent and Trademark Office (collectively, the “Licensed Marks”). The System features the prominent display of the Licensed Marks, the Approved Services and Products, and the System Supplies as same may presently exist and, as we may modify, add to and/or discontinue from time to time. You are required to purchase the System Supplies through us, our affiliates or our designated approved suppliers. The System also requires that you operate your Talem Home Care Business in conformity with the specifications, procedures, criteria and requirements that we designate in our confidential operations manual and other proprietary manuals that we designate and, as we may, from time to time, supplement and modify (collectively, the “Manuals”).

Franchise Agreement

You may enter into a Franchise Agreement in the form attached to this Disclosure Document as Exhibit E to develop and operate your Talem Home Care Business within a designated operating territory and, in conformity with the requirements of our System. At the time of signing the Franchise Agreement we will designate a geographic area comprising your operating territory where you will offer and provide our approved System Services and Products using only our designated System Supplies.

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Our Affiliates

Allay Home Care, LLC

Our affiliate Allay Home Care, LLC, is a Colorado limited liability company that was established on June 16, 2012. This affiliate maintains a principal business address of 80 Garden Center, Suite A-6, Broomfield, Colorado 80020 from which Allay Home Care, LLC utilizes the Marks and the System in its operation of a Talem Business. This affiliate may provide training to you and your operating manager at their location. Otherwise, you will not directly conduct business with this affiliate. This affiliate has not in the past and does not now offer franchises in any lines of business.

Sedare Home Care, LLC

Our affiliate Sedare Home Care, LLC, is a Wisconsin limited liability company that was established on September 15, 2016. This affiliate maintains a principal business address of 10335 West Oklahoma Avenue, Suite 204, Milwaukee, Wisconsin 53227 from which Sedare Home Care, LLC utilizes the Marks and the System in its operation of a Talem Business. This affiliate may provide training to you and your operating manager at their location or through its employees. You will not directly conduct business with this affiliate. This affiliate has not in the past and does not now offer franchises in any lines of business.

Market and Competition

The general market for the services and products offered by a Talem Home Care Business typically includes senior citizens who live at home, their family members and care givers. The market for individuals with non-medical home care services that include personal care, companion care, and daily living assistance, senior living placement services and other services using our system and under the Talem Home Care marks is highly competitive and, is not seasonal in nature. You will be competing with in-home care services and senior living placement services and businesses that provide individuals with non-medical home care services that include personal care, companion care, and daily living assistance, senior living placement services and other services using our system and under the Talem Home Care marks. You will be competing with many local and independently owned service providers including businesses offering in-home care services and senior living placement services. The Franchised Business will also compete with large national, franchised and independently owned businesses that offer and provide services that are competitive with the Franchised Business

Industry Specific Laws

Many states and local jurisdictions have laws, rules, and regulations that may apply to the Franchised Business, including rules and regulations related to health and safety requirements concerning in-home care services and to senior living placement services. You must evaluate and you must obtain the necessary licenses, certification, permits and approval necessary to establish and operate the Franchised Business. You must investigate all of these laws. You must check your state, county and local jurisdiction about these rules and regulations and you should consult with your own legal advisor.

You will also be subject to federal and state laws and regulations that apply to businesses generally, including rules and regulations involving employment practices, wage and hour laws, immigration and employment laws. You must review federal minimum wage and overtime laws, as well as similar laws within your state to ensure compliance with labor and wage laws currently in existence and those that may later be adopted. You should consult with your attorney concerning these and other local laws, rules and regulations that may affect the operation of the Franchised Business.

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ITEM 2
BUSINESS EXPERIENCE

Jake Rankin, Chief Executive Officer and Co-Founder

Jake Rankin is our CEO and he has served in this role since our formation in June 2015 in Colorado. From June 2012 and continuing to present, Mr. Rankin has been and remains the President of our affiliate Allay Home Care, LLC where Mr. Rankin is involved in the management of this affiliate's Talem Business located in Colorado.

Todd Crutcher, Chief Technology Officer and Co-Founder

Todd Crutcher is our co-founder and Chief Technology Officer and he has served in this role since our formation in June 2015 located in Boise, Idaho. From September 2013 and continuing to present, Mr. Crutcher has been and remains the Vice President of our affiliate Allay Home Care, LLC where Mr. Crutcher is involved in the management of this affiliate's Talem Business located in Boise, Idaho. From November 2005 to October 2019, Mr. Crutcher served as an Engineering Manager for the Idaho Department of Environmental Quality in Boise, Idaho.

Aurora Crutcher, Co-Founder and Financial Manager and Co-Founder

Ms. Crutcher is our co-founder and has served as our Financial Manager since our formation in June 2015 based out of Boise, Idaho. Ms. Crutcher also serves as our affiliate's Payroll and Billing Specialist and has held this role since June 2015 located in Boise, Idaho.

Jamie Schmidt, Senior Business Development Manager and National Accounts

Jamie Schmidt is our Senior Business Development Manager and Advisor and he has served in this role since January 2023. Prior to Ms. Schmidt's current position, Ms. Schmidt served as Community Relation Director of our affiliate Allay Home Care, LLC from June 2022 to December 2022. Jamie has been involved with sales, marketing, and training in the health care industry for over 20 years with 10 years of experience as a strategic medical sales representative and business development executive.

Laura Pierce, President of Service Operation

Laura Pierce has served as our President of Service Operation since January 2019 based out of San Antonio, Texas. From August 2013 and continuing to present, Mrs. Pierce has been and remains the President of Professional Franchise Brokers, Inc.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

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ITEM 5

INITIAL FEES

When you sign a Franchise Agreement you will pay to us a non-refundable initial franchise fee (the “Initial Franchise Fee”). The Initial Franchise Fee is \$44,500 for a geographic operating territory that includes a population of approximately 400,000 to 500,000 individuals (a “Primary Operating Territory”). In certain limited markets, subject to availability and our discretion, if you purchase a Primary Operating Territory, at the time of signing your Franchise Agreement, you may add up to three additional territory zones (each a “Zone”) for an additional initial franchise fee of \$9,000 per Zone. Each additional Zone will contain a population of approximately 75,000 individuals. In certain markets, we may permit you to purchase an operating territory that includes less than 400,000 individuals (a “Small Market Operating Territory”). The Initial Franchise Fee for a Small Market Operating Territory is \$38,500. We offer the option to pay the Initial Franchise Fee in installment payments, as described in Item 10.

The method we use to calculate the Initial Franchise Fee is uniform for all franchises that we offer through this Disclosure Document, except that we offer the following discounts which cannot be combined with one another and which must be requested by you in writing at the time of signing the Franchise Agreement:

- (a) Existing Franchisees – For our existing Talem Business franchisees who enter into additional Talem Home Care Franchise Agreements and who are in good standing with their existing Franchise Agreements with us, we offer a 25% off of the Initial Franchise Fee for a Primary Operating Territory or Small Market Operating Territory;
- (b) Qualified U.S. Military Veterans – For qualified individuals who were honorably discharged from any branch of the United States Military, the Initial Franchise Fee for a Primary Operating Territory or a Small Market Operating Territory is discounted by 20%;
- (c) Employee Discount – For employees that have been employed by our franchisees, our affiliates, or us for at least 24 months (a “Qualified System Employee”), we will offer a discount of 50% off the then current Initial Franchise Fee so long as the Qualified Talem Employee enters into the Franchise Agreement as an individual or maintains a controlling interest in the franchisee entity (i.e., an ownership interest equal to at least 51%) (“Employee Discount”). The Employee Discount is subject to our approval of the Qualified System Employee’s franchise application; and
- (d) Conversions – If you operate an existing business offering substantially similar services and products to those offered by Franchised Businesses, we may vary, waive, negotiate or otherwise alter our fee structure for any reason, including without limitation, the length of time you have operated the business prior to converting to a Franchised Business, sales volume, historical earnings of the business, market demand, your experience, and growth potential of the business.

Onboarding Fee

If this is your first Talem Home Care Franchise Agreement, you will also be required to pay an Onboarding Fee equal to \$5,500. The Onboarding Fee is in consideration of the costs for training your Managing Owner and high-level employees, the onsite training program that we conduct at your Franchised Business location, and certain marketing and promotional support with the initial launch of your Franchised Business.

Home Care Association of America Membership Dues

Upon entering into the Franchise Agreement, we require that you join and pre-pay the first year of a yearly membership of the Home Care Association of America or the functional equivalent of, whether a local or regional home care association. You will be responsible for paying the annual membership fee to us throughout the term of your Franchise Agreement, and we will pay the association on your behalf. Upon

entering into a Franchise Agreement with us, we will collect the first yearly membership fee. The fee is currently \$275 and is subject to increase by the association.

ITEM 6
OTHER FEES

Type of Fee <small>(Note 1)</small>	Amount	Due Date	Remarks
Home Care Royalty <small>(Notes 2 and 3)</small>	5% of Home Care Gross Sales unless you qualify for a Royalty Rate Reduction. Subject to a minimum royalty after the first year of operation	Weekly on the Monday of each week for the accounting week occurring two weeks before the Due Date	Will be debited automatically from your bank account by ACH or other means designated by us. If you operate multiple qualifying Talem Businesses and two or more meet the Annual Gross Sales Target, you may qualify for a Royalty Rate Reduction applicable to each Talem Business you operate. A minimum weekly royalty may apply.
Senior Placement Services Royalty <small>(Notes 2 and 3)</small>	8% of Senior Placement Services Gross Sales unless you qualify for a Royalty Rate Reduction. Subject to a minimum royalty	Weekly on the Monday of each week for the accounting week occurring two weeks before the Due Date	Will be debited automatically from your bank account by ACH or other means designated by us. If you operate multiple qualifying Talem Businesses and two or more meet the Annual Gross Sales Target, you may qualify for a Royalty Rate Reduction applicable to each Talem Business you operate. A minimum weekly royalty fee may apply if your aggregate Senior Placement Services Royalty Fees and Home Care Royalty Fees do not exceed the minimum weekly royalty.
Brand Development Fund <small>(Note 4)</small>	Up to 2% of Gross Sales	Weekly on the Monday of each week for the accounting week occurring two weeks before the Due Date	Will be debited automatically from your bank account by ACH or other means designated by us.
Franchisee Directed Local Marketing <small>(Note 5)</small>	The greater of 1% of monthly Gross Sale with a minimum of \$1,500 per month on digital marketing	As incurred	You must spend not less than the greater of 1% of Gross Sales or \$1,500 per month on local advertising, with a minimum of \$1,500 on digital marketing on digital lead generation. You may expend additional amounts on pre-approved promotions and marketing, as well as lead generation and caregiver recruitment. All marketing, promotions and lead generations



Type of Fee (Note 1)	Amount	Due Date	Remarks
			must be conducted within your operating territory.
Local and Regional Advertising Cooperatives (Note 6)	As established by cooperative members, but not exceeding 2% of Gross Sales	As established by cooperative members	If we authorize an Advertising Cooperative, fees that you pay to the cooperative will count towards the satisfaction of your Franchisee Directed Local Marketing Requirements.
Business Management System License (Note 7)	Varies but not less than \$125 per month for up to 50 service visits per month and subject to increases for more than 50 visits per month	As invoiced by third party	Will be debited automatically from your bank account by ACH or other means designated by us.
Technology (Note 8)	Up to \$750 per month, currently the Technology Fee is \$250 per month	Monthly on the 5th day of every month for the preceding month	Will be debited automatically from your bank account by ACH or other means designated by us.
Customer Service and Refunds (Note 9)	Varies under the circumstances	On demand	Will be debited automatically from your bank account by ACH or other means designated by us.
Additional Employee Initial Training	Our then current training fee, currently \$300 per person per day	When invoiced and prior to training	Under our pre-opening initial training program, we will train you or your Managing Owner and one of your designated managers at no additional charge. If you request that we provide our initial training program to additional managers, either before or after the opening of the Franchised Business, we may require you to pay our then current training fee. Initial training is conducted at facilities that we designate, and you must pay for all other expenses of your trainees, including salary, travel and accommodations.
Supplemental On-Site Training	Our then current daily rate per trainer, plus expenses. There is a two-day minimum for assistance. Our current daily trainer rate is \$300 per day	When invoiced and prior to training	Following participation in our initial training program and the opening of the Franchised Business, if you request that we provide training or assistance on-site at your Administrative Office, we may require that you pay our then current fee for each trainer. You must also

Type of Fee (Note 1)	Amount	Due Date	Remarks
			reimburse us for our trainer(s) expenses including travel and accommodations.
Annual Conference (Note 10)	Our then current conference fee, not greater than \$2,500	When invoiced and before conference	Will be debited automatically from your bank account by ACH or other means designated by us.
Reporting Non-Compliance	\$150 per occurrence	14 days of invoice	Payable for failure to timely submit Royalty and Activity Reports, and other reports and financial statements as required under Franchise Agreement.
Operations Non-Compliance	\$450 to \$1,000 per occurrence	14 days of invoice	Payable for failure to comply with operational standards as required and specified under Franchise Agreement, plus inspection and re-inspection costs incurred by us.
Payment Non-Compliance	\$150 per occurrence	14 days of invoice	Payable for failure to timely pay, when due, a fee or payment due to us under the Franchise Agreement, plus interest, costs and legal fees.
Interest	18% per annum from due date	On demand	Payable on all overdue amounts, fees, charges, and payments due to us under the Franchise Agreement. Interest rate cannot exceed legal rate allowed by law and may be adjusted to reflect same.
Audit	Cost of audit	On demand	For costs incurred by us for each financial audit, provided the audit determines underreporting of 2% or greater during any designated audit period. Includes fees incurred by us including audit, legal, travel and reasonable accommodations.
Quality Assurance Audit	Our then current rate, including actual costs incurred by us. Currently \$300 per inspection and subject to increase by up to 10% per annum, plus actual costs incurred by us	As invoiced	Payable if we engage a third party to perform periodic quality assurance audits, including mystery shopper programs.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Transfer	\$10,000	Prior to the date of transfer	All transfers are subject to our approval and require the transferee's satisfaction of our training requirements. See, Note 1.
Renewal	\$10,000	Upon signing renewal Franchise Agreement	If we approve renewal of your Franchise Agreement, at the time of renewal, you will be required to sign our then current Franchise Agreement and pay the renewal fee.
Collections	Actual fees, including attorneys' fees, costs, and expenses	On demand	For costs and expenses incurred by us in collecting fees due to us, and/or to enforce the terms of the Franchise Agreement or a termination of the Franchise Agreement. Includes costs and expenses of re-inspections required by quality assurance audit.
NSF Check Fee of Failed Electronic Fund Transfer	5% of amount or \$50, whichever is greater, or maximum fee allowed by law	On demand	Payable if your bank account possesses insufficient funds and/or fails to process a payment or transfer related to a fee due from you to us.
Non-Compliance	Amount of fees, costs and/or expenses that we incur in connection with your non-performance of your obligations under the Franchise Agreement. Includes attorney fees	Within 14 days of our invoice	You must pay to us and reimburse us for all costs, fees and expenses that we incur as a result of or in connection with your breach of the Franchise Agreement. This includes legal, mediation, and arbitration fees, expenses and costs that we incur and legal fees that we incur with outside legal counsel and costs associated with services and work performed by our own in-house legal staff.
Supplier Review and Implementation	\$100 per hour based on time spent reviewing, approving, and implementing an alternative supplier and our actual costs.	14 days of invoice	As determined by us, in our reasonable business judgment, we may charge an hourly fee for our time in reviewing, approving and/or implementation of an alternative supplier. We may require your submission of samples and specifications.
Home Care Association of America (Note 11)	\$275 or then current fee	Annually	This is payable to the Home Care Association of America, or equivalent local or regional home care association, and subject to change by them. You must provide evidence of its active membership to us annually.

Explanatory Notes to Item 6
“Other Fees”

Note 1: Type of Fee – The above table describes fees and payments that you must pay to us, our affiliates, or that our affiliates may impose or collect on behalf of a third party. All fees are uniformly imposed for all franchises offered under this Disclosure Document, are recurring, are not refundable, and are payable to us, unless otherwise specified. Payment is subject to our specification and instruction, including, our election to have all fees automatically drafted from your business bank account or automatically debited or charged to your business bank account. You will be required to sign an ACH Authorization Form (Franchise Agreement, Exhibit 4) permitting us to electronically debit your designated bank account for payment of all fees payable to us and/or our affiliates. You must deposit the Gross Sales of your Talem Home Care Business into the designated bank accounts that are subject to our ACH authorization. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account.

Fixed fees are subject to increase based upon the “Consumer Price Index” for the immediately preceding year (not to exceed an increase of 10% per year). For purposes hereof, the “Consumer Price Index” shall mean any increase in the cost of living as such increase, if any, is reflected by a change in the “All Items” Index for the “Consumers Price Index for all Urban Consumers” (Revised CPI U) (1982 84=100) published by the Bureau of Labor Statistic of the U.S. Department of Labor. If the Consumer Price Index is discontinued, then the we shall, in good faith, agree on a suitable substitute.

If a cooperative is established our own company owned outlets will not have any voting rights as to the determination of any fees and/or charges identified in this Item 6.

Note 2: Royalty Fees – You must pay to us a continuing royalty fee (the “Royalty Fee”). The continuing Royalty Fee is a weekly fee determined based on a percentage (the “Royalty Rate(s)” as further defined below) of the weekly Gross Sales (defined below) of the Franchised Business, or, if the total Royalty Fee due under the Royalty Rates does not exceed the Minimum Weekly Royalty, you will pay the Minimum Weekly Royalty as your Royalty Fee. If you do not qualify for any Royalty Rate Reduction (defined below), the Royalty Rate for Home Care Services is equal to 5% of Home Care Gross Sales, and the Royalty Rate for Senior Placement Services is equal to 8% of Senior Placement Services Gross Sales. If any federal, state or local tax other than an income tax is imposed on the Royalty Fee which we cannot directly and, dollar for dollar, offset against taxes required to be paid under any applicable federal or state laws, you must compensate us in the manner prescribed by us so that the net amount or net effective rate received by us is not less than that which has been established by the Franchise Agreement and which was due to us on the effective date of the Franchise Agreement.

In addition, after your first full year in operation, for each consecutive 12 month period starting with the first full calendar month following the date you begin operations of your Franchised Business (each, a “Measurement Period”), a Minimum Weekly Royalty will be assessed. After your first full 12 months in operation, you must pay to us a continuing royalty fee (the “Royalty Fee”) equal to the greater of: (a) the aggregate Royalty Fee due upon paying the Royalty Fee due under both the applicable Home Care Royalty Rate on Home Care Gross Sales and the Senior Placement Service Royalty Rate on Senior Placement Royalty Gross Sales (subject to any Royalty Rate Reduction that may apply) your weekly Gross Sales (the “Standard Royalty Fee”); or (b) the applicable Minimum Weekly Royalty for the then current Measurement Period (defined below). The Minimum Weekly Royalty is determined based on the following schedule:

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Minimum Weekly Royalty	
Measurement Period (based on your months of operation starting with the first full month)	Minimum Weekly Royalty
Months 0 to 12	None (Standard Royalty Fee)
Months 13 to 24	\$577 per week
Months 25 to 36	\$865 per week
Months 37 to 48	\$1,154 per week
Months 49 to 60	\$1,442 per week
Months 61 to 72	\$1,730 per week
Months 73 to 84	\$1,730 per week
Months 85 to 120	\$1,730 per week
<p>Renewal Term: During any applicable renewal term, the Minimum Weekly Royalty shall be not less than the Minimum Weekly Royalty applicable in months 85 to 120 and shall be subject to increase as determined by us provided that within each calendar year of any renewal term we shall not increase the Minimum Weekly Royalty by more than \$100 per week.</p>	

The applicable weekly Home Care Royalty Rate will be equal to 5% of weekly Home Care Gross Sales and the Senior Placement Services will be equal to 8% of weekly Senior Placement Services Gross Sales if you operate a single Franchised Business within one Primary Operating Territory. However, if you operate two or more Talem Businesses with Primary Operating Territories, you may be eligible for a yearly reduction of your Royalty Rate (a “Royalty Rate Reduction”) if two or more of those Primary Operating Territories achieve \$1,500,000 in annual Gross Sales in the prior calendar year (the “Annual Gross Sales Target”). The maximum Royalty Rate Reduction for your Franchised Businesses is a reduction of 1.5% of the respective Royalty Rate for Home Care Gross Sales and Senior Placement Services Gross Sales. The Royalty Rate Reduction will be equal to a 0.25% reduction of the respective Home Care Royalty Rate and Senior Placement Services Royalty Rate for each Primary Operating Territory that meets the Annual Gross Sales Target and shall apply to all of the Talem Businesses you operate and will vary based on the number of Primary Operating Territories you operate that meet or exceed the Annual Gross Sales Target as described in the table below:

A		
Number of Talem Businesses with Primary Operating Territories Achieving the Annual Gross Sales Target	Applicable Home Care Reduced Royalty Rate	Applicable Senior Placement Services Reduced Royalty Rate
2	4.5%	7.5%
3	4.25%	7.25%
4	4%	7%
5	3.75%	6.75%
6 or more	3.5%	6.5%

In calculating and determining the applicable Royalty Rate and whether the Annual Gross Sales Target was met in the preceding year, Gross Sales cannot be combined between multiple Talem Businesses and the Gross Sales for each respective calendar year does not carry-over into any subsequent calendar year. The determination of whether the Annual Gross Sales Target was met for 2 or more eligible Talem Businesses you operate will be based on your tax return, reports, and/or financial statements, provided that, if you operate multiple Franchised Businesses under one entity, we will require a report detailing the Gross Sales of each such franchise location and any other financial information, including cost data, reasonably requested by Franchisor; if we determine you qualify for any Royalty Rate Reduction, the applicable Royalty Rate will apply for the remainder of the calendar year after you provide these reports.



The foregoing gross sales data relates exclusively and only to the determination of the applicable Royalty Rate in calculating and determining Royalty Fees and is not a financial performance representation or sales projection of any kind.

Note 3: Gross Sales – “Gross Sales” means the total dollar sales from all business and customers of your Talem Business and includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by you or any other person or Corporate Entity from business conducted or which started in, on, from or through your Talem Business and/or your operating territory, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Gross Sales include the total gross amount of revenues and sales from whatever source derived from and/or derived by you (including any person and/or Corporate Entity acting on your behalf) from business conducted within and/or outside your operating territory that is related to your Talem Business and/or a competitive business located and/or operated within your operating territory, outside your operating territory, and/or otherwise. Gross Sales do not include sales or use taxes collected by you.

“Senior Placement Services Gross Sales” refers to Gross Sales obtained from the Franchised Business’s rendering of the following services: senior living placement and referrals and advisory services relating to placing seniors in assisted living communities, nursing homes and other comparable facilities and advisory services to patients and families.

“Home Care Gross Sales” refers to Gross Sales obtained from the Franchised Business’s rendering of the following services: personal care, companion care, daily living assistance and other services for seniors provided directly by the Franchised Business.

You must account for the total amount of Senior Placement Services Gross Sales and Home Care Gross Sales generated by your Franchised Business during each week of the Term.

Note 4: Brand Development Fund – The brand development fund fee is a continuing weekly fee equal to an amount of up to 2% of your weekly Gross Sales (the “Brand Development Fund Fee”).

Note 5: Franchisee Directed Local Marketing – On a monthly and on-going basis are required to spend the greater of 1% of your monthly Gross Sales or \$1,500 per month toward the marketing and promotion of the Franchised Business with at least \$1,500 of such local marketing expenditure expended on digital lead generation in accordance with Franchisor’s standards and specifications. Funds spent on caregiver recruitment will also count towards your local marketing requirements so long as you meet the \$1,500 per month minimum. Your local marketing efforts and expenditures must be targeted to a market comprised of your operating territory and may only include digital lead generation, media, networking, business development, public relations and other forms of business development that we designate and pre-approve.

Note 6: Local and Regional Advertising Cooperatives – If we establish a cooperative within a market that includes your Talem Home Care Business you must contribute to the cooperative in such amounts and frequency as determined by the cooperative. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions, marketing expenditures and allocations. However, we may require that cooperative decisions be made based on approval of a simple majority of franchisee members based on one vote per Talem Home Care Business located and a quorum of not less than 25% of the designated franchisee cooperative members. Contributions to a local or regional cooperative that we designate shall count toward the satisfaction of your local marketing obligations and shall not exceed 2% of your monthly Gross Sales.

Note 7: Business Management System License – You will be required to use the business management software system(s) that we designate and as we may modify from time to time (the “Business Management System”). The Business Management System is one or more cloud-based software systems that includes customer information, customer lists, and other tools for engaging, monitoring and billing customers. You are required to pay us or our designated supplier(s) an on-going monthly license fee for your required use of the Business Management System. Currently, the on-going monthly fee for the Business Management System License varies and is based on the number of visits per month, but shall not be not less than \$125 per month for up to 50 service visits per month and subject to increase thereafter for more than 50 visits per month. We or our designated supplier(s) may increase these fees at any time.

Note 8: Technology Fee – The continuing monthly technology fee is an administrative fee and is not associated with any particular service but is used in part, at our discretion, to defray some of our costs related to system website, intranet, email and any other technologies used in running a Talem Home Care Business (the “Technology Fee”). Currently the Technology Fee is \$250 per month but we reserve the right to increase this fee to not greater than \$750 per month. This fee is assessed starting in the first full month after you enter into your Franchise Agreement.

Note 9: Customer Service and Refunds – This fee will be based on the costs incurred by us, including refunds and credits that we may undertake on behalf of a customer that was not satisfied with the services or products of your Talem Home Care Business. You must guarantee your services to your customers. If we determine that your customer is entitled to reimbursement of fees paid to you, we may reimburse your customer directly. You must reimburse us for the amounts that we reimburse your customer.

Note 10: Annual Conference – If we establish a franchisee annual conference you or your Managing Owner must attend the conference on the dates and at the location that we designate. You will be responsible for all travel, lodging, food, automobile rental expenses and employee wages that you incur in connection with your attendance. We may charge you an Annual Conference fee in an amount not exceeding \$2,500. We reserve the right to waive the Annual Conference Fee for those franchisees that attend the conference and to charge the Annual Conference Fee to those franchisees who fail to attend.

Note 11: Home Care Association of America Membership Dues – We require that you join the Home Care Association of America or the functional equivalent of, whether a local or regional home care association. You will be responsible for paying the annual membership due, which is currently \$275 and is subject to increase.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee (Note 1)	\$38,500 – \$71,500	Lump sum	When Franchise Agreement is signed	Us
Onboarding Fee (Note 1)	\$5,500	Lump sum	When Franchise Agreement is signed unless otherwise agreed	Us
Initial Business/Professional Development Program Fee (Note 2)	\$3,000 – \$5,000	Lump sum	As incurred	Us, suppliers
Furniture, Fixtures and Office Equipment (Note 3)	\$0 – \$3,000	As billed	As incurred	Suppliers
Signs	\$0 – \$2,000	As billed	Before opening	Suppliers
Computer, Software and System (Note 4)	\$500 – \$2,500	As billed	As incurred	Suppliers
Prepaid Rent and Lease Deposits (Note 5)	\$99 – \$3,000	Lump sum	Varies	Third party landlord
Printing, Stationery and Office Supplies (Note 6)	\$1,800 – \$3,000	As billed	Before opening	Third party
Grand Opening Marketing Expense (Note 7)	\$2,000 – \$4,000	In accordance with your grand opening marketing plan	As incurred but prior to opening	Suppliers
Licenses (Note 8)	\$0 – \$4,000	Lump sum	Before opening	Government authorities
Senior Advisor Certification (Note 9)	\$900 – \$1,200	Lump sum	Before opening	Society of certified senior advisors

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Administrator or Nurse (Note 10)	\$0 – \$10,000	As incurred	As incurred	Administrator or nurse personnel
Insurance Deposits and Premiums (Note 11)	\$1,000 – \$3,000	As billed	Varies	Insurance companies
Travel, Lodging and Initial Training (Note 12)	\$1,500 – \$4,500	As incurred	Before opening	Us, Suppliers
Professional Fees (Note 13)	\$750 – \$3,000	As billed	Before opening	Third parties, including attorneys, accountants and architects
Home Care Association of America Membership	\$275	Lump sum	When Franchise Agreement is signed	Us to be paid to the association on your behalf
Additional Funds – Three Months (Note 14)	\$25,000 – \$85,000	As incurred	Before opening	Us, utilities approved vendors, employees and other providers of services and/or goods necessary for the operation of the Franchised Business.
Total Estimate (Note 15)	\$80,824 – \$210,475			

Explanatory Notes to Item 7
“Your Estimated Initial Investment”

Note 1: Initial Franchise Fee and Onboarding Fee – The Initial Franchise Fee for a Talem Business under a Franchise Agreement is \$44,500 for a Primary Operating Territory and \$38,500 for a Small Market Operating Territory. If we agree to allow you to supplement and increase the size of your Primary Operating Territory, the amount of the Initial Franchise Fee will be increased by \$9,000 for each additional Zone that you add to your Primary Operating Territory. We must approve of the addition of a Zone or Zones to your Primary Operating Territory at the time of signing the Franchise Agreement and you cannot add more than three additional Zones to a Primary Operating Territory. If this is your first Talem Home Care Franchise Agreement, you will also be required to pay an Onboarding Fee equal to \$5,500. The Onboarding Fee is in consideration of the costs for training your Managing Owner and high-level employees, the onsite training program that we conduct at your Franchised Business location, and certain marketing and promotional support with the initial launch of your Franchised Business. All fees paid to us for your initial franchise fee and onboarding fee are non-refundable. There are no refunds under any other circumstances, including if you breach the Franchise Agreement and we terminate the Franchise Agreement.



Note 2: Initial Business/Professional Development Program – We may require that you successfully participate in and complete the Initial/Professional Development Program, as determined by us, prior to or after the opening of your Talem Home Care Business. If you fail to satisfy your Performance Targets or other obligations, we can require you to enroll and participate in, as well as successfully complete, the Initial Business/Professional Development Program at your sole expense. You must pay to us or a third party that we designate an initial business/professional development program fee, plus expenses (the “Initial Business/Professional Development Program Fee”). Currently, the Initial Business/Professional Development Program Fee ranges \$3,000 to \$5,000. We may waive this fee and your participation in this program if, in our discretion, we decide that you have demonstrated the requisite knowledge of business industry practices and systems sufficient to satisfy our standards.

Note 3: Furniture, Fixtures and Office Equipment – We require only basic office furniture to accommodate the administrative operations of your Talem Office. In certain instances, including operation of your Talem Business from an executive suites’ facility, office furniture may be included in your lease. The administrative office that you lease should be in a condition that was previously build-out and in move-in ready condition.

Note 4: Computer Software and System – You are required to acquire licenses to utilize, on a daily basis, the Business Management Software System. This estimate includes your initial license fee only. Additional information about the Business Management Software and computer system is disclosed in Item 11 of this Disclosure Document.

Note 5: Lease Deposit and Real Property – You must operate the Franchised Business from a commercial office facility that is intended for back-end administrative operations. The commercial facility that you select and lease as your administrative office should be in a lower rent commercial district (not Class “A” office space) and should permit the operation of an administrative office and a working area to meet with staff and coordinate daily service efforts. We recommend that your administrative office be a minimum of 400 square feet and a maximum of 1,400 square feet. The cost of real estate varies considerably based on the local real estate market and the size and location of the property that you elect to purchase or lease. The “Estimated Initial Investment” for your Talem Business is based on the assumption that you will be leasing your administrative office. You will be required to pay the landlord a security deposit that will be calculated based upon a number of months’ rent that the landlord requires to be held as security. The amount of your security deposit is something that you will negotiate directly with the landlord and will vary significantly based on a number of factors, including the desirability of your leased location and your own negotiations. This estimated initial investment does not include the purchase of real property.

Note 6: Printing, Stationery, and Office Supplies – This figure is primarily for printing a start-up order of stationery and business cards bearing the Licensed Marks, printed marketing materials and brochures bearing the Licensed Marks, and initial office supplies.

Note 7: Grand Opening Marketing Expense – Marketing expenses vary and will depend on your geographic market and the type of media that you utilize to market the grand opening of the Franchised Business. Your marketing efforts should be directed to communities located within your operating territory and must be approved by us. Prior to the opening of your Talem Business you spend no less than \$2,000 to market and promote the opening of the Franchised Business. All advertisements, marketing and promotional materials must be approved by us. Following your initial three months of operation you must devote funds to on-going local marketing activities and media.

Note 8: Licenses – You must apply for, obtain and maintain all required permits and licenses necessary to operate the Franchised Business. The licenses will vary depending on local, municipal, county and state regulations. All licensing fees are paid directly to the governmental authorities when incurred and are due prior to opening the Franchised Business. You should carefully review your local and state laws as many

states and jurisdictions require specialized licenses before you may establish and operate the Franchised Business. License fees vary from state to state and should be evaluated by you before signing a Talem Franchise Agreement.

Note 9: Senior Advisor Certification – No later than six months following the opening of the Franchised Business you or your Operating Manager must obtain certification as a Certified Senior Advisor (“CSA”) from the Society of Certified Senior Advisors (www.csa.us) and you or your Operating Manager must secure membership into the Society of Certified Senior Advisors. You or your Operating Manager will be required to apply for membership to the Society of Certified Senior Advisors, participate in their CSA training program and obtain the CSA certification by satisfactorily completing the program and passing the CSA exam. The application, training and examination is conducted remotely through online application, instruction and examination. The estimated fee includes the examination fee, application fee and a year membership in the Society of Certified Senior Advisors.

Note 10: Administrator or Nurse – As a condition for the licensed operation of the Franchised Business, certain states may require that you employ or utilize the services of an administrator or nurse. Prior to signing your Talem Franchise Agreement you should review and evaluate local laws and whether or not such a requirement will apply to your ownership and operation of the Franchised Business. If you are required to hire and maintain the services of an administrator or nurse, this estimate is for the salary to be paid to the administrator or nurse for the three month period following the opening of the Franchised Business.

Note 11: Insurance Deposits and Premiums – The Franchised Business must maintain different forms of insurance that we designate and specify. The amount and timing of your payments for insurance will be based on your agreement with your insurance agent. The cost of your insurance coverage will be based on factors outside of our control. The amount charged for insurance coverage may be significantly more or less than our estimate. This estimate is for the cost of an initial deposit in order to obtain the minimum required insurance. You should check with your local carrier for actual premium quotes and costs, as well as the actual cost of the deposit.

Note 12: Travel, Lodging, and Initial Training – Prior to opening the Franchised Business you must complete our pre-opening training program. We do not charge a fee for our pre-opening initial training; however you may incur travel and lodging costs associated with attending our pre-opening training program. If travel is required, you will be responsible for the travel, food, and lodging expenses that you and your participating managers will incur when you attend our training program and the salary and benefit costs of your attendees. Costs vary due to distances from your location to our training facility and the quality of the food and lodging you choose. Other factors include seasonal variations in the price of travel and lodging expenses, general economic conditions, and your persistence in obtaining the best prices available. This estimate is for the Business Coaching Fee and the cost for you or your Managing Owner and one designated manager (two individuals in total) to attend the initial training program held at a designated location determined by us. We do not charge tuition for training fee for you or your designated Managing Owner and one of your designated managers. You will be responsible for all costs associated with attending the initial training program for you and your staff. The duration of the classroom portion of the training program is 39 to 81 hours over a period of one week to two weeks, which may or may not consist of consecutive days. This estimate does not include the cost of labor.

Note 13: Professional Fees – These estimates are for costs associated with the engagement of professionals such as attorneys and accountants to advise you prior to the signing of your Franchise Agreement and to assist with the start-up and licensing of the Franchised Business. We recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity and this Disclosure Document. It is also advisable to consult these professionals to review any lease and other contracts that you will enter into as part of the development and operation of the Franchised Business.

Note 14: Additional Funds – You will need additional capital to support on-going businesses expenses, including business expenses such as payroll, inventory, marketing, and utilities. In making this estimate we have not considered and do not estimate sales revenue that you may or may not generate. It is extremely common for new businesses to generate negative cash flow. This estimate is only to cover on-going expenses during the initial start-up phase of the Franchised Business comprised of the first three months following the opening of the Franchised Business. This is only an estimate, and we cannot assure you that you will not incur additional expenses during the initial start-up phase or that you will not require additional capital (not included in this estimate) beyond the three month initial start-up phase. There is no assurance that additional working capital will not be necessary during this start-up phase or after. We have relied on the experiences of our affiliate in making this estimate.

Note 15: About Your Estimated Initial Investment – This is an estimate of the initial start-up expenses for a Talem Home Care Business. We have based these estimates on the experiences of our affiliate in developing a Talem Home Care Business. These are only estimates and your costs and, the range of those costs, may vary. Factors that may influence your costs include: the size of your Talem Home Care Business; local geographic market and economic conditions including rent, labor, and construction rates; local licensing costs; competition; the capabilities of your management team; and the level of sales achieved by your Talem Home Care Business. These estimates do not include interest and financing charges that you may incur and they do not include management level compensation payable to you or your owners. You should carefully review these estimates with your business, accounting and legal advisors before making any decision to sign a Franchise Agreement. These estimates are for one Talem Home Care Business only.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may only offer and sell the Approved Services and Products that we designate, and you may only use those products, supplies, office equipment, technology systems, and services that we authorize and designate in writing. To ensure that our standards and specifications of quality, service and System development are maintained, you must operate your Talem Home Care Business in strict conformity with the Franchise Agreement and the methods, standards, specifications and sources of supply that we designate and prescribe in the Manuals.

Source Restricted Purchases and Leases – Generally

We require that you purchase or lease certain source restricted goods and services for the development and operation of your Talem Home Care Business. Source restricted goods and services are goods and services that must meet our specifications and/or must be purchased from an approved or designated supplier. We may designate a supplier (which may include us or our affiliates) as the exclusive supplier for the System. Our specifications and list of approved and designated suppliers is contained in our Manuals. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, amendments and updates to our Manuals, verbal and other forms of communication. We formulate and modify our standards and specifications for products and services based on our industry experience and our management decisions as to the overall operation and expansion of the System. If we have previously approved a supplier, and their standards fall below our designated standards, we will revoke our approval. We will notify you in writing of us revoking our approval.

Suppliers and Supplier Criteria

We may designate ourselves and our affiliates as exclusive suppliers of source restricted goods and services. We may designate ourselves or a third party as exclusive supplier irrespective of the existence of competing suppliers. If, in the Manuals, we do not designate a supplier for a particular item, you will purchase all such products, supplies and services from suppliers who meet our specifications and standards. Currently, we

are not and our affiliates are not approved suppliers of the source restricted goods and services identified below. Currently no officer of ours owns an interest in any of our designated suppliers.

If you want to purchase or lease a source restricted item from a supplier that has not been previously approved or designated by us in writing, you must send us a written request for approval and submit additional information that we may request. We may charge you a supplier review and testing fee and we may request that you send us samples from the supplier for testing and documentation from the supplier for evaluation. We may also require, subject to our discretion, that we be allowed to inspect the supplier's facilities. We will notify you of our approval or disapproval within a reasonable time, not to exceed 60 days, after we receive your written request for approval and all additional information and samples that we may request. We may, in our discretion, withhold our approval. When evaluating the approval of a particular supplier, among other things, we consider: whether the supplier can demonstrate to our reasonable satisfaction the ability to meet our standards, specifications and production requirements, the suppliers quality control, whether or not we are the exclusive supplier of the particular item, whether or not our affiliate or affiliates are the exclusive supplier of the particular item, and whether or not the suppliers approval, in our sole determination, will allow us to advance the overall interests of the System.

We estimate that your purchase of goods and services from suppliers according to our specifications, including your purchase of goods or services from our designated exclusive suppliers, to represent approximately 40% of your total purchases and leases in establishing the Franchised Business and approximately 10% of the on-going operating expenses of your Franchised Business. We currently require that you purchase or lease the following source restricted goods and services from either us or our designated supplier:

1. Branded Items and Marketing Materials – All materials bearing the Licensed Marks including, but not limited to, stationary, business cards, brochures, apparel, signs and displays, must meet our standards and specifications and must be purchased from our designated suppliers or in accordance with our standards and specifications. All of your marketing materials must comply with our standards and specifications and must be approved by us before you use them. You may market your Talem Home Care Business through approved digital media and social media platforms provided that you do so in accordance with our digital media and social media policies. All branded marketing materials must be approved by us. We may require that you exclusively use, at your cost, our designated supplier for social and digital media marketing services and exclusively use, at your cost, our social media platforms, vendors and marketing channels.

2. Business Management System, Software, Computer Equipment, and Technology – You are required to utilize the Business Management System that we designate. You will be required to continuously enter, maintain and update your business and financial information in the Business Management System. At all times the Business Management System must be maintained on a desktop or laptop computer that we approve and that otherwise meets our standards and specifications. At our election, the data and information related to your Talem Business may be maintained on a cloud-based server, servers hosted by us or as otherwise designated by us. The Business Management System requires your payment of an initial license fee, supplemental license fees for additional computers that you may utilize and will add as you increase the size of your Talem Business. At present, we designate and require that you license and utilize eRSP Home Care Software as part of the Business Management System for the Franchised Business. You will be required to pay a continuing license fee to the third party supplier in connection with your required and on-going use of the Business Management Software System. The Business Management Software System Monthly License Fee that you will be required to pay will vary depending on the volume of your Talem Business with a minimum Business Management System Monthly License Fee of \$125 if your Franchised Business has 0 to 50 Visits per month. Visits are defined as a visit to a clients' home and the fees will increase based on the number of visits your Franchised Business conducts each month. Business Management Software System Monthly License fees will increase based on the

volume of your Talem Business and the number of monthly visits. Currently, the on-going monthly fee for the Business Management System License varies and is based on the number of visits per month, but shall not be less than \$125 per month for up to 50 service visits per month and subject to increase thereafter for more than 50 visits per month. We or our designated supplier(s) may increase these fees at any time.

Reference to the foregoing fee schedule is provided for the sole purpose of disclosing the potential monthly fees that you will be required to incur in the operations of the Franchised Business. The foregoing schedule and pricing is subject to change and is not intended to constitute an earnings claim and should not be used by you for the purpose of implying and/or projecting the amount of monthly visits that the Franchised Business may generate. Fees are subject to change and increase. At all times we reserve the exclusive right to change vendors and to move your data and information to alternative Business Management System providers.

Additionally, you must purchase and maintain a computer system and certain software programs we designate on-site at your Administrative Office of your Talem Business. In general, you will be required to obtain a computer system that will consist of certain hardware, software, and peripheral devices such as printers. You will be required to meet our requirements involving: (a) computer hardware specs and required software, back-office equipment, and supplies; (b) security systems; (c) printers and other peripheral devices; (d) archive and back-up systems; and (e) high-speed internet access mode. In the future, we may serve as the supplier of certain technology services and related services that we require your Franchised Business to utilize.

4. Bookkeeping Support – We require that you utilize the services of a third party bookkeeper or accountant that meets our standards and specifications and is approved by us for the maintenance and recording of your accounting activity, journal entries and the preparation of unaudited financial statements. You may be required to pay a weekly bookkeeping fee that will vary based on the number of accounting transactions conducted by the Franchised Business.

5. Pre-paid Legal Support – We recommend that you utilize the services of a pre-paid legal services support provider related to prepaid legal consultations and support involving transactions, collections and legal support for the Franchised Business.

6. Insurance – You must obtain the insurance coverage that we require from time to time as presently disclosed in the Manuals and as we may modify. All insurance policies required under your Franchise Agreement and as set forth in the Franchise Agreement must be written by a responsible carrier, reasonably acceptable to us and all insurance (excluding workers' compensation) must name us, our officers, directors, shareholders, partners, agents, representatives and independent contractors as additional insureds. The insurance policies must include a provision that the insurance carrier must provide us with no less than 30 days' prior written notice in the event of a material alteration to, or cancellation of, any insurance policy. A certificate of insurance must be furnished by you to use at the earlier of 90 days after the Effective Date of the Franchise Agreement or prior to the commencement of our initial training program. We require you to submit a certificate of insurance to us annually. Insurance coverage must be at least as comprehensive as the minimum requirements set forth in the chart below and in the Franchise Agreement (Franchise Agreement, Article 8). You must consult your carrier representative to determine the level of coverage necessary for the Franchised Business. Higher exposures may require higher limits.

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Insurance Requirements

Insurance
<p>General liability insurance providing equivalent or better coverage to that contained in the most recent version of CG 00 01 – Commercial General Liability Coverage Form. Said insurance must be written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury with minimum policy limits, as follows:</p> <p>\$1,000,000 per occurrence / \$3,000,000 aggregate general liability \$1,000,000 per occurrence / \$3,000,000 aggregate sexual abuse and molestation \$1,000,000 personal and advertising injury, \$1,000,000 products and completed operations aggregate, \$1,000,000 products and completed operations, \$100,000 damage to leased property, \$10,000 premises medical payments</p>
<p>Professional liability insurance containing minimum liability protection of \$1,000,000 combined single limit per occurrence and \$2,000,000 in aggregate.</p>
<p>Statutory workers' compensation insurance and employers' liability insurance as required by the law of the state in which Franchisee's Talem Office is located and Franchisee's Operating Territory comprises, including statutory workers' compensation limits and employers' liability limits of at least:</p> <p>\$1,000,000 per occurrence for bodily injury, \$1,000,000 per employee for bodily injury by disease, \$1,000,000 policy limit for bodily injury by disease.</p>
<p>Business automobile insurance for owned, hired and non-owned vehicles with a combined single bodily injury and property damage limit of at least \$1,000,000 per occurrence and uninsured / underinsured motorist coverage with minimum limits of \$1,000,000 with deductibles not to exceed \$1,000;</p>
<p>All risk property insurance on all assets, including inventory, furniture, fixtures, equipment, supplies and other property used in the operations of your Talem Franchise, which must include coverage for fire, vandalism and malicious mischief and have coverage limits no less than full replacement cost.</p>
<p>Third party liability bond with minimum occurrence limit of \$25,000.</p>
<p>Employment Practices Liability Insurance with a limit of at least \$1,000,000.</p>
<p>All other insurance that we require in the Operations Manual or that is required by law.</p>

Purchase Agreements and Cooperatives

We may, in our discretion, negotiate purchase agreements, including price terms, with designated suppliers for source restricted goods and services on behalf of the System. We may establish preferred vendor programs with suppliers on behalf of some or all of the Talem Home Care Businesses under the System

and, in doing so, we may limit the number of approved vendors and/or suppliers that you may purchase from and we may designate one vendor as your sole supplier. Presently there are no purchase or supply agreements in effect for source restricted products or services and there are no purchasing or distribution cooperatives that you must join. You will not receive any material benefits for using our designated or approved suppliers.

Our Right to Receive Compensation and Our Revenue from Source Restricted Purchases

We and/or our affiliates may receive rebates, payments and other material benefits from suppliers based on franchisee purchases and we reserve the right to institute and expand rebate programs in the future. As of December 31, 2022, we have not received revenue from suppliers of franchisee purchases of source restricted products or services.

**ITEM 9
FRANCHISEE’S OBLIGATIONS**

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

Obligation	Articles in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	2.A.	7, 11
b. Pre-opening purchases and leases	3, 8	7, 8
c. Site development and other pre-opening requirements	3, 4, 7, 8, 9.B.	6, 7, 11
d. Initial and ongoing training	4, 7.I.	11
e. Opening	2, 3, 4, 9.B.	11
f. Fees	3, 4.A., 5, 9, 12, 13, 14, 15, 16, 18.N.	5, 6, 7
g. Compliance with standards and policies/manual	3, 4, 7, 8, 9, 12	8, 11
h. Trademarks and proprietary information	6, 7, 11	13, 14
i. Restrictions on products and services offered	3, 4.C., 7.A., 7.E., 7.F., 7.I., 8	8, 11, 16
j. Warranty and customer service requirements	7	16
k. Territorial development and sales quotas	2	12
l. Ongoing product and service purchases	3, 4.C., 5, 7	8
m. Maintenance, appearance and remodeling requirements	7	7, 17
n. Insurance	8	7, 8
o. Advertising	3.F., 4.C., 7.E., 7.F., 9, 11	6, 11
p. Indemnification	10	6
q. Owner’s participation, management, and staffing	4, 6, 7	11, 15
r. Records and reports	5, 12	6
s. Inspections and audits	13	6, 11
t. Transfer	14	17
u. Renewal	15	17
v. Post-termination obligations	6, 17, 18	17
w. Non-Competition Covenants	6, 17, 18	17
x. Dispute Resolution	18.F., 18.G.	17



y. Individual guarantee of franchisee obligations	2.C., 6, 14.C., 14.E.	9
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ITEM 10 **FINANCING**

We generally do not offer direct financing of the Initial Franchise Fee except for extraordinary circumstances, such as if you have applied for funding for the Franchised Business from a third party and request a postponed payment date. If you request financing and your financing is approved, you must sign an original copy of the Initial Franchise Fee promissory note attached as Exhibit I. The terms of the initial franchisee fee will vary based on the frequency of your installment payments and amount of your down payment. You may agree to repay the balance of the Initial Franchise Fee on a monthly, yearly, or bimonthly schedule or as designated in the Initial Franchise Fee Promissory Note. If you fail to pay the agreed upon Installment Payment by the Installment Due Date, interest will accrue on the unpaid balance at a rate of 18% per annum or the maximum rate allowed by law.

The repayment period will vary but it will be less than the ten-year term of your Franchise Agreement. Generally, we provide for a repayment period within six months to two years. There is no penalty for prepayment of your Initial Franchise Fee Promissory Note.

If we provide notice that you are in default under the Initial Franchise Fee Promissory Note or we terminate your Franchise Agreement, the balance of your Initial Franchise Fee Promissory Note including, if applicable, any accrued interest, will become due immediately.

We do not offer indirect financing. We do not guarantee any note, lease or other obligation on your behalf.

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

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

Pre-Opening Obligations

1. Grant of Franchise – We will grant to you the right to operate the Franchised Business within a designated operating territory. (Franchise Agreement, Article 2);

2. Site Review, and Approval of Operating Territory – At the time of signing your Franchise Agreement you will have selected and we will have approved of the Operating Territory within which you will operate the Franchised Business. Unless otherwise approved by us in writing, your Administrative Office must be located within your Operating Territory. If you operate within multiple Primary Operating Territories, we may permit you to operate from one Administrative Office upon your request and our approval. Although there is no specified time limit for us to review the proposed site of your Administrative Office, we will do so within a reasonably expedient time period if same is not selected prior to the execution of your Franchise Agreement;

3. Manuals – We will provide you with access to our confidential and proprietary Manuals. You must operate the Franchised Business in accordance with the Manuals and all applicable laws, rules and regulations. At all times, we reserve the right to supplement, modify and update the Manuals. (Franchise Agreement, Article 4.C.). The operations manual as of the Issuance Date of this Disclosure Document currently consists of 229 pages and the table of contents to the operations manual is attached as Exhibit C to this Disclosure Document (Franchise Agreement, Article 4). Major subjects contained in the operations manual consists of establishing, developing, marketing and operating the Franchised Business;

4. Approved Suppliers and Distributors – We will provide you with a list of our approved suppliers and distributors, to the extent that we have designated them, either as part of the Manuals or otherwise in writing. (Franchise Agreement, Articles 3 and 4);

5. Signs, Furniture, and Fixtures – We will provide you with a list of our approved signage, office equipment, furniture and fixtures, to the extent that we have designated them, either as part of the Manuals or otherwise in writing and/or we will review and approve, in our discretion, your proposed signage, equipment, furniture and fixtures. We do not provide assistance in delivering or installing signs, furniture, or fixtures. (Franchise Agreement, Articles 3 and 4);

6. Website and Digital Media – We will identify and locate your Talem Home Care Business on our website. We strictly control how you may or may not use websites and digital media and you must assign all website media and digital media accounts to us. (Franchise Agreement, Articles 3.F. and 9); and

7. Initial Training – Not less than 45 days prior to the opening of your Talem Home Care Business you or your Managing Owner and one management level employee or Owner must attend and complete our initial training program. We will provide you (and up to one of your designated managers) with training in accordance with our initial training program. (Franchise Agreement, Article 4). Our current training program is to be attended by you, or if you are a Corporate Entity, your Managing Owner and one operating manager at our training facility located in Broomfield, Colorado or at a location designated by us. The training program takes place over a five to 10 day period and is described below in this Item 11 in more detail.

Site Selection

Although you are responsible for selecting a site for your Administrative Office and must obtain our approval of your selected location. We do not typically own or lease the real property that will serve as your Administrative Office and you are responsible for all costs and expenses in locating and evaluating proposed sites for your Administrative Office. Before you enter into a lease or other agreement for your Administrative Office you must obtain our approval. We will provide you with site selection guidelines. Your Administrative Office must be located within your Operating Territory at a site that we approve. If you operate within multiple Primary Operating Territories or Partial Operating Territories, we may permit you to share one Administrative Office, subject to your request and our approval.

Although there is no specified time limit for us to review the proposed site for your Administrative Office, we will do so within a reasonable time period, not exceeding 30 days of our receipt of your written request for our review of a proposed site and your submission to us of the information and documentation that we may request concerning the proposed site. In determining whether to approve or disapprove a proposed site for your Administrative Office, factors that we take into consideration include: (a) characteristics of the proposed site; and (b) the location of your proposed site relative to your overall Operating Territory and proximity to other franchisees.

Within 60 days of signing your Franchise Agreement and no less than 30 days before the opening of your Franchised Business, you must secure an Administrative Office and lease that we approve (Franchise Agreement, Article 3.A.). If you do not meet this requirement for any reason, including our disapproval of a proposed business location, we may terminate your Franchise Agreement without refunding any fees to you. It is your obligation to consult with government agencies, architects and legal professionals to evaluate and determine that your Administrative Office permits the establishment and operation of the Franchised Business and that you possess the necessary licenses and authority to operate a business that offers and provides the System Services and Products.

Time to Open

You may not open the Franchised Business until you have completed our initial training requirements, obtained the necessary licensing and authorization from state and regulatory agencies within your Operating Territory, obtained and provided us with written proof of the required insurance, and have timely secured an Administrative Office that we approved.

We estimate that the length of time between the signing of your Franchise Agreement and opening your Talem Business to be approximately three months to six months. Factors that may affect this estimated time period include: (a) evaluating and selecting a suitable site for your Administrative Office that is approved by us; (b) length of time undertaken by you to complete our initial training program to our satisfaction; (c) negotiating and obtaining a suitable lease for your Administrative Office that is approved by us; (d) obtain third party lender financing, if necessary; and (e) obtaining the necessary licenses for the operation of your Talem Business. You must open your Talem Business within nine months from the effective date of your Franchise Agreement, otherwise we may terminate your Franchise Agreement without refunding any fees to you.

Post-Opening Obligations

1. Communication of Operating Standards – We may establish, update and provide you with consultations and communications as to the standards, procedures and System requirements as to the operation of your Talem Home Care Business including, but not limited to, Approved Services and Products, System Supplies, marketing and promotion standards, and as we may, in our discretion, designate, modify, supplement and amend from time to time and, as set forth in the Manuals. (Franchise Agreement, Articles 4.B. and 4.C.);

2. Marketing Standards and Approval – We will establish, update and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, the marketing media that you may use. We will respond to your request respecting the communication of our approval or disapproval of marketing media that may be requested by you for use in the marketing and promotion of the Franchised Business. We maintain full discretion as to the marketing standards and the marketing media may be used in the marketing and promotion of your Talem Home Care Business (Franchise Agreement, Article 4.B.);

3. Approved Vendors – We will provide the names and addresses of approved vendors and suppliers for the Approved Services and Products and the System Supplies. (Franchise Agreement, Articles 4.B. and 4.C.);

4. Annual System Conference – We may, in our discretion, coordinate an annual conference to be attended by franchisees of the System. (Franchise Agreement, Article 4.B.);

5. Supplemental Training – We may require that you and your Operating Manager participate in supplemental on-site or virtual training that we may designate and require in our discretion. If you are not meeting what we believe to be System performance standards, we may provide, in our discretion, supplemental training on-site within your Operating Territory. You will be required to pay our then current supplemental training fee, per on-site trainer, per day, plus travel expenses, meals and accommodation expenses incurred by us. (Franchise Agreement, Article 4.A.);

6. Initial Training for Replacement Operating Managers – Your Operating Manager must complete, to our satisfaction, our initial training program. We will offer and make available to your replacement Operating Manager our initial training program which must be completed to our satisfaction. The initial training program will be provided by us at the facilities that we designate that, presently, is comprised of our Talem Home Care Business located in Broomfield, Colorado, at the certified training Talem Home Care Business

that we designate in Broomfield, Colorado, or at another designated location. You will be required to pay our then current supplemental training fee for replacement Operating Manager, which is currently \$300 per manager per day for each replacement manager attending our initial training. Generally, the Initial Training Program for a replacement manager will be closer to one week. (Franchise Agreement, Articles 4.A. and 4.C.);

7. Continuing Education Unit Requirements – On an on-going annual calendar year basis throughout the term of your Franchise Agreement, you or, if you are a Corporate Entity, your Managing Owner or your Operating Manager and any other designated managers must complete the required Continuing Education Unit (CEU) Requirements in accordance with our System standards and Manuals;

8. Administration of Marketing Funds – We may administer and manage System-wide marketing funds comprised of a Brand Development Fund and/or Advertising Cooperative. (Franchise Agreement, Articles 9.A. and 9.G.);

9. Hiring and Training of Employees – We do not provide assistance with the hiring and training of your employees. You will be directly responsible for the management and supervision of your employees. You must monitor and ensure that all System Supplies and Approved Services and Products are prepared, maintained, and served in accordance with the System standards and Manuals; and

10. Pricing – You will exclusively determine the prices that you charge for the Approved Services and Products served and sold by your Talem Home Care Business. However, we may suggest pricing levels that we recommend.

Advertising

1. Generally – All advertising, marketing, marketing materials and all marketing mediums used by you in the marketing and promotion of your Talem Home Care Business must be pre-approved by us in writing and conform to our standards and specifications. You may only utilize those advertising and marketing materials and mediums that we designate and approve in writing. In our discretion, we may make available to you approved marketing templates comprised of pre-approved ads, ad copy and digital media that you may utilize at your own expense. If you wish to utilize marketing materials and/or marketing mediums that are not currently approved by us in writing, you may submit a written request requesting permission and we will approve or disapprove of your request within 15 days of your submission of the written request and sample marketing materials. We are not required to spend any amount on your behalf on advertising in your operating territory. (Franchise Agreement, Article 9);

2. Local Marketing – You are not authorized to engage in any marketing unless it is pre-approved by us in our discretion (Franchise Agreement, Article 9.B). On an on-going monthly basis, you must spend the greater of: 1% of your monthly Gross Sales or \$1,500 per month on the local marketing of your Talem Home Care Business to customers located within your Operating Territory and in accordance with our standards and specifications with at least \$1,500 of such local marketing expenditure expended on digital lead generation in accordance with Franchisor's standards and specifications. We will review your local marketing programs and notify you if we approve. We may make available to you and provide you with access, in the form of a source document, to our approved marketing campaigns, media, and messaging that may be used by you. If we provide you with access to our marketing campaigns, we provide you with the source designs, copy, and design specifications. However, you will incur the direct costs associated with customizing, duplicating and using such marketing campaigns and in having them printed, distributed and/or placed with media sources. (Franchise Agreement, Article 9);

3. Digital Media and Website – All digital media and marketing must be approved by us. We will designate for your Operating Territory information about your Talem Home Care Business on your landing page on

the www.talemhomecare.com webpage and/or on an independent domain featuring www.talemhomecare and the city or other territory of the Franchised Business and or such other websites as we may designate for the System. (Franchise Agreement, Article 9);

4. Brand Development Fund – We may control and administer a brand development fund (the “Brand Development Fund”) (Franchise Agreement, Article 9.A.). As disclosed in Item 6 of this Disclosure Document, you must contribute a weekly sum not to exceed 2% of weekly Gross Sales to the Brand Development Fund. We may use the Brand Development Fund for market studies, research, service development, product development, testing, research studies, technology development, services for franchisees and/or their clients, advertising and public relations studies or services, creative production and printing of advertising and marketing materials, advertising copy and commercials, tracking costs, agency fees, administrative costs, which may include reimbursement for direct administrative and personnel costs associated with advertising and public relations, and any other costs associated with the development, marketing and testing of advertising, marketing and public relations materials, and the purchase of media placement, advertising time and public relations materials in national, regional or other advertising and public relations media in a manner determined by us, in our discretion, to be in the best interest of the franchisees and the System. Our company and/or affiliate owned Talem Home Care Businesses may but are not required to contribute to the Brand Development Fund. The Brand Development Fund will be required to maintain unaudited financial records detailing its expenditures and will make available to you (no more frequently than one time in any 12-month period) an unaudited accounting of how the monies contributed to the Brand Development Fund were spent each year. We are not required to segregate the Brand Development Fund from our general operating funds and we are not a fiduciary or trustee of the Brand Development Fund. The Brand Development Fund will not be used to directly promote your Talem Home Care Business or the marketing area in which your Talem Home Care Business will be located. (Franchise Agreement, Article 9.A.). We may utilize the Brand Development Fund to develop and test various media and technologies for potential utilization and/or improvement of the operations of Talem Home Care Businesses and the marketing of Talem Home Care Businesses. These technology developments and/or improvements may relate, among other things, to our website and to the interaction and potential enhancement of web offerings that may or may not be implemented on behalf of Talem Home Care Businesses. You may or may not benefit from these technology developments and improvements. (Franchise Agreement, Article 9.A.).

We may use the Brand Development Fund to compensate ourselves for administrative fees associated with managing the Brand Development Fund and for our internal employee salaries, expenses and overhead associated with or reasonably allocated to managing the activities of the Brand Development Fund and performing services on behalf of the Brand Development Fund including, but not limited to, directing, developing and managing media of the Brand Development Fund. We will not directly utilize the Brand Development Fund to directly market the sale of Talem Businesses, however the advertising, marketing and brand development materials developed (including the System website, may contain basic information as to the availability of Talem Business franchises for sale and contact information for franchise inquiries.

As of December 31, 2022, we have collected \$116,014 towards the Brand Development Fund. (\$9,310) was rolled over into 2022 for a total of \$106,704. Of the \$84,965 spent, we have spent 35% towards technology expenses, 61% towards social media placement, 0% towards testing and research, 4% towards other administrative expenses, and 0% towards services for franchisees. \$21,739 was rolled over into 2023;

5. Local and Regional Advertising Cooperative – We possess the exclusive right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that we designate. We will exclusively determine the geographic and other boundaries constituting each respective cooperative and factors that we will consider include media markets including print, television and digital. If we establish a cooperative within a market that includes your Talem Home Care Business you must contribute to the cooperative in such amounts and frequency as determined by the cooperative. Members

of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions, marketing expenditures and allocations. However, we may require that cooperative decisions be made based on approval of a simple majority of franchisee members based on one vote per Talem Home Care Business located and a quorum of not less than 25% of the designated franchisee cooperative members. If a cooperative exceeds nine franchisee members we may require that the cooperative establish formal governing documents. Each cooperative must prepare annual unaudited financial statements that must be provided to each cooperative member for review. We reserve the right to form, change, dissolve, or merge any advertising cooperative. If we elect to form a local or regional cooperative or if a cooperative already exists as to the area of your Talem Home Care Business, you will be required to participate in the cooperative in accordance with the provisions of our operations manual which we may supplement and modify from time to time (Franchise Agreement, [Article 9](#)).

As of the Issuance Date of this Disclosure Document we have not established any local or regional advertising cooperatives but reserve the right to do so in the future; and

6. [Advertising Council](#) – We have not established an advertising council but reserve the right to do so in the future. (Franchise Agreement, [Article 9.A.](#)).

Computer System

You are required to operate and maintain at least one approved desktop or notebook computer meeting our standards and specifications to be used from your Administrative Office that must possess broadband internet access. You must use the Business Management System that we designate. At all times, we will possess direct access to the Business Management System used by you and we will have access to all information entered into these systems, including information about your sales and customers. Presently, the Business Management System that you will be required to utilize and access is a version of eRSP Home Care Software as licensed by Kaleida Systems, Inc. The cost of the computer system that you will be required to purchase varies depending on the size of your Talem Business, with your estimated costs for a computer system being \$500 to \$1,500. You are obligated to install the software upgrades and patches as provided by the manufacturer of the computer and the Business Management System. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty. Your estimated costs for the maintenance, repair and updates for the computer systems is \$1,500 per year. There are no contractual obligations imposed on us to maintain, repair, update, or upgrade your computer systems. You will also be required to utilize those customer reward programs and systems that we designate. There are no contractual limitations on the frequency or cost of this obligation. We will have independent access to all of the information and data that is electronically collected and stored on your Business Management System and, as such, will have access to all data related to the sales, inventory and financial performance of your Franchised Business.

Initial Training

If this is your first Talem Business, we will provide initial training for you (or if you are a Corporate Entity, your Managing Owner) plus one operating manager. Either you or your Managing Owner plus your operating manager must successfully complete the initial training program to our satisfaction no later than 45 days prior to the opening of your Talem Business. The initial training program at our location takes place over an approximate five to 10 day period. We will also provide up to three weeks of additional training at your location, if necessary within the first year of opening your Talem Business. If more than two individuals attend initial training, you will be charged an additional fee per additional persons attending initial training. Although we provide you (or your Managing Owner if you are a Corporate Entity) plus your operating manager with initial training at no additional fee or charge, you will be responsible for all travel, lodging, food, automobile rental expenses and employee wages that you incur in connection with your attendance and participation in our initial training program and the attendance and participation of your

designated managers in our initial training program. (Franchise Agreement, Article 4). Currently, we provide our initial training program no less frequently than quarterly and on an as-needed basis.

TRAINING PROGRAM

The following chart summarizes the subjects covered in our initial training program:

Subject	Classroom Training (Hours) In Broomfield Colorado		On the Job Training with a Trainer (Hours) at Franchisee Location		Remotely with a Trainer or 3rd Party or Vendor either Remotely by Phone, web, Conference, Email or at the Vendors Location	
	Min	Max	Min	Max	Min	Max
IT, E-mail, Social Media, and Website	6	10	0	0	0	3
Telephone System Setup	0	1	0	0	1	2
Payroll, Billing, and Accounting	1	2	0	0	8	24
Client Database Software	8	24	0	10	4	20
Admin & Operations Training	14	17	0	0	0	0
Business License and Insurance	0	0	0	0	0	10
CSA Training	0	0	0	0	20	100
Site Selection	0	0	0	0	1	4
State Licensing	0	6	0	4	0	10
Policy Manual	2	5	0	8	0	40
Job Shadow	4	8	0	0	0	0

Caregiver Skills Validation	4	8	0	0	0	0
Sales Training	0	0	40	80	0	10
Sub Totals	39 to 81 hours		40 to 80 hours		34 to 223 hours	
			Total Training		113 to 384 hours	

Instructional materials that will be utilized in the initial training process includes our Manuals. All training will be conducted under the direction and supervision of our chief executive officer, Jake Rankin and will utilize instructional materials comprised of live instruction, handouts and the Manuals. For the period from June 2012 to present, Mr. Rankin has been and remains the President of our affiliate Allay Home Care, LLC where Mr. Rankin has been involved in managing the day-to-day operations of our affiliate owned Talem Business. In addition to initial training you will also be required to participate in and satisfy all other training programs that we may establish respecting the operation of your Talem Business. (Franchise Agreement, Articles 4 and 7.I).

After the opening of your Talem Business we reserve the right to require that you (or your Managing Owner if you are a Corporate Entity) attend a system-wide training program (the “System-Wide Training Program”) that we may establish in our discretion. If we establish a System-Wide Training Program, the program will be offered from our affiliate owned Talem Business in Broomfield, Colorado or at a designated location determined by us and you will be responsible for all travel, lodging, food, automobile rental expenses, and employee wages that you incur in connection with your attendance. We will not require your attendance at a System-Wide Training Program for more than a total of five days in any calendar year.

ITEM 12 **TERRITORY**

Your Location

Under the Franchise Agreement, we will grant to you the right to develop and operate one Talem Home Care Business within a designated operating territory (your “Operating Territory”). Your Administrative Office will be operated from a location that we approve of within your Operating Territory.

Grant of Territory

At the time of signing your Franchise Agreement, we will designate your Operating Territory. The scope and size of your Operating Territory will vary depending on local factors and whether or not, at the time of signing your Franchise Agreement, your designated Operating Territory qualifies as a Primary Operating Territory, a Primary Operating Territory that has been supplemented with the purchase of up to three additional Zones or, a Small Market Operating Territory. A Primary Operating Territory consists of a geographic area that generally contains a population of approximately 400,000 to 500,000. Subject to availability, our approval and your payment of additional Initial Franchise Fees identified in Item 5 of this Disclosure Document, one to three additional Zones may be added to your Primary Operating Territory at the time of signing your Franchise Agreement. A Small Market Operating Territory will generally consist of a geographic area that contains a population of less than 400,000. Our determination as to the approximate population within your Operating Territory will be based on U.S. Census Bureau data or other publicly available data and will be based on raw data and without regard to demographics or other qualifying factors.

Relocation

Your right to relocate your Talem Home Care Business and, thereby, your Operating Territory is not guaranteed and approval of a relocation request by you is completely at our discretion. We evaluate relocation requests on a case-by-case basis and consider factors such as operational history, the location of your Operating Territory, our expansion plans, and other factors that, at the time of a relocation request, are relevant to us.

Establishment of Additional Franchised Businesses

You do not have the right to establish additional Talem Home Care Businesses.

Options and Rights of First Refusal to Acquire Additional Franchises

You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises.

Territory Rights

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. However, during the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and except as to our Reserved Rights set forth below, we will not open and operate, and, we will not grant another franchisee the right to open and operate a Talem Home Care Business within your Operating Territory.

We and our affiliates reserve to ourselves the exclusive right on any and all terms and conditions that we deem advisable and, without any compensation or consideration to you (Franchise Agreement, Article 2.D.), to engage in the following activities (our “Reserved Rights”): (a) operate and grant to others the right to develop and operate Talem Home Care Businesses using the System and Licensed Marks outside your Operating Territory, as we deem appropriate and irrespective of the proximity to your Operating Territory; (b) acquire, merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as, or similar to, your Talem Home Care Business, and after such acquisition, merger or affiliation to own and operate and to franchise, or license others to own and operate and to continue to own and operate such businesses of any kind, even if such businesses offer and sell products and services that are the same as or similar to a the Franchised Business (but not utilizing the Licensed Marks) within your Operating Territory; (c) be acquired by or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as or similar to the Franchised Business, even if such business or businesses presently or, in the future, own and operate and franchise or license others to own and operate businesses that offer and sell products and services that are the same as or similar to your Talem Home Care Business (but not utilizing the Licensed Marks) within your Operating Territory; (d) use the Licensed Marks and System and to license others to use the Licensed Marks and System, to engage in all other activities not expressly prohibited by the Franchise Agreement; and (e) permit System franchisees with Legacy Customers within your Operating Territory to service such Legacy Customers.

Soliciting by You Outside Your Territory and Territory Rules

You must operate your Talem Home Care Business and provide the Approved Services and Products of exclusively within your Operating Territory. The marketing of your Talem Home Care Business must be targeted to your Operating Territory and you are not permitted to directly solicit customers outside of your Operating Territory. Provided that you do not engage in any Direct Solicitation of customers outside of your Operating Territory or, within the Operating Territory of another Talem Home Care Business, you may provide, subject to our written approval, Approved Services and Products within an Open Area, subject to the following definitions, rules and limited circumstances:

- (a) You cannot engage in any Direct Solicitations outside of your Operating Territory. The term “Direct Solicitation” refers to and means “communications and/or contacts occurring through

in person contact, telephone, mail, e-mail, direct mail, distributed print media, digital media and/or other forms of marketing directed toward customers, potential customers or referral sources of a Talem Home Care Business;

- (b) You cannot provide Approved Services and Products in the operating territory of another Talem Home Care Business (an “Assigned Area”);
- (c) An “Open Area” is a geographic area that (i) is not an Assigned Area; and (ii) is located within a 10 mile radius of your Operating Territory.
- (d) You must obtain our written approval, in each instance, before providing Approved Services and Products to a customer in an Open Area; and
- (e) Once an Open Area becomes an Assigned Area you will no longer be authorized to provide Approved Services and Products to any customers within the Open Area except for existing customers located within the now Assigned Area that you have already serviced when it was an Open Area (“Legacy Customers”) and you must turn over to us, for the benefit of another Talem Home Care Business franchisee, all information and records related to customers in the Open Area.

Competition by Us Under Different Trademarks

We do not have plans to operate or franchise a business under trademarks different from the Licensed Marks that sells or will sell goods or services similar to those that will be offered by you through the Franchised Business.

Performance Targets

Your right to your territory and other rights under the Franchise Agreement are dependent upon your total Gross Sales (from both Home Care Gross Sales and Senior Placement Services Home Sales), and a minimum number of Senior Placements completed, meeting the annual Performance Targets (as defined below) for each Franchised Business and/or Standard Operating Territory in which you operate for each consecutive 12 month period following the Actual Business Commencement Date (each, a “Measurement Period”), we will assess a Gross Sales and Placement production goal (the “Performance Target”). If you fail to meet the Performance Target set forth in the table in two consecutive years, we may elect to terminate your Franchise Agreement. Additionally, if you do not meet your Performance Target in the immediately preceding Measurement Period, you will not be eligible to purchase additional territories during the then current Measurement Period and you will not be eligible to participate in any royalty rate reduction program with any of your franchised businesses. The Performance Targets will apply to each respective Primary Operating Territory you operate and the Measurement Period for the additional Primary Operating Territory will be based on the date you begin to operate the second territory.

Measurement Period (Year of Operation)	Performance Target (Gross Sales in Measurement Period)	Performance Target (Placements in Measurement Period)
Months 0 to 12	\$300,000	2
Months 13 to 24	\$600,000	3
Months 25 to 36	\$900,000	8
Months 37 to 48	\$1,200,000	12
Months 49 to 60	\$1,500,000	16
Months 61 to 72	\$1,800,000	16
Months 73 to 84	\$1,800,000	16
Months 85 to 120	\$1,800,000	16




Upon renewal, your Performance Target may increase by up to 10% of the preceding Measurement Period’s Performance Target in each Measurement Period of your Renewal Term.

ITEM 13
TRADEMARKS

Under the terms of the Franchise Agreement, you will be granted a license to use the “Talem Home Care” trademark and those other marks that we designate. We reserve the right to supplement and modify the marks that you may or may not use in connection with the operations of your Talem Home Care Business. You may only use the Licensed Marks as authorized by us in writing and under the terms of your Franchise Agreement. You may not use the Licensed Marks in the name of any Corporate Entity that you establish.

Principal Trademarks Registered with the United States Patent and Trademark Office

The principal trademarks identified in the schedule below are a part of the Licensed Marks, our System, are registered with the United States Patent and Trademark Office (the “USPTO”) and, unless otherwise designated by us, will be used by you in the operations of the Franchised Business. As to these marks all required affidavits have been filed with the USPTO.

Mark	USPTO Registration Number	Registration Type	Registration Date
Talem Home Care (word mark)	5048757	1A	September 27, 2016
 Talem Home Care Placement Services	5975842	1A	February 4, 2020
Empowering People to Experience the Full Joy of Living	6588836	1A	December 14, 2021

As to our principal trademarks there are no currently effective material determinations by the USPTO, the Trademark Trial and Appeal Board, any court, or the trademark administrator of any state. There are no pending infringement, opposition or cancellation proceedings and no pending litigation involving our principal marks. We know of no superior rights or infringing uses that could materially affect your use of our principal marks or other related rights in any state.

You are required to provide us with written notice of all claims that you may become aware of concerning the Licensed Marks including your use of the Licensed Marks and/or a claim associated with a third party’s use of a trademark that is identical or confusingly similar to the Licensed Marks. We maintain the exclusive discretion to take any and all actions, or to refrain from any action, that we believe to be appropriate in response to any trademark infringement, challenge or claim. We possess the sole right to exclusively control any and all litigation, legal proceedings, administrative proceedings and/or settlement(s) concerning any actual or alleged infringement, challenge or claim relating to the Licensed Marks. You must sign all documents, instruments and agreements and undertake the actions that we, with the advice of our legal counsel, determine to be necessary or advisable respecting the protection and/or maintenance of our interests in the Licensed Marks in any legal proceeding, administrative proceeding or as may be otherwise determined by us. As to the foregoing, we will reimburse you for the reasonable out-of-pocket administrative expenses that you incur and pay in complying with our written instructions.

We will protect your right to use the Licensed Marks and to protect you against claims of infringement and unfair competition related to the Licensed Marks, provided that your use of the Licensed Marks is in accordance with the Franchise Agreement, the Manuals, and is consistent with our instructions and the license granted to you. We will indemnify you against direct damages for trademark infringement in a proceeding arising out of your use of the Licensed Marks, provided your use of the Licensed Marks comply with the terms of your Franchise Agreement, the Manuals, our written instructions to you and, you have timely notified us of the claim, have given us sole control of the defense and settlement of the claim, and you are in compliance with your Franchise. If we defend the claim, we have no obligation to indemnify or reimburse you with respect to any fees or disbursements of any attorney that you retain.

If any third party establishes, to our satisfaction and in our discretion that its rights to the Licensed Marks are, for any legal reason, superior to any of our rights or of a nature that we believe, in our discretion, that it is advisable to discontinue and/or modify the Licensed Marks, then we will modify and/or replace the Licensed Marks and you must use the substitutions, replacements and/or variations of and/or to the Licensed Marks and use the those trademarks, service marks, logos and trade names designated by us. In such event, our sole liability and obligation will be to reimburse you for the direct out-of-pocket costs of complying with this obligation, which you must document to our satisfaction, including, by way of example, alterations in signage and replacement of marketing materials.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights to, or licenses in any patent or copyrights material to the franchise System. We may copyright advertising materials and design specifications, our Manuals and other written materials and items. We have not applied to the USPTO for the issuance of any patents.

You must keep as confidential our Manuals and any supplements to the Manuals. Our Manuals may take the form of written materials and/or digitally distributed and stored materials and made available to you for use in connection with the Franchised Business. The Manuals contain information about our System, Approved Services and Products, System Supplies, proprietary products, marketing systems, training, and confidential methods of operation. You must use all reasonable and prudent means to maintain the Manuals and the information maintained in the Manuals as confidential and prevent any unauthorized copies, recordings, reproduction, or distribution of the Manuals or the information contained in the Manuals. You must restrict access to the Manuals to management level employees who sign a confidentiality agreement with you and are required by you to maintain the confidentiality of the Manuals and refrain from distributing or disclosing the Manuals and the information contained in the Manuals. You must provide us with immediate notice if you learn of any unauthorized use of the Manuals or of the information contained in the Manuals, or any infringement or challenge to the proprietary or confidentiality of the information contained in the Manuals. We will take any and all action(s) or, refrain from taking action, that we determine, in our discretion, to be appropriate. We may control any action or legal proceeding we choose to bring. We need not participate in your defense or indemnify you for damages or expenses in a proceeding involving a copyright or patent. If any third party establishes to our satisfaction, in our discretion, that it possesses rights superior to ours, then you must modify or discontinue your use of these materials in accordance with our written instructions.

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

The Franchise Agreement requires that you or, if you are a Corporate Entity, that your managing shareholder or partner be personally responsible for the daily management and supervision of the Franchised Business (the “Managing Owner”). We must approve your Managing Owner and your Managing Owner must dedicate his or her full time efforts to the management and operation of the Franchised Business. Your Managing Owner must have satisfactorily completed our initial training as well as any annual trainings otherwise specified in the Manuals, and must have obtained all required licenses and permits necessary to operate a Talem Home Care Business within your Operating Territory.

Under certain limited circumstances you may hire a manager. You may hire a manager to assume responsibility for the daily management and supervision of the Franchised Business only if: (a) the manager meets all of our minimum standards and criteria for managers; (b) the manager completes our initial training program; (c) the manager signs our confidentiality and non-competition agreements; and (d) the manager is supported by at least one trained and qualified Managing Owner who is actively involved in the management and operation of the Franchised Business (an “Operating Manager”). All of your employees and other agents and representatives who may have access to our confidential information must sign a confidentiality agreement approved by us. We do not require that the manager own any equity interest in the franchise.

You and, if you are Corporate Entity, each of your members, shareholders and/or partners (collectively, “Owners”), must personally guarantee all of your obligations to us under the Franchise Agreement. Each Owner and Owner’s spouse must personally guarantee your obligations to us under the Franchise Agreement. You and each Owner and spouse shall promise in writing that, among other things, during the term of the Franchise Agreement you will not participate in any business that in any way competes with the Franchised Business, and that for 36 months after the expiration of termination of the Franchise Agreement (with said period being tolled during any periods of non-compliance), you will not participate in any competitive business located within and/or servicing customers located within your Operating Territory and a 25 mile radius surrounding your Operating Territory. Further you will not participate in any competitive business located within and/or servicing customers located within a 25 mile radius of any other Talem Home Care Business and/or the operating territory of any other Franchised Business. Your managers and all other employees and agents with access to our confidential information will be required to sign a confidentiality agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell the Approved Services and Products as specified in the Manuals or otherwise approved by us in writing and you may only sell the products and services required by us. We can change the products and services that you must offer. There is no limitation on our right to change the products and services offered sold by Talem Home Care Businesses. You are not limited to whom you may sell products and services of your Talem Home Care Business, provided you do so exclusively within your Operating Territory and as otherwise required by us and in compliance with the standards we determine for the System.

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ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Article in Franchise Agreement	Summary
a. Length of the franchise term	2.B.	The term of your Franchise Agreement is 10 years
b. Renewal or extension of the term	15	If you meet our conditions for renewal you may renew your franchise for one additional 10-year term.
c. Requirements for franchisee to renew or extend	15	To renew your franchise you must be in compliance with the terms of your Franchise Agreement, provide us with 180 days prior written notice of your request to renew, sign our then current form of Franchise Agreement and related agreements for the renewal term, sign a general release in our favor, pay a renewal fee, remodel and upgrade your Talem Home Care Business to meet our standards and specifications, and meet all other renewal requirements contained in the Franchise Agreement. Your Owners must be in compliance with their agreements with us including the Franchise Owner and Spouse Agreement and Guaranty, and they must personally guarantee the terms of your renewal Franchise Agreement which may contain terms materially different from your current Franchise Agreement.
d. Termination by franchisee	16.B.	You may terminate the Franchise Agreement if you are in compliance with its terms, we are in material breach of the Franchise Agreement, and we fail to cure the material breach within 30 days of receiving written notice or, if the breach cannot be cured within 30 days, such period of time that is reasonable to cure the material breach. Subject to state law.
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with “cause”	16.A.	We can terminate if you are in default of the terms of the Franchise Agreement.
g. “Cause” defined-curable defaults	16.A.(3), 16.A.(4)	You have 10 days to cure a default where you fail to pay any fees and/or obligations due to us and/or to an affiliate of ours, or if you fail to pay a supplier without, as determined by us, a legal justification, provided that the foregoing defaults were not intentionally and knowingly in violation of the Franchise Agreement. You will have 30 days to cure a default where you, fail to: timely lease a location that we approve for your Talem Home Care Business; timely

		<p>develop and open your Talem Home Care Business; operate your Talem Home Care Business in accordance with the specifications, standards, and requirements set forth in our Manuals; develop or operate your Talem Home Care Business in compliance with all federal, state, and local laws, rules, and regulations, unless, such violation poses a threat to public health or safety; maintain insurance coverage that we require; comply with our standards, systems or specifications as we may designate or as otherwise designated in the operations manual; fail to operate your Talem Home Care Business in conformity with our System or otherwise violate the Franchise Agreement, except as to events of default that are not curable.</p>
<p>h. “Cause” defined-non-curable defaults</p>	<p>16.A.(1), 16.A.(2)</p>	<p>The following are defaults that cannot be cured: three or more instances where you commit a curable default, whether or not you timely cured such default in each instance; you intentionally and knowingly refuse to comply with the terms of the Franchise Agreement, and/or the standards specifications, and/or requirements set forth in the operations manual and/or as communicated to you by us from time to time; you intentionally, knowingly, or negligently operate the Franchised Business in violation of applicable laws, rules, and regulations and, in doing so, create a foreseeable, imminent, and/or immediate threat to the health and safety of others; you abandon the Franchised Business or fail to maintain the required leasehold and/or ownership interests in your Talem Home Care Business Locations; you or your Owners intentionally made a material statement or omission in questionnaires submitted to us; the data, information, and/or records that you record and/or submit to us are intentionally misleading or false; you transfer or attempt to transfer the Franchised Business or the ownership interests in your franchise company without our approval; you disclose or permit the disclosure of information contained in the operations manual and/or of confidential information; you or your Owners engage in intentionally dishonest or unethical conduct that impacts our System; You and/or your owners breach and, if such breach is capable of a cure, fail to timely cure another agreement with us including the Owner and Spouse Agreement and Guaranty; you and your Owners and managers fail to complete, to our satisfaction, our initial and on-going training programs; you fail to notify us of the misuse of confidential information and you fail to protect same; you misappropriate or misuse the Licensed Marks; you are deemed insolvent, make an assignment for the benefit of creditors, admit in writing your inability to pay debts; are adjudicated bankrupt, file a voluntary bankruptcy petition or have one filed against you, and/or you acquiesce to the appointment of a trustee or receiver, or a court orders one; execution is levied against the Franchised Business; a final judgment is entered against the Franchised Business and is</p>



		not satisfied within 30 days; you are dissolved; a lawsuit or action is commenced against the Franchised Business to foreclose on a lien on equipment of the Franchised Business and such action is not dismissed after 60 days; and/or real or personal property used by the Franchised Business is sold or levied by a sheriff or other law enforcement officer; and/or you abandon or fail to continuously own and operate the Franchised Business.
i. Franchisee’s obligations on termination/non-renewal	6, 17	You must: pay all sums that you owe to us under the Franchise Agreement and all other agreements with us; cease owning and operating the Franchised Business; cease representing yourself as a franchisee of ours; permanently cease using and/or accessing the System, the Licensed Marks, our confidential information, the operations manual, the Business Management System, the Business Management System Data, and the System Supplies; return the operations manual and all confidential information to us in the original form provided to you and document the destruction of all electronic files related to same; completely de-identify the location and/or facility associated with the Franchised Business; as requested by us, transfer to us all data, telephone listings, digital media, accounts, web listings and websites associated with the Franchised Business; and abide by the post-termination non-competition covenants and restrictions.
j. Assignment of the contract by franchisor	14.A.	No restriction on our right to assign.
k. “Transfer” by franchisee-definition	14.B.	A transfer means and includes, whether voluntary or involuntary, conditional or unconditional, direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee.
l. Franchisor’s approval of transfer by franchisee	14.B.	Transfers require our prior written consent, which may be granted or withheld in our discretion.
m. Conditions for franchisor’s approval of transfer	14.C.	For approval of your transfer, you must provide us with 30 days prior written notice of the proposed transfer; you and your Owners must not have defaulted in your obligations under the Franchise Agreement and all other agreements with us; you and your Owners must be in compliance with

		your obligations under the Franchise Agreement and all other agreements with us; the transferee must agree to be bound by all of the terms and provisions of the Franchise Agreement; the transferee's owners and their spouses must personally guarantee all of the terms and provisions of the Franchise Agreement; you and your Owners and their spouses must sign a general release in favor of us; the transfer must provide for the assignment and/or ownership of the approved location for the Franchised Business, and the transferees continued use and occupancy of such location throughout the term of the Franchise Agreement; the assets of the Franchised Business must be transferred to the transferee; the transferee and the transferee's owners and managers, at the transferee's expense must complete our training programs; we waive our right of first refusal; and we approve of the transfer and transferee in writing and subject to our discretion; and you pay the Transfer Fee (subject to applicable state laws).
n. Franchisor's right of first refusal to acquire franchisee's business	14.F.	We have the right to match any offer to purchase your Talem Home Care Business or the Corporate Entity operating your Talem Home Care Business.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.
p. Death or disability of franchisee	14.D.	If you are an individual, within 30 days of the death or permanent disability of Franchisee, your executor and/or legal representative must appoint an Operating Manager approved by us and within 60 days of such appointment the Operating Manager must complete, to our satisfaction, our initial training program. Within 12 months of the date of death or disability, the Franchise Agreement must be transferred to a transferee approved by us and otherwise transferred in accordance with the terms of the Franchise Agreement. If franchisee is a Corporate Entity, within 30 days of the death or permanent disability of your Managing Owner, if there are other Owners, must appoint a replacement Operating Manager approved by us and within 60 days of such appointment the replacement Operating Manager must complete, to our satisfaction, our initial training program.
q. Non-competition covenants during the term of the franchise	6	No involvement in any competitive business and must comply with confidentiality, non-disclosure and non-solicitation covenants.
r. Non-competition covenants after the franchise is terminated or expires	6	No involvement, ownership or interest whatsoever for three years in any competing business in: your Operating Territory; a 25-mile radius of your Operating Territory and of the Operating Territory of any other Talem Home Care Business; and you must comply with confidentiality, non-disclosure and non-solicitation covenants.

s. Modification of the agreement	18.L.	Requires writing signed by you and us, except for unilateral changes that we may make to the Manuals or our unilateral reduction of the scope of a restrictive covenant that we may make in our discretion.
t. Integration/merger clauses	18.M.	Only the terms of the Franchise Agreement and schedules to the Franchise Agreement and the respective signed exhibits to the Franchise Agreement are binding, subject to state law. Nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	18.G.	Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation in Broomfield County, Colorado and, if mediation is unsuccessful, then to binding arbitration in Broomfield County, Colorado. This provision is subject to applicable state law.
v. Choice of forum	18.G.	All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, State court of general jurisdiction that is within or closest to Broomfield County, Colorado or, if appropriate, the United States District Court nearest to our corporate headquarters at the time such action is filed. This provision is subject to applicable state law.
w. Choice of law	18.F.	Colorado law will govern. However, this provision is subject to state law and as otherwise disclosed in <u>Exhibit H</u> to this Disclosure Document.

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote our franchise. No public figure is currently involved in our management.

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ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

DEFINITIONS

- (a) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (b) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.
- (c) Company Owned Outlet – means an outlet owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document, that operates a Talem Business. A Company Owned Outlet also includes any Talem Business that: (i) is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document; or (ii) is managed by us our affiliate or any person identified in Item 2.
- (d) Franchise Outlet – means a Talem Home Care Business operated under a Franchise Agreement that is not a Company Owned Outlet.
- (e) Gross Billings – means the total gross revenue derived by each outlet less only sales tax, customer discounts, customer allowances and returns. Other than the deduction of sales tax, customer discounts, customer allowances and returns, there are no other deductions from revenue in determining Gross Billings.
- (f) Legacy Customers – means customers serviced by a Talem Company Owned Outlet that are now located in the Operating Territory of a franchisee but are still serviced by a Talem Company Owned Outlet.
- (g) Median – means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.
- (h) New Franchise Outlet(s) – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations on or after the first day (January 1) of the Calendar Year being reported.
- (i) Operational Franchise Outlet(s) – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation prior to the commencement of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2020, as to the February 2020 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet (see definition above) and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2021 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2021 Calendar Year.

(j) Operating Territory – means the area (whether consisting of a Primary Operating Territory or a Primary Operating Territory with multiple Zones) where a Talem Business is permitted to operate.

(k) Open Area – means an area that is not within the Operating Territory of any Talem Businesses where any Talem Business is permitted to operate.

(l) Outlet – refers to both Company Owned Outlets and Franchise Outlets, as the context requires.

(m) Primary Operating Territory – means a designated territory with a population of approximately 400,000 to 500,000.

(n) Zone – means an additional territory with a population of approximately 75,000 that can be added to a Primary Operating Territory for an additional fee.

BASES AND ASSUMPTIONS

The financial information was prepared on a basis consistent with generally accepted accounting principles. Data for our Company Owned Outlets are based on information reported to us by our affiliates. Data for the Franchise Outlets are based on financial information reported to us by our franchisees. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of future financial performance.

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ANALYSIS OF RESULTS OF COMPANY OWNED OUTLETS

During the 2022 Calendar Year we had a total of two Company Owned Outlets. During the 2021 Calendar Year we had a total of two Company Owned Outlets. The Company Owned Outlets are representative of the Franchised Business, assuming that you purchase multiple territories, provided that you will not have Legacy Customers, but may service customers in the Operating Territory of another System franchisee through National Accounts. Our Company Owned Outlets are further described below:

Table 1

Company Owned Outlets	
Outlet Name	Description
Broomfield, CO	This Company Owned Outlet is located at 80 Garden Center, Broomfield, Colorado 80020. In 2021, the Broomfield Company Owned Outlet serviced the entire Denver metropolitan area that we identify as two operating territories (as well as unassigned areas within the state outside of the two exclusive territories and Legacy Customer from a portion of Colorado that is now the Operating Territory of a Talem franchisee) that we describe, as follows (i) a Primary Operating Territory with three Zones and an approximate population of 704,605; and (ii) a Primary Operating Territory that has been supplemented with three Zones with an approximate population of 622,729. The Gross Billings of the Broomfield location also includes Gross Billings generated from an Open Area (i.e., an area that is not the Operating Territory of any other Talem outlet). The Broomfield Company Owned Outlet opened in November of 2013.
Milwaukee, WI	This Company Owned Outlet is located at 10335 W Oklahoma Avenue, Suite 204, Milwaukee, Wisconsin 53227. Our Milwaukee Company Owned Outlet services the Milwaukee metropolitan area and surrounding areas and operates: (i) one Primary Operating Territory in northern Milwaukee that has been supplemented with two additional Zones with a total population of approximately 614,824; and (ii) a secondary Primary Operating Territory in Southern Milwaukee that has been supplemented with an additional zone with a total population of approximately 558,408. The Gross Billings of the Milwaukee location also includes Gross Billings generated from an Open Area (i.e., an area that is not the Operating Territory of any other Talem outlet). The Milwaukee Company Owned Outlet opened in September of 2016.

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The following is a breakdown of the 2022 and 2021 aggregate Gross Billings of our Company Owned Outlets from the Operating Territories and Open Area of the Broomfield Company-Owned Outlet and the Milwaukee Company-Owned Outlet:

Table 2

2022 and 2021 Gross Billings Summary for Company Owned Outlets		
Company Owned Outlet	2021 Total Gross Billings	2022 Total Gross Billings
Broomfield	\$2,009,165	\$1,379,172
Milwaukee	\$1,097,864	\$451,794

Notes to Table 2:

Note 1: The table includes Gross Billings provided by our Company Owned Outlets outside of the above-referenced Operating Territories. These areas constitute Open Areas and are not specific to any particular territory and/or the territories described above and assigned areas in which the Company Owned Outlet operates.

Note 2: Depending on where you locate your Franchised Business, your Operating Territory may be surrounded by Open Areas or you may be adjacent to other Talem Business’s Operating Territories. You may be able to provide System Services and Products within Open Areas that are geographically close to your Talem Business, however, if you can service adjacent Open Areas during your Franchise Agreement, there is no guarantee that we will not sell these adjacent territories during your Franchise Agreement’s Terms.

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ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS

This analysis contains a historic representation of financial data achieved by our Operational Franchise Outlets as to each respective Calendar Year reported below. During the 2022 Calendar Year we had a total of seven Franchise Outlets, and of these seven Franchise Outlets, there were six Operational Franchise Outlets. During the 2021 Calendar Year we had a total of six Franchise Outlets, and of these six Franchise Outlets, there were five Operational Franchise Outlets. The Operational Franchise Outlets set forth below are representative of the Franchised Business, except that, under a single Franchise Agreement, we currently only offer Territories with a resident population of 400,000 to 500,000 plus the addition of up to three additional zones. The data provided below is limited to our Operational Franchise Outlets and, as to each respective Calendar Year, does not include data for New Franchise Outlets. We have not audited the reports, nor have franchisees confirmed that their reports are prepared in accordance with generally accepted accounting principles. Gross Billings for corporate-owned businesses are based on each affiliate's unaudited financial statements. Our Operational Franchise Outlets are further described below:

Table 3

Franchise Outlets	
Outlet Name	Description
Denver, CO	This Franchise Outlet has an administrative office located at 3600 S Beeler Street #320, Denver, Colorado 80237. This Outlet opened in November 2017 and services two Primary Operating Territories with two Zones with a total population of 1,175,262. This franchisee has signed multiple Franchise Agreements for multiple territories.
Colorado Springs, CO	This Franchise Outlet has an administrative office located at 3230 E Woodmen Road, Suite 110G, Colorado Springs, Colorado 80920. This Outlet opened in May 2018 and services a Primary Operating Territory with two Zones with a total population of 610,287. This franchisee
Fort Collins, CO	This Franchise Outlet has an administrative office located at 2601 South Lemay Avenue, Suite 33, Fort Collins, Colorado 80525. This Outlet opened in August 2020 and services a Primary Operating Territory with a total population of 503,989.
Hartford, CT	This Franchise Outlet has an administrative office located at 156 Broad Street, Windsor, Connecticut 06095. This Outlet opened in January 2020 and was purchased as a resale by a new franchisee in 2022 and services a Primary Operating Territory with a total population of 393,381.
Shelton, CT	This Franchise Outlet has an administrative office located at 525 Bridgeport Avenue, Shelton, Connecticut 06484. This Outlet opened in December 2020 and services a Primary Operating Territory with a total population of 518,731. This franchisee has signed multiple Franchise Agreements for multiple territories.
Sterling, VA	This Franchise Outlet has an administrative office located at 22648 Glenn Drive, Suite 304, Sterling, Virginia 20164. This Outlet opened in August 2021 and services a Primary Operating Territory with a total population of 479,146. This franchisee has signed multiple Franchise Agreements for multiple territories.

Table 4

2021 Gross Billings for Operational Franchise Outlets		
Franchise Outlet	2021 Total Gross Billings	2022 Total Gross Billings
Denver	\$1,255,472	\$1,730,438
Colorado Springs	\$2,161,279	\$2,548,746
Avon	\$171,714	\$49,510
Fort Collins	\$631,788	\$837,270
Shelton	\$110,723	\$399,350
Sterling	N/A	\$70,826

SYSTEM-WIDE ANALYSIS OF RESULTS OF OPERATIONS
YEARS OF OPERATIONS AND OPERATING TERRITORY SIZE

Below we have provided a summary of the average Gross Billings of the Company Owned Outlet and Operational Franchise Outlets. Tables 5 and 6 include a summary of the average data with data sorted by the length of time each outlet has been in operation. In Tables 7 and 8, we include the average data of our outlets with categories based on the territory size. Tier I contains Outlets operating in the equivalent of two Primary Operating Territories with multiple zones and Tier II Outlets operating in the equivalent of one Primary Operating Territory with up to two additional Zones. In Tables 9 and 10, we include a System-wide summary of Average Gross Billings for all of the reporting Company Owned Outlets and Operational Franchise Outlets.

Table 5

2021 System Wide Summary Average and/or Total Gross Billings – Years of Operation				
Years of Operation	Average	High	Low	Median
5+ Years	\$1,553,514	\$2,009,165	\$1,097,864	N/A
2 – 4 Years	\$1,196,155	\$2,161,279	\$171,715	\$1,255,472
1 – 2 Years	\$371,255	\$631,788	\$110,723	N/A
<u>Notes to Table 5:</u>				
Note 1: <u>Number of Outlets – 5+ Years.</u> There were two Company Owned Outlets operating for over five years. As there are two Outlets in this dataset, the median is not calculated.				
Note 2: <u>Number of Outlets – 2 – 4 Years.</u> There were three Operational Franchise Outlets operating for two to four years.				
Note 3: <u>Total Gross Billings – 1 – 2 Years.</u> There was two Operational Franchise Outlets operating for one to two years. As there are two Outlets in this data set, the median is not calculated.				

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Table 6

2022 System Wide Summary Average and/or Total Gross Billings – Years of Operation				
Years of Operation	Average	High	Low	Median
5+ Years	\$1,163,637	\$1,730,438	\$431,694	\$1,328,780
2 – 4 Years	\$1,299,128	\$2,548,746	\$49,510	N/A
1 – 2 Years	\$435,815	\$837,270	\$70,826	\$399,350

Notes to Table 5:

Note 1: Number of Outlets – 5+ Years. There were two Company Owned Outlets and one Franchised Outlet operating for over five years.

Note 2: Number of Outlets – 2 – 4 Years. There were two Operational Franchise Outlets operating for two to four years. As there are two Outlets in this dataset, the median is not calculated.

Note 3: Total Gross Billings – 1 – 2 Years. There were three Operational Franchise Outlets operating for one to two years.

Table 7

2021 System Wide Summary Average Gross Billings – Operating Territory Tier				
Operating Territory Type	Average	High	Low	Median
Tier I	\$1,454,167	\$2,009,165	\$1,097,864	\$1,255,472
Tier II	\$768,876	\$2,161,279	\$110,723	\$401,751

Notes to Table 7:

Note 1: Tier I Operating Territory Range. Tier I includes two Company Owned Outlets and one Operational Franchise Outlet with populations ranging from 1,173,232 to 1,434,945. Under the current franchise structure, this would be equivalent to an outlet operating within at least two Primary Operating Territories with two to six zones. The high data includes the Gross Billings of a Company Owned Outlet operating within an Operating Territory containing 1,434,945, the low data includes an Operational Franchise Outlet operating with a population of 1,173,232, and the median contains the data of a Company Owned Outlet that operates in a territory with a population of 1,175,262. The Company Owned Outlets also generated Gross Billings from other areas, such as Open Areas or areas where Legacy Customers are located.

Note 2: Tier II Operating Territory Range. Tier II includes four Operational Franchise Outlets with populations ranging from 393,381 to 610,287. Under the current franchise structure, this would be equivalent to an outlet operating with a single Primary Operating Territory to a single Primary Operating Territory with two Zones. The high data reflects the data of the Operational Franchise Outlet operating in an Operating Territory with a population of 610,287 and the low data reflects the data of the Operational Franchise Outlet operating in an Operating Territory with a population of 518,731.

Table 8

2022 System Wide Summary Average Gross Billings – Operating Territory Tier				
Operating Territory Type	Average	High	Low	Median
Tier I	\$1,081,066	\$1,730,438	\$431,694	N/A
Tier II	\$872,414.25	\$2,548,746	\$49,510	\$618,310

Notes to Table 8:

Note 1: Tier I Operating Territory Range. Tier I includes one Company Owned Outlets and one Operational Franchise Outlet with populations ranging from approximately 1,175,000 to 1,255,000. Under the current franchise structure, this would be the equivalent to an outlet operating within at least two Primary Operating Territories with two to six zones. The high data includes the Gross Billings of a Company Owned Outlet operating within an Operating Territory containing 1,175,000, the low data includes an Operational Franchise Outlet operating with a population of 1,362,000, and the median contains the data of a Company Owned Outlet that operates in a territory with a population of 1,434,000. The Company Owned Outlets also generated Gross Billings from other areas, such as Open Areas or areas where Legacy Customers are located.

Note 2: Tier II Operating Territory Range. Tier II includes one Company Owned Outlet and five Operational Franchise Outlets with populations ranging from approximately 393,000 to 611,000. Under the current franchise structure, this would be the equivalent to an outlet operating with a single Primary Operating Territory to a single Primary Operating Territory with three Zones. The high data reflects the data of the Operational Franchise Outlet operating in an Operating Territory with a population of 610,000 and the low data reflects the data of the Operational Franchise Outlet operating in an Operating Territory with a population of 393,000.

Table 9

2021 System Wide Summary Average Gross Billings – All Outlets				
Average	High	Low	Median	Number of Outlets
\$1,131,972	\$2,161,279	\$110,723	\$1,097,864	7

Table 10

2022 System Wide Summary Average Gross Billings – All Outlets				
Average	High	Low	Median	Number of Outlets
\$924,577	\$2,548,746	\$49,510	\$837,270	8

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Some Outlets have earned this amount. Your individual results may differ. There is no assurance that you'll 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 representations, 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 Jake Rankin, Talem Home Care Franchising, LLC at 80 Garden Center, Suite A-6 Broomfield, Colorado 80020 and (833) TALEMHC, the Federal Trade Commission, and the appropriate state regulatory agencies.

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**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2020 to 2022**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	4	7	+3
	2021	7	9	+2
	2022	9	9	0
Company Owned	2020	2	2	0
	2021	2	2	0
	2022	2	2	0
Total Outlets	2020	6	9	+3
	2021	9	11	+2
	2022	11	11	0

**TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2020 to 2021**

State	Year	Number of Transfers
Connecticut	2020	0
	2021	0
	2022	1
None	2020	0
	2021	0
	2022	1

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**TABLE NO. 3
STATUS OF FRANCHISED OWNED OUTLETS
FOR YEARS 2020 to 2022**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Arizona	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Colorado	2020	3	1	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Connecticut	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Florida	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	1	1
	2022	1	0	0	0	0	0	1
Tennessee	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Virginia	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Total	2020	4	4	1	0	0	0	7
	2021	7	3	0	0	0	1	9
	2022	9	0	0	0	0	0	9

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**TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2020 to 2022**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired by Franchisor	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Colorado	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Wisconsin	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Totals	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2

**TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2022**

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
Connecticut	0	0	0
Georgia	1	0	0
Ohio	0	1	0
Texas	0	1	0
TOTAL	1	3	0

Notes to Tables:

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

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses with us that restrict them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offering in this Disclosure Document.

Exhibit F to this Disclosure Document contains a list, as of the Issuance Date of this Disclosure Document, of current Talem Home Care franchisees.

Exhibit G to this Disclosure Document contains a list of every franchisee who had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the Issuance Date.

ITEM 21 **FINANCIAL STATEMENTS**

Attached as Exhibit D are our audited financial statements for 2020, 2021, and 2022. We were established on June 12, 2015, and our fiscal year ends on December 31.

ITEM 22 **CONTRACTS**

Attached to this Disclosure Document or to the Exhibits attached to and comprising the Franchise Agreement attached to this Disclosure Document are copies of the following franchise and other contracts and agreements in use or proposed for use:

Exhibits to this Disclosure Document

Exhibit E Franchise Agreement
Exhibit H State Specific Addenda

Schedules and Exhibits to the Franchise Agreement

Schedule 1 Operating Territory Acknowledgement
Schedule 2 Operating Territory Type, Franchise Fee and Operations
 Center Location Acknowledgment
Schedule 3 Statement of Franchisee's Owners

Exhibit 1 Franchise Owner and Spouse Agreement and Guaranty
Exhibit 2 Confidentiality Agreement
Exhibit 3 Assignment of Telephone Numbers and Digital Media Accounts
Exhibit 4 ACH Authorization Form
Exhibit 5 General Release

Individual state law may supersede the provisions contained in your Franchise Agreement respecting the requirement that you execute a general release as a condition to assignment, sale or transfer. See, the state specific addendums contained in Exhibit H of this Disclosure Document.

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ITEM 23
RECEIPTS

Two copies of a detachable receipt in Exhibit J are located at the very end of this Disclosure Document. Please sign one copy of the receipt and return it to us at the following address Jake Rankin, Talem Home Care Franchising, LLC, 80 Garden Center, Suite A-6, Broomfield, Colorado 80020. The duplicate is for your records.

[THE DISCLOSURE DOCUMENT ENDS HERE]



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT A
STATE ADMINISTRATORS



List of State Administrators

California

Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013

2101 Arena Boulevard
Sacramento, CA 95834
1-866-275-2677

Connecticut

Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, CT 06103

Florida

Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, FL 32399

Hawaii

Commissioner of Securities
Department of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois

Office of the Attorney General
Franchise Bureau
500 South Second Street
Springfield, IL 62706

Indiana

Indiana Secretary of State
Indiana Securities Division
Franchise Section
302 W. Washington Street, Room E-111
Indianapolis, IN 46204

Kentucky

Office of the Attorney General
Consumer Protection Division
Attn: Business Opportunity
1024 Capital Center Drive
Frankfort, KY 40601

Maine

Department of Professional and Financial Regulations
Bureau of Banking
Securities Division
121 Statehouse Station
Augusta, ME 04333

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202

Michigan

Michigan Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
670 Law Building
PO Box 30213
Lansing, MI 48909

Minnesota

Minnesota Department of Commerce
Securities Division
85 7th Place East, Suite 280
St. Paul, MN 55101

Nebraska

Nebraska Department of Banking and Finance
Commerce Court
1230 O Street, Suite 400
Lincoln, NE 68509

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
212-416-8222

North Carolina

Secretary of State
Securities Division
300 North Salisbury Street, Suite 100
Raleigh, NC 27603

North Dakota

Office of Securities Commissioner
600 East Boulevard, 5th Floor
Department 414
Bismarck, ND 58505

List of State Administrators (continued)

Rhode Island

Department of Business Registration
Division of Securities
233 Richmond Street, Suite 232
Providence, RI 02903

South Carolina

Office of the Secretary of State
1205 Pendleton Street
Edgar Brown Building, Suite 525
Columbia, SC 29201

South Dakota

Franchise Office
Division of Securities
910 E. Sioux Avenue
Pierre, SD 57501

Texas

Office of the Secretary of State
Statutory Document Section
1019 Brazos Street
Austin, TX 78701

Utah

Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, UT 84114

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Washington

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507
360-902-8700

Wisconsin

Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT B
AGENTS FOR SERVICE OF PROCESS



Agents for Service of Process

Talem Home Care Franchising, LLC
80 Garden Center, Suite A-6
Broomfield, Colorado 80020
Attn: Jake Rankin, Chief Executive Officer

California

Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013

2101 Arena Boulevard
Sacramento, CA 95834
1-866-275-2677

Connecticut

Banking Commissioner
Department of Banking
Securities and Business Investment Division
260 Constitution Plaza
Hartford, CT 06103

Hawaii

Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Suite 203
Honolulu, HI 96813

Illinois

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Maryland

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202

Michigan

Michigan Department of Commerce
Corporation and Securities Bureau
6546 Mercantile Way
Lansing, MI 48910

Minnesota

Commissioner of Commerce of Minnesota
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101

New York

Secretary of the State of New York
99 Washington Avenue
Albany, NY 12231

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue, State Capitol
Fifth Floor, Dept 414
Bismarck, ND 58505
Phone 701-328-4712

Rhode Island

Director of Department of Business Regulation
233 Richmond Street, Suite 232
Providence, RI 02903

South Dakota

Director, Division of Securities
Department of Commerce and Regulation
445 East Capitol Avenue
Pierre, SD 57501

Virginia

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, VA 23219

Washington

Securities Administrator
Washington Department of Financial
Institutions
150 Israel Road SW
Tumwater, WA 98501

Wisconsin

Wisconsin Commissioner of Securities
345 W Washington Avenue
Madison, WI 53703





FRANCHISE DISCLOSURE DOCUMENT
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FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT D
FINANCIAL STATEMENTS



CONSENT OF INDEPENDENT ACCOUNTANTS

Talem Home Care Franchising, LLC
C/O Jake Rankin, CEO/Founder
80 Garden Ct., Suite A-6
Broomfield, CO 80020

Mr. Rankin:

Wegner CPAs, LLP consents to the use in the Franchise Disclosure Document issued by Talem Home Care Franchising, LLC dated February 24, 2023, as it may be amended, of our report dated February 24, 2023 on the balance sheets as of December 31, 2022 and 2021 and the related statements of income and members' equity and cash flows of the Franchisor for the years then ended.

Sincerely,

Wegner CPAs LLP
Wegner CPAs, LLP
Madison, Wisconsin
February 24, 2023

TALEM HOME CARE FRANCHISING, LLC

FINANCIAL STATEMENTS

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members
Talem Home Care Franchising, LLC
Broomfield, Colorado

Opinion

We have audited the financial statements of Talem Home Care Franchising, LLC, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Talem Home Care Franchising, LLC as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Talem Home Care 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 Talem Home Care 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 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 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 Talem Home Care 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 Talem Home Care 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.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
February 24, 2023

TALEM HOME CARE FRANCHISING, LLC
BALANCE SHEETS
December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash	\$ 204,453	\$ 170,937
Prepaid expenses	15,519	17,736
Accounts receivable	25,831	18,875
Property and equipment, net	12,263	3,685
Franchise Disclosure Document costs, net	12,488	17,483
Franchising costs, net	201,370	199,448
Total assets	\$ 471,924	\$ 428,164
LIABILITIES		
Accrued payroll	\$ 15,500	\$ 22,233
Accounts payable	7,824	7,322
Other accrued expenses	-	1,030
Due to members	484	484
Deferred revenue - initial franchise fees	332,264	325,796
Total liabilities	356,072	356,865
MEMBERS' EQUITY	115,852	71,299
Total liabilities and members' equity	\$ 471,924	\$ 428,164

See accompanying notes.

TALEM HOME CARE FRANCHISING, LLC
STATEMENTS OF INCOME AND MEMBERS' EQUITY
Years Ended December 31, 2022 and 2021

	2022	2021
REVENUES		
Royalties - related party	\$ 208,000	\$ 208,800
Initial franchise fees	43,532	141,598
Other franchise fees	434,529	330,274
Total revenues	686,061	680,672
EXPENSES		
Personnel	380,009	363,099
Professional fees	43,637	39,110
Marketing	107,137	148,238
Amortization	29,773	25,745
Travel	20,990	45,090
Dues and subscriptions	9,261	14,188
Insurance	17,784	15,617
Computers	11,350	14,179
Depreciation	5,785	8,298
Training	1,981	7,980
Office	6,192	6,776
Bad debt	-	8,700
Rent	300	-
Miscellaneous	7,309	6,068
Total expenses	641,508	703,088
Net income (loss) from operations	44,553	(22,416)
OTHER EXPENSES		
Impairment of franchising costs	-	(41,608)
Net income (loss)	44,553	(64,024)
Members' equity at beginning of year	71,299	137,904
Members' distributions	-	(2,581)
Members' equity at end of year	\$ 115,852	\$ 71,299

See accompanying notes.

TALEM HOME CARE FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 44,553	\$ (64,024)
Adjustments to reconcile net income (loss) to net cash flows from operating activities		
Depreciation	5,785	8,298
Amortization	29,773	25,745
Impairment of franchising costs	-	41,608
(Increase) decrease in assets		
Prepaid expenses	2,217	(9,619)
Accounts receivable	(6,956)	23,526
Increase (decrease) in liabilities		
Accrued payroll	(6,733)	11,057
Accounts payable	502	5,075
Due to members	-	275
Other accrued expenses	(1,030)	(9,310)
Deferred revenue - initial franchise fees	6,468	(12,098)
Net cash flows from operating activities	<u>74,579</u>	<u>20,533</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(14,363)	(2,999)
Payments for franchising costs	<u>(26,700)</u>	<u>(100,000)</u>
Net cash flows from investing activities	(41,063)	(102,999)
CASH FLOWS FROM FINANCING ACTIVITIES		
Members' distributions	<u>-</u>	<u>(2,581)</u>
Net change in cash	33,516	(85,047)
Cash at beginning of year	<u>170,937</u>	<u>255,984</u>
Cash at end of year	<u>\$ 204,453</u>	<u>\$ 170,937</u>

See accompanying notes.

TALEM HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Talem Home Care Franchising, LLC (the Company) was organized in 2015. The Company operates as a franchisor for Talem Home Care franchises. Operations are based in Broomfield, Colorado. The Company's first franchise was sold in 2017. During 2022 and 2021, the Company sold one and two franchises, respectively. As of December 31, 2022 and 2021, the Company had a total of ten and nine franchise locations, respectively.

Accounts Receivable

Accounts receivable consists of other franchise fees due from franchisees. Management considers all accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been established. If receivables become uncollectible, they will be charged to operations when that determination is made. Accounts receivable from contracts with customers were as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Beginning of year	\$ 18,875	\$ 42,401
End of year	25,831	18,875

Property and Equipment

Property and equipment in excess of \$2,500 with useful lives greater than one year are recorded at cost. The Company depreciates its property and equipment using the straight-line method over the estimated useful lives of the assets.

Revenue Recognition

Overview

The Company derives its revenues primarily from the sale of franchises. Initial fees, which include onboarding costs, are determined at the time the franchise sale occurs and can vary depending on territory size. Initial fees are recognized as the Company satisfies the performance obligation over the franchise term, which is generally ten years. Other franchise fees consist of royalty, brand development, and technology fees earned from franchisees. Royalty fees are 5% of the gross weekly sales of the franchisees. Royalty fees are recognized at the time the underlying sales occur. Brand development fees, which are used for marketing purposes, may be collected up to 2% of franchisees' gross weekly sales. Brand development fees are recognized at the time the underlying sale occurs. A technology fee of \$250 per month is collected to cover the costs of technology and is recognized in the month the fee is billed for. Due to the recurring payments over the life of the franchise agreement, the timing of revenue recognition for royalty, brand development, and technology fees does not require significant judgment. The Company does not have any significant financing components. Incremental costs incurred for franchise sales have been capitalized and amortized using the straight-line method over the length of the franchise agreements (see Note 4).

TALEM HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Performance Obligations

Generally, all the Company's initial franchise fees revenue is from performance obligations satisfied over time, which consist of the use of the franchise's brand over the term of the franchise agreement, initial training, continuous operating assistance, and providing marketing services for franchises. Most initial fees are collected at the time franchise agreements are signed or shortly thereafter. Initial fees are recognized proportionally over the period of the franchise term, which is generally ten years. Royalty and brand development fees are recognized at a point in time and are based on weekly sales that are collected two weeks following the period when the underlying sales occur. Technology fees are recognized at a point in time and are billed and collected monthly.

Variable Consideration

The nature of the Company's business gives rise to variable consideration, including discounts and allowances that generally decrease the transaction price, which reduces revenue. These variable amounts are generally credited to the customer, based on agreed upon fees when the franchise agreement is signed. The Company does not expect significant changes to estimates of variable consideration. Given the nature of services provided and the history of discounts, estimated amounts are not significant.

Marketing

The Company expenses marketing costs as they are incurred.

Income Tax Status

The Company has elected to be an S corporation effective January 1, 2015. Under this tax status, the net income or loss of the Company is allocated to the members and included on their individual tax returns.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through February 24, 2023, the date which the financial statements were available to be issued.

TALEM HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consisted of the following:

	2022	2021
Website	\$ 15,208	\$ 15,208
Franchise sales video	2,738	2,738
Franchise reporting software	25,362	10,999
Property and equipment	43,308	28,945
Less accumulated depreciation	(31,045)	(25,260)
Property and equipment, net	\$ 12,263	\$ 3,685

NOTE 3 – FRANCHISE DISCLOSURE DOCUMENT COSTS

In 2015 the Company created a Franchise Disclosure Document (FDD) for prospective franchisees. FDD costs of \$49,950 have been capitalized and amortized using the straight-line method over the estimated useful life of the document. Accumulated amortization as of December 31, 2022 and 2021 was \$37,462 and \$32,467, respectively. Amortization expense for 2022 and 2021 was \$4,995.

NOTE 4 – FRANCHISING COSTS

Franchising costs incurred during 2022 and 2021 totaled \$26,700 and \$100,000, respectively. Franchising costs as of December 31 consisted of the following:

	2022	2021
Franchising costs	\$ 268,995	\$ 242,295
Less accumulated amortization	(67,625)	(42,847)
Franchising costs, net	\$ 201,370	\$ 199,448

Incremental costs to obtain contracts with customers consist of broker fees incurred to obtain franchises, net accumulated amortization. Incremental costs to obtain contracts with customers, net accumulated amortization as of December 31, 2022 and 2021 were \$201,370 and \$199,448, respectively. Amortization expense for 2022 and 2021 was \$24,778 and \$20,750, respectively.

TALEM HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 5 – DEFERRED REVENUE – INITIAL FRANCHISE FEES

The Company recognizes a contract liability for initial franchise fees when a franchise sale occurs. Initial franchise fees from franchise sales during 2022 and 2021 totaled \$50,000 and \$129,500, respectively. Revenue recognized during 2022 and 2021 is recorded as initial franchise fees on the statements of income and members' equity. Contract liabilities from contracts with customers were as follows for the years ended December 31:

	2022	2021
Beginning of year	\$ 325,796	\$ 337,894
End of year	332,264	325,796

NOTE 6 – MEMBERS' EQUITY

At December 31, 2022 and 2021, the Company had authorized 1,000 ownership units. At December 31, 2022 and 2021, 940 ownership units were issued and outstanding, split among seven owners. The remaining 60 ownership units were relinquished by a former member as a settlement occurring in 2019 outside of the Company. Members share the net profits and losses of the Company proportionate to their membership interest.

NOTE 7 – RELATED PARTY TRANSACTIONS - ROYALTIES

During 2022 and 2021 the Company received royalties of \$208,000 and \$208,800, respectively, from a company with common ownership. Royalty payments are not required and are made at the related company's discretion. The members of the Company collectively have a majority ownership interest in the company that paid royalties during 2022 and 2021.

NOTE 8 – PAYCHECK PROTECTION PROGRAM LOAN

On May 21, 2020, the Company received a \$30,305 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On January 10, 2021, the SBA preliminarily approved forgiveness of the loan. The Company must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Company's good-faith certification concerning the necessity of its loan request, whether the Company calculated the loan amount correctly, whether the Company used loan proceeds for the allowable uses specified in the CARES Act, and whether the Company is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Company was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

TALEM HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 9 – CONCENTRATION OF REVENUE

The Company's revenue was received from three key sources in 2022 and 2021. Key sources are defined as those of at least ten percent of the Company's total revenues. Revenues earned from the Company's key sources during 2022 and 2021, and their receivable balances at December 31, were as follows:

	<u>2022</u>	<u>2021</u>
Revenues from key sources		
Company with common ownership (see Note 7)	\$ 208,000	\$ 208,800
Franchise 1	189,454	160,089
Franchise 2	<u>139,000</u>	<u>104,217</u>
Total revenues from key sources	<u>\$ 536,454</u>	<u>\$ 473,106</u>
Receivable balance from key sources		
Franchise 1	\$ 10,004	\$ 7,595
Franchise 2	<u>7,801</u>	<u>6,577</u>
Total receivable balance from key sources	<u>\$ 17,805</u>	<u>\$ 14,172</u>

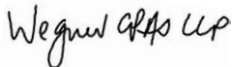
CONSENT OF INDEPENDENT ACCOUNTANTS

Talem Home Care Franchising, LLC
C/O Jake Rankin, CEO/Founder
80 Garden Ct., Suite A-6
Broomfield, CO 80020

Mr. Rankin:

Wegner CPAs, LLP consents to the use in the Franchise Disclosure Document issued by Talem Home Care Franchising, LLC dated February 28, 2022, as it may be amended, of our report dated February 28, 2022 on the balance sheets as of December 31, 2021 and 2020 and the related statements of income and members' equity and cash flows of the Franchisor for the years then ended.

Sincerely,



Wegner CPAs, LLP
Madison, Wisconsin
February 28, 2022

TALEM HOME CARE FRANCHISING, LLC

FINANCIAL STATEMENTS

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members
Talem Home Care Franchising, LLC
Broomfield, Colorado

Opinion

We have audited the financial statements of Talem Home Care Franchising, LLC, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Talem Home Care Franchising, LLC as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Talem Home Care 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 Talem Home Care 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 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 audit.

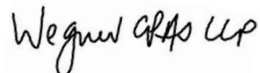
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Talem Home Care 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 Talem Home Care 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.

Other Information Included in the Annual Report

Management is responsible for the other information included in Talem Home Care Franchising, LLC's Franchise Disclosure Document. The other information comprises the franchise terms but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Wegner CPAs, LLP
Madison, Wisconsin
February 28, 2022

TALEM HOME CARE FRANCHISING, LLC
BALANCE SHEETS
December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash	\$ 170,937	\$ 255,984
Prepaid expenses	17,736	8,117
Accounts receivable	18,875	42,401
Property and equipment, net	3,685	8,984
Franchise Disclosure Document costs, net	17,483	22,478
Franchising costs, net	199,448	161,806
Total assets	\$ 428,164	\$ 499,770
LIABILITIES		
Accrued payroll	\$ 22,233	\$ 11,176
Accounts payable	7,322	2,247
Due to members	484	209
Brand Development Fund liability	1,030	10,340
Deferred revenue - initial franchise fees	325,796	337,894
Total liabilities	356,865	361,866
MEMBERS' EQUITY	71,299	137,904
Total liabilities and members' equity	\$ 428,164	\$ 499,770

See accompanying notes.

TALEM HOME CARE FRANCHISING, LLC
STATEMENTS OF INCOME AND MEMBERS' EQUITY
Years Ended December 31, 2021 and 2020

	2021	2020
REVENUES		
Royalties - related party	\$ 208,800	\$ 208,000
Initial franchise fees	141,598	32,917
Other franchise fees	330,274	200,486
Total revenues	680,672	441,403
EXPENSES		
Personnel	363,099	197,738
Professional fees	39,110	96,877
Marketing	148,238	67,692
Amortization	25,745	19,141
Travel	45,090	17,530
Dues and subscriptions	14,188	14,158
Insurance	15,617	9,336
Computers	14,179	8,758
Depreciation	8,298	8,648
Training	7,980	558
Office	6,776	1,030
Bad debt	8,700	-
Miscellaneous	6,068	2,191
Total expenses	703,088	443,657
Net loss from operations	(22,416)	(2,254)
OTHER INCOME (EXPENSES)		
Payroll Protection Program income	-	30,305
Impairment of franchising costs	(41,608)	-
Net income (loss)	(64,024)	28,051
Members' equity at beginning of year	137,904	111,344
Members' distributions	(2,581)	(1,491)
Members' equity at end of year	\$ 71,299	\$ 137,904

See accompanying notes.

TALEM HOME CARE FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (64,024)	\$ 28,051
Adjustments to reconcile net income (loss) to net cash flows from operating activities		
Depreciation	8,298	8,648
Amortization	25,745	19,141
Impairment of franchising costs	41,608	-
(Increase) decrease in assets		
Prepaid expenses	(9,619)	1,734
Accounts receivable	23,526	(3,506)
Increase (decrease) in liabilities		
Accrued payroll	11,057	5,545
Accounts payable	5,075	(3,351)
Due to members	275	159
Brand Development Fund liability	(9,310)	10,340
Deferred revenue - initial franchise fees	(12,098)	134,083
Net cash flows from operating activities	20,533	200,844
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(2,999)	-
Payments for franchising costs	(100,000)	(100,000)
Net cash flows from investing activities	(102,999)	(100,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Members' distributions	(2,581)	(1,491)
Net change in cash	(85,047)	99,353
Cash at beginning of year	255,984	156,631
Cash at end of year	<u>\$ 170,937</u>	<u>\$ 255,984</u>

See accompanying notes.

TALEM HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Talem Home Care Franchising, LLC (the Company) was organized in 2015. The Company operates as a franchisor for Talem Home Care franchises. Operations are based in Broomfield, Colorado. The Company's first franchise was sold in 2017. During 2021 and 2020, the Company sold two and three franchises, respectively. As of December 31, 2021 and 2020, the Company had a total of nine and eight franchise locations, respectively.

Accounts Receivable

Accounts receivable consists of initial franchise fees and other franchise fees due from franchisees. Management considers all accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been established. If receivables become uncollectible, they will be charged to operations when that determination is made. Accounts receivable from contracts with customers were as follows for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Beginning of year	\$ 42,401	\$ 38,895
End of year	18,875	42,401

Property and Equipment

Property and equipment in excess of \$2,500 with useful lives greater than one year are recorded at cost. The Company depreciates its property and equipment using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of the assets are three years.

Revenue Recognition

Overview

The Company derives its revenues primarily from the sale of franchises. Revenues from franchises consist of royalty, brand development, technology, and initial fees. Initial fees are determined at the time the franchise sale occurs and can vary depending on territory size. Initial fees are recognized as the Company satisfies the performance obligation over the franchise term, which is generally ten years. Other franchise fees consist of royalty, brand development, and technology fees earned from franchisees. Royalty fees are between 5-8% of the gross weekly sales of the franchisees. Royalty fees are recognized at the time the underlying sales occur. Brand development fees may be collected up to 2% of franchisees' gross weekly sales and placed in the Brand Development Fund, which is to be used for marketing purposes. Brand development fees are recognized when both the underlying sale occurs, and the brand development expense is incurred. A technology fee of \$250 per month is collected to cover the costs of technology and is recognized in the month the fee is billed for. Due to the recurring payments over the life of the franchise agreement, the timing of revenue recognition for royalty, brand development, and technology fees does not require significant judgment. The Company does not have any significant financing components. Direct costs incurred for franchise sales have been capitalized and amortized using the straight-line method over the length of the franchise agreements (see Note 4).

TALEM HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Performance Obligations

Generally, all of the Company's initial franchise fees revenue is from performance obligations satisfied over time, which consist of the use of the franchises brand over the term of the franchise agreement, initial training and continuous operating assistance, and providing marketing services for franchises. The majority of initial fees are collected at the time franchise agreements are signed or shortly thereafter. Initial fees are recognized proportionally over the period of the franchise term, which is generally ten years. Royalty and brand development fees are recognized at a point in time and are based on weekly sales that are collected two weeks following the period the underlying sales occur. Technology fees are recognized at a point in time and are billed and collected monthly.

Variable Consideration

The nature of the Company's business gives rise to variable consideration, including discounts and allowances that generally decrease the transaction price which reduces revenue. These variable amounts are generally credited to the customer, based on agreed upon fees when the franchise agreement is signed. The Company does not expect significant changes to estimates of variable consideration. Given the nature of services provided and the history of discounts, estimated amounts are not significant.

Brand Development Fund

In accordance with its franchise agreement, payments received for the Brand Development Fund in excess of expenses paid are recorded as a liability on the Company's balance sheet. Brand Development Fund activity for 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Brand Development Fund fees	\$ 82,960	\$ 46,840
Brand Development Fund expenses	<u>(92,270)</u>	<u>(36,500)</u>
Excess revenue over expenses (expenses over revenue)	<u>\$ (9,310)</u>	<u>\$ 10,340</u>

The Company's Brand Development Fund liability at December 31, 2021 and 2020 was \$1,030 and \$10,340, respectively. Brand Development Fund fees are included with other franchise fees and Brand Development Fund expenses are included with marketing expenses on the statements of income and members' equity.

Advertising

The Company expenses advertising costs as they are incurred. Advertising costs for the years ended December 31, 2021 and 2020 were \$30,938 and \$28,688, respectively.

TALEM HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Paycheck Protection Program Loan

The Company received a loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. The Company expects to meet the PPP's eligibility criteria and believes the loan is, in substance, a grant that is expected to be forgiven. The Company recorded the proceeds from the loan as a deferred income liability and subsequently reduces the liability as it recognizes eligible expenses.

Income Tax Status

The Company has elected to be an S corporation effective January 1, 2015. Under this tax status, the net income or loss of the Company is allocated to the members and included on their individual tax returns.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through February 28, 2022, the date which the financial statements were available to be issued

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consisted of the following:

	2021	2020
Website	\$ 15,208	\$ 15,208
Franchise sales video	2,738	2,738
Franchise reporting software	10,999	8,000
Property and equipment	28,945	25,946
Less accumulated depreciation	(25,260)	(16,962)
Property and equipment, net	\$ 3,685	\$ 8,984

TALEM HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 3 – FRANCHISE DISCLOSURE DOCUMENT COSTS

In 2015 the Company created a Franchise Disclosure Document (FDD) for prospective franchisees. FDD costs of \$49,950 have been capitalized and amortized using the straight-line method over the estimated useful life of the document. Accumulated amortization as of December 31, 2021 and 2020 was \$32,467 and \$27,472, respectively. Amortization expense for 2021 and 2020 was \$4,995.

NOTE 4 – FRANCHISING COSTS

Franchising costs incurred during 2021 and 2020 totaled \$100,000 each year. Franchising costs at December 31 consisted of the following:

	<u>2021</u>	<u>2020</u>
Franchising costs	\$ 242,295	\$ 189,295
Less accumulated amortization	<u>(42,847)</u>	<u>(27,489)</u>
Franchising costs, net	<u>\$ 199,448</u>	<u>\$ 161,806</u>

Contract assets from contracts with customers consist of broker fees incurred to obtain franchises, net accumulated amortization. Contract assets from contracts with customers were as follows for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Beginning of year	\$ 161,806	\$ 75,952
End of year	199,448	161,806

Amortization expense for 2021 and 2020 was \$20,750 and \$14,146, respectively.

NOTE 5 – DEFERRED REVENUE - INITIAL FRANCHISE FEES

The Company recognizes a contract liability for initial franchise fees when a franchise sale occurs. Initial franchise fees from franchise sales during 2021 and 2020 totaled \$118,500 and \$167,000, respectively. Revenue recognized during 2021 and 2020 is recorded as initial franchise fees revenue on the statements of income and members' equity. Contract liabilities from contracts with customers were as follows for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Beginning of year	\$ 337,894	\$ 203,811
End of year	325,796	337,894

TALEM HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 6 – MEMBERS' EQUITY

At December 31, 2021 and 2020, the Company had authorized 1,000 ownership units. At December 31, 2021 and 2020, 940 ownership units were issued and outstanding, split among seven owners. The remaining 60 ownership units were relinquished by a former member as a settlement occurring in 2019 outside of the Company. Members share the net profits and losses of the Company proportionate to their membership interest.

NOTE 7 – RELATED PARTY TRANSACTIONS - ROYALTIES

During 2021 and 2020 the Company received royalties from a company with common ownership. Royalty payments are not required and are made at the related company's discretion. All of the royalties the Company received during 2021 and 2020, which were \$208,800 and \$208,000, respectively, were from the company with common ownership. All of the members of the Company have a majority ownership interest in the company that paid royalties during 2021 and 2020.

NOTE 8 – CONCENTRATION OF REVENUE

The Company's revenue was received from three key sources in 2021 and 2020. Key sources are defined as those of at least ten percent of the Company's total revenues. Revenues earned from the Company's key sources during 2021 and 2020, and their receivable balances at December 31, were as follows:

	2021	2020
Revenues from key sources		
Company with common ownership (see Note 7)	\$ 208,800	\$ 208,000
Franchise 1	160,089	130,942
Franchise 2	68,091	61,745
Total revenues from key sources	\$ 436,980	\$ 400,687
Receivable balance from key sources		
Franchise 1	\$ 7,595	\$ 7,749
Franchise 2	3,280	2,443
Total receivable balance from key sources	\$ 10,875	\$ 10,192

NOTE 9 – PAYCHECK PROTECTION PROGRAM LOAN

On May 21, 2020, the Company received a \$30,305 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loan accrues interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by the Company during the covered period. Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over two years. On January 10, 2021, the SBA preliminarily approved forgiveness of the loan. The Company must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid.

TALEM HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 9 – PAYCHECK PROTECTION PROGRAM LOAN (continued)

in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Company's good-faith certification concerning the necessity of its loan request, whether the Company calculated the loan amount correctly, whether the Company used loan proceeds for the allowable uses specified in the CARES Act, and whether the Company is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Company was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

NOTE 10 – COVID-19 CONSIDERATIONS

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The Company's franchises had a difficult time hiring employees because of the pandemic. Additionally, portions of the new franchise trainings that would have usually been held in-person had to be conducted remotely. Future risks and losses related to the COVID-19 pandemic are unknown at this time.



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT E
FRANCHISE AGREEMENT





**TALEM HOME CARE
FRANCHISE AGREEMENT**

FRANCHISEE:

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Talem Home Care Franchise Agreement

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Talem Home Care
FRANCHISE AGREEMENT

This Franchise Agreement (the “Agreement”) is entered into on _____, 20__ (“Effective Date”), by and between Talem Home Care Franchising, LLC, a Colorado limited liability company with a principal place of business located at 80 Garden Center, Suite A-6, Broomfield, Colorado 80020, (the “Franchisor”) and _____ (the “Franchisee”).

RECITALS

WHEREAS, Franchisor has developed a distinctive and proprietary system (the “System”) for the establishment, development and operation of a business that offers, sells and provides individuals with non-medical home care services that include personal care, companion care, and daily living assistance, senior living placement services and other services using our system and under the Talem Home Care marks, and other products and services that the Franchisor authorizes (the “Approved Services and Products”) under the Licensed Marks (defined below) (each, a “Franchised Business”, or “Talem Home Care Business”);

WHEREAS, the System and, therefore, each Talem Home Care Business, is identified by the Licensed Marks and distinctive trade dress, service offerings, business formats, office equipment, products, supplies, operating procedures, programs, methods, procedures, and marketing and advertising standards, all of which are part of the System and all of which Franchisor may modify from time to time; and

WHEREAS, Franchisee desires to obtain the non-exclusive license and right to use the System in the development and operation of a Talem Home Care Business within a designated operating territory and pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and other valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties agree, as follows:

ARTICLE 1
DEFINITIONS

Supplementing the terms and definitions contained in the foregoing “Recitals”:

“**Accounting Period**” refers to and means the period of time selected and determined by Franchisor for the required measurement and reporting of financial information and payment of financial obligations by Franchisee. The applicable measurement period will be determined by Franchisor from time to time with respect to Franchisee’s obligations to report financial information and data to Franchisor and Franchisee’s payment of all fees and other obligations under this Agreement. The respective “Accounting Period” shall be those Franchisor designated times, whether, weekly, monthly, or otherwise, as designated by Franchisor, with all such Accounting Periods automatically commencing on the earlier of the (a) Scheduled Business Commencement Date, or (b) the Actual Business Commencement Date of the Franchised Business and, continuing, throughout the Term of this Agreement.

“**Actual Business Commencement Date**” refers to and means the date of the grand opening of the Franchised Business and/or the date upon which the Franchised Business is open to the public.

“**Additional Initial Training Fee**” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“**Administrative Office(s)**” refers to and means the fixed administrative offices and/or facilities from which Talem Home Care Businesses are administratively managed.

“**Advertising Contributions**” refers to and means any and all obligations of Franchisee to contribute to or pay fees to Franchisor, Franchisor’s affiliate and/or designees as set forth in this Agreement including, but not limited to, the Brand Development Fund Fee as set forth in Article 9.A. of this Agreement and the Advertising Cooperative fees as set forth in Article 9.G. of this Agreement.

“**Advertising Cooperative**” shall have the meaning defined and set forth in Article 9.G. of this Agreement.

“**Aggregate Standard Royalty Fee**” refers to the Royalty Fee due if the combined Royalty Fee payable under the Home Care Royalty Rate (including any Royalty Rate Reduction) applied to weekly Home Care Gross Sales and the Senior Placement Services Royalty Rate (including any Royalty Rate Reduction) applied to weekly Senior Services Placement Gross Sales exceeds the applicable Minimum Weekly Royalty due for the respective Measurement Period as further described in Article 5.B. of this Agreement.

“**Ancillary Agreements**” refers to and means, individually and collectively, each and every agreement between: (a) Franchisor and Franchisee, but not including this Agreement; (b) Franchisor and each of Franchisee’s Owners, whether individually and/or collectively; and (c) Franchisor and each Spouse of Franchisee’s Owners, whether individually and/or collectively. Without limitation to the foregoing, the term Ancillary Agreements includes the Franchise Owner and Spouse Agreement and Guaranty, Lease Agreement Rider, Collateral Assignment of Lease and the Assignment of Telephone Numbers and Digital Media Accounts, as said agreements, individually and/or collectively, may have been entered into between the foregoing parties.

“**Annual Conference Attendance Fee**” refers to and means an annual conference fee to be paid by Franchisee to Franchisor in an amount determined by Franchisor but not to exceed \$2,500 annually.

“**Annual Gross Sales Target**” refers to a target level of annual Gross Sales generated by Franchisee or its affiliate in the preceding calendar year that will qualify Franchisee for a Royalty Rate Reduction, provided, however, that Franchisee is only eligible for a Royalty Rate Reduction based on meeting the Annual Gross Sales Target if Franchisee or its affiliate operates one or more Talem Businesses consisting of Primary Operating Territories. The Annual Gross Sales Target is equal to \$1,500,000, provided that such Gross Sales must be generated within one calendar year within a Primary Operating Territory and Gross Sales from multiple Primary Operating Territories may not be aggregated for purposes of meeting the Annual Gross Sales Target. Whether any Talem Business operated by Franchisee or its Affiliate met the Annual Gross Sales Target will be determined based on Franchisor’s review of Franchisee’s financial statements and tax returns.

“**Annual System Conference**” refers to and means a conference that may be established and organized by Franchisor for the purpose of facilitating networking among Talem Home Care Business franchisees, and general education. Franchisor shall designate and determine whether or not an Annual System Conference shall occur and, if one is established in any particular year, the dates, content and location of the Annual System Conference. The Annual System Conference shall be for a duration of not more than three consecutive days per calendar year. Franchisee is responsible for all costs and expenses associated with Franchisee’s travel to and attendance at the Annual System Conference.

“Approved Services and Products” shall have the meaning defined in the “Recitals” section of this Agreement and shall further refer to and mean refers to and means those products and services that Franchisor authorizes for sale by Talem Home Care Businesses. Franchisor shall exclusively designate and determine the Approved Services and Products and Franchisor, in Franchisor’s Reasonable Business Judgment, may change, modify, reduce or supplement the Approved Services and Products that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The Operations Manual, subject to changes that Franchisor may make from time to time and Franchisor’s right to change and modify the Approved Services and Products, shall designate the Approved Services and Products that must be offered and sold by the Franchised Business. The Franchised Business may only offer and sell the Approved Services and Products.

“Assignment of Telephone Numbers and Digital Media Accounts” refers to and means the Assignment of Telephone Numbers and Digital Media Accounts agreement attached to this Agreement as Exhibit 3.

“Brand Development Fund” shall have the meaning defined and set forth in Article 9.A. of this Agreement.

“Brand Development Fund Fee” shall have the meaning defined and set forth in Article 9.A. of this Agreement.

“Business Management System” refers to and means the software, internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually or collectively designated by Franchisor, in Franchisor’s Reasonable Business Judgment, as being required for use by the Franchised Business, including, but not limited to, the day-to-day sales, ordering, operations and management of the Franchised Business. Franchisor reserves the right to modify and designate alternative Business Management Systems as Franchisor determines in Franchisor’s Reasonable Business Judgment. At all times, Franchisor shall possess direct live access and storage based access to the Business Management System for the Franchised Business and to Franchisee’s Business Management System Data.

“Business Management System Data” refers to and means the forms, data, tools, customer information, inventory and sales information that: (a) is pre-populated or entered into the Business Management System utilized by Franchisee; (b) is entered (whether by Franchisor or Franchisee) into the Business Management System utilized by Franchisee; and/or (c) is recorded, stored and/or maintained by the Business Management System in connection with the management and operations of the Franchised Business.

“Business Management System Fee” refers to the on-going weekly, monthly, and/or per use fee charged by Franchisor, Franchisor’s affiliate or Franchisor’s designee for Franchisee’s use of the Business Management System Franchisor specifies for the System. The Business Management System Fee is subject to change.

“Competitive Business” refers to and means any business that is the same as or similar to a Talem Home Care Business including, but not limited to, any business that offers and/or provides services and/or products relating to providing individuals with non-medical home care services that include personal care, companion care, and daily living assistance and/or, senior living placement services; (ii) provides other services and products substantially similar to the Approved Services and Products; or

(iii) provides other services using our system and under the Talem Home Care marks when such use is outside of the scope of the Franchise Agreement or otherwise unauthorized.

“Confidential Information” refers to and means all of Franchisor’s and/or Franchisor’s affiliates trade secrets, methods, standards, techniques, procedures, data and information, as same may exist as of the Effective Date of this Agreement and as same may be developed, modified and supplemented in the future, constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of Talem Home Care Businesses; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used or sold by Talem Home Care Businesses; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Talem Home Care Businesses; (d) customer lists and information related to Talem Home Care Businesses and the Franchised Business; (e) Business Management System Data; (f) current and future information contained in the Operations Manual; and (g) Know-How.

“Confidentiality Agreement” refers to and means the form of Confidentiality Agreement attached to this Agreement as Exhibit 2.

“Controlling Interest” shall exist for the following individuals, Owners, partners and/or entities: (a) (If Franchisee is a corporation) a controlling interest shall exist for such shareholders and Owners of the voting shares of stock of Franchisee as (i) shall permit voting control of Franchisee on any issue and/or (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (b) (If Franchisee is a general partnership) a controlling interest shall exist for such partners and Owners that possess a managing partnership interest or such percentage of the general partnership interests in Franchisee as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (c) (If Franchisee is a limited partnership) a controlling interest shall exist for such partners and Owners that possess a general partnership interest; and (d) (If Franchisee is a limited liability company) a controlling interest shall exist for such members and Owners that possess a percentage of the membership interests as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination or entity from blocking voting control on any issue or exercising any veto power.

“Copyrights” refers to and means all works and materials for which Franchisor or any affiliate of Franchisor has secured common law or registered copyright protection and Franchisor utilizes and/or allows Talem Home Care Business franchisees to use, sell or display in connection with the development, marketing and/or operation of a Talem Home Care Business, whether as of the Effective Date of this Agreement or any time in the future.

“Corporate Entity” refers to and means a corporation, Limited Liability Company, partnership or other corporate legal entity that is not an individual person.

“Customer Vouchers” refers to and means any and all gift cards, vouchers, receipts, cards and other evidence of a pre-paid purchase transaction (for goods and/or services and whether in electronic form, printed form, card or otherwise) concerning a Talem Home Care Business.

“Digital Media” refers to and means any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by

communications software, part of the world wide web (including, but not limited to websites), linked by the internet or part of a web based application, software application, smart phone based application or social media platform including, but not limited to social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, YouTube, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to, Talem Home Care Businesses, the Franchised Business, the Licensed Marks, the System and/or Franchisor. Digital Media further includes the System Website, web pages and website subdomains (including those related to, associated with and/or a part of the System Website) associated with and/or related to the Franchised Business and all web pages, blog posts, videos, articles, social media accounts and pages, website directory pages, information, sub-domains and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

“**Due Date**” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“**Effective Date**” shall be the date set forth, defined and referred to in the first paragraph of this Agreement.

“**Franchise Owner and Spouse Agreement and Guaranty**” refers to and means the form of “Franchise Owner and Spouse Agreement and Guaranty” attached to this Agreement as Exhibit 1.

“**Franchised Business**” refers to and means the Talem Home Care Business that Franchisee shall develop and is required to establish, maintain and operate as part of the System and in accordance with the terms, conditions and obligations set forth in this Agreement and the Operations Manual. Without limitation to the foregoing, the Franchised Business shall be exclusively established, maintained, owned and operated by Franchisee within Franchisee’s designated Operating Territory and in accordance with the terms of this Agreement.

“**Franchisee’s Administrative Office**” refers to and means the Administrative Office from which Franchisee manages the Franchised Business.

“**Franchisor’s Reasonable Business Judgment**” refers to, means, and relates to any and all decisions, actions and choices made by Franchisor concerning or relating to this Agreement, the System generally, Talem Home Care Businesses and/or the Franchised Business where Franchisor undertakes or makes such decision with the intention of benefitting or acting in a way that could benefit the System. When making decisions and/or taking actions in Franchisor’s Reasonable Business Judgment, Franchisor may, in addition to all other rights afforded to Franchisor under this Agreement, consider factors, in whole or in part, that include: Franchisor’s profits; enhancing the value of the Licensed Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining operating territory markets, minimizing potential customer confusion as to the location of Talem Home Care Businesses, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products, services, supplies and equipment. Franchisee agrees that when a decision, determination, action and/or choice is made by Franchisor in Franchisor’s Reasonable Business Judgment that such decision, determination, action or choice shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee agrees that in connection with any decision, determination, action and/or choice made by Franchisor in Franchisor’s Reasonable Business Judgment that: (a) Franchisor possesses a legitimate interest in seeking to maximize Franchisor’s profits; (b) Franchisor shall not be required to consider Franchisee’s individual economic or business interests as compared to the overall System; and (c) should Franchisor economically benefit from such

decision, determination, action and/or choice that such economic benefit to Franchisor shall not be relevant to demonstrating that Franchisor did not exercise reasonable business judgment with regard to Franchisor's obligations under this Agreement and/or with regard to the System. Franchisee agrees that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute Franchisee's or such third party's judgment for Franchisor's Reasonable Business Judgment. Franchisee further agrees that should Franchisee challenge Franchisor's Reasonable Business Judgment in any legal proceeding that Franchisee possesses the burden of demonstrating, by clear and convincing evidence, that Franchisor failed to exercise Franchisor's Reasonable Business Judgment.

"GAAP" refers to and means United States Generally Accepted Accounting Principles.

"Gross Sales" refers to and means the total dollar sales from all business and customers of the Franchised Business and includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by Franchisee in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by Franchisee or any other person or Corporate Entity from business conducted or which started in, on, from or through the Franchised Business and/or Operating Territory, whether such business is/was conducted in compliance with or in violation of the terms of this Agreement. Supplementing the foregoing, Gross Sales further includes the total gross amount of revenues and sales from whatever source derived from and/or derived by Franchisee (including any person and/or Corporate Entity acting on behalf of Franchisee) from business conducted within and/or outside the Operating Territory that is related to the Franchised Business and/or a Competitive Business located and/or operated within the Operating Territory, outside the Operating Territory, and/or otherwise (the foregoing does not constitute approval for Franchisee's operation of a Competitive Business and/or the operation of a Talem Home Care Business outside of the Operating Territory). Gross Sales do not include sales or use taxes collected by Franchisee.

"Home Care Gross Sales" refers to Gross Sales obtained from the Franchised Business's rendering of the following services: personal care, companion care, daily living assistance and other services provided directly by the Franchised Business.

"Home Care Reduced Royalty Rate" refers to the Royalty Rate applicable to Home Care Gross Sales if you operated two or more Talem businesses.

"Home Care Royalty Rate" refers to the Royalty Rate applicable to Home Care Gross Sales.

"Immediate Family Member" refers to and means the spouse of a person and any other member of the household of such person, including, without limitation, children, and grandchildren of such person. Immediate Family Member shall further refer to and mean the spouse, children, grandchildren, and other members of the household of each Franchisee, if Franchisee is an individual, or each Owner of Franchisee if Franchisee is a Corporate Entity.

"Initial Business/Professional Development Program Fee" shall have the meaning defined and set forth in Article 5.C. of this Agreement.

"IP Claim" shall have the meaning defined and set forth in Article 11.E. of this Agreement.

"Know-How" refers to means Franchisor's trade secrets and proprietary information relating to the

development, establishment, marketing, promotion and/or operation of a Talem Home Care Business including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, included in, comprising and/or constituting a part of the System. Without limitation to the foregoing, Know-How shall further include information contained in the Operations Manual and the Confidential Information.

“Legacy Customers” refers to customers serviced in a previously Open Area that a System franchisee or Franchisee may continue to service when such former Open Area becomes an Assigned Area as set forth in the Reserved Rights.

“Licensed Marks” refers to and means the trademarks, service marks, emblems and indicia of origin, including the “Talem Home Care” trademark, the Talem Home Care logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans and designs authorized by Franchisor in connection with the identification of Talem Home Care Businesses and the Approved Services and Products, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by Franchisor in Franchisor’s Reasonable Business Judgment.

“Management Service Fees” shall have the meaning defined and set forth in Articles 7.J. and 14.D. of this Agreement.

“Managers” refers to and means the Managing Owner plus all assistant managers of the Franchised Business and all other employees, independent contractors, consultants, directors, officers and board members who may possess access to the Confidential Information.

“Managing Owner” refers to and means, if Franchisee is a partnership or Corporate Entity, the Managing Owner shall be the Owner responsible for the day-to-day oversight, management and operation of the Franchised Business. The Managing Owner must possess and maintain an ownership and equity interest in the Franchisee such that said individual owns, holds and controls not less than 25% of the equity and ownership interests in Franchisee. At all times, the Managing Owner must manage the operations of the Franchised Business.

“Marketing Media” refers to and means all communications, whether written, oral, digital, or otherwise utilized for and/or designed for the purpose of marketing, advertising and/or promoting Franchisee’s Talem Home Care Business including, but not limited to, Direct Solicitations, Web Based Media, Digital Media, social media, print publications, print mailers, email communications and public relations.

“Measurement Period” shall refer to each discrete 12 month period (e.g., month 0 – 12; 13 – 24; 25 – 36) of the Term and any Renewal Term of this Agreement as further defined in Article 5.B of this Agreement.

“Media Distribution” refers to and means methods, by any means, for the publication, transmission, dissemination, distribution and/or delivery of Marketing Media.

“Minimum Weekly Royalty” shall have the meaning assigned to it in Article 5.B. of this Agreement.

“Non-Compliance Fee” refers to and means a fee payable by Franchisee in an amount equal to the amount of fees, costs and expenses that Franchisor incurs respecting the enforcement of Franchisor’s rights under this Agreement in response to a default by Franchisee and/or Franchisee’s breach of the

terms or conditions of this Agreement. Said costs and expenses shall include any and all reasonable administrative fees, legal fees, mediation and mediator fees, arbitration and arbitrator fees, legal disbursements, mediation disbursements, arbitration disbursements, consultant fees, expert fees, accounting fees and filing fees. Recoverable legal fees also include legal fees and charges incurred by Franchisor with Franchisor's outside legal counsel and the reasonable costs incurred by Franchisor as to Franchisor's in-house legal staff.

"Notice Period" shall have the meaning defined and set forth in Article 16.A. of this Agreement.

"Onboarding Fee" shall have the meaning assigned to it in Article 5.C.(6) of this Agreement.

"Operating Manager" refers to and means the Manager designated by Franchisee or Franchisee's Managing Owner, that is charged with the obligation and responsibility to supervise and manage (on-site at Franchisee's Administrative Office) the day-to-day operations of the Franchised Business. At all times, the Operating Manager must: (a) meet all of Franchisor's minimum training and brand quality control standards and criteria for managers as may be set forth in the Operations Manual; (b) successfully complete Franchisor's initial training program; (c) sign the Confidentiality Agreement; and (d) agree, in writing, to assume responsibility for the on-site management and supervision of the Franchised Business.

"Operating Territory" shall have the meaning defined and set forth in Article 2.A. of this Agreement.

"Operations Manual" refers to and means, individually and collectively, the manual(s) designated by Franchisor and relating to the development and/or operations of Talem Home Care Businesses including, but not limited to, the policies, procedures and requirements for the development and operation of Talem Home Care Businesses. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by Franchisor from time to time in Franchisor's Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to Franchisor's modification from time to time and based on Franchisor's Reasonable Business Judgment, the Operations Manual shall, among other things, designate the Approved Services and Products that must be offered and provided by the Franchised Business and the System Supplies that must be exclusively utilized by the Talem Home Care Business. Only Approved Services and Products may be offered and sold by the Franchised Business. Only System Supplies may be utilized by Franchisee in the operations of the Franchised Business.

"Operations Non-Compliance Fee" shall have the meaning defined and set forth in Article 7.J. of this Agreement.

"Out of Territory Service Request" refers to and means a written documentation that is prepared and submitted in accordance with Franchisor's standards and specifications wherein Franchisee: (a) identifies the name and contact information of a prospective customer located in an Open Area that has requested the services of Franchisee's Talem Home Care Business; (b) identifies the date for the proposed services and/or products to be provided by the Franchised Business; and (c) requests Franchisor's written notification either approving or disapproving Franchisee's request to provide Approved Services and Products on behalf of the prospective Open Area customer.

“**Owner**” refers to and means collectively, individually and jointly: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if franchisee is a limited liability company; (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly controlling Franchisee; and (d) the Managing Owner(s). Franchisee’s Owners are identified in Schedule 3 to this Agreement.

“**Payment Non-Compliance Fee**” shall have the meaning defined and set forth in Article 5.D. of this Agreement.

“**Performance and Royalty Report**” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“**Performance Target**” shall refer to the level of Gross Sales that Franchisee must achieve in a given Measurement Period. If Franchisee fails to meet the Performance Target in any Measurement Period, Franchisor may elect to default Franchisee and provide notice of a 12 month cure period in which Franchisee may meet the applicable Performance Target for the then current Measurement Period in order to cure the aforesaid default. The then current performance targets are set forth below:

Measurement Period (Year of Operation)	Performance Target (Gross Sales in Measurement Period)	Performance Target (Placements in Measurement Period)
Months 0 to 12	\$300,000	2
Months 13 to 24	\$600,000	3
Months 25 to 36	\$900,000	8
Months 37 to 48	\$1,200,000	12
Months 49 to 60	\$1,500,000	16
Months 61 to 72	\$1,800,000	16
Months 73 to 84	\$1,800,000	16
Months 85 to 120	\$1,800,000	16

“**Post-Term Restricted Period**” refers to and means the three year period after the earliest to occur of the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which Franchisee Transfers this Agreement to another person or Corporate Entity. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Post-Term Restricted Period” means the two year period after the earliest to occur of the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which Franchisee Transfers this Agreement to another person or Corporate Entity.

“**Primary Operating Territory**” Refers to and means an Operating Territory comprised of a geographic area that contains an approximate population of 400,000 to 500,000 individuals. Franchisor, in Franchisor’s Reasonable Business Judgment, maintains the sole and exclusive discretion as to what constitutes a Primary Operating Territory and the calculation of the approximate population within a Primary Operating Territory. The determination as to the approximate population within a Primary Operating Territory is made by Franchisor as of the Effective Date of this Agreement based on U.S. Census Bureau data or other publicly available data that Franchisor believes to be more reliable. The approximate population will be determined in the aggregate and calculated based on raw data and without regard to demographics or other qualifying factors and is not subject to future adjustment.

“**Prohibited Activities**” shall have the meaning defined and set forth in Article 6.D. of this Agreement.

“Published Content” refers to and means any and all information, data, articles, blog posts, press releases, frequently asked questions, special offers, product information, service information, web posts, videos and other information relating to or concerning the Franchised Business, the System, or the Licensed Marks that is or was made available by Franchisee or Franchisee’s agents to the public in print or electronic media that is published, listed, made available, uploaded on, downloaded to or posted to Digital Media.

“Renewal Ancillary Agreements” shall have the meaning defined and set forth in Article 15.B. of this Agreement.

“Renewal Fee” is a fixed sum of \$10,000.

“Renewal Franchise Agreement” shall have the meaning defined and set forth in Article 15.B. of this Agreement.

“Renewal Notice” shall have the meaning defined and set forth in Article 15.B. of this Agreement.

“Renewal Term” shall have the meaning defined and set forth in Article 15 of this Agreement.

“Reporting Non-Compliance Fee” shall have the meaning defined and set forth in Article 12.C. of this Agreement.

“Reserved Rights” shall have the meaning defined and set forth in Article 2.D. of this Agreement.

“Restricted Territory” refers to and means the geographic area: (a) comprising Franchisee’s Operating Territory; (b) comprising a 25 mile radius surrounding Franchisee’s Operating Territory or, if Franchisee is not granted or designated an operating territory, then a 25 mile radius surrounding Franchisee’s Administrative Office); (c) comprising each of the operating territories, respectively, of other Talem Home Care Businesses that are in operation or under development during all or any part of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area within Franchisee’s Operating Territory plus a 25 mile radius surrounding Franchisee’s Operating Territory or, if Franchisee is not granted or designated an operating territory, then a 25 mile radius surrounding Franchisee’s Administrative Office.

“Royalty and Activity Report” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“Royalty Fees” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“Royalty Rate Reduction” refers to a reduction of the Royalty Rate that Franchisee may qualify for if: (i) Franchisee (through itself and/or its affiliate) operates two or more Talem Businesses consisting of Primary Operating Territories; and (ii) two or more of the Talem Businesses meets or exceeds the Annual Gross Sales Target. The Royalty Rate Reduction consists of a 0.25% discount off the Royalty Rate for each Talem Business with a Primary Operating Territory operated by Franchisee or an affiliate, with a maximum discount of 1.5% if six or more Primary Operating Territories meet or exceed the Gross Sales Target. The Royalty Rate Reduction’s applicable Royalty Rates are set forth in Article 5.B.

“Scheduled Business Commencement Date” refers to and means the date that occurs on the nine month anniversary of the Effective Date of this Agreement.

“Senior Placement Services Gross Sales” refers to Gross Sales obtained from the Franchised Business’s rendering of the following services: senior living placement and referrals and advisory services relating to placing seniors in assisted living communities, nursing homes and other comparable facilities and advisory services to patients and families.

“Service Vehicle(s)” refers to and means the Franchisor approved commercial vehicle(s) that Franchisee may elect to be acquired, maintained and operated by Talem Business franchisees in connection with the day-to-day operations of a Talem Business. Franchisee’s Service Vehicle(s) must be dedicated to the day-to-day operations of the Franchised Business, must be approved by Franchisor, and must meet Franchisor’s specifications as to vehicle models, vehicle age, vehicle type, interior configuration and capability, signs, and exterior vehicle wrap.

“Small Market Operating Territory” refers to and means an Operating Territory comprised of a geographic area that contains an approximate population of less than 400,000 individuals. Franchisor, in Franchisor’s Reasonable Business Judgment, shall exclusively determine what constitutes a Small Market Operating Territory and the calculation of the approximate population located within a Small Market Operating Territory. The determination as to the approximate population within a Small Market Operating Territory is made by Franchisor as of the Effective Date of this Agreement based on U.S. Census Bureau data or other publicly available data that Franchisor believes to be more reliable. The approximate population will be determined in the aggregate and calculated based on raw data and without regard to demographics or other qualifying factors and is not subject to future adjustment.

“Spouse” refers to and means the legal spouse of an Owner as of the Effective Date.

“Supplemental Training” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“Supplemental Training Fee” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“Supplier Evaluation Fee” refers to and means the fee determined by Franchisor, in Franchisor’s Reasonable Business Judgment, and based upon the fees and/or expenses incurred by Franchisor in connection with the evaluation of a request by Franchisee for Franchisor’s consideration and/or review of a potential supplier. Under no circumstance is Franchisor required to approve of suppliers requested by Franchisee.

“System” shall have the meaning defined in the “Recitals” section of this Agreement and is further supplemented, as follows: without limitation to the Recitals section of this Agreement and supplementing the definition and meaning of the term “System”, System shall be defined to further include and mean: (a) the Approved Services and Products, System Supplies and the services, procedures and systems that are designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Talem Home Care Business; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights; (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Talem Home Care Business; (f) Operations Manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by Franchisor in Franchisor’s Reasonable Business Judgment.



“System Services and Products” shall have the meaning defined in the “Recitals” section of this Agreement and shall further refer to and mean refers to and means those products and services that Franchisor authorizes for sale by Talem Businesses. Franchisor shall exclusively designate and determine the System Services and Products and Franchisor, in Franchisor’s Reasonable Business Judgment, may change, modify, reduce or supplement the System Services and Products that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The Operations Manual, subject to changes that Franchisor may make from time to time and Franchisor’s right to change and modify the System Services and Products, shall designate the System Services and Products that must be offered and sold by the Franchised Business. The Franchised Business may only offer and sell the System Services and Products.

“System Supplies” refers to and means the materials branding the Licensed Marks, programs, materials, office equipment, products, software, systems, and supplies designated by Franchisor as required for use in connection with Franchisee’s Talem Home Care Business and the Approved Services and Products. Without limitation to the foregoing, the System Supplies shall include Talem Home Care branded, non-branded and third party branded materials designated by Franchisor for use in the day-to-day operations of Franchisees Talem Home Care Business designated by Franchisor in the operations manual and/or otherwise in writing and, as may be modified and supplemented by Franchisor from time to time in Franchisor’s Reasonable Business Judgment. System Supplies shall further include those products that Franchisor authorizes for sale to customers of Franchisee’s Talem Home Care Business.

“System Website” refers to and means the web page and pages located on the world wide web at the www.talemhomecare.com domain, at a landing page on the www.talemhomecare.com domain and/or on an independent domain featuring www.talemhomecare.com and the city or other territory of the Franchised Business and shall further include all webpages and subdomains including, those that are franchisee and/or geography specific, that are a part of www.talemhomecare.com, or as designated by Franchisor being associated with the URL of www.talemhomecare.com and/or Talem Home Care Businesses.

“Talem Business(es)” shall have the meaning defined in the Recitals section of this Agreement and, without limitation to the Recitals section definition of “Talem Businesses”, shall further include, refer to and mean: every business and all businesses owned and/or operated by Franchisor, Franchisor’s affiliates and/or authorized franchisee(s) that utilize and/or is/are required to utilize the System and/or Licensed Marks including, but not limited to, the Franchised Business.

“Technology Fee” shall have the meaning defined and set forth in Article 5.C. of this Agreement.

“Term” refers to and means the period of time set forth and defined in Article 2.B. of this Agreement and, the Renewal Term if Franchisee invokes Franchisee’s renewal rights in accordance with the terms of this Agreement.

“Trade Dress” refers to and means the Talem Home Care Business designs, images, marketing materials, packaging, branding and/or branding images which Franchisor authorizes and requires Franchisee to use in connection with the operation of the Franchised Business and as may be revised and further developed by Franchisor from time to time.

“Training Program” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“**Transfer**” refers to and means and shall include, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee; and/or (e) the legal and/or equitable transfer and/or sale of an Owners interests and/or voting rights in Franchisee.

“**Transfer Fee**” shall have the meaning defined and set forth in Article 14.C.(11) of this Agreement. The Transfer Fee is a fixed sum of \$10,000.

“**Visit**” refers to each visit to a clients’ home by an employee or agent of the Franchised Business for purposes of providing the Approved Services and Products.

“**Zone**” refers to and means a geographic area that includes an approximate population of 75,000 individuals. Franchisor, in Franchisor’s Reasonable Business Judgment, maintains the sole and exclusive discretion in designating what constitutes a Zone and the calculation of the approximate population located within a Zone. The determination as to the approximate population within a Zone is made by Franchisor as of the Effective Date of this Agreement based on U.S. Census Bureau data or other publicly available data that Franchisor believes to be more reliable. The approximate population will be determined in the aggregate and calculated based on raw data and without regard to demographics or other qualifying factors and is not subject to future adjustment.

ARTICLE 2

GRANT OF FRANCHISE

2.A. GRANT OF FRANCHISE

Franchisee has requested that Franchisor grant to Franchisee the non-exclusive license and right to develop, own and operate a Talem Home Care Business within a specified territory. In reliance on the representations made by Franchisee and/or Franchisee’s Owners in any submitted application and during the application process, and, subject to the terms and conditions of this Agreement, Franchisee’s request has been approved by Franchisor, subject to the following terms and conditions:

- (1) During the Term of this Agreement and subject to the rights of Franchisor including, but not limited to, the Reserved Rights, Franchisor grants to Franchisee and Franchisee accepts, the non-exclusive license, right and obligation to develop and operate a Talem Home Care Business within the operating territory designated and set forth in Schedule 1 of this Agreement (the “Operating Territory”. If Schedule 1 does not specifically identify and designate an operating territory, and/or if Schedule 1 is not signed by Franchisor, there shall be no Operating Territory;
- (2) If, as of the Effective Date, Franchisee has selected a proposed Administrative Office that Franchisor approves as Franchisee’s Administrative Office, then the location of Franchisee’s Administrative Office shall be identified in Schedule 2 of this Agreement;
- (3) If, as of the Effective Date, Franchisee has not selected a proposed Administrative Office location that is approved by Franchisor in Schedule 2 to this Agreement, or if Schedule 2 is left

incomplete as to the specific location of Franchisee's Administrative Office, Franchisee must locate, identify and secure an Administrative Office for the Franchised Business in accordance with the terms of this Agreement, including the requirement that Franchisee must obtain Franchisor's written approval of Franchisee's Administrative Office;

(4) Franchisee must manage the Franchised Business from Franchisee's Administrative Office located within Franchisee's Operating Territory;

(5) Franchisee may only operate the Franchised Business within Franchisee's Operating Territory and, without limitation to the foregoing, Franchisee may only offer and sell the Approved Services and Products within Franchisee's Operating Territory and in accordance with the requirements set forth in the Operations Manual;

(6) Except as otherwise provided in this Agreement including, but not limited to, the Reserved Rights, provided that, at all times, Franchisee is and remains in compliance with the terms of this Agreement, during the Term of this Agreement, Franchisor will not and Franchisor's affiliates will not operate, or grant a franchisee the right to operate a Talem Home Care Business using the Licensed Marks and System within Franchisee's Operating Territory, provided that an Operating Territory has been designated and approved by Franchisor in accordance with the terms of this Agreement; and

(7) The foregoing rights granted in this Article 2.A. are subject to and contingent upon each and every, term and condition of this Agreement, the rights of any prior user, and are non-exclusive and subordinate to the Reserved Rights.

2.B. TERM

Unless previously terminated pursuant to the terms of this Agreement, the term of this Agreement will be for a period of 10 consecutive years, commencing from the Effective Date (the "Term").

2.C. GUARANTEES, CONFIDENTIALITY AND RESTRICTIVE COVENANTS

If Franchisee is, at any time, a Corporate Entity, Franchisee agrees that each Owner and their respective Spouse shall execute, sign and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1 and, in doing so, among other things, will individually, jointly, and severally, guarantee Franchisee's obligations under this Agreement and personally bind themselves to confidentiality and non-competition covenants and restrictions.

2.D. RESERVATION OF RIGHTS

Franchisor on behalf of itself, its affiliates and its assigns retains all rights, on any and all terms and conditions that Franchisor deems advisable and without any compensation or consideration to Franchisee to engage in the following activities (the "Reserved Rights"): (a) operate and grant to others the right to operate a Franchised Business, Talem Home Care Business and/or other businesses using the System and Licensed Marks at locations outside Franchisee's Operating Territory; (b) acquire or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that are Competitive Businesses, and after such acquisition, merger or affiliation to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses, including Competitive Businesses (but not using the Licensed Marks) within Franchisee's Operating Territory; (c) be acquired by or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that are Competitive Businesses, even if such business or businesses presently or, in the future, own and operate and franchise or license others to own and operate such businesses, including Competitive Businesses (but not using the Licensed Marks) within Franchisee's Operating Territory; (d) use the Licensed Marks and

System and to license others to use the Licensed Marks and System to engage in all other activities not expressly prohibited by this Agreement; and (e) permit System franchisees with Legacy Customers within your Operating Territory to service such Legacy Customers.

2.E. MODIFICATION OF SYSTEM

Franchisor, in Franchisor's Reasonable Business Judgment, reserves the right, at all times, to supplement, modify, alter and/or amend the System including any and/or all components of the System. Franchisee shall promptly comply with all such modifications to the System whether such modification results in the addition, subtraction, modification and/or enhancement to any and/or all components of the System. Franchisor shall provide Franchisee with a reasonable time period to comply with any change or modification to the System, which shall be communicated to Franchisee by Franchisor including, but not limited to, communication through the Operations Manual. Franchisor's modifications to the System shall not materially alter Franchisee's fundamental rights under this Agreement.

2.F. CORPORATE ENTITY OWNERSHIP

If Franchisee is a Corporate Entity, Franchisee represents that the information contained in Schedule 3 to this Agreement is and shall remain complete, true and accurate throughout the Term of this Agreement.

ARTICLE 3

DEVELOPMENT AND OPERATION OF THE FRANCHISED BUSINESS

3.A. DEVELOPMENT OF THE FRANCHISED BUSINESS

Franchisee must develop and open the Franchised Business on or before the Scheduled Business Commencement Date. Notwithstanding the foregoing, prior to opening and commencing the operations of the Franchised Business, Franchisee must, as determined by Franchisor: (a) be in compliance with the terms and conditions of this Agreement; (b) have satisfied the pre-opening obligations designated by Franchisor in the Operations Manual; (c) have completed and satisfied the training obligations designated by Franchisor; (d) have developed an Administrative Office in conformity with Franchisor's standards and specifications and as otherwise required by Franchisor in the Operations Manual; (e) have obtained the necessary licenses and permits to operate the Franchised Business; and (f) have obtained Franchisor's written consent to open.

3.B. OPERATIONS OF THE FRANCHISED BUSINESS

At all times, Franchisee's Talem Home Care Business shall: (a) be operated within Franchisee's Operating Territory; (b) be operated from an approved Administrative Office located within the Operating Territory; (c) exclusively offer, sell and provide the Approved Services and Products in accordance with Franchisor's standards, specifications, and requirements; (d) ensure that the Approved Services and Products are only offered and provided by Franchisee through employees and/or Owners that have, to Franchisor's satisfaction, completed the training requirements and Training Programs required by Franchisor; (e) exclusively use, maintain, and, stock in inventory, the System Supplies in such quantities as designated by Franchisor; (f) exclusively purchase the System Supplies from the supplier and/or suppliers, vendor and/or vendors approved by Franchisor and designated by Franchisor, in Franchisor's Reasonable Business Judgment; (g) be exclusively managed and operated by Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner; (h) maintain the necessary licenses and permits and, those licenses and permits required, and/or recommended by Franchisor, for Franchisee's development, ownership, and operation of the Franchised Business; and (i) be operated in conformity with Franchisor's standards, specifications, criteria and requirements as set forth by Franchisor in the Operations Manual as such Operations Manual exists as of the Effective Date of this Agreement and as the Operations Manual may be modified and supplemented from time to time in the future by Franchisor, in Franchisor's Reasonable Business Judgment.

3.C. FRANCHISEE'S ADMINISTRATIVE OFFICE

Franchisee must operate the Franchised Business from an Administrative Office that conforms to Franchisor's standards and specifications and, such other requirements as set forth in the Operations Manual. Franchisee must obtain Franchisor's written approval of the location of Franchisee's Administrative Office. If permitted by applicable laws, rules, and regulations, including, but not limited to, local zoning laws and regulations (to be independently verified by Franchisee) Franchisee may designate Franchisee's personal residence as Franchisee's Administrative Office. Otherwise, Franchisee must develop Franchisee's Administrative Office from a commercial location located within the Operating Territory. If applicable, Franchisor will furnish Franchisee with Franchisor's then current preliminary plans and specifications for an Administrative Office. Franchisee shall develop, operate and manage the Franchised Business from an Administrative Office, that: (a) was identified and evaluated by Franchisee; (b) complies with the terms and conditions of this Agreement; (c) satisfies and meets Franchisor's standards and specifications; (d) is timely presented by Franchisee to Franchisor for approval as Franchisee's proposed Administrative Office; (e) is approved by Franchisor as Franchisee's Administrative Office; (f) is timely secured by Franchisee within 60 days of the Effective Date of this Agreement and, as evidenced by a binding lease, and at least 30 days prior the Actual Business Commencement Date; and (g) otherwise meets the terms and conditions of this Agreement and Franchisor's standards and specifications.

Franchisee will not lease, purchase or otherwise acquire a proposed Administrative Office until such information as Franchisor may require as to the proposed Administrative Office has been provided to Franchisor by Franchisee and, Franchisor has approved the location in accordance with the terms and conditions of this Agreement. Franchisor shall respond to Franchisee's request for approval of a proposed Administrative Office within 30 days following Franchisor's receipt, from Franchisee, of complete written information about Franchisee's proposed Administrative Office. If Franchisor rejects or disapproves Franchisee's proposed Administrative Office, Franchisee must nevertheless identify and obtain Franchisor's approval of a proposed Administrative Office within the time requirements set forth in this Agreement. Franchisor's disapproval of a proposed Administrative Office shall not serve as a basis to extend any deadline or requirement set forth in this Agreement.

Franchisor's approval of Franchisee's proposed Administrative Office is not and does not constitute a representation or warranty of any kind other than that Franchisor does not object to or disapprove of Franchisee's proposed Administrative Office. No provision of this Agreement shall be construed or interpreted to impose an obligation on Franchisor to locate an Administrative Office for the Franchised Business, to assist Franchisee in the selection of a suitable Administrative Office, or, to provide assistance to the Franchisee in the purchase or lease of an Administrative Office.

3.D. FURNITURE, FIXTURES, EQUIPMENT AND SIGNS

Franchisee agrees to use in the construction and operation of Franchisee's Administrative Office only those types of construction and decorating materials, fixtures, office equipment, furniture, and signs that Franchisor has approved or designated in the Operations Manual for Franchised Business as meeting Franchisor's specifications and standards for appearance, function and performance. Franchisee shall purchase approved or designated types of construction and decorating materials, fixtures, office equipment, furniture and signs including, but not limited to, System Supplies, only from suppliers approved or designated by Franchisor from time to time in writing and/or in the Operations Manual.

3.E. SYSTEM SUPPLIES

Franchisee shall exclusively purchase and use the System Supplies in the operations of the Franchised Business. Franchisee shall exclusively purchase the System Supplies from the supplier and/or suppliers and vendor and/or vendors designated by Franchisor from time to time. Franchisee acknowledges and agrees that control over the nature, quality, branding and source of the System Supplies is critical to the System

and that irrespective of the availability of substitute products, supplies, equipment and/or sources of supply, Franchisee shall only purchase and use the System Supplies as designated by Franchisor and only from those suppliers designated and approved by Franchisor. Franchisee agrees that in many instances Franchisor and/or Franchisor's affiliates may be and/or may become the sole and exclusive supplier of the System Supplies.

3.F. SERVICE VEHICLES

If Franchisee elects to utilize a vehicle in the operation of the Franchised Business and/or the marketing and promotion of the Franchised Business, the vehicle must meet Franchisor's standards and specifications as a Service Vehicle and the proposed vehicle wrap and make and model of the Service Vehicle must be submitted for Franchisor's written approval. Franchisor's approval of the Service Vehicle is solely within Franchisor's Reasonable Business Judgment.

3.G. BUSINESS MANAGEMENT SYSTEM

Franchisee shall exclusively use the Business Management System or systems designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified, supplemented or replaced by Franchisor from time to time. Franchisee shall purchase, license and maintain such Business Management System and/or systems from Franchisor and/or such third party suppliers designated by Franchisor. Franchisor, in Franchisor's Reasonable Business Judgment, may require that Franchisee's license, and use of the Business Management System occur through accounts registered to Franchisor, controlled by Franchisor, or licensed through Franchisor. At all times, Franchisee shall provide and grant Franchisor with unlimited and uninterrupted direct internet based and/or remote access to the Business Management Systems of the Franchised Business. At all times, Franchisee shall pay and be responsible for all fees associated with the Business Management Systems including, but not limited to, initial and on-going license fees. Franchisee acknowledges and agrees that the current Business Management System Fee will vary based on the number of customer Visits in a month. Franchisee acknowledges that the fees set forth below are subject to change in the vendor's sole discretion and that Franchisor may appoint another supplier which may result in a change in the Business Management System Fees. Franchisee acknowledges and agrees that Franchisor may in the future be a supplier of the Business Management System and/or other technological services.

Supplementing and, without limitation to the foregoing, Franchisee agrees that:

- (1) The Business Management System will contain proprietary and confidential information owned by Franchisor and related to the System;
- (2) The Business Management System shall be exclusively used by Franchisee in connection with the operations of the Franchised Business, in accordance with the terms of this Agreement, and the standards and specifications set forth by Franchisor in the Operations Manual;
- (3) As between Franchisee and Franchisor, Franchisor is and shall be the exclusive owner of the Business Management System Data, except that Franchisee shall store and maintain such data in accordance with all applicable local, state and federal privacy, data collection and solicitation laws. Upon expiration or termination of this Agreement for any reason, Franchisee shall preserve and maintain the Business Management System data for the purpose of transferring such data to Franchisor;
- (4) At all times, Franchisee shall provide and permit Franchisor to maintain direct and independent access to the Business Management System and the Business Management System Data and to duplicate and evaluate the data;

(5) Franchisee shall upgrade, replace and modify the Business Management System at the request of Franchisor and in accordance with Franchisor's written instructions;

(6) Other than permitting access to employees of the Franchised Business for the purpose of conducting the authorized operations of the Franchised Business, Franchisee shall not permit or allow any third party to access, use or duplicate the Business Management System or, the Business Management System Data;

(7) Franchisee shall keep and maintain the Business Management System and the Business Management System Data as secret and confidential and, Franchisee shall maintain security precautions to maintain the confidentiality of the Business Management System and the Business Management System Data; and

(8) In no event shall Franchisor be liable to Franchisee for any damages, including any lost profits, lost savings, or other incidental or consequential damages, relating to Franchisee's use or, Franchisee's inability to use, the Business Management System even if Franchisor has been advised of the possibility of such damages, or for any claim by any other party including the software manufacturer. The foregoing limitations of liability are intended to apply without regard to whether other provisions of the Agreement have been breached or proven ineffective.

3.H. DIGITAL MEDIA, SYSTEM WEBSITE AND TELEPHONE NUMBERS

Franchisee acknowledges the significance of Digital Media to the System and necessity for Franchisor's control over Digital Media. As between Franchisor and Franchisee, Franchisor is the absolute owner of the Digital Media and nothing contained in this Agreement grants to Franchisee any ownership interest in or to the Digital Media. Franchisee shall not use, access or open accounts regarding or related to Digital Media unless expressly approved by Franchisor in writing which approval Franchisor may withhold, condition or limit as determined by Franchisor in Franchisor's Reasonable Business Judgment and which approval, if given, shall be limited to the marketing and promotion of the Franchised Business in accordance with Franchisor's standards and specifications. Upon expiration or termination of this Agreement for any reason, any prior authorization by Franchisor as to Franchisee's right to use the Digital Media and/or otherwise as to any rights of Franchisee in or to the Digital Media shall be automatically terminate and, at Franchisor's election, the right to any and all accounts and/or sites (if any) associated with Digital Media utilized by Franchisee shall be transferred to Franchisor. Under no circumstance shall Franchisee utilize the Digital Media for purposes of or with the effect of libeling or disparaging another nor shall Franchisee violate any copyrights – as to such actions as between Franchisee and any third party, Franchisee is exclusively responsible for disparagement, libel and/or copyright infringement if Franchisee published and/or caused such content to be published.

Franchisee agrees that Digital Media and/or Published Content, if permitted by Franchisor, must be approved by Franchisor prior to publication or use in any form. Digital Media and Published Content that is approved by Franchisor or that otherwise is acceptable to Franchisor as meeting Franchisor's standards shall be owned by Franchisor. As between Franchisor and Franchisee, any and all interest and right in or to the Digital Media and/or Published Content shall, at all times, be and is the exclusive property of Franchisor both during the Term of this Agreement and upon the expiration or termination of this Agreement. Franchisee agrees that the System Website and all improvements and modifications made to the System Website, Digital Media, and Published Content is and shall be the exclusive property of Franchisor. During the Term of this Agreement and subject to Franchisee's compliance with the terms and conditions of this Agreement, the System Website, shall include information related to the Franchised Business as shall be determined and designated by Franchisor in Franchisor's Reasonable Judgment. Franchisee agrees that in the event of the termination of this Agreement, for any reason, that the accounts related to all telephone

numbers associated with the Franchised Business and all rights in and to the telephone numbers associated with the Franchised Business, shall, at Franchisor's election, be transferred to Franchisor.

Without limitation to the foregoing, Franchisee shall, upon the request of Franchisor, execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts attached to this Agreement as Exhibit 3. Upon the request of Franchisor, Franchisee shall execute, update, and/or re-execute the Assignment of Telephone Numbers and Digital Media agreement upon the request of Franchisor. As between Franchisor and all third parties, Franchisee does hereby represent and acknowledge that such third party is authorized to rely on the Assignment of Telephone Numbers and Digital Media agreement, irrespective of any dispute and/or controversy between Franchisor and Franchisee and irrespective of any contrary instructions of Franchisee.

3.I. RELOCATION

Under no circumstance shall Franchisee relocate Franchisee's Administrative Office to a facility or location located outside the Operating Territory. To the extent that Franchisee wishes to relocate Franchisee's Administrative Office to a suitable commercial facility located within the Operating Territory, Franchisee must obtain Franchisor's prior written consent which shall not be unreasonably withheld provided that Franchisee is in compliance with the terms and conditions of this Agreement and, provided that the new location and/or facility meets Franchisor's then current standards and specifications. Under no circumstance may Franchisee relocated Franchisee's Operating Territory.

3.J. OUT OF TERRITORY SERVICE

The license and rights granted to Franchisee in this Agreement are limited to, among other things, the Operating Territory, the grant of franchise rights set forth in Article 2.A. of this Agreement, and the reservation of rights set forth in Article 2.D. of this Agreement. Subject to the existence of an Open Area and Franchisee's compliance with following rules and requirements ("Territory Rules"), Franchisee may provide the Approved Services and Products on behalf of customers located within an Open Area:

Territory Rules

- (1) Franchisee must conduct the operations of the Franchised Business from within Franchisee's Operating Territory and Franchisee must provide the Approved Services and Products on behalf of customers located within Franchisee's Operating Territory. The marketing of the Franchised Business must be targeted to Franchisee's Operating Territory and, at all times, must conform and comply with, among other things, the restrictions set forth in Article 9.F. of this Agreement;
- (2) Provided that Franchisee: (i) does not engage in any Direct Solicitation of customers or potential customers outside of Franchisee's Operating Territory or, within the Operating Territory of another Talem Home Care Business, (ii) Franchisee does not otherwise violate the restrictions set forth in Article 9.F. of this Agreement, and (iii) Unless other arrangements have been made in writing, each instance each instance Franchisee provides Franchisor with an Out of Territory Service Request that, in writing, is approved by Franchisor, Franchisee's Talem Home Care Business may, on a non-exclusive basis, provide an Approved Services and Products to a customer within an Open Area. Franchisee must obtain Franchisor's approval in each and every instance and Franchisor may, in Franchisor's Reasonable Business Judgment, reject or disapprove of Franchisee's Out of Territory Service Request; and
- (3) Once an Open Area becomes an Assigned Area, Franchisee shall cease soliciting customers within the Open Area, provided that Franchisee may continue to service its Legacy Customers.

Nothing contained in this Article 3.J. shall expand either the non-exclusive franchise rights granted to franchisee in Article 2 of this Agreement or, Franchisee's Operating Territory and, in the event of any inconsistency or conflict between the terms of this Article 3.J. and Article 2, Article 2 shall take precedence and govern.

ARTICLE 4 **TRAINING AND OPERATING ASSISTANCE**

4.A. INITIAL TRAINING, SUPPLEMENTAL TRAINING AND SYSTEM-WIDE TRAINING

(1) Within 45 days of the earlier of the Scheduled Business Commencement Date or the Actual Business Commencement Date, Franchisee's Managing Owner and one manager must complete, to Franchisor's satisfaction, Franchisor's initial training program (the "Training Program"). Franchisor will provide Franchisee, comprised of Franchisee's Managing Owner, and one designated manager, with Franchisor's Training Program. If Franchisee would like more than two individuals to attend the initial Training Program either before or after the opening of the Franchised Business, subject to Franchisor's approval, Franchisee shall pay to Franchisor an additional fee of \$300 per additional person per day attending the Initial Training Program (the "Additional Initial Training Fee") or the then current Additional Initial Training Fee. Additional Initial Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee.

Prior to opening and commencing the operations of the Franchised Business, the Managing Owner and other personnel as designated or determined by Franchisor, must attend and successfully complete the Training Program designated by Franchisor. The training may include classroom and on-the-job instruction at a location or facility designated by Franchisor. Following completion of the initial Training Program, Franchisee shall be responsible for the ongoing training of Franchisee's employees, staff and all other employees of the Franchised Business. Said on-going training must conform to Franchisor's standards and specifications. The Training Program shall be structured, configured and established by Franchisor from time to time. The Training Program may be structured so that it is offered and completed by Franchisee in various phases.

(2) Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner and Operating Manager, at Franchisee's sole cost and expense, must attend and successfully complete all refresher training courses or system-wide training courses, additional training programs and seminars as Franchisor periodically may designate or offer in Franchisor's Reasonable Business Judgment. Franchisor provides instructors and training materials for those programs and seminars, but Franchisor reserves the right to assess Franchisee reasonable charges for such training. Franchisee is responsible for all expenses Franchisee and Franchisee's employee incurs in connection with attendance and participation in these programs and seminars, including, without limitation, the cost of transportation, lodging, meals and any salaries and other wages.

(3) Franchisee shall pay all costs and expenses incurred by Franchisee, and those attending training on behalf of Franchisee, in connection with Franchisee's participation in all Training Programs and, satisfaction of Franchisee's Training Program obligations as designated by Franchisor.

(4) Subject to Franchisor's approval and agreement, Franchisor may offer supplemental training to Franchisee at Franchisee's Administrative Office, within Franchisee's Operating Territory (hereinafter referred to as "Supplemental Training"). Franchisor, in Franchisor's Reasonable Business Judgment, reserves the right to reject or approve of any request by Franchisee for Supplemental Training. If Franchisor does agree to offer and provide Supplemental Training,

Franchisee shall pay to Franchisor a supplemental training fee at the rate of \$300 per trainer per day plus, if applicable, reimbursement of travel and hotel accommodation expenses incurred by Franchisor (the “Supplemental Training Fee”) or the then current Supplemental Training Fee. Franchisee agrees that in each instance where Franchisee hires a new Operating Manager, and/or Franchisor, in Franchisor’s Reasonable Business Judgment, determines that Franchisee is not satisfying and/or meeting Franchisor’s operational standards, then, Franchisor may require that Franchisee, and/or, as applicable, Franchisee’s Operating Manager participate in and, successfully complete, Supplemental Training pay the Supplemental Training Fees designated by Franchisor. Supplemental Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee.

(5) On an on-going annual calendar year basis throughout the Term of this Agreement, Franchisee or, if Franchisee is a Corporate Entity, Franchisee’s Managing Owner, or Operating Manager and other personnel as designated or determined by Franchisor, must attend and successfully complete the required continuing education unit (CEU) requirements in accordance with Franchisor’s operational standards, System standards, and Manuals.

(6) Franchisor, in Franchisor’s Reasonable Business Judgment must approve of all individuals attending and participating in the Training Program and all Supplemental Training programs. All participants in the Training Program must qualify as either an Owner or Operating Manager and, prior to training, among other things, must have executed the Franchise Owner and Spouse Agreement and Guaranty or the Confidentiality Agreement, respectively.

4.B. OPERATING ASSISTANCE

From time to time and as determined by Franchisor, in Franchisor’s Reasonable Business Judgment, Franchisor shall advise Franchisee of those applicable standards, procedures and System requirements concerning the Franchised Business. Operating assistance may, as determined by Franchisor, in Franchisor’s sole discretion, consist of:

(1) Establishing and communicating systems and procedures related to the development and operation of the Franchised Business;

(2) Establishing and communicating Approved Services and Products and, as applicable and as determined by Franchisor, modifications, if any, to the Approved Services and Products including, but not limited to, additions, deletions, and/or changes to the Approved Services and Products;

(3) Designating and communicating System Supplies and, as applicable and as determined by Franchisor, modifications, if any, to the System Supplies including, but not limited to, additions, deletions, and/or changes to the System Supplies;

(4) Designating and communicating approved and designated suppliers of the Franchised Business and, as applicable and as determined by Franchisor, modifications, if any, to approved and designated suppliers including, but not limited to, additions, deletions, and/or changes to the approved and designated suppliers;

(5) Establishing and communicating marketing and brand standards related to the promotion of the Franchised Business;

(6) Approving or disapproving of Franchisee requests related to marketing materials and Digital Media that may be used to market the Franchised Business; and

(7) Establishing and communicating System standards and requirements in the form of the Operations Manual and, as Franchisor, in Franchisor's sole discretion.

4.C. OPERATIONS MANUAL

Franchisor shall loan to Franchisee with access to the Operations Manual. The Operations Manual contains, as designated and determined by Franchisor, mandatory and, as applicable, suggested specifications, standards and operating procedures that Franchisor prescribes for Talem Home Care Businesses. Franchisee shall operate the Franchised Business in strict accordance with the standards, specifications, and requirements set forth in the Operations Manual as, such standards, specifications, and requirements including, but not limited to, the Approved Services and Products, System Supplies, and, authorized and designated suppliers, as of the Effective Date of this Agreement, and, as they may be supplemented, modified, changed, and/or replaced in the future and, from time to time, by Franchisor, in Franchisor's Reasonable Business Judgment. Franchisee shall keep and maintain the confidentiality of the Operations Manual and, shall keep and maintain all files, data and information contained in the Operations Manual in a secure location and/or in a protected confidential state and, as otherwise directed by Franchisor. The master copy and official version of the Operations Manual is and shall be the copy and/or version maintained and designated by Franchisor in Franchisor's ordinary course of business.

Franchisor shall provide Franchisee with reasonable notice of modifications and changes made to the Operations Manual and, such notice may take form of electronic communications including emails and, if the Operations Manual is maintained on an online web based platform, notifications within said platform. Franchisor shall provide Franchisee with a reasonable period of time, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, to implement change and modifications to the as set forth in the Operations Manual. Without limitation to the foregoing, Franchisee may only offer and sell the Approved Services and Products and utilize the System Supplies as designated by Franchisor, in Franchisor's Reasonable Business Judgment, in the Operations Manual and, in accordance with the terms, specifications and requirements set forth in the Operations Manual and as Franchisor may supplement and modify the Operations Manual from time to time or, as Franchisor may otherwise designate in writing.

ARTICLE 5

FEES

5.A. INITIAL FRANCHISE FEE

Upon execution of this Agreement Franchisee shall pay to Franchisor a non-recurring initial franchisee fee (the "Initial Franchise Fee") of \$44,500 for a Primary Operating Territory or \$38,500 for a Small Market Operating Territory. If, at the time of executing this Agreement, Franchisee elects to increase the size of Franchisee's Primary Operating Territory and Franchisor, in Franchisor's Reasonable Business Judgment, approves of Franchisee's request, then the Initial Franchise Fee for Franchisee's Primary Operating Territory shall be increased by \$9,000 for each additional Zone added to Franchisee's Primary Operating Territory.

Classification of Franchisee's Operating Territory as a Primary Operating Territory, a Small Market Operating Territory, a Primary Operating Territory that has been supplemented by 1 Zone, 2 Zones, or 3 Zones and, the corresponding Initial Franchise Fee, is set forth in Schedule 2 attached to this Agreement. The Initial Franchise Fee is fully earned by Franchisor upon execution of this Agreement and is not refundable.

Additional Franchise Agreements: This Agreement does not grant to Franchisee the right to enter into additional Talem Home Care Business Franchise Agreements, additional franchise rights or, right of first

refusal. If, during the 10 year Term of this Agreement Franchisee enters into any additional Franchise Agreements with Franchisor for additional Talem Businesses, then Initial Franchise Fee for a Primary Operating Territory shall be discounted by 25% of Franchisor’s then current franchise fee for a Primary Operating Territory or its equivalent. All subsequent Franchise Agreements between Franchisor and Franchisee shall be subject to the terms and conditions of Franchisor’s then current Franchise Agreement and shall be subject to Franchisor’s acceptance and approval of Franchisee’s request to enter into any subsequent Franchise Agreements which Franchisor may approve or disapprove in Franchisor’s Reasonable Business Judgment.

5.B. ROYALTY FEES

Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing weekly non-refundable royalty fee (the “Royalty Fee”). The continuing weekly Royalty Fee shall be equal to the greater of the applicable Minimum Weekly Royalty for the Measurement Period or a percentage of Franchisee’s weekly Gross Sales (the “Royalty Rate”). The Home Care Royalty Rate is 5% of weekly Home Care Gross Sales and the Senior Placement Services Royalty is equal to 8% of Senior Placement Services Gross Sales, unless Franchisee qualifies for a Royalty Rate Reduction or the Royalty Fee payable under the aforesaid Royalty Rates does not exceed the applicable Minimum Weekly Royalty. The Royalty Rate Reduction will be determined by the number of Primary Operating Territories meeting or exceeding the Annual Gross Sales Target in the previous calendar year and shall apply to all Talem Businesses operated by Franchisee or its affiliate for the balance of the then current calendar year, provided that Franchisee shall only be eligible for the Royalty Rate Reduction if: (i) Franchisee (through itself or its affiliate) operates two or more Talem Businesses consisting of Primary Operating Territories; and (ii) Franchisee provides all tax returns, Gross Sales reports, Royalty and Activity Reports, and financial statements requested by Franchisor to demonstrate its Gross Sales level for the prior year, or, if Franchisee operates multiple Franchised Businesses under one entity, Franchisee shall provide a report in the form provided by Franchisor detailing the Gross Sales of each such franchise location and any other financial information, including cost data, reasonably requested by Franchisor. The table below sets forth the applicable Royalty Rate as determined by the number of Talem Businesses meeting the Annual Gross Sales Target:

Royalty Rate Reduction for Multiple Primary Operating Territories		
Number of Talem Businesses with Primary Operating Territories Achieving the Annual Gross Sales Target	Applicable Home Care Reduced Royalty Rate	Applicable Senior Placement Services Reduced Royalty Rate
2	4.5%	7.5%
3	4.25%	7.25%
4	4%	7%
5	3.75%	6.75%
6 or more	3.5%	6.5%

In calculating and determining the applicable Royalty Rate and whether the Annual Gross Sales Target was met in the preceding year, Gross Sales cannot be combined between multiple Talem Businesses and the Gross Sales for each respective calendar year does not carry-over into any subsequent calendar year. Franchisee’s Royalty Fee obligations are unconditional and are not subject to any contingencies.

In addition, for each consecutive 12 month period following the Actual Business Commencement Date (each, a “Measurement Period”), Franchisee acknowledges and agrees that Franchisor will assess a Minimum Weekly Royalty after the first Measurement Period. Franchisee shall pay greater of the Aggregate Standard Royalty Fee or the Minimum Weekly Royalty as due for the respective Measurement Period. Franchisee and Franchisor acknowledge and agree that Minimum Weekly Royalty is only payable if in the



respective weekly Accounting Period, the Aggregate Standard Royalty Fee payable under the Royalty Rates does not exceed the applicable Minimum Weekly Royalty for the Measurement Period.

The Minimum Weekly Royalty Fee shall be determined in accordance with the following schedule:

Minimum Weekly Royalty	
Measurement Period (based on your months of operation starting with the first full month)	Minimum Weekly Royalty
Months 0 to 12	None (Standard Royalty Fee)
Months 13 to 24	\$577 per week
Months 25 to 36	\$865 per week
Months 37 to 48	\$1,154 per week
Months 49 to 60	\$1,442 per week
Months 61 to 72	\$1,730 per week
Months 73 to 84	\$1,730 per week
Months 85 to 120	\$1,730 per week

Commencement: In determining the Minimum Weekly Royalty, “Week 1” automatically commences on the earlier of Actual Business Commencement Date or the Scheduled Business Commencement Date.

Renewal Term: During any applicable renewal term, the Minimum Weekly Royalty shall be not less than the Minimum Weekly Royalty applicable in months 85 to 120 and shall be subject to increase as determined by us provided that within each calendar year of any renewal term we shall not increase the Minimum Weekly Royalty by more than \$100 per week.

The Royalty Fee is on-going and is payable in cash and calculation of the on-going Royalty Fee to be paid weekly (or based on such other Accounting Period designated by Franchisor) shall be on-going based on the Gross Sales for the previous weekly Accounting Period for each and every week throughout the Term of this Agreement. Royalty Fee payments will be paid weekly and sent by ACH and/or electronic funds transfer, due on the Monday of each weekly Accounting Period (for the week ending two weeks prior and each week thereafter throughout the entire Term of this Agreement) or such other specific day of the week that Franchisor designates from time to time or for such other period that Franchisor may designate (the “Due Date”) (the term Due Date is further defined in [Article 1](#) of this Agreement). Upon the request of Franchisor and in no event not later than 30 days prior to the earlier of the Actual Business Commencement Date or the Scheduled Business Commencement Date, Franchisee shall execute Franchisor’s designated ACH Authorization Form and such other authorization agreements, in the form proscribed by Franchisor, for preauthorized payment of Royalty Fee payments, and other amounts due from Franchisee under this Agreement, by electronic transfer of funds from Franchisee's bank account to the bank account that Franchisor designates. As of the Effective Date, Franchisor’s current ACH Authorization that must be executed and complied with by Franchisee is attached hereto as [Exhibit 4](#). Franchisor may require Franchisee to pay the Royalty Fees and other amounts due under this Agreement by means other than ACH and/or automatic debit whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions.

On the Due Date each week, Franchisee shall report by telephone, electronic means, or in written form, as Franchisor directs, a performance and royalty report itemizing actual sales achieved by the Franchised Business and any deductions therefrom to arrive at the Gross Sales for the preceding weekly Accounting Period and other business and financial performance data designated by Franchisor (the “Performance and Royalty Report”) and any other reports required under this Agreement. Franchisor shall have the right to

verify such royalty payments from time to time, as it deems necessary in any reasonable manner. The Performance and Royalty Report must designate whether Gross Sales are Home Care Gross Sales or Senior Placement Services Gross Sales. If Franchisee fails to have sufficient funds in its account or otherwise fails to pay any royalties due as of the Due Date (including by reporting Senior Placement Services Gross Sales as Home Care Gross Sales and paying the incorrect royalty on this Gross Sales), Franchisee shall owe, in addition to such royalties, a late charge equivalent to the lesser of 5% per month of any late royalty payment or \$50; provided, however, in no event shall Franchisee be required to pay a late fee at a rate greater than the maximum commercial contract interest rate permitted by applicable law. Further, if Franchisee fails to submit an accurate Performance and Royalty Report by the Due Date of each week for the preceding week, Franchisee must pay, in addition to royalties, a late charge in the amount of \$50. Franchisor may require Franchisee to pay the Royalty Fees and other amounts due under this Agreement by means other than automatic debit whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions.

Payment Authorization: Upon the request of Franchisor and in no event not later than 30 days prior to the earlier of the Actual Business Commencement Date or the Scheduled Business Commencement Date, Franchisee shall execute Franchisor's designated ACH Authorization Form and such other authorization agreements, in the form proscribed by Franchisor and permitting Franchisor's direct withdrawal and/or electronic transfer of sums from Franchisee's designated business bank account, for the on-going payment of Royalty Fees and, all other fees and sums due from Franchisee under this Agreement. As of the Effective Date, Franchisor's current ACH Authorization that must be executed and complied with by Franchisee is attached to this Agreement as Exhibit 4. Franchisor may require Franchisee to pay the Royalty Fees, and, other amounts due under this Agreement by means other than ACH and/or automatic debit whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions.

Royalty and Activity Reports: On the Due Date each week and/or month as designated by Franchisor, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, as designated by Franchisor, a Royalty and Activity Reports containing information as designated by Franchisor and relating to the Gross Sales, financial performance, and operations of the Franchised Business for the preceding weekly and/or monthly Accounting Period (the "Royalty and Activity Report"). Franchisor shall have the right to verify such royalty payments from time to time, as it deems necessary in any reasonable manner.

5.C. OTHER FEES

As designated by Franchisor in this Agreement, the Operations Manual, or otherwise, Franchisee shall pay to Franchisor and/or as otherwise directed by Franchisor, each of the following additional fees:

(1) Technology Fee – Commencing on the 1st day of the first calendar month following the execution of the Franchise Agreement, Franchisee shall pay to Franchisor a continuing monthly non-refundable technology fee (the "Technology Fee"). Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right, at any and all times throughout the Term of this Agreement, to implement and charge Franchisee a monthly Technology Fee in an amount designated by Franchisor but provided that such monthly fee does not exceed \$750 per month. As of the date of this Franchise Agreement, the Technology Fee is equal to \$250 per month. The Technology Fee is a general administrative fee and is not connected to any particular service. The Technology Fee shall be paid to Franchisor each and every month on the Due Date.

(2) Brand Development Fund Fee – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees the Brand Development Fund Fee as set forth in Article 9.A. of this Agreement.

(3) Quality Assurance Audit Fees – If Franchisee is in default of the Agreement, Franchisee may be required to pay to Franchisor, Franchisor’s affiliates, or Franchisor’s designees on an on-going weekly, monthly, and/or per use fees related to quality assurance programs designated by Franchisor related to frequent inspections of Franchisee’s Talem Home Care Business and secret shopper evaluations. The then current rate for such Quality Assurance inspection is \$300 per inspection and is subject to increase by up to 10% per annum.

(4) Annual Conference Fees – Franchisee shall be responsible for all expenses of its personnel attending the Annual System Conference including travel, meals and lodging. Franchisee shall be required to pay to Franchisor an Annual Conference Attendance Fee. **Franchisee agrees that if Franchisee fails to attend the Annual System Conference that Franchisor shall, nevertheless, charge and Franchisee shall pay the Annual Conference Attendance Fee – even if Franchisor waives such fee for franchisees who attend the Annual System Conference.**

(5) Alternative Supplier – Franchisee acknowledges and agrees that, should Franchisee elect to use a designated supplier other than the designated provider of such services set forth in the Operations Manual of services or products requiring implementation within the System (e.g., accounting or payroll services), a supplier implementation fee equal to \$100 per hour shall apply as consideration for the time and efforts Franchisor spends onboarding such supplier and ensuring that all practices are compliant with Franchisor’s standards, specifications, and technical requirements. Franchisee acknowledges and agrees that such fee shall be due to Franchisor from Franchisee upon the completion of the implementation of such supplier.

(6) Onboarding Fee – If this is Franchisee’s first Franchise Agreement with Franchisor, Franchisee shall pay an onboarding fee of \$5,500 in consideration of Franchisor’s onboarding of the Franchisee and its Owners. Subject to applicable law, the Onboarding Fee shall be paid prior to the Actual Business Commencement Date and shall be due upon execution of the Franchise Agreement or as otherwise agreed by the parties.

(7) Initial Business/Professional Development Program Fee – Franchisee shall pay to Franchisor, Franchisor’s affiliates, or Franchisor’s designees an Initial Business/Professional Development Program Fee plus expenses.

(8) Home Care Association of America Membership Dues – Upon entering into the Franchise Agreement, Franchisee shall join and pre-pay the first year of a yearly membership with the Home Care Association of America or its functional equivalent, whether a local or regional home care association. Franchisor shall collect payment of the then current membership fee annually. Franchisee shall pay the annual membership fee to Franchisor throughout the Term, and we will pay the association on your behalf. Upon entering into a Franchise Agreement with Franchisor, Franchisee shall pay the first yearly membership fee to Franchisor. The fee is currently \$275 and is subject to increase by the association. Franchisee must provide evidence of its active membership to Franchisor during each year of the Term.

(9) Supplemental Training Fees – Franchisee shall pay to Franchisor all training fees in accordance with the terms of this Agreement including, but not limited to, Additional Initial Training Fees and Supplemental Training Fees.

(10) Non-Compliance Fees – Franchisee shall pay to Franchisor all Non-Compliance Fees in accordance with the terms of this Agreement including, but not limited to, Payment Non-Compliance Fees, Operations Non-Compliance Fees, and Reporting Non-Compliance Fees.

(11) All Other Fees and Obligations Set Forth in this Agreement – Franchisee shall pay to Franchisor, Franchisor’s affiliates, or Franchisor’s designees all other fees, charges, and/or expenses set forth in this Agreement and in accordance with the terms of this Agreement. If no particular due date is stated in this Agreement, then such date or dates shall be determined by Franchisor in Franchisor’s Reasonable Business Judgment.

Fixed fees are subject to increase based upon the “Consumer Price Index” for the immediately preceding year (not to exceed an increase of 10% per year). For purposes hereof, the “Consumer Price Index” shall mean any increase in the cost of living as such increase, if any, is reflected by a change in the “All Items” Index for the “Consumer Price Index for all Urban Consumers” (Revised CPI U) (1982 84=100) published by the Bureau of Labor Statistics of the U.S. Department of Labor. If the Consumer Price Index is discontinued, then Franchisor and Franchisee shall, in good faith, agree on a suitable substitute.

5.D. PAYMENT NON-COMPLIANCE FEES AND CHARGES

In addition to all other rights afforded to Franchisor under this Agreement, in connection with each and every fee, charge, and/or obligation payable and due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to, this Article 5, within 14 days of Franchisor’s invoice, Franchisee shall pay to Franchisor: (a) a payment non-compliance fee in the amount of \$150 (the “Payment Non-Compliance Fee”) for each and every instance where a fee, charge, and/or obligation payable to Franchisor under this Agreement is not paid in full when due; plus (b) interest on all unpaid fees, sums, and/or obligations payable and due from Franchisee to Franchisor at an interest rate equal to the lesser of either 18% per annum, or the maximum interest rate allowed by applicable law and with interest accruing on the date when such fee, sum, or obligation was due; plus (c) all costs incurred by Franchisor in the collection of such unpaid and past due obligations including, but not limited to, reasonable attorney’s fees, costs, and expenses. Additionally, if Franchisee’s bank account possesses insufficient funds and/or fails to process a payment related to any fee due to Franchisor, Franchisor may charge the greater of either (i) 5% of the amount; (ii) \$50 for each instance; or (iii) the maximum amount allowed by law. The foregoing does not constitute Franchisor’s agreement to accept payments after they are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee’s operation of the Franchised Business. Nothing contained in this Article 5.D. shall be interpreted as interfering with and/or negating Franchisor’s rights and remedies as set forth in Article 16 and, as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

5.E. APPLICATION OF PAYMENTS

Franchisor has sole discretion to apply any payments received from Franchisee or to offset any indebtedness of Franchisee to Franchisor to any past due indebtedness of Franchisee for Royalty Fees, Advertising Contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness of Franchisee to Franchisor or its affiliates.

5.F. WITHHOLDING PAYMENTS UNLAWFUL

Franchisee agrees that under no circumstance is Franchisee entitled to withhold payments due to Franchisor under this Agreement. Among other things and without limitation to the foregoing, Franchisee expressly agrees that any claim by Franchisee as to the alleged non-performance of Franchisor’s obligations shall not permit and/or entitle Franchisee to withhold payments due Franchisor under this Agreement.

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ARTICLE 6
RESTRICTIVE COVENANTS AND OBLIGATIONS

6.A. NECESSITY FOR RESTRICTIVE COVENANTS

Franchisee agrees that only through the course of entering into this Agreement is Franchisee being provided with access to the System, Franchisor's training, use of the Licensed Marks and, access to the Operations Manual and Confidential Information. Franchisee agrees that competition by Franchisee, Owners, Spouses and/or Immediate Family Members could jeopardize the entire System and cause irreparable harm to Franchisor and franchisees of Talem Home Care Businesses. Accordingly, Franchisee and Franchisee's Owners and, Spouses agree to comply with the restrictive covenants set forth in this Article 6 and throughout this Agreement.

6.B. RESTRICTIVE COVENANTS: KNOW-HOW

Franchisee agrees that, at all times, both during the Term of this Agreement and after its expiration or termination, Franchisee: (a) shall not use the Know-How in any business or capacity other than the operation of the Franchised Business pursuant to this Agreement and as instructed by Franchisor; (b) shall maintain the confidentiality of the Know-How at all times; (c) shall not make unauthorized copies of documents containing any Know-How; (d) shall take all reasonable steps that Franchisor requires from time to time to prevent unauthorized use or disclosure of the Know-How; and (e) shall stop using the Know-How immediately upon the expiration, termination or Transfer of this Agreement. Franchisee agrees that the foregoing covenants and obligations shall also apply to: (i) Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1; and (ii) Franchisee's directors, officers, employees and agents where disclosure of the Know-How was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and timely delivered to Franchisor the Confidentiality Agreement in the form attached as Exhibit 2.

6.C. RESTRICTIVE COVENANTS: CONFIDENTIAL INFORMATION

Franchisee agrees that, at all times, both during the Term of this Agreement and, after its expiration or termination, Franchisee: (a) shall not use the Confidential Information in any business or capacity other than the Talem Home Care Business operated by Franchisee; (b) shall maintain the confidentiality of the Confidential Information at all times; (c) shall not make unauthorized copies of documents containing any Confidential Information; (d) shall take such reasonable steps as Franchisor may ask of Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (e) shall stop using the Confidential Information immediately upon the expiration, termination or Transfer of this Agreement. Franchisee agrees that the foregoing covenants and obligations shall also apply to: (i) Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1; and (ii) Franchisee's directors, officers, employees and agents where disclosure of the Confidential Information was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and timely delivered to Franchisor the Confidentiality Agreement in the form attached as Exhibit 2.

**6.D. RESTRICTIVE COVENANTS: UNFAIR COMPETITION
AND IN-TERM NON-COMPETITION OBLIGATIONS**

Franchisee agrees that during the Term of this Agreement, Franchisee shall not engage in the following activities (the "Prohibited Activities"): (a) owning and/or having any legal or equitable interest whether, as

an individual proprietor, owner, partner, member or shareholder of a Corporate Entity, or, in any similar capacity, in a Competitive Business other than, owning an interest of 3% or less in a publicly traded company that is a Competitive Business; (b) operating, managing, funding and/or performing services whether, as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or, in any similar capacity, for or benefitting a Competitive Business; (c) diverting or attempting to divert any business or customers from Franchisor or, one of Franchisor's affiliates or franchisees; (d) inducing any customer or client of Franchisor, Franchisor's affiliates, franchisees of the System, or, of Franchisee, to any other person or business that is not a Talem Home Care Business; and/or (e) engaging in any actions, inactions, and/or activities in violation of Articles 6.B. and/or 6.C. of this Agreement (all, individually and, collectively, referred to as the "Prohibited Activities"). Franchisee agrees that if Franchisee were to engage in the Prohibited Activities that such actions would be unfair, would constitute unfair competition and would cause harm to Franchisor, the System and other Talem Home Care Business franchisees. Franchisee agrees that the foregoing covenants and obligations shall also apply to Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1.

6.E. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND POST-TERMINATION NON-COMPETITION OBLIGATIONS

Franchisee agrees that during the Post-Term Restricted Period, Franchisee shall not engage in any Prohibited Activities provided, however, that the Prohibited Activities relating to Franchisee's having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within a Restricted Territory. If Franchisee is engaged in any Prohibited Activities during the Post-Term Restricted Period, Franchisee agrees that Franchisee's Post-Term Restricted Period will be extended by the period of time during which Franchisee was engaging in the Prohibited Activity and, any such extension of time will not be construed as a waiver of Franchisee's breach or otherwise impair any of Franchisor's rights or remedies relating to Franchisee's breach. Franchisee agrees that the foregoing covenants and restrictions shall also apply to Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1. Franchisee agrees that the covenants and restrictions set forth in this Article 6.E. and, otherwise in this Article 6, are fair and reasonable and, that if Franchisee engaged in any Prohibited Activity that such actions would constitute acts of unfair competition, causing irreparable harm to Franchisor and the System.

6.F. IMMEDIATE FAMILY MEMBERS

Franchisee agrees that should Franchisee circumvent the restrictive covenants and obligations of this Article 6 by disclosing Confidential Information or Know-How to an Immediate Family Member that Franchisor and the System, will be irreparably harmed. Franchisee agrees that if Franchisee or, one of Franchisee's Owners, discloses Confidential Information or Know-How to an immediate family member and, the immediate family member of Franchisee or an Owner, uses the Confidential Information or Know-How to engage in activities that, for Franchisee, qualify as Prohibited Activities, that Franchisor and the System will be irreparably harmed. Franchisee agrees that as between Franchisee and Franchisor, that Franchisee and Franchisee's Owners are in a better position to know if Franchisee permitted and/or provided an immediate family member with access to the Confidential Information or Know-How and that, therefore, Franchisee agrees that Franchisee will be presumed to have violated the terms of this Agreement and, in particular, the restrictive covenants and obligations set forth in this Article 6 if any member of Franchisee's immediate family or the immediate family of an Owner: (a) engages in any Prohibited Activities during any period of time during which Franchisee is prohibited from engaging in the Prohibited Activities; and/or (b) uses or discloses the Confidential Information and/or Know-How. Franchisee may rebut the foregoing presumption by providing evidence conclusively demonstrating that neither Franchisee nor Franchisee's Owners disclosed the Confidential Information and did not permit disclosure of the Confidential



Information to the family member of Franchisee or Franchisee's Owner. Franchisee agrees that the foregoing covenants, obligations, representations, and burden of proof shall also apply to Franchisee's Owners and Spouses and, that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1.

6.G. REASONABLENESS OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee agrees that: (a) the terms of this Article 6 are reasonable both in time and in scope of geographic area; and (b) Franchisee has sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Article 6. **Franchisee hereby waives any right to challenge the terms of this Article 6 as being overly broad, unreasonable or otherwise unenforceable.** Although Franchisee and Franchisor both believe that the restrictive covenants and obligations of this Article 6 to be reasonable in terms of scope, duration and geographic area, Franchisor may at any time unilaterally modify the terms of this Article 6 (provided that such modification is in writing and signed by Franchisor) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Post-Term Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon Franchisee under this Article 6 to ensure that the terms and covenants are enforceable under applicable law.

6.H. BREACH OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee agrees that Franchisee's failure and/or Franchisee's Owner(s) failure to comply with the restrictive covenants and obligations set forth in this Article 6 will cause irreparable harm to Franchisor and/or other Talem Home Care Business franchisees for which there is no adequate remedy at law. Franchisee agrees that any violation of these Article 6 covenants and obligations by either Franchisee and/or any Owner(s) will entitle Franchisor to injunctive relief. Franchisee agrees that Franchisor may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of Franchisee, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the Franchisee and Franchisor agree that the amount of the bond shall not exceed \$1,000. Franchisor's remedies under this Article 6.H. are not exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

6.I. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS, AND INFORMATION

Franchisee agrees that with regard to the Franchised Business all customer lists and their contents and information represent Confidential Information and constitute an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term of this Agreement and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods and products conceived or developed by Franchisee and Franchisee's affiliates, Owners, agents, and employees relating to the development and operation of Talem Home Care Businesses. Franchisee hereby assigns to Franchisor and Franchisee agrees to procure from Franchisee's Owners, affiliates and employees assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 6.I. Franchisor shall have no obligation to make any lump sum or on-going payments to Franchisee or Franchisee's Owners, affiliates or employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee will not use nor will Franchisee allow any other person or entity to use any such concept, method or product without obtaining Franchisor's prior written approval.

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ARTICLE 7
OPERATING STANDARDS

7.A. OPERATING REQUIREMENTS

At all times, Franchisee and the Franchised Business shall, as designated by Franchisor in the Operations Manual and/or as otherwise designated by Franchisor in writing and, as may be modified by Franchisor from time to time: (a) exclusively offer and sell the Approved Services and Products; (b) exclusively purchase and use the System Supplies; (c) maintain a complete and updated inventory and supply of System Supplies; (d) maintain, update, replenish and replace Franchisee's System Supplies; (e) maintain, update, replenish and recondition Franchisee's Administrative Office; (f) obtain and maintain, as required by federal, state and/or local laws, rules and regulations, the required licenses, permits and authorizations to own and operate the Franchised Business; and (g) Franchisee and/or Franchisee's Operating Manager shall, at all times, obtain and maintain certification as a Certified Senior Advisor ("CSA") from the Society of Certified Senior Advisors and membership into the Society of Certified Senior Advisors.

7.B. MAINTENANCE, UPDATES AND UPGRADES

At all times, Franchisee shall update, upgrade, maintain, replenish, replace and recondition Franchisee's System Supplies, Service Vehicle(s) (if applicable), and, if applicable, Franchisee's Administrative Office as specified by Franchisor in the Operations Manual and/or otherwise in writing, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time. Notwithstanding the foregoing, Franchisee expressly agrees that the foregoing obligations relate to brand standards and specifications associated with the Licensed Marks and the Approved Services and Products and that, at all times, Franchisee is and shall exclusively remain responsible for conditions involving the safety of customers and employees in connection with the operations of the Franchised Business.

7.C. DAMAGE CAUSED BY CASUALTY

If Franchisee's Administrative Office and/or System Supplies is and/or are damaged or destroyed by fire or any other casualty, Franchisee must, as soon as practicable but in no event later than 1 month after such casualty, initiate repairs or reconstruction, and thereafter, in good faith and with due diligence, continue until completion of the repairs or reconstruction, to their/its original condition before casualty and otherwise in accordance with Franchisor's standards and specifications.

7.D. ALTERATIONS

At all times, Franchisee shall maintain Franchisee's System Supplies, and Administrative Office in accordance with Franchisor's current brand standards and specifications and, Franchisee shall not materially alter or modify same.

7.E. BRAND STANDARDS AND FRANCHISOR DESIGNATED REQUIREMENTS

Franchisee shall develop and operate the Franchised Business in strict conformity with the methods, standards, specifications, procedures, and operational requirements as, designated and determined by Franchisor, in Franchisor's Reasonable Business Judgment, and as set forth in the Operations Manual, as prescribed by Franchisor in writing, and, as Franchisor, in Franchisor's Reasonable Business Judgment, may supplement, modify, and amend from time to time. Supplementing, and without limitation to the foregoing, Franchisee, agrees that the foregoing standards, specifications, procedures, and operational requirements shall relate and include, among other things, the Approved Services and Products, the System Supplies, System standards as designated by Franchisor, authorized and mandatory inventory levels and inventory items, authorized and mandatory supplies and inventory supply levels, designated suppliers, standards related to brand uniformity including, brand standards regarding uniforms, marketing materials, marketing media, the appearance and operations of the Franchised Business, customer service and



satisfaction standards including, customer rewards programs, refund policies, gift card policies, special promotions and other customer incentive and goodwill programs, brand standards and brand standard requirements as to employee knowledge and implementation of System brand standards but, not related to employment or joint employment policies, secret shopper programs, Franchisor designated secret quality control inspections, payment processing systems, Franchisor access to Business Management Systems, and, the overall operations of the Franchised Business.

7.F. APPROVED SERVICES, PRODUCTS, EQUIPMENT AND SUPPLIERS

Franchisee agrees that, among other things, the products and services to be offered and sold by the Franchised Business, the supplies, suppliers and equipment utilized by the Franchised Business, the methods for monitoring customer satisfaction and, the methods for marketing and promoting the Franchised Business must conform to Franchisor's System standards and specifications as determined by Franchisor, in Franchisor's Reasonable Business Judgment, as designated by Franchisor in the Operations Manual, and/or as otherwise designated by Franchisor in writing and, as may be supplemented, modified, and/or amended by Franchisor from time to time. Without limitation to the foregoing, Franchisee agrees that:

(1) The Franchised Business shall exclusively offer and sell the Approved Services and Products to customers located within Franchisee's Operating Territory;

(2) The Franchised Business shall, in accordance with Franchisor's standards and specifications as, designated and determined by Franchisor from time to time, exclusively: (a) offer and serve the Approved Services and Products; (b) provide the Approved Services and Products in accordance with the System's standards and specifications; (c) exclusively purchase and use System Supplies from Franchisor or Franchisor's designated suppliers; (d) exclusively purchase and use equipment, supplies, promotional materials, and Business Management Systems designated by Franchisor and, subject to Franchisor's specifications; (e) purchase displays, point of sale displays, uniforms, supplies, marketing materials and promotional materials including, but not limited to, System Supplies as designated by Franchisor and only from Franchisor or Franchisor's approved supplier(s); and (f) purchase from distributors and other suppliers approved by Franchisor all other materials, goods, and supplies including, but not limited to, System Supplies used in preparing, offering, selling, promoting, and serving the Approved Services and Products;

(3) Franchisor has and will periodically approve suppliers and distributors of the equipment, materials, supplies and products including, but not limited to, System Supplies, that meet Franchisor's standards, specifications, and requirements including, without limitation, standards, specifications, and requirements relating to the equipment and supplies to be used by the Franchised Business and, that Franchisee shall abide by same;

(4) Franchisor, in Franchisor's Reasonable Business Judgment, may, from time to time, modify the list of approved brands, suppliers and distributors of System Supplies, Service Vehicles, and approved equipment, supplies and services to be used by the Franchised Business and that Franchisee shall, after receipt in writing of such modification, abide by same and, among other things, not reorder any brand and/or purchase from any supplier or distributor that is no longer designated or approved by Franchisor;

(5) Franchisor reserves the right to designate, from time to time, a single supplier and/or distributor for any services, products, equipment, supplies, or materials including, but not limited to, the System Supplies and technology services and to require Franchisee to use such a designated supplier exclusively, which exclusive designated supplier and/or distributor may be Franchisor and/or Franchisor's affiliates. Franchisor and its affiliates may receive payments from suppliers

and/or distributors on account of such supplier's or distributor's dealings with Franchisee and other franchisees of the System and that Franchisor may use all amounts so received without restriction and for any purpose, including Franchisor's profit; and

(6) If Franchisee proposes or requests that Franchisor consider the approval of products, services, equipment, supplies, suppliers and/or distributors for use in the Franchised Business where such products, services, equipment, supplies, suppliers and/or distributors are not, presently, at the time of Franchisee's request, approved for use in the System, Franchisee: (a) must provide Franchisor with a written request where Franchisee specifies the product, service, equipment, supply, supplier and/or distributor, the reason for Franchisee's request; (b) shall timely submit to Franchisor such information, reports, specifications, and samples as Franchisor, in Franchisor's Reasonable Business Judgment requests; and (c) shall pay to Franchisor a Supplier Evaluation Fee per requested product, service, equipment, supply, supplier and/or distributor to be considered including, but not limited to, the Supplier Evaluation Fees that Franchisor, in Franchisor's Reasonable Business Judgment, establishes and assesses based on, among other things, the administrative costs and time associated with evaluating, assessing and testing the proposed product, service, equipment, supply, supplier and/or distributor including, but not limited to Franchisor's internal employees and independent third-parties engaged and/or retained by Franchisor for evaluation and testing. The foregoing fees and payments shall be paid by Franchisee to Franchisor within 14 days of the date of Franchisor's invoice. Upon Franchisee's compliance with the foregoing, within 60 days of the completion of all evaluations, Franchisor shall notify Franchisee of Franchisor's approval or disapproval, which shall be determined by Franchisor in Franchisor's Reasonable Business Judgment. Under no circumstance shall the foregoing be construed as implying that Franchisor is required to approve alternative suppliers and Franchisor shall exclusively determine, in Franchisor's Reasonable Business Judgment, the level of evaluation to be conducted by Franchisor.

7.G. MARKET RESEARCH AND TESTING

Franchisor may conduct market research and testing to evaluate, modify, test or sample the services, products, equipment and supplies authorized by Franchisor and to determine consumer trends and the viability of certain services and products. Franchisee agrees to participate in Franchisor's market research programs that may be conducted by Franchisor in its discretion, by test marketing services and/or products from the Franchised Business. Franchisee agrees to provide Franchisor with timely reports and other relevant information regarding such market research. Franchisee agrees to purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell the products and/or services.

7.H. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

(1) Franchisee shall, at all times, secure and maintain in full force all required licenses, permits and certificates relating to the operation of the Franchised Business, and Franchisee must operate the Franchised Business in full compliance with all applicable laws, ordinances, codes and regulations.

(2) Franchisee shall, at all times, investigate, review, and comply with all laws applicable to the operation of the Franchised Business, including, without limitation, all labor laws and obligations, wage and hour laws and obligations, employer practices laws and obligations, labor department rules and regulations, workers compensation and unemployment laws and rules, insurance obligations, and health and safety laws, rules and obligations.

(3) Franchisee shall, at all times, investigate, review, and comply with all laws, rules, and regulations related to all laws, rules, and regulations related to customer and employee privacy

obligations and protections and, all laws, rules, and regulations, related to the privacy and protection of customer and employee information and data and, all laws, rules, and regulations related to customer and employee solicitations.

(4) Franchisee must, at all times, immediately notify Franchisor in writing of any of the following concerning Franchisee, and/or the Franchised Business: (a) any cause of action, claim, lawsuit, proceeding, and investigation; (b) issuance of any order, writ, injunction, award, and/or decree by any court, agency, or other governmental entity; and (c) any notice of violation of any law, ordinance, code, permit, or regulation.

(5) Franchisee shall, at all times, ensure that all advertising and promotion of the Franchised Business by Franchisee is completely factual and, conforms to the highest standards of ethical advertising, and is in conformity with Franchisor's standards and specifications. Franchisee shall refrain from any business practice, advertising practice, or personal conduct that may be injurious to Franchisor, the System, Talem Home Care Businesses, and/or the Licensed Marks. Franchisor, in Franchisor's sole discretion, shall possess, among other things, the unilateral right to reject any and all advertising relating to the Franchised Business, Franchisor, the System, Talem Home Care Businesses and/or using the Licensed Marks.

(6) Franchisee shall comply with, and, cause Franchisee's Owners to comply with and/or to assist Franchisor, to the fullest extent possible, in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and each Owner certify, represent, and warrant that Franchisee's or any Owner's property or interests is not subject to being "blocked" under any of the Anti-Terrorism Laws, and Franchisee and each Owner are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee further certifies that Franchisee and each Owner are not listed on the Annex to Executive Order 13244 (the Annex is available at <http://www.treasury.gov>) and will not become so listed, hire any person so listed, or have dealings with any person so listed. Franchisee agrees to immediately notify Franchisor if Franchisee or any Owner becomes so listed. "Anti-Terrorism Laws" refers to and means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing, or in any way relating to, terrorist acts and acts of war. If Franchisee, an Owner, or Franchisee's employees violate any of the Anti-Terrorism Laws and/or become listed on the Annex to Executive Order 13244, then Franchisor may terminate this Agreement immediately without prior notice to Franchisee.

In connection with Franchisee's compliance with the terms of this Article 7.H., if Franchisee discovers, learns of, and/or becomes aware of any conflict and/or discrepancy between Franchisee's obligations under this Article 7.H. with Franchisor's standards and/or specifications as contained in this Agreement, in the Operations Manual, and/or as otherwise designated by Franchisor from time to time, Franchisee shall immediately notify Franchisor in writing of such discrepancy. In the event of any conflict or ambiguity, Franchisor's determination and/or resolution made by Franchisor, in writing, and, specifically with regard to the presented conflict or ambiguity, shall be determinative as between Franchisor and Franchisee and the operations of the Franchised Business.

7.I. MANAGEMENT OF THE FRANCHISED BUSINESS

(1) Franchisee agrees that, at all times, that the development and operation of the Franchised Business shall be managed, operated, and maintained under the active, continuing management, substantial personal involvement and, hands-on supervision, of Franchisee's Managing Owner. The

Managing Owner must at all times be actively involved in the operation of the Franchised Business unless Franchisee delegates management functions to an authorized Operating Manager who, among other things, satisfactorily completes Franchisor's Initial Training Program, our CEU requirements, as well as any other annual trainings otherwise specified in the Manuals and, otherwise meets the criteria and conditions for qualification as an Operating Manager as designated and determined by Franchisor from time to time. If the Operating Manager is a family member of Franchisee and/or an Owner then the Operating Manager shall also sign and agree to be bound by the terms of the Franchise Owner and Spouse Agreement and Guaranty.

(2) Franchisee must, at all times, faithfully, honestly and diligently perform its obligations hereunder, and continuously exert its best efforts to promote and enhance the business of the Franchised Business and the goodwill of the Licensed Marks and the System.

(3) If, at any time, the Franchised Business is not being managed by a Managing Owner or Operating Manager who satisfactorily completed the Training Program, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchised Business for and on behalf of Franchisee. Franchisor's appointment of a manager of the Franchised Business does not relieve Franchisee of its obligations or constitute a waiver of Franchisor's right to terminate the Franchise pursuant to Article 16. Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchised Business while it is managed by Franchisor's appointed manager. Franchisor has the right to charge fees and expenses, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, for management services (the "Management Service Fees"). Any determination as to whether or not Franchisor may elect to provide management services, if any, and the extent of such services, and/or the discontinuation thereof, shall be exclusively determined by Franchisor in Franchisor's Reasonable Business Judgment. The Management Service Fee shall be immediately payable upon invoice by Franchisor to Franchisee.

(4) Franchisee shall, at all times, maintain sufficient working capital to fulfill its obligations under this Agreement.

7.J. REMEDIES FOR NONCOMPLIANCE WITH OPERATIONAL STANDARDS

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 7 (an "Operations Violation"), within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor an operations non-compliance fee (the "Operations Non-Compliance Fee") in the amount of: (a) \$1,000 for each and every instance / event related to an Operations Violation involving the sale of services and/or products that are not Approved Services and Products; (b) \$1,000 for each and every instance / event related to an Operations Violation involving the failure to exclusively use System Supplies, and/or Franchisor designated suppliers; and (c) \$450 for all other Operations Violation. Additionally, in each of the foregoing instances, within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor all costs and expenses incurred by Franchisor in connection with any inspections, audits, and/or re-inspections directed and/or undertaken by Franchisor for the purpose, as determined by Franchisor in Franchisor's Reasonable Business Judgment, of determining whether or not Franchisee's Operations Violation has been cured in accordance with Franchisor's standards and specifications. The foregoing does not constitute Franchisor's consent to and/or acquiescence to Operations Violations. Nothing contained in this Article 7.J. shall be interpreted as interfering with and/or negating Franchisor's rights and remedies as set forth in Article 16, and as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

ARTICLE 8 **INSURANCE**

Franchisee, at Franchisee's sole expense, must purchase and maintain in full force at all times during the Term of this Agreement an insurance policy or policies protecting Franchisee as named insured and naming, as additional insureds, Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of Franchisor. The policy or policies must be written by a carrier or carriers with an A.M. Best Rating of at least A-, VII and reasonably acceptable to Franchisor. The insurance must at all times be compliant with the standards and specifications set forth in the Operations Manual. From time to time Franchisor may designate preferred insurance brokers and insurance carriers.

The currently required insurance policies, insurance coverage requirements, and insurance coverage amounts are designated and set forth in the Operations Manual. Franchisor may, in Franchisor's Reasonable Business Judgment, periodically change the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Notwithstanding the immediately foregoing sentence, Franchisor shall not increase such minimum coverage more than once every two years. All public liability and property damages policies must contain a provision that Franchisor is entitled to recover under these policies on any loss occasioned to Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees of Franchisor by reason of the negligence of Franchisee and/or Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees. By the earlier of 90 days after the Effective Date or prior to the commencement of the Training Program, Franchisee must deliver, or cause to be delivered, to Franchisor a copy of the certificates of insurance demonstrating Franchisee's compliance with this Article 8. All insurance policies required must expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of a material alteration to, or cancellation of, any insurance policy Franchisee is required to maintain in accordance with this Agreement.

Franchisee shall provide Franchisor with a copy of its certificates of insurance annually. In the event Franchisee fails, for any reason, to procure or maintain the insurance required by this Agreement, then Franchisor has the right and authority (but not the obligation) to immediately to procure insurance and charge all costs, fees, and expenses associated with same to Franchisee, which such charges, together with a reasonable administrative fee for Franchisor's expenses in so acting, shall be immediately payable by Franchisee to Franchisor upon demand. The foregoing remedies are in addition to any other remedies Franchisor may have under this Agreement, at law, or in equity.

ARTICLE 9 **BRAND DEVELOPMENT AND MARKETING**

9.A. BRAND DEVELOPMENT FUND

At all times and from time to time, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, Franchisor may institute, implement, maintain, delegate and administer a brand development fund (the "Brand Development Fund"). The following shall apply to the Brand Development Fund at all times throughout the Term:

- (1) If Franchisor institutes the Brand Development Fund, Franchisee shall pay, on the Due Date, a mandatory and continuing fee to the Brand Development Fund in an amount equal to a percentage

of Gross Sales (as determined and designated by Franchisor in Franchisor's Reasonable Business Judgment) for each weekly Accounting Period (the "Brand Development Fund Fee"), provided, however, Franchisee will not be required to contribute more than 2% of the Gross Sales of the Franchised Business for each weekly Accounting Period;

(2) Franchisor will provide Franchisee with written notice of the percentage of Gross Sales that Franchisee is required to contribute to the Brand Development Fund. Upon such written notice to Franchisee, the percentage of Gross Sales to be paid by Franchisee to the Brand Development Fund will be applicable for each and every weekly Accounting Period thereafter during the Term until otherwise designated by Franchisor in writing. The Brand Development Fund Fee shall be paid to Franchisor on the Due Date and in accordance with the payment terms and method set forth in Article 5.B. for the payment of Royalty Fees;

(3) Franchisor, in Franchisor's Reasonable Business Judgment, shall direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Development Fund, with sole discretion over the strategic direction, creative concepts, materials, and endorsements used by the Brand Development Fund, and the geographic, market, and media placement and allocation thereof. Without limiting the foregoing, the Brand Development Fund may also be utilized for evaluation and monitoring of the Business Management Systems, maintenance and upgrades to the System Website, and development of Digital Media;

(4) Franchisee agrees that the purpose of the advertising, media, marketing and activities financed by the Brand Development Fund is and shall be for the general enhancement of the System brand as associated with the Licensed Marks and general public brand recognition and awareness of the Licensed Marks. The Brand Development Fund will not be utilized to directly or indirectly market or promote the Franchised Business or, unless otherwise directed by Franchisor, in Franchisor's Reasonable Business Judgment, pay for media placements that may benefit or include any media market that includes Franchisee's Administrative Office or Operating Territory;

(5) Franchisee agrees that the Brand Development Fund may be used to pay various costs and expenses of Franchisor for such reasonable salaries, wages, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration, activities and/or the brand awareness goals of the Brand Development Fund including expenses incurred by Franchisor for advertising, marketing, product and service testing, product and service development, maintenance, evaluation and monitoring of the Business Management Systems, upgrades to the System Website, development of Digital Media and creative development that is internally administered or prepared by Franchisor and other marketing activities made by Franchisor, provided, however, that salary expenses for Franchisor's personnel paid by the Brand Development Fund shall be commensurate with the amount of that time spent by such personnel on Brand Development Fund matters. Franchisor shall not use contributions to the Brand Development Fund to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration and activities of the Brand Development Fund and creation or conduct of its marketing programs including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the Brand Development Fund. Franchisor may spend in a fiscal year an amount greater or less than the aggregate contributions of all Talem Home Care Businesses to the Brand Development Fund in that year;

(6) Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs instituted by the Brand Development Fund;

(7) Talem Home Care Businesses owned by Franchisor or Franchisor's affiliates are not required to pay any Brand Development Fund Fee or contribute to or make any contribution to the Brand Development Fund;

(8) Franchisee and Franchisor acknowledge and agree that (a) the Brand Development Fund is not a trust, (b) Franchisor is not a trustee or fiduciary of the Brand Development Fund, and (c) Franchisor may deposit and maintain any and all funds of the Brand Development Fund Fee in Franchisor's general accounts. Brand Development Fund Fees are not required to be segregated from other assets or accounts of Franchisor. The Brand Development Fund is not required to expend Brand Development Fund Fees in the year that they are collected and the Brand Development Fund may borrow from Franchisor or other lenders at standard commercial interest rates to cover deficits of the Brand Development Fund, and Franchisor may cause the Brand Development Fund to invest any surplus for future use by the Brand Development Fund. All interest earned on monies contributed to the Brand Development Fund will be used to pay costs of the Brand Development Fund before other assets of the Brand Development Fund are expended. A summary statement of monies collected and costs incurred by the Brand Development Fund for Franchisor's immediately preceding fiscal year shall be made available to Franchisee upon Franchisee's written request. Franchisor will have the right to cause the Brand Development Fund to be incorporated or operated through an entity separate from Franchisor at such time as Franchisor deems appropriate, and such successor entity shall have all rights and duties of Franchisor pursuant to this Article 9.A.(8);

(9) Although Franchisor will endeavor to utilize the Brand Development Fund to develop advertising and marketing materials and programs, Franchisor undertakes no obligation to ensure that expenditures by the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Development Fund by Talem Home Care Businesses operating in that geographic area or that any Talem Home Care Businesses will benefit directly or in proportion to its contribution to the Brand Development Fund from the development of advertising and marketing materials. Franchisor may use the Brand Development Fund to promote or benefit any type of Talem Home Care Businesses in the System. Franchisor may use the Brand Development Fund to promote or benefit Talem Home Care Businesses located within a particular region of the United States. Franchisee agrees that Franchisee's failure to derive any such benefit will not serve as a basis for a reduction or elimination of its obligation to contribute to the Brand Development Fund. Franchisee agrees that the failure (whether with or without Franchisor's permission) of any other franchisee to make the appropriate amount of contributions to the Brand Development Fund shall not in any way release Franchisee from or reduce Franchisee's obligations under this Article 9, such obligations being separate and independent obligations of Franchisee under this Agreement. Except as expressly provided in this Article 9, Franchisor assumes no direct or indirect liability, responsibility, or obligation to Franchisee with respect to the maintenance, direction, and/or administration of the Brand Development Fund; and

(10) Franchisor, in Franchisor's Reasonable Business Judgment, may establish a council to provide guidance respecting the administration of the Brand Development Fund and marketing matters concerning the Brand Development Fund. The council shall only serve in an advisory capacity and Franchisor shall select members of the council which may be comprised of employees of Franchisor, Franchisor, franchisees of the System and third-parties.

9.B. LOCAL MARKETING

On an on-going calendar year quarterly basis, Franchisee is required to spend the greater of 1% of Gross Sales or \$1,500 per month on local marketing of the Franchised Business targeted to Franchisee's Operating Territory, with at least \$1,500 of such local marketing expenditure expended on digital lead generation in accordance with Franchisor's standards and specifications where such leads are located within Franchisee's Operating Territory. On or before the first Friday of each month, or, such other dates as specified by Franchisor, Franchisee shall provide Franchisor with an accurate accounting of Franchisee's local marketing expenditures, placements, activities, and metrics for the immediately preceding calendar year quarter. At the request of Franchisor, Franchisee shall provide Franchisor with on-going access to any and all data and systems that record and/or report information related to Franchisee's local marketing activities and expenditures and to provide Franchisor such other periodic reports and records as may be requested by Franchisor.

If the Franchisee's expenditures in any and all calendar monthly periods do not, in aggregate 'as to each respective calendar monthly period, equal or exceed 1% of Gross Sales or a minimum of \$1,500 per month on digital lead generation for the respective quarterly period then Franchisor, in Franchisor's discretion and Reasonable Business Judgment, may require that the deficiency be added as additional local marketing expenditures, over and above 1% of Franchisee's Gross Sales or \$4,500, whichever is greater, that Franchisee must spend within the immediately succeeding quarterly period as directed by Franchisor, or, at Franchisor's discretion, be contributed to a Brand Development Fund. All marketing of the Franchised Business by Franchisee must be pre-approved, in writing by Franchisor.

Franchisor reserves the right to reject any and all marketing efforts requested by Franchisee and to prescribe all marketing, marketing media, marketing channels, promotions, copy, creative, and messaging that Franchisee may or may not use in Franchisee's marketing of the Franchised Business. Franchisee further agrees that:

- (1) In addition to calendar year quarterly reports, Franchisee shall provide Franchisor with monthly reports documenting Franchisee's marketing initiatives, expenses incurred, placements secured, and other metrics and financial information as designated by Franchisor;
- (2) Prior to opening the Franchised Business, Franchisee shall submit to Franchisor, Franchisee's grand opening marketing plan for review and approval by Franchisor. Franchisee shall use only those portions of its grand opening marketing that are pre-approved by Franchisor and consistent with Franchisor's standards and specifications. Not less than 30 days prior to the opening of the Franchised Business, Franchisee shall spend not less than \$2,000 to market and promote the grand opening of the Franchised Business in accordance with Franchisor's standards and specifications;
- (3) At all times, Franchisee's marketing efforts and the distribution of each marketing channel and media engaged by Franchisee must be directly targeted to Franchisee's Operating Territory. Franchisee shall not direct or target Franchisee's marketing efforts with the purpose or effect of soliciting or attracting customers outside of Franchisee's Operating Territory. To the extent that Franchisee's marketing efforts involve a marketing medium or distribution channel that is targeted to Franchisee's Operating Territory but reaches outside of and beyond Franchisee's Operating Territory Franchisor, in Franchisor's Reasonable Business Judgment, shall have the right to direct and require Franchisee to discontinue such marketing; and
- (4) At all times, Franchisee hereby grants to Franchisor the right, without compensation to Franchisee, to use Franchisee's name, address, photograph, and biographical information in any

publication related to the System, including in relation to the sale of Talem Home Care Business franchises.

9.C. REQUIRED FRANCHISOR APPROVAL OF ALL MARKETING

All marketing and promotion of the Franchised Business and all marketing media, campaigns, marketing channels, and efforts used by Franchisee must conform to Franchisor's standards and specifications as set forth in the Operations Manual or, as may be otherwise directed by Franchisor in writing from time to time. If Franchisee wishes to propose to Franchisor for approval or disapproval marketing or promotional efforts, campaigns, and/or media that are not presently and expressly approved and authorized by Franchisor, Franchisee shall submit a written request, including samples of all proposed marketing materials and a description of the marketing channels and distribution to Franchisor for Franchisor's approval or disapproval, that shall be at the sole discretion of Franchisor, in Franchisor's Reasonable Business Judgment. Provided that Franchisee has satisfied the written notice requirements set forth in this Article 9.C. and provided that Franchisee otherwise timely responds in writing to any and all requests by Franchisor for additional information, if Franchisor does not notify Franchisee that Franchisor disapproves the materials within 15 days from the date Franchisor receives the materials, then Franchisee may commence using the materials. However, Franchisor may still disapprove such materials by notice to Franchisee, and Franchisee must then cease using such materials upon receipt of such notice. Franchisee must not use any advertising or promotional materials that Franchisor has disapproved.

9.D. WAIVERS OR DEFERRALS

On written request from Franchisee with reasons supporting such request, Franchisor may, at Franchisor's sole discretion and on conditions Franchisor deems appropriate, temporarily waive or defer the obligations of Franchisee under the Brand Development Fund and/or, if applicable, Advertising Cooperative. However, at the end of any waiver or deferral period, Franchisee may resubmit a request for waiver or deferral of its obligations under the Brand Development Fund and/or, if applicable, Advertising Cooperative. Under no circumstance shall Franchisor be under any obligation to grant any waiver or deferral. Franchisor may reject Franchisee's request for a waiver or deferral based on any reason or no reason at all and, nevertheless grant the request of another system franchisee.

9.E. DIGITAL MEDIA AND WEBSITE PROHIBITIONS

Franchisee's use of Digital Media shall be subject to and require Franchisor's express written consent which shall and may be withheld by Franchisor for any or no reason at all. Without limitation to the foregoing, Franchisee possess no right or authority to utilize Digital Media and Franchisee agrees that Franchisor reserves all rights respecting the marketing, sale and distribution of Approved Services and Products through Digital Media. Franchisee agrees that all Digital Media and Digital Media accounts associated with and/or relating to the Franchised Business and/or the System shall, upon demand of Franchisor, be transferred to Franchisor. Upon execution of this Agreement and any and all future dates demanded by Franchisor, Franchisee shall execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts Agreement attached to this Agreement as Exhibit 3. Franchisee agree that the foregoing shall not be interpreted or construed as permitting Franchisee to establish, designate, utilize and/or otherwise establish accounts as to Digital Media respecting and/or concerning the Franchised Business and/or the System.

9.F. NO MARKETING OUTSIDE FRANCHISEE'S OPERATING TERRITORY

Franchisee agrees that Franchisee's marketing and Marketing Media must be directed toward Franchisee's Operating Territory and that under no circumstance shall Franchisee cause, authorize or engage in any Media Distribution to customers, potential customers and/or customer referral sources outside of Franchisee's Operating Territory, unless: (a) such Media Distribution is a joint distribution with other

Talem Home Care Businesses pursuant to an Advertising Cooperative authorized by Franchisor in writing; and (b) Franchisor, in Franchisor's Reasonable Business Judgment, otherwise agrees to same in writing.

9.G. ADVERTISING COOPERATIVE

At all times Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that Franchisor designates (the "Advertising Cooperative"). Franchisee agrees that Franchisor possesses the sole and exclusive right to designate any geographic area in which two or more Talem Home Care Business franchises are located as a region for the purpose of establishing an Advertising Cooperative. If Franchisee's Talem Home Care Business or Operating Territory is located within the geographic area of an Advertising Cooperative, franchisee must participate in and contribute to the Advertising Cooperative. Franchisee agrees to the following:

(1) If Franchisor previously instituted or, in the future, institutes an Advertising Cooperative that includes, in whole or in part, Franchisee's Operating Territory or Franchisee's Talem Home Care Business Location, Franchisee shall participate in and make such on-going financial contributions to the Advertising Cooperative, as determined by the Advertising Cooperative;

(2) Franchisor may establish foundational and organizational requirements of the Advertising Cooperative including voting provisions that allows the Advertising Cooperative to make decisions based on the simple majority vote (one vote per franchisee Talem Home Care Business located within the designated area of the Advertising Cooperative) with a quorum constituting 25% of those franchisees within the Advertising Cooperative;

(3) Unless otherwise authorized and approved by Franchisor in writing, each Advertising Cooperative shall be organized for the exclusive purpose of administering marketing programs and the development of media (all subject to the review and approval of Franchisor) for use by members of the Advertising Cooperative in local or regional marketing;

(4) If at the time of execution of this Agreement an Advertising Cooperative has been established for a geographic area that includes, in whole or in part, Franchisee's Talem Home Care Business location or Operating Territory, or if such Advertising Cooperative is established during the Term of this Agreement, Franchisee shall fully participate in the Advertising Cooperative and Franchisee shall execute, at the request of Franchisor, all documents required by Franchisor and Franchisee shall become a member of the Advertising Cooperative subject to the terms of those documents;

(5) Franchisee shall contribute to the Advertising Cooperative in the amounts as determined and required by the Advertising Cooperative or, otherwise in accordance with those documents governing the operation of the Advertising Cooperative; provided, however, Franchisee's contributions to the Advertising Cooperative shall not exceed Franchisee's local minimum marketing obligations set forth in Article 9.B. of this Agreement and Franchisee's contributions to the Advertising Cooperative shall count toward satisfaction of Franchisee's minimum local marketing obligations set forth in Article 9.B.;

(6) Franchisee shall submit to the Advertising Cooperative and to Franchisor such statements and reports as may be required by the Advertising Cooperative and approved by Franchisor. All contributions to the Advertising Cooperative shall be maintained and administered in accordance with the documents governing the Advertising Cooperative. The Advertising Cooperative shall be operated solely for the purpose of collection and expenditure of the Advertising Cooperative's fees for the purpose set forth in this Article 9.F.

- (7) No marketing materials, plans, or media may be used by the Advertising Cooperative or its members without the prior written approval of Franchisor;
- (8) Talem Home Care Businesses owned by Franchisor and/or Franchisor's affiliates that are located within the geographic area of the designated Advertising Cooperative are not required to make contributions to the Advertising Cooperative; and
- (9) The Advertising Cooperative must comply with the rules and regulations established by Franchisor in the Operations Manual which may be modified by Franchisor from time to time.

ARTICLE 10

RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

10.A. INDEPENDENT CONTRACTORS

This Agreement does not create a fiduciary relationship between Franchisor and Franchisee, Franchisor and Franchisee are independent contractors, and nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose. The parties' relationship is strictly a franchisor and franchisee relationship. Franchisee is the sole employer of the employees of the Franchised Business. Franchisee has the sole right to select, hire and discharge Franchisee's employees. Franchisee is responsible for all decisions regarding hiring, firing, training, supervising, disciplining, scheduling and paying wages to, and withholding and paying taxes for Franchisee's employees. Franchisee, each Owner, each Spouse, and Franchisee's officers, directors, manager, agents, representatives, independent contractors and employees shall not be construed, considered, or represented as Franchisor's employees, representatives, or agents. There is no joint employer relationship between Franchisor and Franchisee or Franchisee's employees. Franchisee's compliance with all federal, state and local labor laws rules and regulations shall be exclusively determined and managed by Franchisee. To the extent that the Operations Manual includes information, specifications, procedures, criteria and/or requirements as to employees of the Franchised Business, such requirements shall be interpreted exclusively for the purpose of maintaining brand standards associated with the System, to protect the good will associated with the System, and to ensure System uniformity requirements and standards concerning the Approved Services and Products, and under no circumstance shall same relate to the employer-employee relationship. As to the foregoing issue of "joint employer" and the non-existence thereof, in the event of any inconsistency or conflict between this Agreement and the Operations Manual, the terms of this Agreement shall take precedence and govern.

Franchisee must conspicuously identify itself at the premises of the Franchised Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of a Talem Home Care Business under a franchise from Franchisor, and Franchisee must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as Franchisor requires.

Franchisee must not employ any Licensed Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation. Franchisee must not employ any Licensed Mark in a manner that is likely to result in liability of Franchisor for any indebtedness, action, inaction, or obligation of Franchisee.

Franchisor and Franchisee shall not make any express or implied agreements, guaranties or representations, or incur any debt, in the name, or on behalf, of the other. Franchisor and Franchisee shall not represent that their relationship is anything other than franchisor and franchisee. Franchisor and Franchisee shall not be obligated by, or have any liability under, any agreements or representations made by the other that are not

expressly authorized. Franchisor shall not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business, whether or not caused by Franchisee's negligent, willful act or failure to act.

Franchisor shall have no liability for any sales, use, excise, gross receipts, property or other taxes, whether levied upon Franchisee, the Franchised Business or its assets, or upon Franchisor in connection with sales made, services performed or business conducted by Franchisee.

10.B. INDEMNIFICATION BY FRANCHISEE

Franchisee and each Owner shall indemnify, defend through counsel acceptable to Franchisor, and hold Franchisor, Franchisor's affiliates, and their respective officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisor Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, and/or damages arising out of, or relating to, Franchisee's Administrative Office, and/or the Franchised Business (including, without limitation, the ownership and operation of the Franchised Business), unless such loss, expense, claim, cause of action, lawsuit, liability, tax, cost, demand, proceeding, or damage is solely due to Franchisor's gross negligence, and Franchisee shall pay all of the Franchisor Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisor Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisor Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses. At the expense and risk of Franchisee and each Owner, Franchisor may elect to assume (but is not obligated to undertake) the defense and/or settlement of any action, lawsuit, proceeding, claim, or demand. Such an election by Franchisor to assume its defense shall not diminish the obligation of Franchisee and each Owner to indemnify, defend and hold harmless Franchisor. Franchisee and each Owner acknowledge and agree that the terms of this Article 10.B. shall survive the termination, expiration or Transfer of this Agreement.

Under no circumstances are the Franchisor Indemnified Parties required or obligated to seek recovery from third parties or otherwise mitigate their respective losses in order to maintain a claim against Franchisee or any Owner. Franchisee and each of the Owners agree that Franchisor's failure to pursue recovery or mitigate loss in no way reduces the amounts recoverable from Franchisee or any Owner.

10.C. INDEMNIFICATION BY FRANCHISOR

Franchisor shall indemnify, defend, and hold Franchisee and Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisee Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, and/or damages solely arising out of, or solely relating to, Franchisor's gross negligence in the operation of Franchisee's Talem Home Care Business that was the direct cause of any such loss, expense, liability or damage provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing, and Franchisor shall pay all of the Franchisee Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisee Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisee Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing. Franchisor agrees that the terms of this Article 10.C. shall survive the

termination, expiration or Transfer of this Agreement.

ARTICLE 11
LICENSED MARKS AND SYSTEM; INNOVATIONS TO SYSTEM

11.A. OWNERSHIP AND GOODWILL

Franchisee agrees that Franchisor is the owner of all right, title and interest in and to the Licensed Marks, the System, Web Based Media, Published Content and the goodwill associated with the Licensed Marks and the System. Except as otherwise specifically provided in this Agreement, Franchisee further agrees that Franchisee possesses no interest or right, whatsoever, in or to the Licensed Marks, the System, Web Based Media, Published Content and the goodwill associated with the Licensed Marks and the System, and Franchisee's right to use the Licensed Marks and the System is derived solely from this Agreement. Any unauthorized use of the Licensed Marks and/or the System by Franchisee or any of Franchisee's affiliates shall constitute an infringement of the rights of Franchisor in and to the Licensed Marks and/or the System. Franchisee agrees that all usage of the Licensed Marks and/or the System by Franchisee, and all goodwill associated with the Licensed Marks and System, shall exclusively benefit Franchisor without granting any goodwill interests or rights to Franchisee except for Franchisee's non-exclusive interest and limited right to use the Licensed Marks and the System in the operation of the Franchised Business, subject to the terms and conditions of this Agreement. Franchisee shall not, at any time during the Term or after the expiration, termination or Transfer of this Agreement, contest the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System, and at no time shall Franchisee assist any other person in contesting the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System. Franchisee and each Owner shall not take any action that prejudices or interferes with the validity of Franchisor's rights with respect to Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System.

11.B. USE OF THE LICENSED MARKS

Franchisee agrees that the Licensed Marks shall be the sole identification of the Franchised Business. Franchisee must operate, advertise and market the Franchised Business only under the Licensed Marks as designated and specified by Franchisor in Franchisor's Reasonable Business Judgment. Franchisee shall not use the Licensed Marks as part of its corporate or other legal name, and Franchisee shall not use the Licensed Marks with modifying words, terms, designs, or symbols, or in any modified form. Franchisee shall comply with Franchisor's instructions in filing and maintaining their requisite trade name or fictitious name registrations as may be required by applicable law.

11.C. NOTIFICATION OF INFRINGEMENT AND CLAIMS

Franchisee must notify Franchisor immediately in writing of any apparent infringement of, or challenge to, Franchisee's use of any Licensed Mark and/or the System or of any claim by any person claiming any rights in any manner with respect to the Licensed Mark, the System, or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than Franchisor and its counsel in connection with any infringement, challenge, or claim by any third party to the Licensed Marks and/or the System. Franchisor and/or Franchisor's licensor shall possess sole and complete discretion, in Franchisor's Reasonable Business Judgment, to take any action and/or to refrain from taking action, Franchisor and/or Franchisor's licensor deems appropriate, including, without limitation, the right to exclusively control any litigation or administrative proceeding arising out of, or relating to, any infringement, challenge, claim or otherwise relating to any Licensed Mark and/or the System. Franchisee agrees to execute all documents, render assistance, and take all actions as may be necessary or advisable to protect and maintain the interests of Franchisor and/or Franchisor's licensor in

any litigation or administrative proceeding or to otherwise protect and maintain, as directed by Franchisor, the interests of Franchisor and/or Franchisor's licensor in the Licensed Marks. Franchisor will reimburse Franchisee for reasonable direct expenses incurred by Franchisee in assisting Franchisor in any such litigation or administrative proceeding provided Franchisee timely notifies Franchisor of such litigation or administrative proceeding, and Franchisee complies with the written instructions of Franchisor respecting any such litigation or administrative proceeding.

11.D. DISCONTINUANCE OF USE OF LICENSED MARKS

Franchisee agrees that at any time should Franchisor determine, in Franchisor's sole discretion and based on Franchisor's Reasonable Business Judgment, that it is advisable for Franchisor, the System, and/or Franchisee to replace, modify, substitute, and/or discontinue use of any Licensed Marks, then Franchisee shall comply with Franchisor's determination and instructions as to the replacement, modification, substitution, and/or discontinuance of such Licensed Marks. Franchisee shall comply within the foregoing requirements within a reasonable time period after notice by Franchisor. If Franchisee is required to take action pursuant to instruction by Franchisor pursuant to this Article 11.D. or, if Franchisee is otherwise required to replace, modify, substitute, and/or discontinue use of any Licensed Marks, the sole liability and obligation of Franchisor to Franchisee shall be to reimburse Franchisee for the reasonable and direct costs incurred by Franchisee in complying with this obligation, which Franchisee shall document to the satisfaction of Franchisor. Franchisor maintains the exclusive right, in Franchisor's Reasonable Business Judgment, to, in whole or in part, replace, modify, substitute and/or discontinue any and all features and/or components of the Licensed Marks and/or the System at any time.

11.E. INDEMNIFICATION OF FRANCHISEE

If Franchisee is sued in a legal proceeding or is threatened with legal action and/or a notice of infringement by a third party where the claims and/or causes of action directly relate to a third party claiming trademark infringement, unfair competition, and/or trademark dilution as a result of Franchisee's use of the Licensed Marks in accordance with the terms of this Agreement and the System (the "IP Claim"), then Franchisor shall indemnify Franchisee for the reasonable and direct costs incurred by Franchisee and/or a judgment entered against Franchisee, provided: (i) Franchisee immediately notified Franchisor of the IP Claim by a written notice sent to Franchisor via priority overnight courier; (ii) Franchisee provided and afforded Franchisor the absolute opportunity and right to defend against the IP Claim and to select and appoint legal counsel of Franchisor's choosing; and (iii) Franchisee utilized the Licensed Marks in accordance with the terms of this Agreement and the System. Franchisee agrees that time is of the essence with respect to notifying Franchisor of the IP Claim in accordance with this Agreement, including this Article 11.E.

11.F. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS AND INFORMATION

Franchisee agrees that with regard to the Franchised Business, all customer lists, including the contents and information contained in all customer lists, constitute Confidential Information and an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term, and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods, and products conceived or developed by Franchisee, any Owner, and/or Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees relating to the development and operation of Talem Home Care Businesses and the System. Franchisee hereby assigns to Franchisor, and Franchisee agrees to procure an assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 11.F. from each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees. Franchisor shall have no obligation to tender any lump sum payment, on-going payments, or any other consideration to Franchisee, any Owner, each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives,

independent contractors, servants and employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee shall not use, or allow any other person or entity to use, any such concept, method, technique, or product without obtaining Franchisor's prior written approval.

ARTICLE 12 **RECORDS AND REPORTS**

12.A. MAINTENANCE AND PRESERVATION OF RECORDS

Franchisee shall maintain during the Term, and preserve for at least three years from the dates of their preparation, full, complete and accurate books, records, and accounts from the Franchised Business. Such records shall be maintained and preserved in the form and manner by Franchisor in the Operations Manual or otherwise in writing.

12.B REPORTING OBLIGATIONS

In addition to the reporting obligations otherwise set forth in this Agreement, Franchisee agrees to the following additional reporting obligations that shall include all of the data and information requested by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified by Franchisor from time to time:

- (1) Royalty and Activity Reports – on the Due Date each week and/or month as designated by Franchisor, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, the Royalty and Activity Report as designated by Franchisor and in accordance with the terms of this Agreement.
- (2) Monthly Financial Statements and Reports – within 60 days of the end of each calendar month Franchisee shall submit to Franchisor monthly financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. At all times Franchisee represents that the financial statements, information, and reports submitted to and/or made available to Franchisor shall be and remain true and accurate. The financial statements must be prepared in accordance with GAAP and, additionally, shall reconcile Gross Sales per GAAP to Gross Sales per this Agreement;
- (3) Annual Financial Statements and Reports – within 90 days of the end of each calendar year, Franchisee shall submit to Franchisor Franchisee's annual financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. The financial statements must be prepared by a licensed CPA and in accordance with GAAP and, additionally, shall reconcile Gross Sales per GAAP to Gross Sales per this Agreement;
- (4) Tax Returns – Franchisee shall provide to Franchisor, Franchisee's annual federal, state and local tax returns as same are prepared and submitted to the applicable federal, state and local entities. Said tax returns shall be submitted to Franchisor within 45 days of Franchisee or Franchisee's agent filing such returns with the applicable federal, state and local entities; and
- (5) Other Reports – Franchisee shall timely submit to Franchisor, all other forms, reports, records, information, and data as Franchisor may reasonably request in writing or as otherwise set forth in the Operations Manuals.

12.C. REMEDIES FOR NON-COMPLIANCE WITH RECORDS AND REPORTING

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 12 (a “Reporting Violation”), within 14 days of Franchisor’s invoice, Franchisee shall pay to Franchisor a reporting non-compliance fee (the “Reporting Non-Compliance Fee”) in the amount of \$150 for each and every failure to timely submit a report and/or record as set forth in this Article 12. The foregoing does not constitute Franchisor’s consent to and/or acquiescence to Reporting Violations. Nothing contained in this Article 12.C shall be interpreted as interfering with and/or negating Franchisor’s rights and remedies as set forth in Article 16 and, as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

ARTICLE 13 INSPECTION AND AUDITS

13.A. FRANCHISOR’S RIGHT TO INSPECT

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to inspect Franchisee’s Administrative Office and System Supplies. Franchisee shall fully cooperate with representatives of Franchisor making any inspection and permit such representatives of Franchisor to take photographs, videos, and/or recordings of the Franchised Business, operations of the Franchised Business, interview employees and customers of the Franchised Business, conduct secret-shopper inspections, and other inspections either with or without notice to Franchisee. Franchisor shall undertake reasonable efforts to minimize the impact of any inspection on the operations of the Franchised Business.

13.B. FRANCHISOR’S RIGHT TO EXAMINE BOOKS AND RECORDS

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to examine or audit, or cause to be examined or audited by a third party, the business records, cash control devices, cloud-storage, bookkeeping and accounting records, bank statements, sales and income tax records and returns, and other books, statements, and records of the Franchised Business and Franchisee. Franchisee shall maintain complete and accurate copies all such books, statements, records and supporting documents at all times at Franchisee’s Administrative Office. Franchisee must fully cooperate with Franchisor, representatives of Franchisor, and third parties hired by Franchisor to conduct any such examination or audit. For the avoidance of doubt, Franchisee acknowledges and agrees that Franchisor shall have real time access to Franchisee’s cloud based storage and other available systems as specified by Franchisor at all times. In the event Franchisor’s examination of Franchisee’s records reveals that Franchisee underreported any figure to Franchisor by more than 2%, then Franchisee shall reimburse to Franchisor, all of Franchisor’s costs in connection with Franchisor’s audit/examination.

ARTICLE 14 TRANSFER OF INTEREST

14.A. TRANSFER BY THE FRANCHISOR

At all times, Franchisor possesses and maintains the sole, absolute and unilateral right to Transfer and/or assign Franchisor’s rights and obligations under this Agreement and the Ancillary Agreements, in whole and/or in part (for any purpose and in any form of transaction as may be designated and/or elected by Franchisor, in Franchisor’s sole discretion) to any person, entity, Corporate Entity and/or third party without the consent of Franchisee and without the approval of Franchisee or any other party. Nothing contained in this Agreement shall prevent, prohibit, restrict, hinder, enjoin or otherwise restrain Franchisor from selling, transferring, conveying, or assigning this Agreement and the Ancillary Agreements, and/or Franchisor’s rights and obligations under this Agreement and the Ancillary Agreements, to any person, entity, Corporate Entity or other third party. Franchisor has an unrestricted and unequivocal right to Transfer and/or assign

any of its rights or obligations under this Agreement and the Ancillary Agreements, in whole or in part, in Franchisor's sole discretion. In the event Franchisor Transfers and/or assigns this Agreement and/or the Ancillary Agreements, and/or any or all of Franchisor's rights and obligations set forth in this Agreement and/or the Ancillary Agreements, to a person, an entity, Corporate Entity, or other third party, this Agreement and the Ancillary Agreements, shall survive, remain in full force and effect, and inure to the benefit of the purchaser, transferee, conveyee, and/or assignee of this Agreement and/or the Ancillary Agreements and/or Franchisor's rights and obligations under this Agreement and/or the Ancillary Agreements.

14.B. FRANCHISEE MAY NOT TRANSFER WITHOUT FRANCHISOR APPROVAL

Franchisee agrees, and Franchisee represents and warrants that Franchisee's Owners understand and agree, that the rights and duties set forth in this Agreement are personal to Franchisee and each Owner. Therefore, Franchisee agrees that:

- (1) No ownership interest of any Owner in Franchisee may be Transferred without the prior written consent of Franchisor;
- (2) No obligations, rights or interest of Franchisee in (a) this Agreement, (b) the lease or ownership interests in Franchisee's Administrative Office, (c) the Franchised Business, or (d) all or substantially all of the assets of the Franchised Business may be Transferred without the prior written consent of Franchisor. This restriction shall not prohibit Franchisee from granting a mortgage, charge, lien, or security interest in the assets of the Franchised Business or this Agreement for the exclusive purpose of securing financing for the initial development (occurring prior to the Actual Business Commencement Date) of the Franchised Business;
- (3) Without limitation to the foregoing, any Transfer by Franchisee respecting and/or relating to this Agreement and/or the Franchised Business and/or assets associated with the Franchised Business will require the prior written consent of Franchisor where such Transfer occurs by virtue of: (a) divorce or legal dissolution of marriage; (b) insolvency; (c) dissolution of a Corporate Entity; (d) last will and testament; (e) intestate succession; or (f) declaration of, or transfer in trust;
- (4) Any purported Transfer without the written consent of Franchisor, or otherwise in violation of this Agreement including, but not limited to this Article 14.B. shall constitute a breach of this Agreement and shall convey to the transferee no rights or interests in this Agreement; and
- (5) In the event of a Transfer of this Agreement that is approved by Franchisor, Franchisee shall not be relieved of Franchisee's obligations under this Agreement whether said obligations accrued and/or arose prior to and/or after the date of Transfer.

14.C. CONDITIONS FOR APPROVAL OF TRANSFER

Provided Franchisee and each Owner and Spouse, respectively, are in substantial compliance with this Agreement and the Ancillary Agreements, and Franchisor does not elect to exercise Franchisor's right of first refusal as set forth in Article 14.F. below, Franchisor shall not unreasonably withhold its approval of a Transfer by Franchisee or an Owner. The proposed transferee (including such assignee's owner(s) and spouse(s) if the proposed transferee is a Corporate Entity) must be of good moral character, have sufficient business experience, aptitude and financial resources to own and operate a Talem Home Care Business, and otherwise meet Franchisor's then applicable standards for franchisees as determined by Franchisor in its sole, but reasonable discretion. Furthermore, the proposed transferee and the proposed transferee's owners and spouses may not own or operate, or intend to own or operate, a Competitive Business. Franchisee agrees that Franchisor may condition approval of a Transfer upon Franchisee's satisfaction (either before, or

contemporaneously with, the effective date of the Transfer) of the following:

- (1) Franchisee must provide written notice to Franchisor of the proposed Transfer of this Agreement at least 30 days prior to the Transfer, and Franchisee must have also satisfied the obligations set forth in Article 14.F. below;
- (2) All accrued monetary obligations of Franchisee and all other outstanding obligations to Franchisor and/or Franchisor's affiliates under this Agreement and the Ancillary Agreements must be satisfied in a timely manner, and Franchisee must satisfy all trade, supplier, and vendor accounts and other debts, of whatever nature or kind, in a timely manner;
- (3) Franchisee, each Owner, and each Spouse must not be in default or material breach of this Agreement or the Ancillary Agreements;
- (4) The transferee shall be bound by all terms and conditions of this Agreement, and each owner of the transferee and their respective spouses shall personally execute the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1.;
- (5) All obligations of Franchisee under this Agreement and the Ancillary Agreements shall be assumed by the transferee, each individual owner of transferee, and their respective spouses in a manner satisfactory to Franchisor;
- (6) Franchisee, each Owner, and each Spouse must execute the General Release attached to this Agreement as Exhibit 5 releasing Franchisor, Franchisor's affiliates and Franchisor's past and present officers, directors, shareholders, members, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on, or before, the effective date of the Transfer;
- (7) If the proposed Transfer includes or entails the Transfer of this Agreement, substantially all of the assets of the Franchised Business, a controlling interest in Franchisee, or is one of a series of Transfers which in the aggregate Transfers substantially all of the assets of the Franchised Business or a controlling interest in Franchisee, then, at the election of Franchisor and upon notice from Franchisor to Franchisee, the transferee may be required to execute (and/or, upon Franchisee's request, shall cause all interested parties to execute) for a term ending on the expiration date of the original Term of this Agreement, the then current standard form Franchise Agreement offered to new franchisees of Talem Home Care Businesses and any other agreements as Franchisor requires. Such agreements shall supersede this Agreement and its associated agreement in all respects, and the terms of Franchisor's then current agreements may differ from the terms in this Agreement, provided that such agreements shall provide for the same Royalty Fee, Advertising Contributions, and all other financial or monetary obligations established in this Agreement;
- (8) The transferee, at its expense, must improve, modify, refurbish, renovate, remodel, and/or otherwise upgrade Franchisee's Administrative Office to conform to the then current standards and specifications of Franchisor, and the transferee must complete such improvements, modifications, refurbishments, renovations, remodeling, and/or upgrading within the time period Franchisor reasonably specifies;
- (9) Franchisee, each Owner, and each Spouse shall remain liable for all obligations to Franchisor set forth in this Agreement;

(10) At the transferee's expense, the transferee, and the transferee's Managing Owner, Managers and/or any other applicable employees of transferee's Talem Home Care Business must complete any training programs then in effect for franchisees of Talem Home Care Businesses upon terms and conditions set forth in this Agreement or as Franchisor otherwise reasonably requires;

(11) Franchisee must pay the Transfer Fee to Franchisor, which is a fixed sum of \$10,000 (the "Transfer Fee");

(12) Franchisor's approval of the material terms and conditions of the Transfer, and Franchisor determines in Franchisor's Reasonable Business Judgment that the price and terms of payment are not so burdensome as to be detrimental to the future operations of the Franchised Business by the transferee;

(13) Transferee's employees, directors, officers, independent contractors, and agents who will have access to Confidential Information shall execute the Confidentiality Agreement attached hereto as Exhibit 2;

(14) Franchisee entering into an agreement with Franchisor agreeing to subordinate any obligations of transferee to make installment payments of the purchase price to Franchisee to the transferee's obligations to Franchisor, including, without limitation, transferee's obligations with respect to Royalty Fees and Advertising Contributions;

(15) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer indicates only that the transferee meets, or Franchisor waived, the criteria established by Franchisor for franchisees as of the time of such transfer, and Franchisor's approval thereof does not constitute a warranty or guaranty by Franchisor, express or implied, of the suitability of the terms of sale, successful operation, or profitability of the Franchised Business;

(16) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer at issue does not constitute Franchisor's approval of future or other Transfers or the waiver of the requirement that Franchisor must approve such future or other Transfers in accordance with this Agreement;

(17) The Transfer must be made in compliance with all applicable laws;

(18) The Transfer of the Franchised Business, the lease for Franchisee's Administrative Office (if applicable), and the assets of the Franchised Business shall be made only in conjunction with a Transfer of this Agreement, approved by Franchisor in accordance with and subject to this Article 14 and the terms and conditions of this Agreement; and

(19) Franchisor's consent to a Transfer of any interest that is subject to the restrictions of this Agreement shall not constitute a waiver of any claims it may have against Franchisee or deemed a waiver of Franchisor's right to demand strict and exact compliance with this Agreement by the transferee.

14.D. DEATH OR DISABILITY OF FRANCHISEE OR AN OWNER

(1) If Franchisee is an individual and not a Corporate Entity, upon the death or permanent disability of Franchisee, the executor, administrator, conservator or other personal representative of Franchisee, must appoint a manager that meets the equivalent of an Operating Manager within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability.

The appointed manager (as applicable) must serve and qualify as an Operating Manager and attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's Talem Home Care Business is not being managed by a Franchisor approved Operating Manager (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's Talem Home Care Business for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Operating Manager is able to assume the management and operation of Franchisee's Talem Home Care Business. Franchisor's appointment of a manager for Franchisee's Talem Home Care Business does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while Franchisee's Talem Home Care Business may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's Talem Home Care Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's Talem Home Care Business. Franchisor has the right to charge a reasonable fee (the "Management Service Fees") for such management services and may cease to provide management services at any time.

(2) If Franchisee is a Corporate Entity, upon the death or permanent disability of Franchisee's Managing Owner, the remaining Owners within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability, must appoint a new Managing Owner that is approved by Franchisor. The appointed Managing Owner must attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's Talem Home Care Business is not being managed by a Franchisor approved Managing Owner (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's Talem Home Care Business for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Managing Owner is able to assume the management and operation of Franchisee's Talem Home Care Business. Franchisor's appointment of a manager for Franchisee's Talem Home Care Business does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while Franchisee's Talem Home Care Business may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's Talem Home Care Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's Talem Home Care Business. Franchisor has the right to charge a reasonable fee for such management services and may cease to provide management services at any time. Notwithstanding the foregoing, if Franchisee is a Corporate Entity and the Managing Owner is the only Owner of Franchisee, then Article 14.D.(1) shall apply as if the Managing Owner were the sole individual Franchisee.

(3) Upon the death of Franchisee or any Owner, the executor, administrator, conservator or other personal representative of that deceased person must transfer his interest to a person Franchisor approves within a reasonable time, not to exceed 12 months from the date of death.

(4) If Franchisee is an individual, then in the event of the death or permanent disability of Franchisee, this Agreement may be Transferred to any designated person, heir or beneficiary without the payment of the Transfer Fee. Notwithstanding the immediately foregoing sentence, the Transfer of this Agreement to such transferee of Franchisee shall be subject to the applicable terms and conditions of this Article 14, and the Transfer shall not be valid or effective until Franchisor

has received the properly executed legal documents, which Franchisor’s attorneys deem necessary to properly and legally document such Transfer of this Agreement. Furthermore, said transferee must agree to be unconditionally bound by the terms and conditions of this Agreement, personally guarantee the performance of Franchisee’s obligations under this Agreement, and execute the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1.

14.E. TRANSFER TO WHOLLY OWNED CORPORATE ENTITY

In the event Franchisee is an individual/are individuals, this Agreement may be Transferred by Franchisee to a Corporate Entity (the “Assignee Corporate Entity”), provided that: (a) Franchisee has provided Franchisor with 30 days prior written notice of the proposed Assignment of this Agreement; (b) Franchisee (individually, jointly and severally as to each individual Franchisee) sign and be bound by the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1; (c) the Spouse of each Franchisee (individually, jointly and severally as to each individual Spouse) sign and be bound by the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1; (d) Franchisee has provided Franchisor with true and accurate copies of corporate formation documents related to the Assignee Corporate Entity and the ownership of the Assignee Corporate Entity and has further provided Franchisor with all additional documentation as Franchisee may request concerning the proposed assignment and/or Assignee Corporate Entity; and (e) Franchisee is otherwise in compliance with the terms and conditions of this Agreement and any Ancillary Agreements. Franchisee agrees that an assignment to an Assignee Corporate Entity shall not relieve Franchisee of Franchisee’s individual obligations under this Agreement as such obligations existed between Franchisee and Franchisor prior to the date of any assignment to the Assignee Corporate Entity.

14.F. FRANCHISOR’S RIGHT OF FIRST REFUSAL

If Franchisee or an Owner desires to engage, in whole or in part, in a Transfer of Franchisee, this Agreement, Franchisee’s Talem Home Care Business, Franchisee’s Administrative Office, and/or Franchisee’s Administrative Office, then Franchisee or such Owner (as applicable) must obtain a bona fide, signed written offer from the fully disclosed purchaser (the “Offer”) and submit an exact copy of the Offer to Franchisor. Franchisor shall have 30 days after receipt of the Offer to decide whether Franchisor will purchase the interest in Franchisee, Franchisee’s Talem Home Care Business, Franchisee’s Administrative Office, and/or Franchisee’s Administrative Office for the same price and upon the same terms contained in the Offer (however, Franchisor may substitute cash for any form of payment proposed in the Offer). If Franchisor notifies Franchisee that Franchisor intends to purchase the interest within said 30 day period, Franchisee or Owner (as applicable) must sell the interest to Franchisor. Franchisor will have at least an additional 60 days to prepare for closing. Franchisor shall be entitled to receive from Franchisee or Owner (as applicable) all customary representations and warranties given by Franchisee or Owner (as applicable) as the seller of the assets and/or the ownership interest or, at Franchisor’s election, the representations and warranties contained in the offer. If Franchisor does not exercise its right of first refusal, Franchisee or Owner (as applicable) may complete the Transfer to the purchaser pursuant to and in accordance with the terms of the Offer, provided that separate and apart from this Article 14.F right of first refusal, Franchisee complies with the terms of this Article 14. However, if the sale to the purchaser is not completed within 120 days after delivery of the Offer to Franchisor, or there is a material change in the terms of the sale, Franchisor will again have the right of first refusal specified in this Article 14.F. Franchisor’s right of first refusal in this Article 14.F, shall not apply to any Transfer pursuant to Article 14.E, of this Agreement.

ARTICLE 15
RENEWAL OF FRANCHISE

15.A. FRANCHISEE’S RIGHT TO RENEW AND CONDITIONS FOR RENEWAL

Subject to Franchisee’s satisfaction of the terms of this Agreement, including this Article 15, Franchisee

shall possess the option to renew the franchise for Franchisee’s continued license and franchised operation of the Franchised Business for one additional 10 year term (the “Renewal Term”). Franchisee’s renewal rights under this Article 15 are subject to and contingent upon Franchisee’s satisfaction of the following conditions and criteria:

- (1) Not less than 180 days prior to the expiration of the initial Term Franchisee must provide Franchisor written notice (the “Renewal Notice”) of Franchisee’s election to renew;
- (2) At the time of delivering the Renewal Notice and at all times thereafter, Franchisee and Franchisee’s Owners must be in compliance with the terms of this Agreement and all Ancillary Agreements, and without any default of this Agreement or the Ancillary Agreements;
- (3) Franchisee must possess, present, and demonstrate to Franchisor and, subject to Franchisor’s reasonable satisfaction, that: (a) Franchisee maintains the ability to continue to operate the Franchised Business within Franchisee’s Operating Territory; and (b) Franchisee possesses the right to occupy and maintain Franchisee’s Administrative Office in accordance with Franchisor’s then current standards and specifications;
- (4) Franchisee must satisfy the maintenance, update, and upgrade obligations as set forth in Article 7.B. of this Agreement; and
- (5) Franchisee pays the Renewal Fee and Franchisee agrees to sign.

15.B. NOTICE OF RENEWAL AND NON-RENEWAL

Franchisee must give Franchisor written notice of Franchisee’s election to renew this Agreement not less than 180 days before the end of the Term.

15.C. RENEWAL FRANCHISE AGREEMENT

Subject to the satisfaction of the conditions set forth in this Article 15, to renew the franchise license and to obtain the right to continue to operate the Franchised Business (a) Franchisor and Franchisee execute and become parties to Franchisor’s then current Franchise Agreement and Franchisor’s then current ancillary agreements that Franchisor then designates and customarily uses in the grant of franchises for Talem Businesses at the time of renewal, and (b) each Owner and Spouse must execute and become parties to an individual personal guarantee similar to the Franchise Owner and Spouse Agreement and Guaranty attached hereto as Exhibit 1. The terms of the renewal Franchise Agreement and ancillary agreements may differ from the terms of this Agreement and the Ancillary Agreements, including, without limitation, requiring higher advertising contributions and higher royalty fees. Franchisee, each Owner and each Spouse may be required to execute further documents, instruments or agreements that Franchisor customarily requires in the grant of franchises for Talem Businesses at the time of renewal. Failure by Franchisee, each Owner, and/or each Spouse to execute the foregoing documents, instruments, and agreements within 30 days after delivery to Franchisee shall be deemed an election by Franchisee not to renew the franchise. Without limitation to the foregoing, under no circumstance shall the Minimum Weekly Royalty Fee for each respective week within the first year and each successive year of the Renewal Term be less than the Minimum Weekly Royalty due during the last month of the original Term as such Minimum Weekly Royalty is set forth in this Agreement and, thereafter, then, annually, subject to an increase of not more than \$100 per week for each week occurring in each additional year. The Performance Target for each Measurement Period may increase by up to 10% more than the Performance Incentive of the preceding year in each year of the Renewal Term.

(1) Franchisee's Owners and their Spouses, respectively, must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current individual guaranty agreements, and, thereby, among other things, individually and jointly guarantee the full and complete performance of the Renewal Franchise Agreement including, but not limited to, payment obligations, non-compete obligations, and restrictive covenants (the "Renewal Ancillary Agreements");

(2) Franchisee and the Owners must, prior to the Renewal Term, undertake and complete, to Franchisor's satisfaction, such additional training, if any, as designated and determined by Franchisor in Franchisor's Reasonable Business Judgment; and

(3) Franchisee and the Owners must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current form of general release whereby Franchisee and Franchisee's Owners shall each fully release and discharge Franchisor, Franchisor's affiliates and its officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, causes of action, and suits arising from and/or related to this Agreement. If local law precludes Franchisee's issuance of a general release, Franchisor at Franchisor's election, may condition renewal on Franchisee and each Owners delivery to Franchisor of an estoppel letter advising and informing Franchisor that the undersigned possesses no legal claim or cause of action against Franchisor and is not aware of any facts of circumstances involving any breach of this Agreement by Franchisor or Franchisor's agents or employees.

Failure by Franchisee, and, as applicable, each Owner and Spouse to timely comply with the foregoing conditions shall be deemed an election by Franchisee not to renew the franchise. Franchisee expressly acknowledges and agrees that the Renewal Franchise Agreement and Renewal Ancillary Agreements, as determined by Franchisor in Franchisor's sole discretion, may contain terms, conditions, requirements, and rights that are materially and substantively different from those granted and contained in this Agreement.

ARTICLE 16

DEFAULTS AND REMEDIES

16.A. DEFAULTS BY FRANCHISEE AND TERMINATION BY FRANCHISOR

(1) **Defaults and Automatic Termination** – Franchisee shall be in default of this Agreement, and, this Agreement shall be automatically and immediately terminated, without notice to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances:

(a) Franchisee becomes insolvent, and/or Franchisee makes a general assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors;

(b) Franchisee admits in writing Franchisee's inability to pay its debts as they mature, and/or Franchisee gives notice to any governmental body or agency of insolvency, pending insolvency, suspension of operations and/or pending suspension of operations;

(c) Franchisee files a voluntary petition in bankruptcy, Franchisee is adjudicated bankrupt or insolvent, and/or Franchisee files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any applicable federal and/or state law relative to bankruptcy, insolvency or similar relief for debtors;



(d) An involuntary petition in bankruptcy is filed against Franchisee and Franchisee fails to have the involuntary petition discharged within 35 days of the petition filing, and/or Franchisee seeks, consents to, or acquiesces in, the appointment of any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee;

(e) A bill in equity or other proceeding for the appointment of any trustee, receiver, conservator, custodian or liquidator of Franchisee for Franchisee's business or any assets of Franchisee is filed and Franchisee consents to same;

(f) A court of competent jurisdiction appoints or orders any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee and such appointment or order remains for an aggregate of 60 days, whether or not consecutive, from the date of entry thereof;

(g) Franchisee initiates proceedings for a composition with creditors under any state or federal law or such a proceeding is initiated against Franchisee;

(h) This Agreement, or any of Franchisee's rights under this Agreement, is levied upon under any attachment or execution, and/or Execution is levied upon or against the Franchised Business or any assets of Franchisee, and/or a final judgment against Franchisee remains of record or unsatisfied for 30 days or more, unless an appeal and/or bond is filed;

(i) Franchisee is dissolved;

(j) A cause of action or lawsuit to foreclose any lien or mortgage against the assets of the Franchised Business;

(k) A cause of action or lawsuit to foreclose any lien against equipment used in the operation of the Franchised Business and not dismissed within 60 days after the summons is served on Franchisee;

(l) Real or personal property of Franchisee used in the operation of the Franchised Business is sold after levy thereupon by any sheriff, marshal or other law enforcement officer; and/or

(m) Upon termination by Franchisor pursuant to Article 16.A.(2), Article 16.A.(3), or Article 16.A.(4) of this Agreement, and/or upon termination by Franchisor pursuant to Article 16.A.(3) of this Agreement.

(2) Defaults and Automatic Termination upon Written Notice without Cure Period – Franchisee shall be in default of this Agreement, and, this Agreement may be terminated by Franchisor, at Franchisor's sole discretion, upon written notice from Franchisor to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, with such termination effective on the date of Franchisor's notice:

(a) Franchisee, on three or more instances and/or occasions, engages, commits, and/or suffers an action, inaction, omission, event, and/or circumstance that constitutes or qualifies as a default under Articles 16.A.(3) and/or 16.A.(4) of this Agreement, irrespective of whether or not such action, inaction, omission, event, and/or circumstance is the subject of a notice of

default from Franchisor to Franchisee pursuant to Articles 16.A.(3) and/or 16.A.(4) of this Agreement and irrespective of whether or not such default was timely cured and irrespective of whether or not Franchisee paid any penalties or additional fees to Franchisor;

(b) Franchisee, intentionally and knowingly, refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement with the intent of causing harm to Franchisor, the System, other System franchisee and/or customers of the Franchised Business;

(c) Franchisee intentionally, knowingly, with prior notice, and/or through negligence, at any time, develops, manages, maintains, and/or operates the Franchised Business in violation of federal, state, and/or local laws, rules, regulations, ordinances, permits, codes and/or conduct resulting in a foreseeable, immediate and/or imminent threat to the health and/or safety of any third party including customers, employees, and/or the public at large;

(d) Franchisee abandons, surrenders and/or fails to continuously and actively operate the Franchised Business, unless prevented from doing so by casualty that is the subject of Article 7.C. of this Agreement and that is cured/remedied in accordance with Article 7.C.;

(e) Franchisee, as to applicable, laws, rules and/or regulations, loses and/or fails to continuously possess, the legal right to operate Franchised Business in accordance with the terms of this Agreement and the standards, specifications, and requirements set forth in the Operations Manual and/or as otherwise communicated by Franchisor from time to time;

(f) Franchisee and/or Franchisee's Owners intentionally misrepresent and/or omit material information in any submitted application and during the application process;

(g) As to information, records, statements, and/or data that Franchisee must maintain and/or report to Franchisor pursuant to the terms of this Agreement, the Operations Manual, or as otherwise requested by Franchisor from time to time, the information, records, statements, and/or data maintained by Franchisee and/or reported by Franchisee contains intentional inaccuracies and/or material inaccuracies that are either misleading or false;

(h) Franchisee attempts to Transfer, or purportedly attempts to Transfer, this Agreement or any of Franchisee's rights under this Agreement, without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(i) If Franchisee is a Corporate Entity, an Owner of Franchisee attempts to Transfer or, purportedly Transfers, the Owners equity interests, ownership interests, and/or rights in Franchisee without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(j) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of the contents, data and/or information contained in the Operations Manual to any third party not otherwise authorized by Franchisor;

(k) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of Confidential Information to any third party not otherwise authorized by Franchisor;

(l) Franchisee engages in any activity that injures, harms, damages, or otherwise has a material

adverse effect on Franchisor, the System, the Licensed Marks, Talem Home Care Businesses, the Franchised Business, and/or the reputation of the Talem Home Care brand;

(m) Franchisee, an Owner, and/or a Spouse, as applicable and whether individually or jointly, breaches or is in default of an Ancillary Agreement, and, if the applicable agreement provides for the opportunity to cure, fails to timely cure the breach or default of the Ancillary Agreement, including, without limitation, the Franchise Owner and Spouse Agreement and Guaranty;

(n) Franchisee and/or an Owner of Franchisee is convicted of a felony crime, and/or pleads guilty or nolo contendere to a felony crime;

(o) Franchisee and/or an Owner of Franchisee engages in intentionally dishonest and/or unethical conduct that, in Franchisor's Reasonable Business Judgment, results in embarrassment to Franchisor, the System, the Licensed Marks, Talem Home Care Businesses, the Franchised Business, and/or the reputation of the Talem Home Care brand;

(p) Franchisee fails to complete, to Franchisor's reasonable satisfaction, the Training Program and/or supplemental training programs designated by Franchisor;

(q) Franchisee fails, upon receiving actual or constructive notice, shall: (1) immediately notify Franchisor of any known breach of the Confidentiality Agreement by any person or entity; (2) immediately notify Franchisor of facts and information that would cause a reasonable person to believe that a person or entity violated the Confidentiality Agreement and/or is in the process of violating the Confidentiality Agreement; and (3) take reasonable steps including notice to Franchisor and Franchisee's consultation with Franchisee's legal counsel, to prevent any person or entity from violating the terms of the Confidentiality Agreement and/or otherwise publicly disseminating Confidential Information;

(r) Franchisee misappropriates, misuses, or makes any unauthorized use of the Licensed Marks, the Confidential Information, and/or the System and/or Franchisee materially impairs the goodwill associated with the Licensed Marks, and/or Franchisee applies for registration of the Licensed Marks anywhere in the world; and/or

(s) Franchisee and/or an Owner fails to comply with Anti-Terrorism Laws or becomes listed on the Annex to Executive Order 13244.

(3) Defaults and Automatic Termination after 10 Day Cure Period – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default / action, inaction, omission, event, and/or circumstance within 10 calendar days of Franchisor's written notice:

(a) Franchisee fails, refuses, and/or is unable to timely pay and/or satisfy the Royalty Fee, Advertising Contribution, and/or any other payment, fee, financial obligation, charge, and/or monetary obligation payable and/or due to Franchisor pursuant to the terms of this Agreement;

(b) Franchisee fails to meet the Performance Target in two consecutive Measurement Periods, provided that Franchisor shall provide notice of a 12-month cure period after the 1st default under this subsection.

(c) Franchisee and/or Franchisee's affiliate fails, refuses, and/or is unable to pay and/or satisfy any payment, fee, financial obligation, charge, and/or monetary obligation payable to Franchisor and/or Franchisor's affiliates pursuant to this Agreement and/or any other agreement between or among Franchisor, Franchisor's affiliate, Franchisee and/or Franchisee's affiliate; and/or

(d) Franchisee fails or refuses, at any time, and, without legal justification as may be determined by Franchisor in Franchisor's Reasonable Business Judgment, to pay any third party supplier or vendor for any goods, products, supplies, equipment, materials and/or any other items used by, benefitting, and/or intended to benefit the Franchised Business.

The foregoing events of default set forth in this Article 16.A.(3) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

(4) Defaults and Automatic Termination after 30 Day Cure Period – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default / action, inaction, omission, event, and/or circumstance within 30 calendar days of Franchisor's written notice:

(a) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement that is not otherwise a default under Articles 16.A.(1), 16.A.(2), or 16.A.(3) of this Agreement;

(b) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of any agreement, other than this Agreement, between Franchisor and Franchisee, and/or an affiliate of Franchisor and Franchisee;

(c) Franchisee fails or refuses, in accordance with the terms of this Agreement, to obtain and secure a signed lease agreement or fee simple ownership interest in an approved location for Franchisee's Administrative Office;

(d) Franchisee fails or refuses to develop and open the Franchised Business on or before the Scheduled Business Commencement Date, in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, and/or in accordance with Franchisor's standards and specifications as communicated to Franchisee from time to time;

(e) Franchisee fails or refuses, at any time, to manage, maintain, and/or operate the Franchised Business in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, and/or in accordance with Franchisor's standards, specifications, and requirements as communicated to Franchisee from time to time;

(f) Franchisee fails or refuses, at any time, to develop, manage, maintain, and/or operate the Franchised Business in compliance with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, and codes;

(g) At any time, an inspection and/or evaluation of the operations of the Franchised Business – whether by mystery shopper programs, third party inspection services, or as otherwise designated by Franchisor, and, whether or not such inspections are on notice or secret – Franchisor, in Franchisor’s Reasonable Business Judgment, determines that the operations of the Franchised Business do not meet or are in violation of the operational standards and requirements set forth in this Agreement, the Operations Manual, and/or as communicated to Franchisee from time to time;

(h) Franchisee fails or refuses to timely submit to Franchisor records, reports, stored media, recordings, financial statements, books, accounts, statements, data, documentation and/or other information as required by this Agreement, as set forth in the Operations Manual, and/or as requested by Franchisor

(i) If any inspection or review of Franchisee's records, reports, books, accounts, statements, data, documentation and/or other information discloses, within any week, month, or Accounting Period selected by Franchisor, the underreporting of Franchisee’s Gross Sales, and/or any other metrics or data, resulting in the underpayment, by 2% or more, of the obligations, payments, and/or fees due by Franchisee to Franchisor under the terms of this Agreement;

(j) Franchisee fails or refuses, at any time, to maintain the required insurance policies and insurance coverage required for the Franchised Business as set forth in this Agreement, and/or in the Operations Manual; and/or

(k) Franchisee fails to timely satisfy and pay all vendors, suppliers and/or contractors in connection with the development, construction, and/or establishment of the Franchised Business.

The foregoing events of default set forth in this Article 16.A.(4) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

16.B. TERMINATION BY FRANCHISEE

If Franchisee, each Owner and Spouse (as applicable) are in full compliance with each and every term and provision of this Agreement, any amendment or successor agreement, and any of the Ancillary Agreements, and Franchisor materially breaches Franchisor’s substantive and material obligations set forth in this Agreement, Franchisee may terminate this Agreement in the event of the following:

(1) Franchisor does not correct the material breach within 30 days after Franchisor’s receipt of Franchisee’s written notice of such material breach to Franchisor; or

(2) In a case where Franchisor’s material breach cannot reasonably be cured within 30 days, within 30 days of Franchisor’s receipt of Franchisee’s written notice of Franchisor’s material breach, Franchisor shall be provided a reasonable time period to cure such material breach provided that Franchisor provides reasonable evidence to Franchisee of Franchisor’s current, continuing and/or planned efforts to correct the material breach within a reasonable time.

In either case, Franchisee's termination of this Agreement shall not take effect until expiration of the 30 day period set forth above and or such reasonable time period as necessary to cure the material breach, and Franchisee delivers to Franchisor a separate written notice of termination. The termination date must be at 10 days after Franchisor's receipt of Franchisee's notice of termination. Franchisee's termination of this Agreement for any reason other than as set forth in this and in compliance with this Article 16.B. shall not constitute the termination of this Agreement and shall constitute a material breach of this Agreement by Franchisee.

16.C. FRANCHISOR'S ADDITIONAL RIGHTS, REMEDIES, AND DAMAGES

Franchisee agrees that Article 16.A. sets forth actions, inactions, omissions, events, and/or circumstances that, among other things, constitute, in each and every instance and subject to any applicable cure period, if any, a default of this Agreement permitting Franchisor to, among other things, terminate this Agreement and/or resulting in the automatic termination of this Agreement. The grounds constituting a default under Article 16.A. are in addition to any and all other grounds for default as may be otherwise set forth in the Franchise Agreement. In the event of an event of default of this Agreement by Franchisee under Article 16.A. or, as otherwise set forth in this Agreement, Franchisee agrees that termination of this Agreement is not the sole or exclusive remedy of Franchisor and that Franchisor's right or remedy of termination shall be in addition to any and all other rights set forth in this Agreement, and as otherwise available to Franchisor in law or equity.

Without limitation to the foregoing, additionally, in the event of the termination of this Agreement as a result of a default or breach by Franchisee and/or, by Franchisee's Owners and/or affiliates of any Ancillary Agreements, Franchisor, in addition to any and all other rights and remedies available to Franchisor as set forth in this Agreement, and, at law and in equity, shall possess the following rights and remedies, each of which are not exclusive of the other and may be/are in conjunction with one another:

- (1) To void and terminate this Agreement, and thereafter to market, sell, transfer, convey and assign the rights granted to Franchisee under this Agreement to any other person or entity in Franchisor's sole discretion and without compensation to Franchisee.
- (2) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, all payments, fees, monetary obligations, financial obligations, interest, and charges due and owing to Franchisor from Franchisee pursuant to this Agreement, the Ancillary Agreements, and/or any other agreements between Franchisee and Franchisor, including, without limitation, Royalty Fees and Advertising Contributions with each and every payment and obligation to be accelerated and due immediately.
- (3) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, lost revenues, profits, and fees including, but not limited to Royalty Fees, Brand Development Fund Fee, Advertising Contributions, and all other fees, revenues and/or expenses that would have been paid to Franchisor, under the terms of this Agreement and throughout the Term of this Agreement, had a breach not occurred and had Franchisor not terminated this Agreement. In calculating and determining the foregoing Franchisee agrees that in calculating and in determining such damages that it is fair and reasonable to use Franchisee's most recent calendar year Gross Sales in calculating and determining Franchisor lost revenues and fees and by assuming that such Gross Sales would have been earned in each and every year throughout the remainder of the Term had this Agreement not been terminated. If, however, the Franchised Business has been open and in operation for less than one calendar year, Franchisee agrees that it is fair and reasonable to use an average of Talem Home Care Business Gross Sales across the System during the year in which this Agreement was terminated and to use such average Gross Sales for the purpose of

calculating and determining Franchisor lost revenues and fees and, in doing so, by assuming that such Gross Sales would have been earned in each and every year throughout the remainder of the Term had this Agreement not been terminated. Franchisee agrees that the foregoing is a form of liquidated damages, and that it is fair and reasonable.

(4) To hold Franchisee and Franchisee's Owners liable for all costs, fees, expenses, and/or damages incurred by Franchisor and/or suffered by Franchisor as a result of a breach or termination including, but not limited to, the recovery of reasonable attorney fees and expenses including court costs, arbitration fees, mediation fees, arbitrator fees, mediator fees, depositions and other related expenses.

(5) To enjoin, restrain, and otherwise prohibit Franchisee from operating the Franchised Business or exercising any rights granted to Franchisee under this Agreement pursuant to a court order restraining order, injunction or other means.

(6) Declaratory judgment that this Agreement and all rights granted to Franchisee under this Agreement are terminated, null and void.

(7) All other remedies and/or rights available to Franchisor as otherwise set forth in the Agreement and/or as may be otherwise available by law or equity.

In the event of a breach or default of this Agreement, should Franchisor elect, at Franchisor's sole discretion, to not terminate this Agreement, such action shall be without prejudice and without waiver of Franchisor's rights in the future. Further, at all times, and without prejudice to Franchisor's right to declare a default and, among other things, terminate this Agreement, Franchisor may: (i) temporarily or permanently suspend any existing credit arrangements or accommodations previously extended to Franchisee and/or refrain from offering or making available to Franchisee any credit arrangements or accommodations that may be offered or made available to other System franchisees; (ii) modify payment terms for approved products, supplies, or other merchandise purchased by Franchisee which may include, without limitation, requiring cash on delivery; (iii) disqualify Franchisee from being eligible for, or from participating in, special promotion programs, rebates, and/or rebate sharing that may be offered or made available to other System franchisees; and/or (iv) refrain from providing or making available to Franchisee promotional materials or other materials developed by the Brand Development Fund and/or Advertising Cooperative.

If Franchisor does not pursue termination of this Agreement in the event of a default or breach by Franchisee, and/or Franchisor accepts any royalties, payments, contributions, funds, or other monetary sums from Franchisee, such actions do not constitute a waiver or acceptance of Franchisee's default or breach, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor's such rights and remedies are cumulative, and no exercise or enforcement by Franchisor of any such right or remedy precludes the exercise or enforcement by Franchisor of any other right or remedy which Franchisor is entitled by law to enforce.

16.D. GUARANTY

The payment of all payments, amounts, fees, charges and other financial obligations payable by Franchisee to Franchisor pursuant to this Agreement, and Franchisee's observance and performance of all terms and conditions of this Agreement, are guaranteed pursuant to The Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1.

16.E. NOTICE OF LEGAL PROCEEDINGS AGAINST FRANCHISOR

Franchisee shall give Franchisor advance written notice of Franchisee's intent to commence or otherwise institute any legal action or proceeding against Franchisor, specifying the basis for such proposed action,

and Franchisee shall grant Franchisor 30 days from receipt of said notice to cure the alleged act upon which such legal action is to be based (hereinafter, the “30 Day Cure Notice”). Franchisee agrees that the 30-Day Cure Notice is a strict condition precedent to Franchisee commencing, or otherwise instituting, legal action or proceeding against Franchisor for any reason whatsoever.

ARTICLE 17
OBLIGATIONS UPON TERMINATION, EXPIRATION
AND CONTINUING OBLIGATIONS

17.A. PAYMENT OF AMOUNTS OWED TO FRANCHISOR

Without limitation as to any other Article or provision of this Agreement, upon expiration or termination of this Agreement for any reason, Franchisee shall immediately pay to Franchisor all sums and fees due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to Royalty Fees and Advertising Contributions and all other sums and fees due from Franchisee to Franchisor and/or Franchisor affiliates and/or suppliers for products and services including, but not limited to, System Supplies.

17.B. CEASE OPERATIONS AND PROTECTION OF THE SYSTEM

Upon expiration, termination, or Transfer of this Agreement for any reason, Franchisee shall immediately:

- (1) Permanently cease to be a franchise owner of the Talem Home Care Business that was the subject of this Agreement and cease to operate such Talem Home Care Business under the System;
- (2) Refrain from directly or indirectly, holding oneself/itself out to any person or entity, or represent themselves/itself as a present or former Talem Home Care franchisee;
- (3) Permanently cease to use, in any manner: (a) the System including, without limitation, the Confidential Information, the Licensed Marks, the Business Management System Data, and the Operations Manual; (b) any methods, procedures, or techniques associated with the System in which Franchisor possesses proprietary rights or constitute Franchisor’s trade secrets; (c) System Supplies, including communicating with or ordering products from Franchisor’s designated suppliers and vendors of System Supplies; (d) the Approved Services and Products; and (e) any other advertising, marketing, media, and any other information, documents or things associated with Franchisor, the System, the Licensed Marks, Talem Home Care Businesses, the Franchised Business, and Franchisee’s former Talem Home Care Business, including, without limitation, any confidential, proprietary methods, procedures, descriptions of products, techniques, trade secrets, proprietary marks, distinctive forms, slogans, symbols, signs, stationary, advertising material, articles, logos, devices, items and all other things, tangible or intangible, associated with Franchisor, the System, the Licensed Marks, and Talem Home Care Businesses;
- (4) Return to Franchisor the Operations Manual (including any and all parts, supplements, and copies of the Operations Manual), the Confidential Information (including without limitation the Business Management System Data and all customer lists and information), and all other confidential materials, equipment, software, information, and property owned by Franchisor and all copies thereof provided, however, that Franchisee may retain Franchisee’s copies of this Agreement, correspondence between Franchisor and Franchisee, but not including Confidential Information that may be contained in or attached thereto, and other documents that Franchisee needs to retain pursuant to applicable law;
- (5) Permanently cease accessing, immediately disconnect from, and discontinue using any and all

digital media, intra-nets, cloud based systems, and/or servers that store, maintain, and/or provide access to the Operations Manual, Confidential Information, and all other standards, specifications of Franchisor;

(6) Immediately notify Franchisor, in writing, of any and all locations where Franchisee may have maintained and/or stored digital files and/or media containing all or parts of the Operations Manual, any Confidential Information, and all other standards and specifications of Franchisor, immediately turn over such digital files and media to Franchisor, and follow Franchisor's instructions as to the destruction of such digital files and media;

(7) Except in the event an authorized transferee continues to operate Franchisee's former Talem Home Care Business at Franchisee's Administrative Office subsequent to a Transfer, at Franchisee's sole cost and expense: (a) modify and alter Franchisee's former Talem Home Care Business, Franchisee's former Talem Home Care Administrative Office, and Franchisee's Administrative Office, as reasonably necessary or otherwise required by Franchisor, to ensure that Franchisee's Administrative Office has been completely de-identified and differentiated from its former appearance to prevent any confusion by the public as to the continued existence of a Talem Home Care Business at your Administrative Office; (b) remove from Franchisee's Administrative Office all distinctive physical and structural features identifying a Talem Home Care Business and all distinctive signs, trade dress and emblems associated with the System including, without limitation, signs, trade dress, and emblems bearing the Licensed Marks; and (c) make specific additional changes to Franchisee's Administrative Office as Franchisor reasonably requests for the purpose of completely de-identifying Franchisee's former Talem Home Care Business. Franchisee shall immediately initiate the foregoing actions and complete such actions within the period of time designated by Franchisor, and Franchisee agrees that Franchisor and/or Franchisor's designated agents may enter the premises of Franchisee's Administrative Office at any time to make foregoing alterations at Franchisee's sole risk and expense. Franchisee further agrees that Franchisee's failure to timely make modifications and alterations to Franchisee's Administrative Office will cause irreparable injury to Franchisor, and Franchisee consents to the entry, at Franchisee's expense, of any ex-parte order by any court of competent jurisdiction authorizing Franchisor or its agents to take action, if Franchisor seeks such an order;

(8) Take all actions necessary and/or reasonably required to cancel all fictitious or assumed names or equivalent registrations relating to the Licensed Marks;

(9) At no cost to Franchisor, take such action as may be determined by Franchisor to: (a) provide and assign to Franchisor the Business Management System, the Business Management System Data, and all customer lists, customer information, and customer data and employee lists, employee information, and employee data; and (b) transfer, disconnect, and/or otherwise assign, as directed by Franchisor, all telephone numbers, email addresses, yellow pages telephone directories, telephone directory type listings, Web Based Media listings, accounts and log-in information used in connection with Franchisee's former Talem Home Care Business and/or otherwise associated with the System and/or the Licensed Marks, cancel Franchisee's interests in same as such cancellation may be directed by Franchisor, and effectuate, perform, honor, and comply with Franchisee's obligations under the Assignment of Telephone Numbers and Digital Media Accounts attached to this Agreement as Exhibit 3;

(10) Abide by, and comply with, the restrictive covenants and obligations set forth in this Agreement, including, without limitation, the restrictive covenants and obligations set forth in Article 6.B through Article 6.E. of this Agreement; and

(11) Provide Franchisor, within 30 days of the expiration, termination, or Transfer of this Agreement, with written proof demonstrating that Franchisee has complied with the terms of this Article 17 and all other obligations under this Agreement that Franchisee must perform, abide by, and comply with, subsequent to the termination, expiration, or Transfer of this Agreement.

17.C. CONTINUING OBLIGATIONS

All obligations under this Agreement that expressly, or by their nature, survive, or are intended to survive, the expiration, termination, or Transfer of this Agreement shall continue in full force and effect subsequent to, and notwithstanding, this Agreement's termination, expiration, or Transfer until such obligations are satisfied in full or, by the nature and/or terms, such obligation(s) expire.

Franchisee further agrees that in the event of a Transfer of this Agreement by Franchisee, whether or not such Transfer is authorized by Franchisor or made in violation of this Agreement, under no circumstance shall Franchisee be relieved of Franchisee's Obligations under this Agreement and under no circumstance shall each Owner and Spouse be relieved of their respective guarantees, agreements, and obligations related to, or associated with, this Agreement, including, without limitation, the guarantees, agreements, and obligations set forth in the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1. The immediately foregoing shall not be interpreted or otherwise construed as constituting consent to any Transfer of this Agreement without the express written consent by Franchisor and Franchisee's compliance with this Agreement respecting any such Transfer.

ARTICLE 18 **ENFORCEMENT AND CONSTRUCTION**

18.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

(1) Except as expressly provided to the contrary in this Agreement, each and every term and provision of this Agreement shall be interpreted or otherwise construed to be independent of each other and severable. Although each term and provision of this Agreement are considered by the parties to be reasonable and intended to be enforceable, if any such term or provision of this Agreement is found by a court of competent jurisdiction, agency, or other government agency to be unenforceable as written or otherwise, then such term and condition shall be modified, rewritten, interpreted, or "blue-lined" to include as much of its nature and scope as will render it enforceable. If such term and condition cannot be so modified, rewritten, interpreted, or "blue-lined" in any respect, then it will not be given effect and severed from this Agreement, and the remainder of this Agreement shall be interpreted, construed and enforced as if such term and condition was not included in this Agreement.

(2) If any applicable and binding law or rule requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule, any term and condition of this Agreement, or any specification, standard, or operating procedure Franchisor prescribes is invalid or unenforceable, then the greater prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable term and condition, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisee agrees to be bound by any such substituted and/or modified term and condition of this Agreement imposing the maximum duty permitted by law that is prescribed within the terms of any provision of this Agreement as though it were originally and separately articulated in, and made a part of, this Agreement as of the Effective Date and/or any specification, standard or operating procedure

Franchisor prescribes, which may result from striking from any terms and conditions, specifications, standards, or operating procedures, and any portion or portions thereof, a court may hold to be unenforceable or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in those jurisdictions in which such terms and conditions, specifications, standards, or operating procedures are found to be unenforceable, unless Franchisor elects to give them greater applicability, in which case, this Agreement shall be enforced as originally made in all other jurisdictions.

18.B. WAIVER OF OBLIGATIONS

No delay, waiver, omission, or forbearance on the part of Franchisor to enforce any term and condition of this Agreement or exercise any of Franchisor's rights, options, or powers under this Agreement constitutes a waiver by Franchisor to enforce any other term and condition of this Agreement or exercise any of Franchisor's other rights, options, or powers under this Agreement. No such delay, waiver, omission, or forbearance shall constitute a waiver by Franchisor to subsequently enforce such term and condition of this Agreement or subsequently exercise such right, option, or power. Acceptance by Franchisor of any payments, fees, charges, or other amount from Franchisee payable to Franchisor pursuant to this Agreement shall not constitute a waiver or acceptance of Franchisee's default or breach of this Agreement or otherwise a waiver of any term and condition of this Agreement, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor shall likewise not be deemed to have waived or impaired any term and condition, right, option or power set forth in this Agreement by virtue of any custom or practice of the parties at variance with the terms and conditions of this Agreement or Franchisor's insistence upon Franchisee's strict compliance with Franchisee's obligations, including any mandatory specification, standard or operating procedure. No waiver by Franchisor of any term and condition of this Agreement shall be valid unless in writing and signed by Franchisor.

18.C. FORCE MAJEURE

If either Franchisor or Franchisee is delayed in performing any obligation under this Agreement by any cause reasonably beyond its control when such cause would affect any person or entity similarly situated, including, without limitation, war, civil disorder, catastrophic weather, power outage, acts of God and/or labor strikes unassociated with Franchisee or Franchisor (collectively, "Force Majeure"), then the time period for performing such obligation shall be extended by a period of time equal to the period of delay. Notwithstanding the immediately foregoing sentence, any delay resulting from Force Majeure shall not excuse Franchisee's payment of any fee, charge, amount, and/or any other monetary or financial obligation to Franchisor under this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, and the non-performance of any obligation under this Agreement due to Force Majeure shall not be extended or otherwise excused for more than six months.

18.D. SPECIFIC PERFORMANCE AND INJUNCTIVE RELIEF

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief under legal and/or equity rules against threatened conduct that will cause damages or loss to it, the Licensed Marks or the System. Without limitation to the rights set forth in Article 6 of this Agreement, Franchisee agrees that Franchisor may obtain such injunctive relief. Franchisee agrees that Franchisor will not be required to post a bond (other than as set forth in Article 6.H of this Agreement) to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). The remedies available to Franchisor under Article 6.H are not exclusive of one another and may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and

recovery of monetary damages. Without limitation to the foregoing Franchisee agrees that in the event of a breach of this Agreement by Franchisee respecting and/or concerning the System and/or the Licensed Marks shall cause irreparable harm to Franchisor, the System and the Licensed Marks. The foregoing shall not be interpreted to invalidate the mediation and arbitration requirements set forth in Article 18.G. of this Agreement and shall be consistent with same.

18.E. RIGHTS OF PARTIES ARE CUMULATIVE

The rights under this Agreement are cumulative and no exercise or enforcement by a party of any right or remedy precludes the exercise or enforcement by that party of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

18.F. GOVERNING LAW

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§ 1051 *ET SEQ.*) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF COLORADO, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICTS OF LAWS RULES SHALL NOT APPLY AND ANY FRANCHISE REGISTRATION, DISCLOSURE, RELATIONSHIP OR SIMILAR STATUTE WHICH MAY BE ADOPTED BY THE STATE OF COLORADO SHALL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

18.G. CHOICE OF LAW, NON-BINDING MEDIATION, BINDING ARBITRATION, AND CONSENT TO JURISDICTION

- (1) **Non-Binding Mediation** – Franchisee and Franchisor agree that before either party may bring any action, dispute and/or controversy arising from or related to this Agreement and/or the franchise relationship between Franchisor and Franchisee in arbitration, the parties must first mediate the dispute through non-binding mediation. Mediation shall be non-binding and shall be conducted by the American Arbitration Association (“AAA”) in accordance with the AAA’s then current rules for the mediation of commercial disputes. All mediation proceedings shall be conducted in Broomfield County, Colorado or, if a mediator is not available in Broomfield County, Colorado then at a suitable location selected by the mediator that is located closest to Broomfield County, Colorado. Mediation shall be conducted by one mediator and if Franchisor and Franchisee cannot agree on a mediator then the mediator shall be selected by the AAA. Mediation shall be conducted within 45 days of the AAA’s designation and/or acknowledgment of the selected mediator or such longer period as may be agreed to between Franchisor and Franchisee in writing and signed by each respective party. Franchisor and Franchisee shall each be responsible for their own costs associated with mediation and Franchisor and Franchisee shall each be responsible for and shall each pay 50% of the mediator’s fee and the AAA’s mediation fees.

Notwithstanding the preceding paragraph, Franchisor and Franchisee agree this Sub-Article 18.G.(1) and, thereby, the prerequisite requirement of non-binding mediation, shall not, at Franchisor’s election, apply to: (a) any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief including, but not limited to, Franchisee’s violation or purported violation of Article 6 of this Agreement; and/or (b) claims by either Franchisor or Franchisee under this Agreement that relates to either Franchisor’s or Franchisee’s failure to pay fees or other monetary obligations due under this Agreement.

- (2) **Arbitration** – Subject to the prerequisite requirements of non-binding mediation as set forth in Sub-Article 18.G.(1), and, except, at Franchisor’s election, as to any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief including, but not limited to, Franchisee’s violation or purported violation of Article 6 of this Agreement, Franchisor and Franchisee agree that all disputes, controversies, and claims, arising from and/or related to this Agreement, the relationship between Franchisor and Franchisee, the System, and/or the validity of this Agreement and/or the Ancillary Agreements, shall be submitted, on demand of either Franchisor or Franchisee, to the AAA for binding arbitration. Arbitration shall be conducted by one arbitrator in accordance with the AAA’s then current rules for commercial disputes, except as may be otherwise required in this Article 18.G. All arbitration proceedings shall be conducted in Broomfield County, Colorado or, if suitable AAA facilities are not available in Broomfield County, Colorado then at a suitable AAA location selected by the arbitrator that is located closest to Broomfield County, Colorado.

In connection with binding arbitration, Franchisor and Franchisee further agree that:

- (a) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;
 - (b) The arbitration hearing shall be conducted within 180 days of the demand for arbitration;
 - (c) The arbitrator shall render written findings of fact and conclusions of law;
 - (d) Except as may be otherwise required and/or prohibited by this Agreement including, but not limited to Articles 18.I, 18.J, 18.N, 18.O, 18.R, 18.T, and 18.X of this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys’ fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid;
 - (e) They shall each be bound to the limitations periods set forth in Article 18.I of this Agreement and that, in any arbitration proceeding, Franchisor and Franchisee must each timely submit, within the same arbitration proceeding, any claim that would constitute a compulsory counterclaim as such claims are defined and set forth under Rule 13 of the United States Federal Rules of Civil Procedure. Any claim that is not submitted or filed as required shall be forever barred;
 - (f) Judgment upon the arbitrator’s award may be entered in any court of competent jurisdiction;
 - (g) Arbitration and/or any arbitration award must be conducted in accordance with the terms of this Agreement including, but not limited to, the requirements set forth in this Article 18.
- (3) **Consent to Jurisdiction and Venue** – Subject to the non-binding mediation and arbitration provisions set forth in this Article 18.G, Franchisor and Franchisee agree that any judicial

action or legal proceeding must be brought in a court of competent jurisdiction located within Colorado and within Denver County or the county closest to Broomfield County. Franchisor and Franchisee do hereby irrevocably consent to and waive any objection to the jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, Franchisor and Franchisee agree that Franchisor, at Franchisor's election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking Franchisor's enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where either the Franchised Business was located or where Franchisee resides.

18.H. VARIANCES

FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS AND MAY AT DIFFERENT TIMES, IN FRANCHISOR'S ABSOLUTE AND SOLE DISCRETION, APPROVE EXCEPTIONS OR CHANGES FROM THE UNIFORM STANDARDS OF THE SYSTEM, WHICH FRANCHISOR DEEMS DESIRABLE OR NECESSARY UNDER PARTICULAR CIRCUMSTANCES. FRANCHISEE UNDERSTANDS THAT IT HAS NO RIGHT TO OBJECT TO OR AUTOMATICALLY OBTAIN SUCH VARIANCES, AND ANY EXCEPTION OR CHANGE MUST BE APPROVED IN ADVANCE BY FRANCHISOR IN WRITING. FRANCHISEE UNDERSTANDS THAT EXISTING FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND THAT THE RIGHTS AND OBLIGATIONS OF EXISTING FRANCHISEES MAY DIFFER MATERIALLY FROM THIS AGREEMENT.

18.I. LIMITATIONS OF CLAIMS

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO FRANCHISEE'S OBLIGATIONS TO MAKE PAYMENTS TO FRANCHISOR PURSUANT TO THIS AGREEMENT, FRANCHISOR'S ENFORCEMENT OF THE RESTRICTIVE COVENANTS SET FORTH IN ARTICLE 6 OF THIS AGREEMENT, AND FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR IN ACCORDANCE WITH THIS AGREEMENT, ANY AND ALL CLAIMS AND/OR CAUSES OF ACTIONS ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR RESULTING FROM THIS AGREEMENT, SHALL BE BARRED UNLESS SUCH CLAIM AND/OR CAUSE OF ACTION IS COMMENCED WITHIN TWO YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED OR ONE YEAR FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW, OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIM AND/OR CAUSE OF ACTION, WHICHEVER OCCURS FIRST IN TIME.

18.J. WAIVER OF PUNITIVE DAMAGES

FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR SPECULATIVE DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT; PROVIDED THAT SUCH WAIVER SHALL NOT APPLY TO ANY CLAIM (A) ALLOWED BY FRANCHISOR OR FRANCHISEE FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT; AND/OR (B) FOR LOST PROFITS BY FRANCHISOR OR FRANCHISEE AND THE OWNERS UPON OR ARISING OUT OF THE TERMINATION OF THIS AGREEMENT. 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 WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES SHALL CONTINUE IN FULL FORCE AND EFFECT.

18.K. WAIVER OF JURY TRIAL

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER A LEGAL ACTION, IN MEDIATION, OR IN ARBITRATION.

18.L. BINDING EFFECT

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both Franchisee and Franchisor.

18.M. COMPLETE AGREEMENT

This Agreement, and the Schedules and Exhibits to this Agreement, as executed and, as applicable, constitute the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter of this Agreement and supersedes all prior related agreements between Franchisor and Franchisee. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits, and its amendments.

18.N. ATTORNEY FEES AND EXPENSES

Franchisee agrees that in the event that an arbitrator in any arbitration proceeding and/or, a court of competent jurisdiction shall issue an award, judgment, decision and/or order finding, holding and/or declaring Franchisee's breach of this Agreement than Franchisor shall also be entitled to the recovery of all reasonable attorney fees, costs and expenses associated with and/or related to such arbitration and/or litigation. Said fees, costs and expenses shall include, but not be limited to, attorney fees, arbitration fees, arbitrator fees, deposition expenses, expert witness fees and filing fees.

18.O. NO CLASS ACTION OR MULTI-PARTY ACTIONS

FRANCHISOR AND FRANCHISEE AGREE THAT ALL PROCEEDINGS AND/OR LEGAL ACTIONS ARISING OUT OF OR RELATED TO THIS AGREEMENT AND/OR THE OFFER AND SALE OF THE TALEM HOME CARE BUSINESS FRANCHISE FROM FRANCHISOR TO FRANCHISEE, WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S OWNERS, SPOUSES AND/OR GUARANTORS AND FRANCHISOR AND/OR FRANCHISOR'S AFFILIATES, OFFICERS, DIRECTORS AND/OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

18.P. ACCEPTANCE BY FRANCHISOR

This Agreement will not be binding on Franchisor unless and until an authorized officer of Franchisor has signed it.

18.Q. OPPORTUNITY FOR REVIEW BY FRANCHISEE'S ADVISORS

Franchisee acknowledges and represents that prior to the signing of this Agreement that Franchisor recommended and that Franchisee had the opportunity to have this Agreement and the Franchise Disclosure Document reviewed by Franchisee's lawyer, accountant and other business advisors.

18.R. NO PERSONAL LIABILITY BY FRANCHISOR’S EMPLOYEES, OFFICERS OR AGENTS

Franchisee agrees that the fulfillment of any of Franchisor’s obligations written in this Agreement or based on any oral communications ruled to be binding in a court of law shall be Franchisor’s sole obligation and none of Franchisor’s employees, officers and/or authorized agents shall be personally liable to Franchisee for any reason. In addition to the foregoing, Franchisor and Franchisee are not joint employers. The foregoing shall not be construed to imply that Franchisor and/or Franchisor’s agents have made any oral promises as pursuant to Article 18.M. of this Agreement, this written Agreement represents the sole Agreement between Franchisor and Franchisee.

18.S. NON-UNIFORM AGREEMENTS

Franchisee acknowledges that Franchisor makes no representations or warranties that all other agreements with Talem Home Care Franchising, LLC franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Franchisee agrees that Franchisor may waive or modify comparable provisions of other Franchise Agreements to other System franchisees in a non-uniform manner.

18.T. NO RIGHT TO OFFSET

Franchisee shall not, on grounds of the alleged nonperformance, material breach, or default by Franchisor of this Agreement, any other agreement between Franchisor and Franchisee, or for any other reason, withhold any payment, fee, or any other amount payable by Franchisee to Franchisor pursuant to this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, or any other payment obligation by Franchisee to Franchisor. Franchisee shall not have the right to offset or withhold any liquidated or unliquidated amount allegedly due to Franchisee from Franchisor against any payment, fee, or any other amount payable to Franchisor pursuant to this Agreement or any other payment obligation by Franchisee to Franchisor.

18.U. HEADINGS

The headings and subheadings in this Agreement are strictly for convenience and reference only, and they shall not limit, expand, or otherwise affect the interpretation and construction of the terms and conditions of this Agreement.

18.V. AUTHORITY TO EXECUTE

Each party acknowledges, warrants and represents that it has all requisite power and authority to enter into this Agreement. The execution, delivery, and performance of this Agreement has been duly and lawfully authorized by all necessary actions of each party, and the signatory to this Agreement for each party has been duly and lawfully authorized to execute this Agreement for and on behalf of the party for whom each signatory has signed.

18.W. COUNTERPARTS, ELECTRONIC SIGNATURES, AND MULTIPLE COPIES

This Agreement may be executed electronically. This Agreement may be executed in counterparts, all of which counterparts shall be deemed originals and taken together shall constitute a single agreement. Executed electronic or print duplicates of this Agreement, if any, and their respective signatures shall be deemed originals.

18.X. JOINT AND SEVERAL LIABILITY

If Franchisee consists of more than one person or entity, then their liability under this Agreement shall be deemed joint and several.



18.Y. RECITALS

The parties agree that the recitals and representations contained on the first page of this Agreement constitute a part of this Agreement and are hereby fully incorporated into the terms of this Agreement.

ARTICLE 19 NOTICES

All written notices and reports permitted or required to be delivered by this Agreement shall be deemed so delivered, at the time delivered by hand, one business day after being placed in the hands of a national commercial courier service for overnight delivery (properly addressed and with tracking confirmation), or three business days after placed in the U.S. mail by registered or certified mail, postage prepaid, and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Reports requiring delivery shall be delivered by certified U.S. mail and/or electronically, as designated by Franchisor. The addresses for the parties set forth in the initial paragraph of this Agreement shall be used unless and until a different address has been designated by written notice to the other party. Any notice required under this Agreement shall not be deemed effective or given by Franchisee to Franchisor unless given in strict compliance with this Agreement.

In all cases where Franchisor's prior approval is required and no other method or timing for obtaining such approval is prescribed, Franchisee shall request such approval in writing, and Franchisor shall respond within 10 business days after receiving Franchisee's written request and all supporting documentation, provided if Franchisor does not respond, such request shall be deemed unapproved. Franchisor's consent to, or approval of, any act or request by Franchisee shall be effective only to the extent specifically stated, and Franchisor's consent or approval shall not be deemed to waive, or render unnecessary, consent or approval of any other subsequent similar act or request.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Agreement as of the Effective Date set forth in the first paragraph of this Agreement.

Franchisor:
Talem Home Care Franchising, LLC

Franchisee:

Signature

By: _____
Signature

Name and Title (please print)

Name (please print)

Dated

Dated

Signature

Name (please print)

Dated





Franchise Agreement – Schedule 1 Operating Territory Acknowledgment

Franchisee’s Operating Territory – Franchisor and Franchisee agree that “Franchisee’s Operating Territory”, as such term is identified and defined in the Franchise Agreement, including, but not limited to, Article 1 of the Franchise Agreement, is identified, as follows:

[For this Schedule to be Effective this Schedule Must be Completed and Signed by Franchisor. If left incomplete then there shall be no Operating Territory.]

The foregoing Operating Territory has been determined based on negotiations initiated by Franchisee and benefitting Franchisee. To the extent that the foregoing description of the Operating Territory includes and/or delineates geographic or political boundaries such determinations will be considered fixed as of the Effective Date of the Franchise Agreement and will not change for the purpose of this Agreement notwithstanding a change or reorganization to such boundaries or regions. All street boundaries, if any, will be deemed to end at the street center lines unless otherwise specified above.

Administrative Office Location Acknowledgment – If selected by Franchisee at the time of signing the Franchise Agreement and, if approved by Franchisor, the location for Franchisee’s Administrative Office shall be:

[SIGNATURE PAGE TO FOLLOW]

Franchisee acknowledges and represents that the foregoing determination as to Franchisee's Operating Territory was based on negotiations initiated by Franchisee and for Franchisee's benefit.

Dated: _____

Franchisor:
Talem Home Care Franchising, LLC

Franchisee: _____

By: _____
Signature

Signature

Name and Title

Name (please print)

Signature

Name (please print)





Franchise Agreement – Schedule 2
Operating Territory Type, Franchise Fee, and Administrative
Office Location Acknowledgment

Type of Operating Territory – Franchisee’s Operating Territory is a:

[OPERATING TERRITORY TYPE]

[Describe whether or not Franchisee’s Operating Territory is a Primary Operating Territory, a Primary Operating Territory Plus 1 Zone, a Primary Operating Territory Plus 2 Zones, or a Small Market Operating Territory. If left incomplete the type of Franchisee’s Operating Territory shall be determined based on the Initial Franchise Fee.]

Initial Franchise Fee - Franchisee’s Initial Franchise Fee is:

\$

Administrative Office Location Acknowledgment – If selected by Franchisee at the time of signing the Franchise Agreement and, if approved by Franchisor, the location for Franchisee’s Administrative Office shall be:

[SIGNATURE PAGE TO FOLLOW]

Franchisee acknowledges and represents that the foregoing determination as to Franchisee's Operating Territory was based on negotiations initiated by Franchisee and for Franchisee's benefit.

Franchisor:
Talem Home Care Franchising, LLC

Franchisee:

Signature

By: _____
Signature

Name and Title

Name (please print)





Franchise Agreement – Schedule 3
Statement of Franchisee’s Owners

Franchisee represents that the following schedule is complete and accurately identifies Franchisee’s Owners, Franchisee’s Managing Owner, and their respective ownership interests in Franchisee. Defined terms shall have the meanings set forth in the Franchise Agreement between Franchisor and Franchisee.

If Franchisee is a Corporate Entity, Franchisee represents and affirms to Franchisor that the following list identifies each and every Owner of Franchisee and their respective ownership interests.		
Owner Name	Owner Address	Ownership Interest Percentage
Name of designated Managing Owner:		

Dated: _____

Franchisor:
Talem Home Care Franchising, LLC

Franchisee:

Signature

Name (please print)

By: _____
Signature

Name and Title

Signature

Name (please print)





Franchise Agreement – Exhibit 1
Franchise Owner and Spouse Agreement and Guaranty



FRANCHISE OWNER AND SPOUSE AGREEMENT AND GUARANTY

This Franchise Owner and Spouse Agreement and Individual Guaranty (the “Agreement”) is individually entered into by you as either an owner of _____ (hereinafter referred to as “Franchisee”), Franchisee, or the spouse of the owner of franchisee and is given and signed by you in favor of Talem Home Care Franchising, LLC, franchisor of the Talem Home Care franchise system and in favor of Talem Home Care Franchising, LLC’s successors and assigns, upon the terms and conditions set forth in this Agreement. In this Agreement Talem Home Care Franchising, LLC is referred to as “us”, “our” or “we”, and each individual that signs this Agreement is referred to as “you”.

Recitals and Representations

WHEREAS, you acknowledge and agree that we have developed a distinctive and proprietary system (the “System”) for the establishment, development and operation of a business that offers, sells and provides individuals with non-medical home care services that include personal care, companion care, and daily living assistance, senior living placement services and other services using our system and under the Talem Home Care marks, and other products and services that we authorize (the “Approved Services and Products”) under the Licensed Marks (defined below) (each, a “Talem Home Care Business”);

WHEREAS, Franchisee has entered into a Talem Home Care Business Franchise Agreement (the “Franchise Agreement”) for the ownership, development and operation of a Talem Home Care Business (the “Franchised Business”);

WHEREAS, you have received and have thoroughly reviewed the completed Franchise Agreement, including Schedules and Exhibits attached to the Franchise Agreement;

WHEREAS, we have recommended that you thoroughly review the Franchise Agreement, this Agreement and all exhibits and schedules to the Franchise Agreement with a lawyer selected and hired by you;

WHEREAS, you represent to us that you are either: (a) an Owner of Franchisee such that you own or control a legal, equitable or beneficial ownership or equity interest in Franchisee and/or otherwise meet the definition of an “Owner” as set forth in this Agreement; and/or (b) the “Spouse” of an Owner of Franchisee;

WHEREAS, you acknowledge that this Agreement will apply to you individually, jointly and severally with all others who sign this Agreement (including if this Agreement is signed in counterparts or electronically among other Owners and Spouses);

WHEREAS, you acknowledge that this Agreement, among other things, personally obligates you to guarantee Franchisee’s obligations to us and obligates you to brand protection, confidentiality and non-competition restrictions and covenants and that you enter into this Agreement to induce us to enter into the Franchise Agreement with Franchisee; and



WHEREAS, you acknowledge that we are relying on this Agreement and that without this Agreement we would not have entered into and/or would not be simultaneously entering into the Franchise Agreement with Franchisee.

NOW THEREFORE, to induce us to enter into the Franchise Agreement and as consideration to us for entering into the Franchise Agreement with Franchisee and other consideration, the receipt and sufficiency of which you acknowledge, you agree as follows:

1. Recitals and Representations.

You agree that the foregoing Recitals and Representations are true and accurate and constitute a material part of this Agreement and are hereby incorporated into the main body of this Agreement.

2. Definitions.

Supplementing the terms and definitions contained in the Recitals and Representations:

“**Administrative Office(s)**” refers to and means the fixed administrative offices and/or facilities from which Talem Home Care Businesses are established, operated and managed.

“**Approved Services and Products**” shall have the meaning defined in the “Recitals” section of this Agreement and shall further refer to and mean those products and services that we authorize for sale by Talem Home Care Businesses. We shall exclusively designate and determine the Approved Services and Products and we, in our Reasonable Business Judgment, may change, modify, reduce or supplement the Approved Services and Products that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The Operations Manual, subject to changes that we may make from time to time and our right to change and modify the Approved Services and Products, shall designate the Approved Services and Products that must be offered and sold by the Franchised Business. The Franchised Business may only offer and sell the Approved Services and Products.

“**Business Management System**” refers to and means the software, internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually or collectively designated by us, in our Reasonable Business Judgment, as being required for use by the Franchised Business, including, but not limited to, the day-to-day sales, ordering, operations and management of the Franchised Business. We reserve the right to modify and designate alternative Business Management Systems as we determine in our Reasonable Business Judgment. Without limitation to the foregoing, the Business Management System may include: (a) multiple point of sale systems installed and maintained on-site at the Administrative Office; (b) portable tablet and/or computer systems utilized on-site when providing services to customers of the Franchised Business; (c) web based, private server based, network based and/or cloud based customer ordering systems, processing systems, production systems and/or service delivery systems; and (d) customer membership and rewards systems. The Business Management System or systems may, in whole or in part, include and utilize internet, intra-net and cloud based and accessed applications, software, databases and/or systems that require Franchisee to access such systems and information through the internet or a private network and that stores the data and information relating to the Franchised Business on off-site servers through accounts and/or servers controlled by us. At all times, we shall possess direct live access and storage based access to the Business Management System for the Franchised Business and to Franchisee’s Business Management System Data.

“**Business Management System Data**” refers to and means the forms, data, tools, customer information, inventory and sales information that: (a) is pre-populated or entered into the Business Management

System utilized by Franchisee; (b) is entered (whether by us or Franchisee) into the Business Management System utilized by Franchisee; and/or (c) is recorded, stored and/or maintained by the Business Management System in connection with the management and operations of the Franchised Business.

“Competitive Business” refers to and means any business that is the same as or similar to a Talem Home Care Business including, but not limited to, any business that offers and/or provides services and/or products relating to providing individuals with non-medical home care services that include personal care, companion care, and daily living assistance and/or, senior living placement services; (ii) provides other services and products substantially similar to the Approved Services and Products; or (iii) provides other services using our system and under the Talem Home Care marks when such use is outside of the scope of the Franchise Agreement or otherwise unauthorized.

“Confidential Information” refers to and means all of our and/or our affiliates trade secrets, methods, standards, techniques, procedures, data and information, as same may exist as of the Effective Date of the Franchise Agreement and as same may be developed, modified and supplemented in the future, constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of Talem Home Care Businesses; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used or sold by Talem Home Care Businesses; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Talem Home Care Businesses; (d) customer lists and information related to Talem Home Care Businesses and the Franchised Business; (e) Business Management System Data; (f) current and future information contained in the Operations Manual; and (g) Know-How.

“Copyrights” refers to and means all works and materials for which we or any affiliate of ours has secured common law or registered copyright protection and we utilize and/or allow Talem Home Care Business franchisees to use, sell or display in connection with the development, marketing and/or operation of a Talem Home Care Business, whether as of the Effective Date or any time in the future.

“Corporate Entity” refers to and means a corporation, Limited Liability Company, partnership or other corporate legal entity that is not an individual person.

“Digital Media” refers to and means any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the world wide web (including, but not limited to websites), linked by the internet or part of a web based application, software application, smart phone based application or social media platform including, but not limited to social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, and YouTube, and world wide web and internet based directories and local directories that refer, reference, identify, review, promote and/or relate, in any way, to Talem Home Care Businesses, the Franchised Business, the Licensed Marks, the System and/or us. Digital Media further includes the System Website, web pages and website subdomains (including those related to, associated with and/or a part of the System Website) associated with and/or related to the Franchised Business and all web pages, blog posts, videos, articles, social media accounts and pages, website directory pages, information, sub-domains and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

“Effective Date” refers to the “Effective Date” of the Franchise Agreement as the term “Effective Date” is set forth and defined in the Franchise Agreement. If, for any reason, the Effective Date cannot be determined by reference to the Franchise Agreement, the Effective Date shall be the date that you sign this Agreement.

“Franchised Business” refers to and means the Talem Home Care Business to be developed, owned and operated by Franchisee pursuant to the terms of the Franchise Agreement.

“Franchisee’s Administrative Office” refers to and means the Talem Home Care Administrative Office from which Franchisee establishes, operates and manages the Franchised Business.

“Franchisee’s Operating Territory” refers to and means the “Operating Territory” as such term is set forth and defined in the Franchise Agreement.

“Immediate Family” refers to and means the spouse of a person and any other member of the household of such person, including, without limitation, children of such person.

“Intellectual Property” refers to and means, individually and collectively, our Licensed Marks, Copyrights, Know-How, and System.

“Know-How” refers to means our trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a Talem Home Care Business including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, included in, comprising and/or constituting a part of the System. Without limitation to the foregoing, Know-How shall further include information contained in the Operations Manual and the Confidential Information.

“Licensed Marks” refers to and means the trademarks, service marks, emblems and indicia of origin, including the “Talem Home Care” trademark, the Talem Home Care logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans and designs authorized by us in connection with the identification of Talem Home Care Businesses and the Approved Services and Products, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by us in our Reasonable Business Judgment.

“Operations Manual” refers to and means, individually and collectively, the manual(s) designated by us and relating to the development and/or operations of Talem Home Care Businesses including, but not limited to, the policies, procedures and requirements for the development and operation of Talem Home Care Businesses. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by us from time to time in our Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to our modification from time to time and based on our Reasonable Business Judgment, the Operations Manual shall, among other things, designate the Approved Services and Products that must be offered and sold by the Franchised Business and the System Supplies that must be exclusively utilized by the Franchised Business. Only Approved Services and Products may be offered and sold by the Franchised Business. Only System Supplies may be used by Franchisee in the operations of the Franchised Business.

“Owner” refers to and means collectively, individually, jointly and, as of the Effective Date: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if franchisee is a limited liability company; (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly controlling Franchisee; and (d) the Managing Owner(s).

“Prohibited Activities” refers to and means any or all of the following: (a) owning and/or having any legal or equitable interest (whether as an individual proprietor or as an owner, partner, member or shareholder of a Corporate Entity or, in any similar capacity) in a Competitive Business (other than owning an interest of 3% or less in a publicly traded company that is a Competitive Business); (b) operating, managing, funding and/or performing services (whether as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or in any similar capacity) for a Competitive Business; (c) diverting or attempting to divert any business or customers from us (or one of our affiliates or franchisees); and/or (d) inducing any customer or client of ours (or of one of our affiliates or franchisees) or of Franchisee to any other person or business that is not a Talem Home Care Business.

“Reasonable Business Judgment” refers to, means, and relates to any and all decisions, actions and choices made by us concerning or relating to the Franchise Agreement, the System, Talem Home Care Businesses and the Franchised Business where we undertake or make such decision with the intention of benefitting or acting in a way that could benefit the System including, as examples and without limitation, enhancing the value of the Licensed Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining operating territory markets, minimizing potential customer confusion as to the location of Talem Home Care Businesses, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products, services, supplies and equipment. The Franchisee has agreed and, you acknowledge and agree, that when a decision, determination, action and/or choice is made by us in our Reasonable Business Judgment that such decision, determination, action or choice made by us takes precedence and prevails, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee has agreed and, you acknowledge and agree, that in connection with any decision, determination, action and/or choice made by us in our Reasonable Business Judgment as franchisor that: (a) we possess a legitimate interest in seeking to maximize our profits; (b) we shall not be required to consider Franchisee’s or your individual economic or business interests as compared to the overall System; and (c) should we economically benefit from such decision, determination, action and/or choice that such economic benefit to us shall not be relevant to demonstrating that we did not exercise reasonable business judgment with regard to our obligations under the Franchise Agreement and/or with regard to the System. Franchisee agreed and you agree that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute Franchisee’s or such third party’s judgment for our Reasonable Business Judgment. Franchisee agreed and, you agree, that should Franchisee challenge our Reasonable Business Judgment in any legal proceeding that Franchisee shall possess the burden of demonstrating, by clear and convincing evidence, that we failed to exercise our Reasonable Business Judgment.

“Restricted Period” refers to and means the 24 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee assigns the Franchise Agreement to another person (other than you or your Spouse or an Immediate Family Member) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee, the date on which your Spouse ceases to be an Owner of Franchisee. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Restricted Period” means the 18 month period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee assigns the Franchise Agreement to another person (other than you or your Spouse or an Immediate Family Member) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee.

“Restricted Territory” refers to and means the geographic area: (a) comprising Franchisee’s Operating Territory; (b) comprising a 25 mile radius surrounding Franchisee’s Operating Territory (or, if Franchisee is not granted an operating territory, then a 25 mile radius surrounding Franchisee’s Administrative Office); (c) comprising each of the operating territories, respectively, of other Talem Home Care Businesses that are in operation or under development during all or any part of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area within Franchisee’s Operating Territory plus a 25 mile radius surrounding Franchisee’s Operating Territory or, if Franchisee is not granted or designated an operating territory, then a 25 mile radius surrounding Franchisee’s Administrative Office.

“Spouse” refers to and means, as of the Effective Date, the legal spouse of an Owner.

“System” refers to and means our system for the development, establishment and operation of Talem Home Care Businesses including, but not limited to: (a) the Approved Services and Products, System Supplies, and services, procedures and systems that are designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Talem Home Care Business; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights; (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Talem Home Care Business; (f) Operations Manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by us in our Reasonable Business Judgment.

“System Supplies” refers to and means the materials branding the Licensed Marks, programs, materials, office equipment, products, software, systems, and supplies designated by Franchisor as required for use in connection with Franchisee’s Talem Home Care Business and the Approved Services and Products. Without limitation to the foregoing, the System Supplies shall include Talem Home Care branded, non-branded and third party branded materials designated by Franchisor for use in the day-to-day operations of Franchisees Talem Home Care Business designated by Franchisor in the Operations Manual and/or otherwise in writing and, as may be modified and supplemented by Franchisor from time to time in Franchisor’s Reasonable Business Judgment. System Supplies shall further include those products that Franchisor authorizes for sale to customers of Franchisee’s Talem Home Care Business.

“System Website” refers to and means the web page and/or pages located on the world wide web at the www.talemhomecare.com URL (uniform resource locator) and shall further include all webpages and subdomains (including those that are franchisee and/or geography specific) that are a part of www.talemhomecare.com, or as designated by us as being associated with the URL of www.talemhomecare.com and/or Talem Home Care Businesses.

“Talem Home Care Business(s)” shall have the meaning defined in the Recitals and Representations section of this Agreement and, without limitation to the Recitals and Representations section of this Agreement, the definition of “Talem Businesses”, shall further include, refer to and mean: every business and all businesses owned and/or operated by us, our affiliates and/or our authorized franchisee(s) that utilize and/or is/are required to utilize the System and/or Licensed Marks including, but not limited to, the Franchised Business.

“Trade Dress” refers to and means the Talem Home Care Business designs, images, marketing materials, packaging, branding and/or branding images which we authorize and require Franchisee to

use in connection with the operation of the Franchised Business and as may be revised and further developed by us from time to time.

“**Transfer**” refers to and means and shall include, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee.

3. Additional Acknowledgments by You.

In addition to the representations and acknowledgments contained in the Recitals and Representations, above, and incorporated into this Agreement, you acknowledge and represent that:

- (a) as of the Effective Date you are an Owner and/or Spouse;
- (b) that you are signing this Agreement in your individual capacity and that you are bound to the terms and conditions of this Agreement and irrespective of any change in your status as an Owner and/or Spouse;
- (c) in your capacity as an Owner of Franchisee or as the Spouse of an Owner of Franchisee that you have and will be gaining access to, among other things, the System and Intellectual Property;
- (d) you acknowledge that all of the components and aspects of the System and Intellectual Property (both individually and as they relate to one another collectively) are critical to our success as the franchisor of the System and to the overall System;
- (e) you acknowledge that we need to protect the System and Intellectual property and that to do so we require that you, in your individual capacity, to agree to the brand protection, non-competition and other covenants and restrictions contained in this Agreement and that you personally guarantee the financial and other obligations of Franchisee to us; and
- (f) you acknowledge that the terms of this Agreement are fair and reasonable and that you have elected, based on your own decision, to enter into this Agreement to induce us to enter into the Franchise Agreement with Franchisee.

4. Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions.

- (a) Know-How. You agree that: (i) you will not use the Know-How in any business or capacity other than the Franchised Business; (ii) you will maintain the confidentiality of the Know-How at all times; (iii) you will not make unauthorized copies of documents containing any Know-How; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-How; and (v) you will stop using the Know-How immediately if you are no longer an Owner of Franchisee or your Spouse is no longer an Owner of Franchisee, as applicable. You will not use the Intellectual Property for any purpose other than the development and operation of the Franchised Business pursuant to the terms of the Franchise Agreement and Operations Manual. You agree to assign to us or our designee, without charge, all

rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize, and sublicense the same.

(b) Non-Competition During Franchise Relationship. Subject to the terms and conditions of Article 5 of this Agreement, below, you represent and agree that while you are an Owner of Franchisee or while your Spouse is an Owner of Franchisee (as applicable) that you will not engage in any Prohibited Activities. You acknowledge and agree that this restriction is fair and reasonable and that if you did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm the System and us.

(c) Non-Competition After Franchise Relationship. You represent, acknowledge and agree that during the Restricted Period you will not engage in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers/clients who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach). You acknowledge and agree that this restriction is fair and reasonable and that if you did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm us and the System.

(d) Confidentiality Restrictions. You represent, acknowledge and agree that, at all times you: (i) shall not use the Confidential Information in any business or capacity other than the Franchised Business; (ii) shall maintain the confidentiality of the Confidential Information; (iii) shall not make unauthorized copies of documents containing any Confidential Information; (iv) shall take such reasonable steps as we may ask of you and/or Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information; (v) shall immediately and permanently stop using the Confidential Information upon the expiration or termination of the Franchise Agreement; (vi) shall immediately and permanently stop using the Confidential Information if you are no longer an Owner of Franchisee and/or the Spouse of an Owner; (vii) shall immediately and permanently stop using the Confidential Information upon Franchisee's Transfer of the Franchise Agreement; and (viii) shall not disclose the Confidential Information to any third party except in a legal proceeding pursuant to an order of a court of competent jurisdiction and after affording us no less than 15 business days prior notice and an opportunity for us, at our election, to appear in such action.

(e) Immediate Family Members. You acknowledge that should you circumvent the purpose and protections (due to us) of this Agreement by disclosing Know-How to an immediate family member (*i.e.*, parent, sibling, child, or grandchild) we will and the System will be irreparably harmed. You acknowledge that if you did disclose the Know-How to an immediate family member and your immediate family member used the Know-How to engage in activities that, for you, qualify as Prohibited Activities as defined above, that we and the System will be irreparably harmed. You agree that as between you and us that you are in a better position to know if you permitted and/or provide an immediate family member with access to the Know-How. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-How. However, you may rebut this presumption by providing evidence conclusively demonstrating that you did not disclose the Know-How nor permit disclosure of the Know-How to the family member.

(f) Reasonableness of Covenants and Restrictions. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.** Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of this Article 4 (Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Article 4 to ensure that the terms are enforceable under applicable law.

(g) Breach. You agree that failure to comply with these Article 4 Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions will cause irreparable harm to us and/or other Talem Home Care Business franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

5. Transfer Restrictions and Non-Competition Covenants and Restrictions.

Notwithstanding anything contained in this Agreement to the contrary, you expressly acknowledge and agree that if you are an Owner, and/or the Spouse of an Owner, that, prior to Transferring an Owner's equity and/or ownership interests in Franchisee that, among other things, Franchisee must notify us and obtain our written consent. Likewise, you acknowledge and agree that under the Franchise Agreement that prior to Franchisee's Transfer of the Franchise Agreement, among other things, Franchisee must notify us and obtain our written consent. For our protection and to prevent the subversion of the non-competition covenants contained in Article 4 of this Agreement and, to induce us to enter into the Franchise Agreement with Franchisee, you agree, that:

(a) if you are an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of your equity and/or ownership interests in Franchisee and/or should Franchisee, fail to obtain our consent to the proposed Transfer of your equity and/or ownership interests in Franchisee (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement;

(b) if you are a Spouse, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of your Spouse's equity and/or ownership interests in Franchisee and/or should Franchisee, fail to obtain our consent to the proposed Transfer of your Spouse's equity and/or ownership interests in Franchisee (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual

Transfer in violation of the terms and conditions of the Franchise Agreement;

(c) if you are an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of the Franchise Agreement to a third party and/or should Franchisee, fail to obtain our consent to the proposed Transfer of the Franchise Agreement to a third party (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement; and

(d) if you are the Spouse of an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of the Franchise Agreement to a third party and/or should Franchisee, fail to obtain our consent to the proposed Transfer of the Franchise Agreement to a third party (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4 of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement.

6. Personal Guaranty of Franchise Agreement and Financial Obligations.

To secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an affiliate of ours (collectively the "Ancillary Agreements") you individually, jointly and severally, and personally and unconditionally:

(a) guarantee to us and our successor and assigns, that Franchisee shall punctually satisfy and pay all of Franchisee's payment and other obligations under the Franchise Agreement;

(b) guarantee to us and our successor and assigns, that Franchisee shall punctually satisfy and pay all of Franchisee's payment and other obligations under the Ancillary Agreements;

(c) agree, at all times, to be personally bound by and personally liable for each and every fee, payment and monetary obligation due from Franchisee to us pursuant to the terms of the Franchise Agreement (including, but not limited to, the fee obligations of Article 5 of the Franchise Agreement, the advertising obligations of Article 9 of the Franchise Agreement, and the indemnification obligations of Article 10 of the Franchise Agreement);

(d) agree, at all times, to be personally bound by and personally liable for each and every fee, payment and monetary obligation due from Franchisee to us and/or our affiliates under the Ancillary Agreements;

(e) do, at all times, hereby personally guarantee payment of each and every fee, payment and monetary obligation due or that may become due from Franchisee to us pursuant to the terms of the Franchise Agreement including, but not limited to, the fee obligations of Article 5 of the Franchise Agreement, the advertising obligations of Article 9 of the Franchise Agreement, and the indemnification obligations of Article 10 of the Franchise Agreement; and

(f) do, at all times, hereby personally guarantee payment of each and every fee, payment and monetary obligation due or that may become due from Franchisee to us pursuant to the terms of the Ancillary Agreements.

You waive: (a) acceptance and notice of acceptance by us of the foregoing undertakings; (b) notice of demand

for payment of any indebtedness guaranteed; (c) protest and notice of default to any party with respect to the indebtedness guaranteed; (d) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

You agree that: (a) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Franchise Agreement and the Ancillary Agreements upon demand if Franchisee fails or refuses punctually to do so; (c) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (d) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of each of the Franchise Agreement and the Ancillary Agreements and following the termination, expiration or Transfer of each of the Franchise Agreement and the Ancillary Agreements to the extent any financial obligations under any such Franchise Agreement and Ancillary Agreements survive such termination, expiration or Transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Franchise Agreement and/or and Ancillary Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

7. Arbitration, Consent to Jurisdiction and Venue, and Cross-Default.

Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures set forth in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures set forth in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement shall prevail. Without limitation to the foregoing, you agree that:

- (a) Arbitration – Except, at our option, as to any claims or disputes related to or concerning a breach of this Agreement by you that may entitle us to the award of injunctive relief, you agree that any and all disputes, controversies, and claims, arising from and/or related to this Agreement, shall be submitted to the American Arbitration Association (“AAA”) for binding arbitration. Arbitration shall be conducted by one arbitrator in accordance with the AAA’s then current rules for commercial disputes, except as may be otherwise required in this Agreement. All arbitration proceedings shall be conducted in Broomfield County, Colorado or, if suitable AAA facilities are not available in Broomfield County, Colorado then at a suitable AAA location selected by the arbitrator that is located closest to Broomfield County, Colorado.

In connection with binding arbitration, you agree that:

- (i) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;
- (ii) The arbitration hearing shall be conducted within 180 days of the demand for arbitration;
- (iii) The arbitrator shall render written findings of fact and conclusions of law;

(iv) Except as may be otherwise required and/or prohibited by this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid; and

(v) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(b) Consent to Jurisdiction and Venue – You agree that any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within Colorado and within Denver County or the county closest to Broomfield County. You do hereby irrevocably consent to and waive any objection to such jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, you agree that we, at our election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking our enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where you reside.

(c) Acknowledgment as to Cross-Default – You acknowledge and agree that a breach of this Agreement by you shall constitute a material event of default under the Franchise Agreement, permitting us, among other things, to terminate the Franchise Agreement in accordance with the terms thereof.

8. Miscellaneous.

(a) If either party hires an attorney or files suit against the other party in relating to and alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

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

(c) Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

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

(e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each undersigned has executed this Agreement as of the date set forth below.

Owner / Spouse:

Signature of Owner / Spouse

Name (please print individual name)

Date

Signature of Owner / Spouse

Name (please print individual name)

Date

Owner / Spouse:

Signature of Owner / Spouse

Name (please print individual name)

Date

Signature of Owner / Spouse

Name (please print individual name)

Date



Franchise Agreement – Exhibit 2 Confidentiality Agreement

[THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE – BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR FRANCHISEE SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE.]





CONFIDENTIALITY AGREEMENT (Sample Only)

This Agreement (the “Agreement”) is entered into by the undersigned (“you”) in favor of:

[Insert on the Line Below Name of Franchisee that Owns and Operates the Talem Home Care Franchised Business]

_____ (hereinafter referred to as “us”, “our” or “we”)

Recitals and Representations

WHEREAS, we are the owners of a licensed Talem Home Care Business (hereinafter referred to as the “Talem Home Care Business”) that we independently own and operate as a franchisee;

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of a Talem Home Care Business that is independently owned and operated by us;

WHEREAS, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

WHEREAS, our franchisor, Talem Home Care Franchising, LLC is not a party to this agreement and does not own or manage the Talem Home Care Business but is an intended third party beneficiary of this Agreement; and

WHEREAS, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the Talem Home Care Business.

NOW THEREFORE, you acknowledge and agree as follows:

1. Recitals and Representations. You agree that the foregoing Recitals and Representations are true and accurate and shall constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.

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

“Business Management System” refers to and means the software and/or internet or cloud based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the Talem Home Care Business.



“Business Management System Data” refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of the Talem Home Care Business.

“Confidential Information” refers to and means: (a) non-public methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of the Talem Home Care Business; (b) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of the Talem Home Care Business; (c) customer lists and information related to the Talem Home Care Business; (d) Business Management System Data; (e) current and future information contained in the Talem Home Care Operations Manual made available to the Talem Home Care Business by Talem Home Care Franchising, LLC; and (f) recipes, production, cooking, and service procedures that are not disclosed to the public but used by the Talem Home Care Business.

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

“Digital Media” refers to and means any interactive or static electronic document, application or media including, but not limited to, www.talemhomecare.com, social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, YouTube, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to the Talem Home Care Business or other Talem Home Care Business.

“Franchisee” means the Talem Business franchisee for whom you are an employee, independent contractor, officer and/or director or you are about to be an employee, independent contractor, officer and/or director.

“Intellectual Property” means, individually and collectively, our Licensed Marks, Copyrights, Know-How and System.

“Know-How” refers to and means our trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a Talem Business including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, comprising or constituting a part of the System. Without limitation to the foregoing, Know-How includes information contained in the Operations Manual and the Confidential Information.

“Licensed Marks” refers to and means the word marks, trademarks, service marks, and logos now or hereafter utilized in the operation of a Talem Home Care Business, including, but not limited to, the “Talem Home Care” word mark, associated logos, and any other trademarks, service marks or trade names that we designate for use in a Talem Home Care Business.

“Operations Manual” refers to and means the confidential operations manual made available to the Talem Home Care Business by our franchisor or as otherwise designated by us. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, video, electronic media files, cloud/internet based list-service, intra-net, internet based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced or supplemented.

“Reasonable Business Judgment” refers to our business judgment and means and relates to any and all decisions, actions and choices made by us concerning or relating to the Franchise Agreement, the System, Talem Businesses and Franchisee’s Talem Business where we undertake or make such decision with the intention of benefitting or acting in a way that could benefit the System including, as examples and without limitation, enhancing the value of the Licensed Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining operating territory markets, minimizing potential customer confusion as to the location of Talem Businesses, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products, services, supplies and equipment. You agree that when a decision, determination, action and/or choice is made by us in our Reasonable Business Judgment that such decision, determination, action or choice made by us shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. You agree that in connection with any decision, determination, action and/or choice made by us in our Franchisor’s Reasonable Business Judgment that: (a) we possess a legitimate interest in seeking to maximize our profits; (b) We shall not be required to consider your individual economic or business interests as compared to the overall System; and (c) should we economically benefit from such decision, determination, action and/or choice that such economic benefit to us shall not be relevant to demonstrating that we did not exercise reasonable business judgment with regard to our obligations under this Agreement, the Franchise Agreement and/or with regard to the System. You agree that neither you, Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute yours, Franchisee’s or such third party’s judgment for our Reasonable Business Judgment. You further agree that should either you or Franchisee challenge our Reasonable Business Judgment in any legal proceeding that you and Franchisee shall possess the burden of demonstrating, by clear and convincing evidence, that we failed to exercise our Reasonable Business Judgment.

“System” refers to and means our system for the development, establishment and operation of Talem Businesses including, but not limited to, (a) the System Services and Products, System Equipment and Supplies and services, procedures and systems that are designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Talem Business; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights; (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Talem Business; (f) Operations Manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the System including components to the system and modifications and replacements thereto, shall be determined by us, in our Reasonable Business Judgment.

“System Services and Products” refers to and means those products and services that we authorize for sale by Talem Businesses. We exclusively designate and determine the System Services and Products and we, in our Reasonable Business Judgment, may change, modify, reduce or supplement the System Services and Products that must be offered and sold from Franchisee’s Talem Business and those products and services that may not be sold from Franchisee’s Talem Business. The Operations Manual, subject to changes that we may make from time to time and our right to change and modify the System Services and Products, shall designate the System Services and Products that must be offered and sold by Franchisee’s Talem Business. Franchisee’s Talem Business may only offer and sell the System Services and Products.

“System Website” refers to and means the web page and/or pages located on the world wide web at the www.talemhomecare.com URL (uniform resource locator) and shall further include all webpages and subdomains (including those that are franchisee and/or geography specific) that are a part of



www.talemhomecare.com, or as designated by us as being associated with the URL of www.talemhomecare.com and/or Talem Businesses.

“Trade Dress” refers to and means the Talem Home Care designs, images, marketing materials, packaging, branding and/or branding images used in connection with the operation of the Talem Home Care Business.

3. Your Access to Confidential Information. In addition to the representations and acknowledgments contained in the Recitals and Representations, above, you acknowledge and represent that in your capacity as an employee, independent contractor, officer and/or director of the Talem Home Care Business that you will be gaining access to, among other things, the Confidential Information. You acknowledge that the terms of this Agreement are fair and reasonable.

4. Protection of the Confidential Information. You agree that: (i) you will not use the Confidential Information in any business or capacity other than the Talem Home Care Business; (ii) you will maintain the confidentiality of the Confidential Information at all times; (iii) you will not make unauthorized copies of documents containing the Confidential Information; (iv) you will take such reasonable steps as the we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (v) you will stop using the Confidential Information immediately at our request or demand. You will not use the Confidential Information for any purpose other than for the performance of your duties on behalf of us and in accordance with the scope of your work with us.

5. Reasonableness of Covenants and Restrictions. You agree that the terms of this Agreement are reasonable and fair and that you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You hereby waive any right to challenge the terms of this Agreement as being overly broad, unreasonable or otherwise unenforceable.**

6. Breach. You agree that failure to comply with the terms of this Agreement will cause irreparable harm to us and to our franchisor Talem Home Care Franchising, LLC, and other Talem Home Care franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us or our Franchisor Talem Home Care Franchising, LLC to injunctive relief. You agree that we and/or our Franchisor Talem Home Care Franchising, LLC may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, then you agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

7. Miscellaneous.

(a) If we hire an attorney or files suit against you because you have breached this Agreement and if we prevail in such lawsuit, you agree to pay the reasonable attorney fees and costs that we incur.

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

(c) YOU ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT.

(d) YOU ACKNOWLEDGE AND AGREE THAT OUR FRANCHISOR, TALEM HOME CARE FRANCHISING, LLC, IS NOT A PARTY TO THIS AGREEMENT BUT IS AN INTENDED THIRD PARTY BENEFICIARY OF THIS AGREEMENT.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

Individual Signature of Restricted Party

Individual Signature of Restricted Party

Name (please print)

Name (please print)

Date: _____

Date: _____





Franchise Agreement – Exhibit 3
Assignment of Telephone Numbers and Digital Media Accounts





ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS

(for the benefit of Talem Home Care Franchising, LLC and its assigns)

THIS ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS ASSIGNMENT (“Assignment”) is entered into between _____ (the “Assignor”) and Talem Home Care Franchising, LLC and its successors and assigns (the “Assignee”).

WHEREAS, Assignee is the franchisor of the Talem Home Care Business franchise system (the “Talem Home Care Business Franchise System”);

WHEREAS, Assignor, as franchisee, and Assignee, as franchisor, are parties to a Talem Home Care Business Franchise Agreement (the “Franchise Agreement”)

WHEREAS, the term “Digital Media” shall refer to and mean “any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the world wide web (including, but not limited to websites), linked by the internet or part of a web based application, software application, smart phone based application or social media platform including, but not limited to social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, YouTube, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to a Talem Home Care Business, Talem Home Care Businesses, Assignor’s Talem Home Care Business and/or trademarks associated with the Talem Home Care Business Franchise System and/or Assignee. Digital Media further includes the Talem Home Care Business website, web pages and website subdomains (including those related to, associated with and/or a part of the Talem Home Care Business Franchise System) associated with and/or related to Assignor’s Talem Home Care Business and all web pages, blog posts, videos, articles, information, sub-domains, and all other media and/or publications relating to the Talem Home Care Business Franchise System that is displayed and/or transmitted digitally;” and

WHEREAS, In connection with Assignor’s establishment and operation of a Talem Home Care Business, Assignor will be utilizing accounts, information, phone numbers and Digital Media subject to strict requirements set forth in the Franchise agreement.

NOW THEREFORE, Assignor, in exchange for good and valuable consideration provided and paid by Assignee (receipt of which is hereby acknowledged), agrees:

1. That Assignor does hereby assign to assignee all telephone numbers, facsimile numbers, listings, domain names and Digital Media that is associated with Assignor’s Talem Home Care Business including, the following (all collectively referred to as the “Media”):

- (a) All phone numbers, facsimile numbers and listings that are currently, or in the future, associated with Assignor’s Talem Home Care Business;

(b) The following telephone and facsimile numbers:

_____ ; and

(c) All Digital Media, all Digital Media accounts and all Digital Media log-in information.

The foregoing shall not be construed and/or interpreted as Assignees acknowledgment and/or agreement that Assignor owns and/or possesses any ownership interests in the foregoing telephone numbers, accounts and/or Digital Media. Any and all rights of Assignor in and to same exist subject to a limited license pursuant to the Talem Home Care Business Franchise Agreement which shall take precedence and govern. However, this Assignment is intended by Assignor and Assignee to be an instrument that may be relied upon by all third parties to authorize and permit the assignments and transfers set forth in this Assignment and to facilitate the transfer of accounts and media to within the control of Assignee. Nothing contained in this Assignment shall be used to construe nor imply that Assignor possesses any ownership interests or rights in the Digital Media and in the event of any inconsistency or conflict between this Assignment and the Franchise Agreement, the Franchise Agreement shall take precedence and govern.

2. This Assignment will become effective automatically upon the termination or expiration of the Franchise Agreement for any reason. As to all third parties proof of the expiration or termination of the Franchise Agreement shall exist exclusively upon the written declaration of Assignee and Assignee’s declaration shall be dispositive and not subject to challenge. Assignor acknowledges that all third parties may rely on this Assignment for the purpose of taking any and all actions to ensure that access to and control of the Media is maintained by Assignee.

UTILIZATION OF THIS ASSIGNMENT SHALL EXIST AT THE SOLE DISCRETION OF ASSIGNEE AND FOR THE SOLE BENEFIT OF ASSIGNEE

Assignee:
Talem Home Care Franchising, LLC

Assignor:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated





Franchise Agreement – Exhibit 4
ACH Authorization Form





AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name Business No.

Franchisee Mailing Address (street) Franchisee Phone No.

Franchisee Mailing Address (city, state, zip)

Contact Name, Address and Phone Number (if different from above)

Franchisee Fax No. Franchisee Email Address

Bank Account Information:

Bank Name

Bank Mailing Address (street, city, state, zip)

Bank Account No. Checking Savings Bank Routing No.
(check one)

Bank Phone No.

Authorization:

Franchisee hereby authorizes Talem Home Care Franchising, LLC (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____

Date: _____

Name: _____

Federal Tax TD No.: _____

Its: _____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT





Franchise Agreement – Exhibit 5
General Release



GENERAL RELEASE

TO ALL TO WHOM THESE PRESENTS SHALL COME OR MAY CONCERN, KNOW THAT:

_____, as RELEASOR, in consideration of good and valuable consideration received from:

Talem Home Care Franchising, LLC, as RELEASEE, receipt of which is hereby acknowledged, releases and discharges the RELEASEE, RELEASEE’S heirs, officers, members, agents, executors, administrators, successors and assigns, from all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, contracts, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty or equity which against the RELEASEE, the RELEASOR, RELEASOR’S, heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may, have for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE. The words “RELEASOR” and “RELEASEE” include all releasors and releasees under this Release. This Release may not be changed orally.

IN WITNESS WHEREOF, the **RELEASOR** has hereunto set RELEASORS’ had and seal on the date set forth below.

Releasor:

Signature

Name (please print)

Date _____

NOTARY SIGNATURE, SEAL AND INFORMATION: On _____ before me, the undersigned, personally appeared _____ personally known to me or proven to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities, and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Signature and Seal





FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT F
LIST OF FRANCHISEES



FRANCHISEES (as of December 31, 2022)			
State	Business Address	Franchisee	Phone Number
CO	17608 Cabin Hill Lane Colorado Springs, CO 80908	In Honor of JADE, LLC	719-639-2663
	17875 E. Berry Drive Centennial, CO 80015	High Five Home Care, LLC*	303-647-1800
	2601 South Lemay Ave, Suite 33 Fort Collins, CO, 80525	Talem Home Care of Fort Collins, LLC	970-829-0447
CT	525 Bridgeport Avenue Shelton, CT 06484	Talem Home Care Services, LLC*	203-538-6273
	156 Broad Street Windsor, CT 06095	Caring Companions LLC	860-969-3134
FL	467 W Salinger Lane Beverly Hills, FL 34465	Master Home Care, LLC	352-678-8582
GA	35 Patterson Road, Unit 466697 Lawrenceville, GA 30044	Mirrored Life Group Limited**	678-206-6404
TN	701 Murfreesboro Pike, Suite 200 Nashville, TN 37201	CDXIII LLC	901-446-4344
VA	22648 Glenn Drive, Suite 304 Sterling, VA 20164	IBWII Group LLC*	703-367-3365

*Signed multiple Franchise Agreements for multiple territories

**Outlet signed but not yet open





FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT G
LIST OF FRANCHISEES
THAT HAVE LEFT THE SYSTEM



FRANCHISEES THAT HAVE LEFT THE SYSTEM (January 1, 2022 to December 31, 2022)			
State	Business Address	Franchisee	Phone Number
CT	Outlet Transferred to Current System Franchisee (Avon, CT)	I. E. Consulting, LLC	860-969-3134





FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT H
STATE SPECIFIC ADDENDA



California FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

1. Item 17 “Renewal, Termination, Transfer and Dispute Resolution: The Franchise Relationship,” is supplemented by the addition of the following:

A. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

B. The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.

C. California Business and Professions Code Sections 20000 through 20043 establish the rights of the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

D. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 *et seq.*)

E. The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

F. The Franchise Agreement requires binding arbitration. The arbitration will occur in Colorado with the costs being borne by the franchisee and franchisor.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

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

2. Section 31125 of the California Corporations Code requires us to give you a Disclosure Document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

3. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

4. Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

5. Item 6 “Other Fees.” is supplemented by the addition of the following statement: “The highest interest rate allowed by law in the State of California is 10%.”

6. The following URL address is for the franchisor’s website: www.talemhomecare.com.

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

Connecticut FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

1. Item 3 “Litigation.” is supplemented by the addition of the following:

A. Neither the Franchisor nor any person identified in Items 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.

B. Neither the Franchisor nor any other person identified in Items 1 or 2 above has during the 10 year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.

C. Neither the Franchisor nor any person identified in Items 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

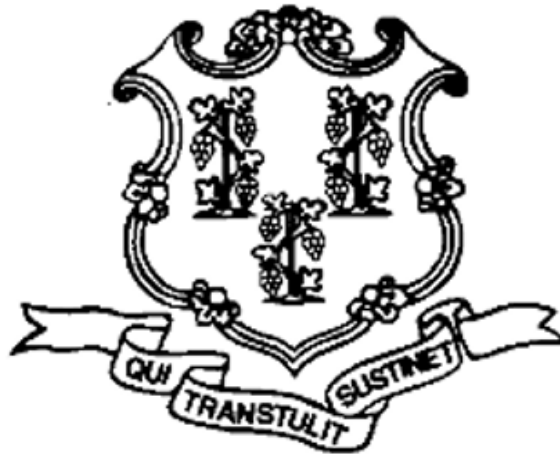
D. Neither Company nor any person identified in Item 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling these persons from membership in the association or exchange.

2. Item 4 “Bankruptcy.” is supplemented by the addition of the following:

No entity or person listed in Items 1 and 2 of this Disclosure Document has, at any time during the previous 10 fiscal years (a) filed for bankruptcy protection, (b) been adjudged bankrupt, (c) been reorganized due to insolvency, or (d) been a principal, director, executive officer or partner of any other person that has so filed or was adjudged or reorganized, during or within one year after the period that the person held a position with the other person.

If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract be canceled.

DISCLOSURES REQUIRED BY CONNECTICUT LAW



The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

BUSINESS OPPORTUNITY DISCLOSURE

The following business opportunity disclosure is provided by Talem Home Care Franchising, LLC, a registered business in the State of Connecticut.

Disclosure Document is dated: February 24, 2023

Hawaii FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

Exhibit J “FDD Receipts,” is supplemented with the addition of the following:

The Receipt for this Disclosure Document (Exhibit “J”) is supplemented to add the following:

3. THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
2. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS BEFORE THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.
3. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Illinois FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

DISCLOSURE REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the Franchise Agreement.

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

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

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

No statement, questionnaire or acknowledgement 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 behalf of

the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Indiana FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

1. Item 8, “Restrictions on Sources of Products and Services,” is supplemented by the addition of the following:

Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

2. Item 6, “Other Fees” and Item 9, “Franchisee’s Obligations,” are supplemented, by the addition of the following:

The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee’s reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

3. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” is supplemented, by the addition of the following:

A. Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

B. Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

C. ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.

D. ITEM 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.

E. ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

Maryland FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” is supplemented, by the addition of the following:

- A. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- B. A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- C. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.
- D. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

Michigan FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

1. 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 of your right to join an association of Franchisees.
- B. A requirement that you assent to a release, assignment, novation, waiver or estoppel that deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- C. A provision that permits us to terminate a franchise before the expiration of this term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure the failure.
- D. A provision that permits us to refuse to renew a franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to us and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (a) the term of the franchise is less than five years, and (b) you are prohibited by the Franchise Agreement 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 you do not receive at least six months advance notice of our intent not to renew the franchise.

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

F. A provision requiring that litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of litigation, to conduct litigation at a location outside this state.

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

- (i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is our or Sub-franchisor's competitor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) Your or proposed transferee's failure to pay us any sums or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

H. A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in Item 17(g).

I. A provision that permits us to directly or indirectly convey, assign or otherwise transfer our obligations to fulfill contractual obligations to you unless a provision has been made for providing the required contractual services.

2. If our most recent financial statements are unaudited and show a net worth of less than \$100,000, you may request that we arrange for the escrow of initial investment and other funds you paid until our obligations, if any, to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At our option, a surety bond may be provided in place of escrow.

3. THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENFORCEMENT BY THE ATTORNEY GENERAL.

4. Any questions regarding this notice should be directed to: State of Michigan, Consumer Protection Division, Attention: Franchise Bureau, 670 Law Building, Lansing, MI 48913; telephone number (517) 373-3800.

Minnesota FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

ADDITIONAL RISK FACTORS:

1. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

AMENDMENT OF FDD DISCLOSURES:

A. Item 6, “Other Fees”, Not sufficient funds are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

B. Item 13, “Trademarks”, Item 13 is supplemented by the addition of the following: As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the marks, so long as you were using the marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

C. Item 17, “Renewal, Termination, Transfer and Dispute Resolution.” Item 17 is supplemented by the addition of the following: With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days- notice of termination (with 60 days to cure) and 180 days-notice of non-renewal of the Agreement.

D. Item 17 “Renewal, Termination, Transfer and Dispute Resolution.” Item 17 is supplemented by the addition of the following: Item 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

E. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can

abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

New York FDD Amendment
Amendments to the Talem Home Care
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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or

trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of **Item 4**:

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

4. The following is added to the end of **Item 5**:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of **Item 17(d)**, titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of **Item 17(j)**, titled “**Assignment of contract by franchisor**”:

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

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

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General

Business Law of the State of New York.

North Dakota FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

1. Item 5, “Initial fees”, Item 5 is supplemented by the addition of the following:

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. Item 6, “Other Fees”, Item 6 is supplemented by the addition of the following:

No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

3. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17 is supplemented by the addition of the following:

A. Any provision requiring a franchisee to sign a general release upon renewal of the Franchise Agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

B. Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

C. Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

D. Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee’s business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee’s place of business.

E. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

F. A part from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

G. Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

H. Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Rhode Island FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17 is supplemented by the addition of the following:

A. The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

B. Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

Virginia FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17(h) is supplemented by the addition of the following:

Under 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 Talem Home Care Franchise Agreement do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Washington FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

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

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

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

Wisconsin FDD Amendment
Amendments to the Talem Home Care
Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.



STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

HAWAII FRANCHISE AGREEMENT AMENDMENT

Amendments to the Talem Home Care Franchise Agreement

In recognition of the requirements of the Hawaii Franchise Investment Law, the undersigned agree to the following modifications to the Talem Home Care Franchising, LLC Franchise Agreement (the “Franchise Agreement”), as follows:

1. Sub-Article 14.C.(6). Sub-article 14.C.(6), under the Article section titled “Conditions for Approval of Transfer,” is supplemented by the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied; and

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If this Sub-article contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

2. Sub-Article 15.B.(8). Sub-article 15.B.(8), under the Article section titled “Conditions for Renewal,” is supplemented by the addition of the following:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied; and

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If this subarticle contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

3. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Hawaii State amendment to the Talem Home Care Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Talem Home Care Franchising, LLC **Franchisee:**

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated



ILLINOIS FRANCHISE AGREEMENT AMENDMENT

Amendments to the Talem Home Care Franchise Agreement

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705/1 to 705/45, and Ill. Admin. Code tit. 15, §200.100 et seq., the undersigned agree to the following modifications to the Talem Home Care Franchising, LLC Franchise Agreement (the “Franchise Agreement”) and, if Franchisor and Franchisee both sign the Talem Home Care Franchising, LLC, as follows:

1. Article 18.F. of the Franchise Agreement, under the heading “Governing Law”, shall be amended by the addition of the following statement added after the end of the last sentence of Article 18.F. of the Franchise Agreement:

Illinois Addendum: Illinois law governs the Franchise Agreement.

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

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

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

2. Article 18.G. of the Franchise Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction”, shall be amended by the addition of the following statement added after the end of the last sentence of Article 18.G. of the Franchise Agreement:

Illinois Addendum: Illinois law governs the Franchise Agreement.

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

Franchisee’s rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

3. No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45) are met independently without reference to this amendment.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Illinois amendment to the Talem Home Care Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Talem Home Care Franchising, LLC **Franchisee:**

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated



MARYLAND FRANCHISE AGREEMENT AMENDMENT

Amendments to the Talem Home Care Franchise Agreement

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Talem Home Care Franchising, LLC Franchise Agreement (the “Franchise Agreement”), as follows:

1. 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.
2. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
3. Article 18.G. of the Franchise Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction,” shall be amended by the addition of the following statement added to Article 18.G. of the Franchise Agreement:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Article 18.I. of the Franchise Agreement, under the heading “Limitations of Claims,” shall be amended by the addition of the following statement added to Article 18.I. of the Franchise Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

A general release required as a condition of renewal, sale and/or assignment or transfer of a Franchise Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Maryland amendment to the Talem Home Care Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

[SIGNATURE PAGE TO FOLLOW]

Franchisor: Talem Home Care Franchising, LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

Signature

Name (please print)

Dated



MINNESOTA FRANCHISE AGREEMENT AMENDMENT

Amendments to the Talem Home Care Franchise Agreement

In recognition of the requirements of the Minnesota Statutes, Chapter 80C, and Minnesota Franchise Rules, Chapter 2860, the parties to the attached Talem Home Care Franchising, LLC Franchise Agreement (the “Franchise Agreement”), as follows:

1. Article 14.C of the Franchise Agreement, under the heading “Conditions for Approval of Transfer,” subarticle 14.C(6) is supplemented with the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 180 days-notice of nonrenewal of this Agreement by Franchisor.

2. Article 15.B of the Franchise Agreement, under the heading “Conditions for Renewal,” sub article 15.B(8) is supplemented with the addition of the following language:

Article 15.B. of the Franchise Agreement, under the heading “Conditions for Renewal,” the subarticle 15.B(8) is supplemented with the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 180 days-notice of nonrenewal of this Agreement by Franchisor.

3. Under Article 11 of the Franchise Agreement, under the heading “Notification of Infringement and Claims,” the subarticle 11.C. shall be supplemented by the addition of the following:

Franchisor agrees to protect Franchisee, to the extent required by the Minnesota Franchise Act, against claims of infringement or unfair competition with respect to Franchisee’s use of the Marks when, in the opinion of Franchisor’s counsel, Franchisee’s rights warrant protection pursuant to Article 11.E. of this Agreement.

4. Under Article 14 of the Franchise Agreement, under the heading “Conditions for Approval of Transfer,” the subarticle 14.C. shall be supplemented by the addition of the following:

Franchisor shall not unreasonably withhold consent to transfer the Franchise Agreement.

5. Under Article 16 of the Franchise Agreement, under the heading “Defaults and Automatic Termination Upon Written Notice Without Cure Period,” the subarticle 16.A.(2). shall be supplemented by the addition of the following:

Article 16.A.(2) will not be enforced to the extent prohibited by applicable law.

6. Under Article 16 of the Franchise Agreement, under the heading “Defaults and Automatic Termination After 30 Day Cure Period,” the subarticle 16.A.(4)(f), shall be supplemented by the addition of the following:

Subarticle 16.A.(4)(f) will not be enforced to the extent prohibited by applicable law.

7. Under both subarticles 16.A.(2) and 16.A.(4) of the Franchise Agreement, the following is added:

Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days-notice of termination (with 60 days to cure) of this Agreement.

8. Article 18.F. of the Franchise Agreement, under the heading “Governing Law”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.F.:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

9. Article 18.G. of the Franchise Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.G. of the Franchise Agreement:

; except the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Article 18.K of the Franchise Agreement, under the heading “Waiver of Jury Trial”, shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 18.K. of the Franchise Agreement:

; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Minnesota Franchise Act.

11. Article 18.I. of the Franchise Agreement, under the heading “Limitations of Claims,” shall be supplemented by the addition of the following statement:

Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim shall be barred.

12. Article 18 of the Franchise Agreement, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.Z. to the Franchise Agreement:

Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver or any liability under the Minnesota Franchise Act.

13. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this amendment.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Minnesota State amendment to the Talem Home Care Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Talem Home Care Franchising, LLC **Franchisee:**

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

Signature

Name (please print)

Dated



NEW YORK FRANCHISE AGREEMENT AMENDMENT

Amendments to the Talem Home Care Franchise Agreement

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Talem Home Care Franchising, LLC Franchise Agreement (the “Franchise Agreement”):

1. Under Article 14.C of the Franchise Agreement, under the heading “Conditions for Approval of Transfer,” the subarticle 14.C(6) is supplemented with the addition of the following language:

; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

2. Under Article 15.B of the Franchise Agreement, under the heading “Conditions for Renewal,” the subarticle 15.B(8) is supplemented with the addition of the following language:

; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

3. Article 18 of the Franchise Agreement and, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.Z. to the Franchise Agreement:

Nothing in this Agreement should be considered a waiver of any right conferred upon franchisee by New York General Business Law, Sections 680-695.

4. There are circumstances in which an offering made by Talem Home Care Franchising, LLC would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if you are domiciled in New York or the Outlet will be opening in New York. Talem Home Care Franchising, LLC is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the New York General Business Law, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this New York amendment to the Talem Home Care Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

[SIGNATURE PAGE TO FOLLOW]



Franchisor: Talem Home Care Franchising, LLC **Franchisee:**

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

Signature

Name (please print)

Dated



NORTH DAKOTA FRANCHISE AGREEMENT AMENDMENT

Amendments to the Talem Home Care Franchise Agreement

In recognition of the North Dakota Franchise Investment Law, Section 51-19, the parties to the attached Talem Home Care Franchising, LLC Franchise Agreement (the “Franchise Agreement”) agree as follows:

The North Dakota Addendum is only applicable if you are a resident of North Dakota or if your Talem Home Care Business will be located within the State of North Dakota.

1. Article 15 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring North Dakota franchisees to sign a general release upon renewal of the Franchise Agreement are not enforceable in North Dakota.”

2. Article 16 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring North Dakota Franchisees to consent to termination or liquidated damages are not enforceable in North Dakota.”

3. Articles 6 of the Franchise Agreement are hereby amended by the addition of the following language: “Covenants not to compete such as those mentioned above are generally considered unenforceable in the state of North Dakota.”

4. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota.”

5. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “for North Dakota Franchisees, North Dakota law shall apply.”

6. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.”

7. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring the franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.”

8. Article 18 of the Franchise Agreement is hereby amended by the addition of the following language: “Provisions requiring a franchisee to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisees, the statute of limitations under North Dakota Law will apply.”

Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of North Dakota Law are met independently without reference to this amendment.

[SIGNATURE PAGE TO FOLLOW]



Franchisor: Talem Home Care Franchising, LLC **Franchisee:**

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

Signature

Name (please print)

Dated



WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, QUESTIONNAIRE, AND RELATED AGREEMENTS

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

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

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Washington State amendment to the Talem Home Care Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Talem Home Care Franchising, LLC **Franchisee:**

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated





FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT I
STATE EFFECTIVE DATES



State Effective Dates

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

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

<u>Effective Dates</u>	
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT J
RECEIPTS





Talem Home Care Franchising, LLC
RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all the agreements carefully.

If Talem Home Care Franchising, LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale, of sooner if required by applicable law.

Applicable state laws in New York and Rhode Island require that we give you this document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state administrator identified Exhibit A of this Disclosure Document. We authorize the respective state agencies identified in Exhibit B of this Disclosure Document to receive service of process for us in the particular state.

The Issuance Date of this Disclosure Document is: February 24, 2023

The franchise sellers for this offering are:

Name	Principal Business Address	Telephone Number
Jake Rankin	80 Garden Center, Suite A-6, Broomfield, CO 80020	(833) TALEMHC

I received a Disclosure Document issued on February 24, 2023 that included the following exhibits:

A. List of State Administrators	F. List of Franchisees
B. List of Agents for Service of Process	G. List of Franchisees Who Have Left the System
C. Operations Manual Table of Contents	H. State Specific Addenda
D. Financial Statements	I. State Effective Dates
E. Franchise Agreement	J. Receipts

Date	Print Name	Signature

Date	Print Name	Signature

Please sign this copy of the receipt, date your signature, and return it to Talem Home Care Franchising, LLC, 80 Garden Center, Suite A-6, Broomfield, Colorado 80020.





Talem Home Care Franchising, LLC
RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all the agreements carefully.

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