

FRANCHISE DISCLOSURE DOCUMENT



HomeWell Franchising Inc.
A Texas corporation
812 Sheppard Road
Burkburnett, Texas 76354
Phone: (817) 916-8904
Website: www.homewellfranchising.com

HomeWell Franchising Inc. offers franchises under the “HomeWell Care Services” name and marks for the operation and management of a business providing home care services for seniors and others requiring in-home care.

The total investment necessary to begin operation of a “HomeWell Care Services” franchise is \$54,400 to \$234,900. This includes \$6,024 to \$56,340 that must be paid to the franchisor or affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchisor at 812 Sheppard Road, Burkburnett, Texas 76354 or by phone at (817) 916-8904.

The terms of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or 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 (the “FTC”). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 29, 2024

HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

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

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

WHAT YOU NEED TO KNOW ABOUT FRANCHISING *GENERALLY*

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

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

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

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

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

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

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

SOME STATES REQUIRE REGISTRATION

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

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

SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. 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 Texas than in your own state.
2. **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. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
5. **Sales Performance Requirement.** You must maintain 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.

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ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “we,” “us” and “the Company” mean HomeWell Franchising Inc. - the franchisor. “You” means the person who buys a HomeWell Care Services franchise - the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company.

Corporate Information

HomeWell Franchising Inc. (“HomeWell”) was originally incorporated under Washington law in May 2002 under the name, “HomeWell Senior Care, Inc.” In May of 2016, the company was converted to a Texas corporation, and in December 2020, we changed our name from HomeWell Senior Care, Inc. to HomeWell Franchising Inc. We have no predecessors. We do not do business under any other name. Our principal business address is 812 Sheppard Road, Burkburnett, TX 76354. Our telephone number is (817) 916-8904. Our agents for service of process are disclosed in EXHIBIT “A” of this Franchise Disclosure Document.

Business History

We offered franchises under the “HomeWell Senior Care” and “HomeWell” names and marks from May 2003 through March 2019. Beginning in May 2019, we began offering new franchises only under the “HomeWell” and “HomeWell Care Services” names, logos, and marks, as well as related trade names, service marks, trademarks, logos, and emblems that we designate for use in a HomeWell Care Services business (“Marks”).

We offered area representative franchises from November of 2011 until June 2014 and from April 2016 to March 2018. Area representatives are authorized to solicit, screen and support franchisees. We sold one area representative franchise during that time. That area representative abandoned its franchised business, as well as its rights under the area representative agreement, in 2019. As of the issuance date of this Disclosure Document, we have no area representative franchises and do not intend to resume sales of area representative franchises at this time. We have never offered franchises in any other line of business.

We do not currently own or operate a HomeWell Care Services business of the type being offered in this Franchise Disclosure Document. However, our founder, Joshua Hoffman, operated a HomeWell Senior Care business in Seattle, Washington from 2002 until 2011 when it was sold to a third-party franchisee.

Parents, Affiliates and Predecessors

Our parent company is Haase Holdings, LLC, and its principal business address is 812 Sheppard Rd, Burkburnett, TX 76354. We have no predecessors. We do not have any affiliates that offer goods or services to our franchisees. We have no affiliates that have offered franchises in this or any other line of business other than our former affiliate, HomeWell Franchising of Canada Inc. (“HomeWell Canada”).

HomeWell Canada offered HomeWell franchises in Canada from 2013 until 2021. In 2021, all Canadian locations were terminated, and HomeWell Canada ceased operations. HomeWell Canada was dissolved in 2022. During the time that it was operational, HomeWell Canada did not sell any franchises, although it took assignment of 5 franchise agreements previously executed by us for franchises that were operated in Canada (all of which were terminated in 2021). HomeWell Canada’s principal address was 95 Foundry Street, Suite 300, Moncton, New Brunswick E1C 5H7 Canada. HomeWell Canada never operated a HomeWell business.

Description of the Franchised Business

The franchise being offered by us is for the operation and management of a franchise known as a “HomeWell Care Services” business (the “Franchised Business” or “Business”). The Franchised Business is a business that focuses on providing home care for seniors and others requiring in-home care, including personal care, non-medical care, in-home care, assistance, and companionship services (“Primary Services”), through a uniform system (the “System”) and under the business format created and developed by us. The System consists of high standards of service, protocols and techniques, standards, and specifications, and use of quality products. In some cases, we may authorize HomeWell franchisees to offer optional additional services (the “Optional Additional Services”) (if licensed to do so in compliance with applicable law where required), including: (a) supplemental staffing services for nursing homes, hospitals, other home health agencies, and other facilities; (b) skilled nursing and other in-home medical care; and (c) other related products, materials, and equipment that we may develop and implement, which you will be authorized (but not required) to offer. However, franchisees may only provide medical services if they are licensed to do so in compliance with applicable law.

HomeWell Care Services franchises use our systems, standards, trademarks, service marks and domain names. We may authorize or require HomeWell Care Services franchises to offer additional products or services, as described in Item 16 below. You must establish a separate commercial office for the operation of your Franchised Business (you may not operate from a home office).

We grant to certain qualified persons and entities franchises for the right to operate a HomeWell Care Services franchise and use the associated intellectual property within a designated geographic area (your “Territory”). Each Franchised Business offers the services designated by us to its clients. These services are provided by employees hired by the franchisee. If you purchase a HomeWell Care Services franchise, you will sign a Franchise Agreement. The current form of Franchise Agreement is attached as Exhibit C to this Disclosure Document. If you purchase an additional territory, you may be required to sign a franchise agreement that is different from the form of franchise agreement included with this disclosure document.

Under the Franchise Agreement, we will grant you a license to use the System and the Marks. We and our affiliates may modify the Marks and elements of the System from time to time.

Market and Competition

The general market for home care services includes senior citizens over the age of 65 who prefer to live at home, as well as persons under the age of 65 who may need in-home care. We believe this is a growing market. The market seems not to be seasonal in nature. The market is constantly changing, and we believe it will continue to grow.

You will be competing with a variety of other businesses and indirect competitors, including franchised operations, national chains and independently owned companies offering similar or related services. Your competitors may include (i) national, regional and local assisted living facilities, retirement homes and nursing homes, some of which may have franchised operations and provide alternative services; (ii) national, regional and local homecare service providers, some of which may have franchised operations; (iii) privately operated and independent homecare service providers; and (iv) family caregivers who make up the majority of the market. We believe that competition will continue in this industry and that modern marketing, advertising and management strategies must be used in order to compete effectively.

Laws and Regulations

As a franchisee, you may be subject to general business, employment and other laws and regulations. You should consult with your attorney and local, state and federal government agencies before buying your HomeWell Care Services Franchise or any business to determine all legal requirements and consider their effects on you and cost of compliance. You must investigate, satisfy and remain in compliance with all local, state and federal laws, since

they vary from place to place and can change over time.

Many states, counties and local jurisdictions require that home care agencies obtain professional licenses to provide personal in-home care. You must check your state, county and local jurisdictions about these requirements. Some states impose moratoriums on the issuance of home health or home care agency licenses periodically. You must investigate the requirements and the availability of licenses in your state. We have some resources available to reference these state laws, but you must investigate, understand and comply with any federal, state, or local law applicable to your business. Certain states will require that you have a nurse or administrator as part of your staff. You should verify if you must meet this requirement for your state. You should consult with your own legal counsel to determine the applicability of these and other laws and regulations to the operation of your HomeWell franchise.

The Primary Services are generally non-medical, private pay home care, meaning the consumer pays the franchisee for services that are not deemed medical. Traditional Medicare does not cover non-medical services provided by HomeWell franchisees, but may cover some of the Optional Additional Services. Franchisees may become Medicaid certified for the provision of non-medical personal care tasks and also may choose to provide service to clients who are eligible for some coverage of HomeWell's services by a long-term care insurance policy. If you choose to offer any Optional Additional Services, become Medicaid or Medicare certified, or accept long-term care insurance, additional federal, state, or local laws may apply.

Various federal and state laws regulate the privacy and security of patient health care information. As noted above, the Primary Services are for non-medical, private pay home care, and franchisees do not furnish traditional health care services. However, we have on occasion authorized some franchisees to provide Optional Additional Services, which may include health care services (if the franchisee is appropriately licensed to do so). As a result, the Health Insurance Portability and Accountability Act (HIPAA), as amended by the federal Health Information Technology for Economic and Clinical Health (HITECH) Act, may apply to the operation of a franchisee's business depending on the specific services provided (HIPAA only applies if the franchisee provides "health care services" as defined by HIPAA). Although HIPAA may or may not apply to a given franchisee's business, we require that all franchisees comply with HIPAA to ensure the highest level of protection of client information. Under HIPAA, healthcare providers have certain legal obligations to keep a client's health care information confidential, and are also required to disclose that information to clients and third parties when requests are properly submitted. In addition, franchisees must ensure the privacy and security of client health care information shared with any "business associate" as defined under the HITECH Act, such as service providers, attorneys, or third-party billing companies. Note that many states also have laws regulating the privacy and security of patient health care and other personal information and these laws may impose even greater restrictions and obligations on a HomeWell franchisee's business regarding the privacy and security of client healthcare and other personal information.

In considering whether to purchase a HomeWell Care Services Franchise, you should consider the following steps and factors: (a) research the available local business climate in your area; (b) research the number of competitive businesses already in your area; and (c) review this Disclosure Document, including all Exhibits, with your attorney and accountant.

For additional information regarding California and Illinois laws related to this type of business, please see the California and Illinois Addenda, which are attached to this Franchise Disclosure Document as EXHIBIT "H".

ITEM 2 BUSINESS EXPERIENCE

Bruce Haase – Chairman of the Board of Directors

Bruce Haase has served as Chairman of the Board of Directors for HomeWell from February 2018 to present. From April 2018 to February 2022, Bruce was a Member to the Board of Directors of ESH Hospitality, Inc. in Charlotte, North Carolina and also served as President and Chief Executive Officer for ESH Hospitality, Inc. from November 2019 to February 2022. During 2017, he was an Independent Consultant for Haase Advisory Services in Rockville, Maryland. From March 2014 to September 2016, Bruce served as the Chief Executive Officer for WoodSpring Hotels located in Rockville, Maryland and Wichita, Kansas. During 2013, he was an Independent Consultant for Haase Advisory Services in Rockville, Maryland. From 2000 – 2012, Bruce served as Executive Vice President of Global Brands, Marketing and Operations for Choice Hotels International in Rockville, Maryland.

Doug Geoga, Director

Doug Geoga has served as a Director for HomeWell since November 2022. Doug has served as Manager and Director for Geoga Group, LLC in Chicago, Illinois since June 2006; Manager, Director, and President of Salt Creek Hospitality, LLC in Chicago, Illinois since December 2009; Director and President of GFCF, NFP in Chicago, Illinois since November 2015; and Advisor to Board of Atlantica International and affiliates in Sao Paulo, Brazil since August 2014. Previously, he was a Director for Kemper Corporation and predecessors in Chicago, Illinois from May 2000 through May 2019 and Director and Board Chair for Extended Stay America ownership entities in Charlotte, North Carolina and Spartanburg, South Carolina from October 2010 through June 2021.

Crystal Franz – Chief Executive Officer

Crystal Franz joined HomeWell in July 2018. She has served as our Chief Executive Officer since December 2020. Previously, Crystal was our Chief Strategy Officer from December 2019 through November 2020 and was our Vice President of Brand Strategy, Marketing & Communications from June 2018 through November 2019. From May 2015 through June 2018, she was Vice President, Corporate Communications for Wood Spring Hotels (f/k/a Value Place) in Wichita, Kansas, and from November 2014 through May 2015, she was Vice President, Marketing & Brand Programs for Value Place.

Casey McCleskey, CPA – Chief Financial & Administrative Officer

Casey McCleskey joined HomeWell in June 2016. From March 2018 to present, he has served as our Chief Financial & Administrative Officer. From October 2016 to September 2017, he served as our Vice President of Finance and Accounting and from June 2016 to September 2016 as our Director of Finance. From February 2009 to June 2016, Casey was an Accountant for Tugman & Cox in Burkburnett, Texas.

Mike Condon – Vice President of Franchise Development

Mike Condon joined HomeWell in July 2022. He has served as our Vice President of Franchise Development since January 2023. From July 2022 through December 2022, he served as our Franchise Development Director. He has also been the owner of Metro Detroit Franchise Corp. in Rochester, Michigan since February 2018. Previously, he served as Vice President of Business Development for MioTech Orthopedic Group, LLC in Holt, Michigan from January 2021 through July 2022; Director of Sales, East for OrthoGrid Systems in Salt Lake City, Utah from January 2020 through December 2020; and Area Vice President for DJO Global in Dallas, Texas from April 2015 through September 2019.

Brad Himmeger – Vice President of Franchise Services

Brad Himmeger joined HomeWell in April 2021. Brad has served as our Vice President of Franchise Services since October 2022 and previously was our Franchise Business Coach from April 2021 to September 2022. Previously, Brad was unemployed from September 2020 to March 2021; a Franchise Business Coach for HealthSource America's Chiropractor in Avon, Ohio from September 2019 to August 2020; and a District Manager for Cash America in Columbus, Ohio and Dallas, Texas from November 2013 to September 2019.

Michelle Sellers Cone– Senior Vice President of Training & Brand Programs

Michelle Sellers Cone joined HomeWell in January 2016. Michelle has served as our Senior Vice President of Training & Brand Programs since December 2020. Previously, Michelle was our Vice President of Operations from January 2019 to November 2020; our Vice President of Training & Development from March 2018 to December 2018; our Vice President of Business Development from October 2016 to February 2018; and our Director of Business Development from January 2016 to September 2016. From July 2013 to December 2015, Michelle was the Home Health Administrator for Angmar Medical Holdings, Inc. in Wichita Falls, Texas. From September 2013 to July 2014, she was Senior Account Executive and Trainer for Kindred at Home - Home Health Care in Wichita Falls, Texas. From November 2012 to August 2013, she was Director of Marketing at Senior Care Health and Rehabilitation Facility in Wichita Falls, Texas. From December 2009 to November 2012, she was an Account Executive and Trainer at Kindred at Home - Home Health Care in Wichita Falls, Texas.

Mishelle Payne, Senior Vice President of Marketing

Mishelle Payne joined HomeWell in May 2019. Mishelle has served as our Senior Vice President of Marketing since February 2022. Previously, Mishelle was our Vice President of Marketing from December 2020 to January 2022; and our Vice President of Creative and Brand Marketing from May 2019 to November 2020. From February 2018 through December 2018, she was Vice President, Creative for Choice Hotels International, Inc. in Rockville, Maryland; from November 2014 through January 2018, she served as Vice President of WoodSpring Suites in Rockville, Maryland; and from August 2013 through November 2014, she was a Senior Digital Designer for Rosetta Stone in Rosslyn, Virginia.

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ITEM 3 LITIGATION

1. Pending Actions

None

2. Litigation Against Franchisees During the Past Fiscal Year

None

3. Concluded Actions

California Commissioner of Financial Protection and Innovation v. HomeWell Franchising, Inc., Before the Department of Financial Protection and Innovation of the State of California. On January 10, 2024, HomeWell entered into a Consent Order with the Commissioner of the California Department of Financial Protection and Innovation (“Commissioner”) related to alleged violations of Sections 31110, 31201, and 31156 of the California Franchise Investment Law (“CFIL”) by: (1) selling at least one HomeWell franchise without perfecting an exemption; (2) offering and selling franchises in California by means of a written communication which included an untrue statement of a material fact, a financial performance representation; and (3) publishing an advertisement offering HomeWell franchises to California investors without filing the advertisement with the Department of Financial Protection and Innovation. Under the terms of the Consent Order, HomeWell agreed to desist and refrain from violations of Sections 31110, 31201, and 31156 of the CFIL (and any other violations of the CFIL).

Junzi Holdings, LC v. HomeWell Senior Care, Inc., American Arbitration Association, Case No. 01-20-0005-3713, Dallas, Texas (Filed May 22, 2020). On May 22, 2020, our former Area Representative and franchisee for the Washington, DC area, Junzi Holdings, LC (“Junzi”), filed a demand for arbitration with the American Arbitration Association (“AAA”) in Dallas, Texas. Junzi asserted claims for breach of contract, fraud, negligent misrepresentation, and violation of the Texas Deceptive Trade Practices Act (“Texas DTPA”) based on various allegations, including that we failed to provide marketing and lead generation, did not pay Junzi amounts due under the franchise and area representative agreements; failed to find new franchisees and a new area representative after Junzi’s abandonment of the franchise; failed to agree to mediation on a timely basis; and made inaccurate, deceptive, and misleading financial performance representations, as well as misrepresentations regarding support and assistance. Junzi sought rescission-based damages in excess of \$740,000 or in the alternative, expectation damages of over \$7.1 million for its fraud, negligent misrepresentation and DTPA claims; actual damages of \$750,000 for its breach of contract claim plus attorneys’ fees and costs, interest, and punitive and exemplary damages. We filed a response on June 10, 2020, denying all of Junzi’s allegations and asserting affirmative defenses, including that all of Junzi’s claims were barred by: (1) applicable statutes of limitations and contractual limitation periods; (2) Junzi’s failure to mitigate damages; (3) Junzi’s own acts or omissions in causing any damages; (4) Junzi’s repudiation of the contracts; (5) defenses of contractual disclaimer, waiver, release, and/or estoppel; (6) defense of accord and satisfaction; (7) Junzi’s failure to satisfy a condition precedent; (8) Junzi’s prior material breach of the contracts; and (9) a statutory exemption (with respect to the claims under the Texas DTPA). On October 1, 2020, the Company filed a counterclaim against Junzi and a third-party claim against Junzi’s owner, Thomas Adamon (“Adamon”), seeking to recover lost future profits totaling a minimum of \$1,516,541 as a result of Junzi and Adamon’s abandonment of the franchise agreement and area representative agreement. Junzi and Adamon denied any liability to the Company. An arbitration hearing was held on July 19, 2021, and on August 23, 2021, the arbitrator issued a final award that: (1) denied all of Junzi’s claims, except for one claim of negligent representation; (2) denied HomeWell’s counterclaim against Junzi and HomeWell’s third-party claim against Adamon; and (3) awarded Junzi \$112,634 in damages plus: (a) pre- and post-award interest and (b) reimbursement of \$35,455 for administrative fees and expenses of the AAA in excess of Junzi’s apportioned costs.

Other than these two items, no litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Initial Franchise Fee

As of the date of this disclosure document, the initial franchise fee is \$49,500 for a single Territory; however, we may offer discounts or different payment options under the following circumstances:

New Franchisees Purchasing a Single Territory. As of the date of this disclosure document, we offer two fee structures for all new HomeWell franchisees who wish to purchase a single Territory. A “new” HomeWell franchisee is an individual who has never had an ownership interest in a HomeWell Franchised Business or an entity whose owner(s) have never had an ownership interest in a HomeWell Franchised Business. If you are a new HomeWell franchisee purchasing a single Territory, you may choose one of the following options, which best meets your needs (as determined by you):

Option 1: You pay us a nonrefundable \$49,500 initial franchise fee in one lump sum by the due date (“Due Date”), which is the earlier of: (a) the opening date of your HomeWell business; and (b) 150 days after you sign the franchise agreement. If you select this option, you will pay royalty fees in the amount of 5 percent of Gross Revenues for the first 6 months after the effective date of your Franchise Agreement, and beginning in the seventh month after the effective date of your Franchise Agreement, you will pay royalty fees in the amount of 5 percent of Gross Revenues or the minimum royalty described in Item 6 (whichever is greater).

Option 2: You do not pay an initial franchise fee. If you select this option, you will pay 10 percent of Gross Revenues or the minimum royalty described in Item 6 (whichever is greater) for the first \$1.5 million in Gross Revenues generated by your HomeWell business. After that, your royalty fee will be 5 percent of Gross Revenues or the minimum royalty (whichever is greater) for the remainder of the term of the franchise agreement.

If you are a new HomeWell franchisee purchasing a single Territory, You do not need to select the option that you wish to use at the time that you sign the Franchise Agreement; however, if you have not paid the \$49,500 initial franchise fee by the Due Date, you will be deemed to have selected Option 2, and you will no longer be able to select Option 1.

New Franchisees Purchasing Two or More Territories. If, simultaneously with the purchase of your first franchise, you also purchase one or more additional franchised Territories, you must pay a nonrefundable \$49,500 initial franchise fee in one lump sum when you sign your first franchise agreement, and you will receive a 20% discount on the initial fee for each additional Territory that you purchase. You must sign a separate franchise agreement for each franchised Territory. You can purchase an additional franchised Territory at any time, but the initial franchise fee discount only applies if the additional franchised Territory is purchased at the same time as the first franchised Territory. In addition, the franchise agreement that you will sign when purchasing an additional Territory may be materially different from the original franchise agreement that you sign.

Conversion Franchises. If you previously operated a home care business and convert to our System, we may waive or discount your initial franchise fee based on our review of your existing business, which may include an evaluation of your existing client base, the location of your business, and your experience.

VetFran Incentive. We participate in the International Franchise Association’s VetFran program. If a prospective franchisee qualifies under this program, we offer a 20% discount off your initial franchise fee (but not your initial training fee or your royalties or other ongoing fees). To qualify for the military veteran discount, you must provide us with acceptable documentation of your honorable discharge from the U.S. Armed Forces (including a valid form DD214).

The initial franchise fee is not refundable under any circumstance. In the fiscal year ended December 31, 2023, we sold 32 new franchise territories for initial franchise fees (including the \$5,000 initial training fee described below) ranging from \$5,000 to \$54,500 per territory.

Training Expenses

As of the date of this disclosure document, you will pay a nonrefundable \$5,000 Training Fee when you sign the Franchise Agreement for up to 2 people to attend our initial training program. Presently, our initial training program is provided virtually. However, if we choose to provide initial training in-person, and you send more than 2 people to initial training, we reserve the right to require you to reimburse us up to \$1,000 for any additional costs we incur in preparing training materials and/or providing meals for the third and additional trainees, and those fees will not be refundable. If you are an existing HomeWell franchisee, we may, in our discretion, waive the initial training requirement and fee. To determine your eligibility for an initial training waiver, we may require you to pass a test of the material covered in initial training.

Email Services

As of the date of this disclosure document, we require you to use Microsoft Exchange email services in connection with the Franchised Business. We arrange for the email services for the entire HomeWell system, and you must pay us \$4 per email account per month to cover all costs associated with the email accounts (*e.g.*, the set-up, hosting, maintenance, 50 GB of storage, and updates). If you would like to have unlimited storage, the monthly fee will be \$8 per email account per month. We anticipate that most franchisees will begin with 2-5 email accounts at the standard storage and may incur fees for up to 3 months before opening for an estimated cost of \$24 to \$240 before the opening of your Franchised Business and during the initial 3-month period of operations. These fees are not refundable.

Online Home Care Compliance Platform Initial Set-Up Fee

When you sign your Franchise Agreement, you will pay us \$1,000, which we will pass through to a third party to cover the initial set-up fee for your access to the third-party’s online home-care compliance platform. As of the date of this disclosure document, we require our franchisees to subscribe to the online platform, and except for the nonrefundable \$1,000 initial set-up fee, we pay all ongoing fees directly to the platform provider on your behalf. However, we reserve the right to change that policy in the future and require you to pay ongoing fees to the third party.

Optional Purchases

You pay us no other fees or payments for services or goods before your Franchised Business opens, unless you choose to purchase miscellaneous branding items through us before your Franchised Business opening.

* * * * *

Except as disclosed above, all initial fees are uniformly imposed.

ITEM 6

OTHER FEES

Type of Fee ¹	Amount	Due Date ⁴	Remarks
<p>Royalty</p>	<p>Varies depending upon the number of months following the effective date of the Franchise Agreement:</p> <ul style="list-style-type: none"> • 0-6 months after the effective date of the Franchise Agreement: 5% of Gross Revenues • 7 months after the effective date of the Franchise Agreement and continuing thereafter: 5% of monthly Gross Revenues or the minimum royalty amount, per Territory (whichever is greater) <p>The “minimum royalty amount” varies depending upon the number of Territories you operate and the length of time that the Territory has been open to the public. See Note 2 for a definition of “Gross Revenues” and Note 3 for a detailed schedule of the minimum royalty amount</p> <p>.</p>	<p>15th day after end of monthly billing period</p>	<p>For new HomeWell franchisees purchasing a single Territory: If you do not pay the initial franchise fee of \$49,500 within 150 days after signing your Franchise Agreement, or before the opening of your HomeWell Business (whichever occurs first), your royalty for the first \$1.5 million of Gross Revenues generated by your first Territory will be</p> <ul style="list-style-type: none"> • 10% of Gross Revenues for the first six months after the effective date of the Franchise Agreement. • Beginning in the 7th month after the effective date of the Franchise Agreement, your royalty fee will be the greater of: (a) 10% of monthly Gross Revenues generated by your first Territory; and (b) the minimum royalty amount. <p>After your first Territory has generated \$1.5 million of Gross Revenues, your royalty fee for your first Territory will be 5% of monthly Gross Revenues or the minimum royalty amount (whichever is greater).</p> <p>See Note 3</p>

Type of Fee ¹	Amount	Due Date ⁴	Remarks
Brand Development Fund	<p>For the first \$1,000,000 of combined Gross Revenues received during a calendar year from all Territories that you operate:</p> <ul style="list-style-type: none"> • 0-6 months after the effective date of the Franchise Agreement: 2% of Gross Revenues • 7-12 months after the effective date of the Franchise Agreement: Greater of 2% of Gross Revenues and \$250 per month • 13-18 months after the effective date of the Franchise Agreement: Greater of 2% of Gross Revenues and \$500 per month • 19 months+ after the effective date of the Franchise Agreement: Greater of 2% of Gross Revenues and \$1,000 per month <p>For combined Gross Revenues in excess of \$1,000,000 during the calendar year for all Territories that you operate: 1% of Gross Revenues. The Brand Contribution rate will automatically reset to the standard fee (based on the schedule above) at the start of the next calendar year.</p>	Payable at the same time and in the same manner as the Royalty Fee beginning in the first full month after the effective date of the Franchise Agreement.	The Brand Development Fund is for marketing, advertising and promotional materials, public and consumer relations, publicity, and any other programs that we deem necessary or appropriate. You will have no voting rights pertaining to the administration of the fund, the creation and placement of the marketing materials or the amount of the Brand Development Fund fee.
Local Marketing	Greater of 2% of Gross Revenues and \$1,000 per month	As arranged with media and vendor outlets.	You must spend the greater of 2% of Gross Revenues or \$1,000 per month in your Territory after your Franchised Business opens on pre-approved business development marketing expenditures.

Type of Fee ¹	Amount	Due Date ⁴	Remarks
Marketing Material Development Fee	After 2 nd set of modifications, we may charge \$50 per hour in 30-minute increments	10 days after billing	We will produce marketing materials that you request. However, if you request more than 2 sets of modifications to the initial draft of the materials that we create, we may charge you this fee.
Email Services	Currently \$4 per email per month (or \$8 per email per month if you choose the unlimited storage option)	Payable at the same time and in the same manner as the Royalty Fee beginning in the first full month after the effective date of the Franchise Agreement.	We require you to use a Microsoft Exchange email for the Franchised Business, which we procure through our master account. This amount is subject to change.
Initial Training for Additional Persons	\$1,000 per person	10 days after billing (before you begin training)	For new Managing Owners / managers appointed after you open. We do not charge this fee (i) for the pre-opening initial training program or (ii) if the trainees attend a regularly scheduled training session. See Note 5.
On-Site Training/Assistance Fee (Optional)	\$1,200 per trainer, per day + travel expenses	10 days after billing	Only charged if you request that we provide additional on-site training or assistance. This fee is not charged for initial training.
Conference Registration Fee	\$1,200 for initial 2 attendees plus additional \$600 for each additional attendee.	12 equal monthly installments of \$100 each payable in advance (payable at the same time and in the same manner as the Royalty Fee beginning in the first full month after the effective date of the Franchise Agreement.). If more than 2 attendees, the additional fee is due before the Conference begins.	You must attend our annual conference. If you fail to attend, we will charge you a \$1,000 non-attendance fee. If you operate more than one Territory, you will pay only one Conference Registration Fee to cover your initial 2 attendees.
Transfer	30% of then-current initial franchise fee	Before our acceptance of transfer	Payable before you transfer your franchise to a third party. Fee is waived for transfers to an owner's spouse or adult child but we reserve the right to charge our then-current initial training fee to train these individuals. In addition to our transfer fee, you are responsible for paying for any broker fees incurred if you sell to a lead generated by a broker (which may vary from 30% to 60% of the purchase price).
Franchise Renewal Fee	\$1,500	Due upon signing of new Franchise Agreement	Initial franchise term is 10 years and successor term is 10 years.

Type of Fee ¹	Amount	Due Date ⁴	Remarks
Default Interest	18% per annum or highest rate permitted by law, whichever is lower	On demand	Interest is payable on any amounts payable to us that are overdue or for any understated amount. Interest accrues from the original due date until payment is received in full
Insufficient Funds Fee	\$150 per occurrence	Immediately upon demand	Payable if we debit your designated checking account and there are insufficient funds or if any check you give us is returned due to insufficient funds in your account.
Audit	Cost of audit	10 days after billing	Payable only if audit shows an understatement of 3% or more of any amount owed to us or if audit is required by your failure to provide required records or reports. You must also pay the understated amount plus interest.
Management Fee	Commercially reasonable rate	10 days after billing	If you default under the Franchise Agreement or the Managing Owner dies, we can designate a temporary manager to manage your Franchised Business until you cure the default or find a replacement Managing Owner, as applicable.
Indemnification	Varies under circumstances	As incurred	You must indemnify and reimburse us for any damages, losses or expenses we incur as a result of the operation of your Franchised Business or your breach of the Franchise Agreement.
Costs and Attorneys' Fees	Vary depending on nature of your default	Upon demand	You must reimburse us for all attorneys' fees and other costs we incur relating to your breach of any term of the Franchise Agreement or any other agreement with us or our affiliates.
Fee for Unapproved or Misused Marketing Materials	Up to \$500 per incident	10 days after invoicing	Payable if you misuse any marketing materials or use non-approved marketing materials.

Type of Fee ¹	Amount	Due Date ⁴	Remarks
Territory Violation Fee	50% of the total revenue collected from servicing a client in another franchisee's territory	Upon demand	If you service a client in another franchisee's territory without permission to do so and in violation of our extra-territorial operations policy, you must pay us the Territory Violation Fee based on the gross revenues you collect from that client. We will pay 80% of your payment to the franchisee who owns the territory and will retain the remaining 20% of your payment. You agree to cooperate in good faith with any client transition procedures that we specify.
Liquidated Damages	Will vary under the circumstances	15 days after termination	See Note 6.
Insurance	Reimbursement of our costs	On demand	If you do not obtain the insurance required for your Franchised Business, we may (but are not required to) obtain insurance on your behalf

Notes:

(1) Except as noted, all fees and costs in this Item 6 are imposed by and payable to us, are non-refundable, and are uniformly applied to new HomeWell system franchisees receiving this offer. However, existing franchisees who signed a different form of franchise agreement may pay different Royalty, Brand Development, Conference Fees, or other fees. In addition, in some instances in which it is appropriate to do so, we may in the future waive or defer some or all of these fees for a particular franchisee.

You will be required to sign an ACH Authorization Form (attached to the Franchise Agreement as ATTACHMENT "F"), permitting us to electronically debit your designated bank account for payment of all fees payable to us (other than the initial franchise fee), as well as any amounts that you owe to us or our affiliates for the purchase of goods or services. You must deposit all Gross Revenues into the bank account and ensure that there are sufficient funds available for withdrawal before each due date. You must install at your expense and use any pre-authorized payment and computerized point-of-sales systems, credit verification systems, automatic payment systems, electronic funds transfer systems, or automatic banking system that we may require, which is reasonably related to the operation of your franchise and the franchise system or to allow you timely to make all payments to us by electronic debit. You must pay all service charges and other fees charged by your bank so that we can electronically debit your account and all service charges and other fees that your bank charges for any electronic debits that are not honored or processed by your bank for any reason.

You must pay us all taxes that are imposed upon us or that we are required to collect and pay by reason of the furnishing of products, intangible property (including trademarks) or services to you. Failure to pay royalties on time may result in our reporting to the three major credit reporting bureaus.

(2) "Gross Revenues" means the total amount generated by you (regardless of collection) arising from, connected with, or related to the sale of all goods, merchandise or services and all business transacted at, from or through your Franchised Business, directly or indirectly, excluding only (a) sales taxes and other taxes separately stated that you collect from clients and pay to taxing authorities; (b) refunds and credits made in good faith to arm's-length clients according to our standards and specifications for issuing refunds or credits; and (c) the discount value of any coupon, voucher or other allowance that we authorize at the time you redeem the client's

coupon, voucher or allowance.

You must use the software that we designate (currently WellSky Personal Care) to enter all inquiries, clients, employees, invoices, payments, networking activities and events. We reserve the right to access your computer system and this required software to obtain Gross Revenues information. If there are additional products or services sold and that are not logged into the required software, you must submit a separate Gross Revenues report not later than 5 p.m. Central Time on the 10th of the month immediately following the end of the monthly billing period. Any Gross Revenues reports received late may be subject to a late fee.

(3) The following table describes the minimum royalty payment that you will owe for each Territory in which you operate:

Number of Months After the Effective Date of the Franchise Agreement	Minimum Royalty Per Territory		
	Territory 1	Territory 2	Territory 3
0-6	\$0	\$0	\$0
7-12	\$500	\$500	\$0
13-18	\$1,000	\$500	\$500
19-24	\$1,000	\$1,000	\$500
25-30	\$1,500	\$1,000	\$1,000
31-36	\$1,500	\$1,500	\$1,000
37-42	\$2,000	\$1,500	\$1,500
43-48	\$2,000	\$2,000	\$1,500
49-54	\$2,500	\$2,000	\$2,000
55-60	\$2,500	\$2,500	\$2,000
61-66	\$3,000	\$2,500	\$2,500
67-72	\$3,000	\$3,000	\$2,500
73-78	\$3,500	\$3,000	\$3,000
79-84	\$3,500	\$3,500	\$3,000
85-90	\$4,000	\$3,500	\$3,500
91-96	\$4,000	\$4,000	\$3,500
97-102	\$4,500	\$4,000	\$4,000
103-108	\$4,500	\$4,500	\$4,000
109-114	\$5,000	\$4,500	\$4,500
115-120	\$5,000	\$5,000	\$4,500

(We may, on a case-by-case basis, agree to temporary reductions of the Minimum Royalty fees for the existing clients of homecare agencies that convert their business to the HomeWell brand.)

(4) Payment is due via electronic funds transfer. If any state imposes a sales or other tax on the Royalty Fee, then we have the right to collect this tax from you. Royalties are calculated on a monthly basis with payment due on the 15th of the month immediately following the applicable billing period. If you fail to timely report your Gross Revenues, we may debit your account 120% of the royalty fee owed for the immediately prior period. We will reconcile with actual royalties owed once we have the required Gross Revenues data.

(5) You will pay an additional training fee if we must train new owners or managers after you open unless they attend a regularly scheduled training session.

(6) If we terminate your Franchise Agreement for cause, you must pay us, within 15 days after the effective date of termination, liquidated damages equal to the greater of:

(a) the average monthly royalty fee you owed to us during the 12-month period immediately preceding the termination date, (or, if the Franchised Business is open fewer than 12 months, the average monthly royalty fee for the period of time since opening) multiplied by (i) 36; and (ii) the number of months remaining under the Term if the Agreement had not been terminated (whichever is less); and

(b) your then current minimum royalty fee multiplied by (i) 36 months; or (ii) the number of months remaining under the Term if the Agreement had not been terminated (whichever is less).

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE ¹	LOW AMOUNT	HIGH AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee ²	\$0	\$49,500	Lump sum	Upon signing of Franchise Agreement	Us
Training Fee ³	\$5,000	\$5,000	Lump sum	Upon signing of Franchise Agreement	Us
Travel and Living Expense for On-Site Education ⁴	\$0	\$3,500	As incurred	Before opening	Vendors
Real Estate ⁵	\$3,600	\$9,000	As incurred	Before opening	Landlord
Furniture & Furnishings ⁶	\$0	\$5,000	As incurred	Before opening	Suppliers
Signage ⁷	\$300	\$4,000	As incurred	Before opening	Vendors
Computer Hardware ⁸	\$1,000	\$3,000	As incurred	Before opening	Vendors
Computer Software ⁹	\$876	\$1,560	As incurred	Before opening	Vendor
Email Services ⁹	\$24	\$240	As incurred	Before opening	Us
Online Home Care Compliance Platform Initial Set-Up Fee ¹⁰	\$1,000	\$1,000	Lump sum	Upon signing of Franchise Agreement	Us (which we will pass-through to the Vendor on your behalf)
Office Equipment and Supplies ¹¹	\$1,500	\$5,000	As incurred	Before opening	Vendors
Marketing Materials ¹²	\$2,000	\$4,000	As incurred	Before opening	Vendors
Local Marketing ¹³	\$3,000	\$18,000	As incurred	Before opening	Vendors
Grand Opening Marketing ¹⁴	\$1,000	\$5,000	As incurred	Before opening	Vendors
Additional Staffing ¹⁵	\$20,000	\$65,000	As incurred	As incurred	Employees
Caregiver Recruitment and Training ¹⁶	\$3,000	\$6,000	As incurred	As incurred	Vendors
Professional Fees ¹⁷	\$0	\$5,000	As incurred	Before opening	Vendors
Miscellaneous Pre-Opening and Opening Costs ¹⁸	\$500	\$1,000	As incurred	Before opening	Suppliers, Utilities, etc.
Licenses and Permits ¹⁹	\$100	\$5,500	As incurred	Before opening	Government agencies
Insurance ²⁰	\$1,500	\$5,000	Lump sum	Before opening	Insurance company
Conference Registration Fee Installment ²¹	0	\$600			
Additional Funds (3 Months) ²¹	\$10,000	\$33,000	As incurred	As incurred	Vendors, Us
TOTALS²¹	\$54,400	\$234,900			

NOTES:

1. General: This is an estimate for the development of a single HomeWell Care Services franchised Territory. We do not offer direct or indirect financing for any of these items. The availability and terms of financing from other sources will likely depend on factors such as the availability of financing generally, your creditworthiness, and the policies of lending institutions. None of the fees payable to us are refundable. Payments to third party vendors generally are not refundable, unless you make other arrangements with a vendor.
2. Initial Franchise Fee: As of the date of this disclosure document, the standard initial franchise fee is \$49,500. However, if you are a new HomeWell franchisee purchasing a single Territory, you may select one of two fee options (whichever you determine best meets your needs): If you select Option 1, you will pay a \$49,500 initial franchise fee by the earlier of: (a) the opening of your HomeWell business; and (b) the date that is 150 days after you sign the Franchise Agreement. Under Option 2, you will not pay an Initial Franchise Fee, and your ongoing royalty fees will be 10% of Gross Revenues for the first \$1.5 million of Gross Revenue generated by the first Territory, or the minimum royalty (whichever is greater) instead of the standard ongoing royalty of 5% of Gross Revenues. If you do not pay the \$49,500 by the deadline, you will be deemed to have selected Option 2. (A “new” HomeWell franchisee is an individual who has never had an ownership interest in a HomeWell Franchised Business or an entity whose owner(s) have never had an ownership interest in a HomeWell Franchised Business.)

If you purchase one or more additional franchised Territories (and sign separate Franchise Agreements) at the time that you purchase your first franchise, you will receive a 20 percent discount on the initial fee for each additional Territory that you purchase.

3. Training Fee. You must pay a nonrefundable \$5,000 Training Fee when you sign the Franchise Agreement for up to 2 people to attend our initial training program. If you are an existing HomeWell franchisee purchasing an additional Territory, we may, in our discretion, waive your training requirement and the Training Fee.
4. On-Site Education: We encourage you to spend 1 to 3 days on site at an operational location to familiarize yourself with the day-to-day operations of a HomeWell Care Services business before your grand opening. You are responsible for arranging transportation, as well as expenses incurred while attending on-site education, including meals and lodging. In addition, if we choose to provide initial training in-person, and you send more than 2 people to initial training, we reserve the right to require you to reimburse us up to \$1,000 for any additional costs we incur in preparing training materials and/or providing meals for the 3rd and additional trainees, and those fees will not be refundable. The total cost will vary depending on the number of people attending, distance and mode of transportation, and type of accommodations you choose. The low figure assumes virtual training and no visitation to another location. The high figure assumes 2 people attending on-site education, and 3 or more people attending in-person initial training.
5. Real Estate: You must provide a suitable commercial space for your business. Typical locations are strip centers and commercial office buildings. A typical office will range in size from 500 to 1,000 square feet. We estimate that your rent will be \$600 to \$1,500 per month or a total of \$3,600 to \$9,000 for an initial period of six months (approximately three months before opening and three months after opening). This range will vary depending on size, condition, and location of the premises. In addition, your landlord may require a security deposit.

If your site is larger, has a higher rental rate, or if you have to pay for additional months before you open, then your costs will be higher than those in the chart. Rent varies considerably from market to market, and even from location to location within each market. In addition to the factors noted above, rents may also vary beyond the range we provided based on factors such as supply and demand (and other market conditions) in the relevant area, the type and nature of improvements needed to the premises, the lease terms, and the desirability of the location.

If you decide to buy the property where your Facility will operate, you will incur additional costs that we cannot estimate.

6. Furniture and Furnishings: Only basic office furniture is required for operation of your Business. If you lease an executive suite or shared office space, furniture and furnishings may be included at no additional charge.
7. Signage: This range includes the estimated costs to acquire the signage required for your location, which may include door lettering, placards, or storefront signage.
8. Computer Hardware: This range includes estimated costs of one to three desktop or laptop computers, a printer, and monitor(s), for your business.
9. Software and Email Services: This range includes the estimated costs to license the software that we require you to use in your Franchised Business, including WellSky Personal Care management system, Quickbooks, Microsoft Office, and Microsoft Exchange email services provided through HomeWell, for three to six months (\$24 for two accounts with 50 GB of storage for three months and \$240 for 5 accounts with unlimited storage for six months).
10. Online Home Care Compliance Platform Initial Set-Up Fee. When you sign your Franchise Agreement, you will pay us \$1,000, which we will pass through to a third party to cover the initial set-up fee for your access to the third-party's online home-care compliance platform. As of the date of this disclosure document, we pay all ongoing fees for your use of the platform. We reserve the right to change that policy in the future and require you to contract with the third party and pay the ongoing fees.
11. Office Equipment and Supplies: This range includes estimated costs associated with basic office supplies and typical equipment, such as a copy machine and filing cabinets, as well as purchase of personal protective equipment ("PPE"), such as face coverings and gloves. The estimated costs for PPE ranges from \$500 to \$3,000.
12. Marketing Materials: You can expect to purchase an initial inventory of (and on an ongoing basis after that), Franchisor approved marketing collateral and other branded marketing materials to supplement your sales efforts. This amount will vary depending on the specific items and quantities of materials chosen.
13. Local Marketing: You must spend a minimum of \$1,000 or 2 percent of Gross Revenues, whichever is greater, on local marketing. We recommend you establish a local marketing strategy to determine the types of advertising and amounts that may be most effective in marketing within your Territory. Marketing and advertising expenses can vary substantially based on the location, size, and other factors of your Territory. This range includes the estimated costs for 3-6 months for local marketing and advertising efforts. The low figure of this range is your required minimum for three months. The high figure includes an estimated spend of various advertising methods for six months. This amount does not include expenses related to Grand Opening Marketing, Brand Fund contributions, or caregiver recruiting spend.
14. Grand Opening Marketing: You must have a grand opening event during the period beginning 30 days before opening and ending 90 days after opening, but we do not require that you spend a specified amount on your grand opening event.
15. Additional Staffing: You should expect to have at least one full time employee upon opening your Franchised Business. This range does not include caregiver wages or an owner's distribution or salary. Certain states require that you have a nurse or administrator as part of your staff. You should verify if you must meet this requirement in your state. The low figure includes the approximate salary and associated payroll burden of one full-time employee for three months. The high figure includes the salary and

associated payroll burden of two full time employees (including a nurse or administrator) for six months.

16. Caregiver Recruitment and Training: This range includes the estimated costs of caregiver recruitment, training, and other onboarding costs for three to six months.
17. Professional Fees: You may require the services of an attorney, CPA, or other advisor when you establish your business. This range includes the estimated costs for these services, which may vary depending on your business needs and state requirements.
18. Miscellaneous Pre-Opening and Opening Costs. This estimate includes other deposits, utility costs, and telephone and communications costs.
19. Licenses and Permits: Depending on your state and local government licensing requirements, you may be required to pay registration fees to perform personal care services. These fees vary from state to state. It is your responsibility to review, understand, and comply with all laws pertaining to your business.
20. Insurance: You must purchase and maintain insurance coverage from approved suppliers as specified in the Franchise Agreement or Manual. See Item 8 for greater detail. This range is an estimate of one year of insurance premiums (not including workers' compensation, which varies widely by location).
21. Conference Registration Fee Installment Payments. You must pay a \$100 Conference Registration Installment each month beginning in the first month after you sign the Franchise Agreement, and depending upon when you open your Franchised Business, you may begin incurring these fees before opening.
22. Additional Funds: We recommend that you have working capital funds to cover certain operating expenses, such as rent, marketing collateral, and local marketing, for an additional three months (beyond the initial three-month start-up period). This category also includes wages and payroll taxes for caregivers during the initial caregiver onboarding process. It does not include caregiver wages paid for providing services, which should be fully funded from client payments collected before providing services. This category does not include employee wages or an owner's distribution, salary, or living expenses, and the actual costs that you incur (and funds that you will need) may be higher or lower than the estimate, depending upon factors, including general economic conditions and your local market.
23. Total Estimated Initial Investment: We have relied on the experience of our existing franchisees in preparing the estimates in the chart. You should develop your own estimates and carefully review them with an accountant or business advisor before making a decision to purchase a franchise.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Source Restricted Purchases and Leases - Generally

We require that you purchase or lease certain "source restricted" goods and services for the development and ongoing operation of your Franchised Business. By "source restricted," we mean that the good or service must meet our specifications and/or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate). Our specifications and list of approved and designated suppliers are contained in the Manual. 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, verbal or telephonic notification, amendments or updates to the Manual, bulletins, or other means of communication. We formulate and modify our specifications and standards for products and services based upon our industry knowledge and our experience in franchising HomeWell Care Services businesses. We also have the right to receive rebates or other financial contributions from these suppliers based

on franchisee purchases and have no obligation to pass those amounts on to you or use them for your benefit.

Supplier Criteria

Our criteria for evaluating a supplier include standards for quality, delivery, performance, design, appearance and price of the product or service as well as the dependability, reputation and financial viability of the supplier. Upon your request, we will provide you with any objective specifications pertaining to our evaluation of a supplier, although certain important subjective criteria (e.g., product appearance, design, functionality, etc.) are important to our evaluation but cannot be described in writing.

If you want to purchase or lease a source restricted item from a non-approved supplier, you must send us a written request for approval and submit any additional information that we request. We may require that you send us samples from the supplier for testing. We may also require that we be allowed to inspect the supplier's facilities. We will notify you of our approval or disapproval within a reasonable time after we receive your request for approval (not to exceed 60 days) plus all additional information and samples that we require. We may, at our option, re-inspect the facilities and products of any approved supplier and revoke (in writing) our approval if the supplier fails to meet any of our then-current criteria. We do not charge a fee to review proposed suppliers.

Source Restricted Purchases

As described below in more detail, we currently require that you purchase or lease the following source restricted goods and services: the lease for your office; signage; computer system; online homecare compliance platform; email services; marketing materials and branded items; and insurance policies. We estimate that nearly 10% of the total purchases and leases that will be required to establish your Franchised Business and 5% of your ongoing operating expenses will consist of source-restricted goods or services.

Lease

We do not review the terms of your lease. However, if you will lease the premises for your office, you must use your best efforts to ensure your landlord signs the Lease Addendum that is attached to the Franchise Agreement as ATTACHMENT "D". If your landlord refuses to sign the Lease Addendum in substantially the form attached to the Franchise Agreement, we may require that you find a new site for your office. The terms of the Lease Addendum are designed to protect our interests. For example, the landlord must notify us of your defaults, offer us the opportunity to cure your defaults, allow us to take an assignment of your lease in certain situations, permit us to enter the premises to remove items bearing our Marks if you refuse to do so and give us a right of first refusal to lease the premises upon the expiration or termination of your lease.

Signage

All of your signage must meet our standards and specifications. You are not required to purchase signage from a designated or approved supplier.

Computer System

Your computer system, including hardware and software, must meet our standards and specifications. You may purchase your computer from any supplier of your choosing. WellSky Personal Care is currently the exclusive supplier for the software management system that you will use for inquiries, clients, employees, invoicing, payments, networking activities and events.

Online Home Care Compliance Platform

We require you to subscribe to an online home care compliance platform, and as of the date of this disclosure document, we cover all expenses for the platform other than a \$1,000 initial set-up fee. However, we reserve the

right to change this policy in the future and require you to pay the ongoing fees and expenses to the third party.

Email Services

As of the date of this disclosure document, we require you to use a “HomeWell Cares” email account in connection with the Franchised Business. You must obtain the email account through us, and we will charge you a monthly fee per email address that you use (currently \$4 per email address per month). Your monthly fee will cover all costs incurred for the set-up, use, maintenance, storage (up to 50 GB), and servicing of the email account. If you wish to have unlimited storage, as of the date of this disclosure document, your monthly fee will be \$8 per email address per month.

Marketing Materials and Branded Items

All of your marketing materials must comply with our standards and requirements. We must approve all of your marketing materials before you use them, and if your proposed marketing materials are not based on the library of customizable advertising material that we have created, or are not compliant with the HomeWell marketing guidelines, we are not likely to approve. You must purchase all branded marketing materials, stationery, and other items only from us or other suppliers that we designate or approve. If the price that you pay exceeds the cost of production, the approved supplier may provide us with credits for use in connection with system upkeep and development. You may market your Franchised Business through approved social media channels in accordance with our social media policy. We may require that you utilize our designated supplier for social media marketing services and exclusively use our designated social media platform.

Insurance Policies

You must obtain the insurance coverage that we require from time to time (whether in the Franchise Agreement or in the Manual). You must purchase these policies from insurance companies that we approve. The required coverage currently includes:

(i) “all risk” property insurance coverage on all assets, including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of your Franchised Business, which must include coverage for fire, vandalism and malicious mischief and have coverage limits of at least full replacement cost;

(ii) comprehensive general liability insurance against claims for bodily and personal injury, death, advertising injury, contractual liability, independent contractors’ coverage, and property damage caused by or occurring in conjunction with the operation of your Franchised Business, containing minimum liability protection of \$1,000,000/\$3,000,000 per person/per occurrence;

(iii) professional liability insurance containing minimum liability protection of \$1,000,000 combined single limit per occurrence, and \$3,000,000 in the aggregate;

(iv) automobile liability and property damage insurance covering all loss, liability, claim or expense of any kind whatsoever resulting from the use, operation, or maintenance of any automobiles or motor vehicles, owned, leased, hired, or used by you, or your officers, directors, employees, partners or agents, in the operation of your Franchised Business, containing minimum liability protection of \$1,000,000 combined single limit per occurrence;

(v) third party liability bond with a minimum occurrence limit of \$25,000;

(vi) worker’s compensation insurance and employer’s liability insurance as required by law; and

(vii) any other insurance that we specify in the Manual from time to time.

All insurance policies must be endorsed to: (i) name us (and our members, officers, directors, and employees) as additional insureds; (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive 10 days' prior written notice of the termination, expiration, cancellation or modification of the policy.

Purchase Agreements

We may negotiate group rates, including price terms, for the purchase of equipment and supplies necessary for the operation of the Franchised Business for the benefit of our franchisees. Presently, there are no purchase or supply agreements in effect for source restricted purchases other than our agreements with WellSky Personal Care (we have negotiated pricing with WellSky Personal Care for your WellSky Personal Care software), and there are no purchasing or distribution cooperatives that you must join. We have also negotiated pricing with suppliers of certain optional products and services you may, but need not, purchase. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing that we negotiate.

Franchisor Revenues from Source Restricted Purchases

We are currently an approved supplier for miscellaneous branding items, but we are not the exclusive approved supplier. We do not expect to earn a profit on the sale of these items to our franchisees. We may designate ourselves as an approved or designated supplier for other items in the future.

There are no other approved or designated suppliers in which any of our officers owns an interest.

Other than the credits that we receive from an approved supplier of branded marketing materials and miscellaneous items, we do not currently receive rebates, payments or other material benefits from suppliers based on franchisee purchases. During the fiscal year ended December 31, 2023, we received credits in the amount of \$12,142 from an approved supplier of branded marketing materials and miscellaneous branding items, which represented 0.2 percent of our total revenue of \$6,239,806 for that year.

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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 other items in this Disclosure Document.

OBLIGATION	SECTIONS IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Section 8.1 and Attachments C and D	Item 7 & Item 11
b. Pre-opening purchases/leases	Section 8.2, 13.3, 13.5, & 13.6	Item 5, Item 7, Item 8 & Item 11
c. Site development and other pre-opening requirements	Section, 8.1 & 8.2	Item 6, Item 7 & Item 11
d. Initial and ongoing training	Section 5 & 6	Item 6 & Item 11
e. Opening	Section 8.2	Item 11
f. Fees	Section, 6.2, 12.1 & 14	Item 5 & Item 6
g. Compliance with standards and policies/Operating Manuals	Section 8.1, 12.3, & 13	Item 11
h. Trademarks and proprietary information	Section 18	Item 13 & Item 14
i. Restrictions on products/services offered	Section 13.2 & 13.3	Item 16
j. Warranty and client service requirements	Section 13.1	Item 11
k. Territorial development and sales quotas	Section 3.3	Item 12
l. Ongoing product/service purchases	Section 13.4	Item 8
m. Maintenance, appearance and remodeling requirements	Section 13.3 & 13.7	Item 11
n. Insurance	Section 16.1	Item 6, Item 7 & Item 8
o. Advertising	Section 12	Item 6, Item 7 & Item 11
p. Indemnification	Section 19	Item 6
q. Owner’s participation/ management/staffing	Section 9	Item 11 & Item 15
r. Records/reports	Section 16.2 & 16.3	Item 6
s. Inspections/audits	Section 7.2 & 17	Item 6 & Item 11
t. Transfer	Section 20e	Item 17
u. Renewal	Section 4	Item 17
v. Post termination obligations	Section 22	Item 17
w. Non-competition covenants	Section 15	Item 17
x. Dispute resolution	Section 23	Item 17
y. Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses)	Attachment E	Item 15

ITEM 10 FINANCING

We do not offer direct or indirect financing. We will not guarantee your note, lease, or obligation.

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

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

Before you open your Franchised Business, we will:

1. License you the Marks necessary to begin operating your Franchised Business. (Franchise Agreement, Section 2)
2. Review and approve the location of your office. We do not assist you with conforming the premises to local ordinances and building codes or obtaining any required permits. We do not typically own and lease the premises to you, and you will purchase or lease the premises from third parties. See Section below entitled "Site Development" for additional information. (Franchise Agreement, Section 8.1)
3. Provide you with access to the Manual, which will help you establish and operate your Franchised Business. See Section below entitled "Manual" for additional information. (Franchise Agreement, Section 7.1)
4. Provide you with written specifications for the goods and services you must purchase to establish your Franchised Business, as well as a written list of approved and/or designated suppliers for purposes of acquiring these goods and services. We do not deliver or install any of the items that you are required to purchase. (Franchise Agreement, Section 7.3)
5. Provide an initial training program. See Section below entitled "Training Program" for additional information. (Franchise Agreement, Section 5.1)

During the operation of your Franchised Business, we will:

1. Give you ongoing guidance and recommendations on methods and procedures for the purchase and use of equipment, materials, forms, displays, supplies and other items needed to operate the Franchised Business. (Franchise Agreement, Section 7.3).
2. Provide you with unlimited telephone (via toll-free line) and e-mail support during our business hours. (Franchise Agreement, Section 7.3).
3. Upon your request, assist you in the development and use of administrative and general operating procedures. (Franchise Agreement, Section 7.3)
4. Periodically visit your office to inspect your operations and provide guidance and recommendations on ways to improve the marketing and/or operation of your Franchised Business. (Franchise Agreement, Section 7.2)
5. Provide periodic training programs. See Section below entitled "Training Program" for additional information. (Franchise Agreement, Section 5.3)
6. Conduct periodic group conference calls to discuss relevant matters with our franchisees. (Franchise Agreement, Section 5)
7. Maintain the corporate HomeWell Care Services website that will include a list of all of the HomeWell

Care Services franchisees that are in good standing with us. We may modify the content of and/or discontinue this website at any time in our sole discretion. (Franchise Agreement, Section 7.7)

8. Provide you with your dedicated HomeWell Care Services web page on our corporate website to promote your Franchised Business. See Section below entitled “Computer System” for additional information. (Franchise Agreement, Section 7.7)

9. Provide recommendations for pricing for the products and services your Franchised Business will offer. If we provide recommended pricing to you, it will not be binding upon you. However, to the extent permitted by applicable law, we may specify a maximum price you may charge for a product or service for a limited period of time (such as the duration of an advertisement or special promotion). (Franchise Agreement, Section 7.4)

10. Maintain the brand development fund. See Section below entitled “Brand Development Fund” for additional information. (Franchise Agreement, Section 7.6, 12.1 and 12.2)

During the operation of your Franchised Business, we may, but need not:

1. Research and develop new or substitute products and/or services for sale by your Franchised Business. (Section 7.9)

2. Negotiate purchase agreements with suppliers to allow you to purchase certain goods or services at discounted prices. We may also purchase items in bulk at discounted prices and resell them to you at our cost plus shipping and a reasonable markup. (Franchise Agreement, Section 7.8)

3. Hold periodic national or regional conferences to discuss business and operational issues affecting HomeWell Care Services franchisees. (Franchise Agreement, Section 6)

4. Upon your request, provide additional training or assistance (either virtually, at our headquarters or in your Territory). See Section below entitled “Training Program” for additional information. (Franchise Agreement, Section 5.4)

Training Program (Franchise Agreement, Section 5)

Overview. We will provide an initial training program for the Managing Owner (defined in Item 15) and your employees that we specify. The Managing Owner and your initial designated manager (if applicable) must successfully complete the initial training program to our satisfaction before you open your Franchised Business. You may send other owners and employees to initial training, but it is not required.

The initial training program includes: (i) a training program that is conducted remotely via conference calls, email, and online learning management systems; (ii) a one-day pre-opening on-site inspection; and (iii) 3 days of on-site training, which takes place at some point during your first year of operation. The 3 days of on-site training during your first year of operations is an informal training program conducted at your business office to identify and address any operational challenges you have encountered after opening. In addition, we encourage you to spend 1 to 3 days on-site at an operational HomeWell Care Services location to familiarize yourself with the day-to-day operations of a HomeWell Care Services business before your grand opening. If you choose to do so, you are responsible for arranging transportation, as well as expenses incurred while attending the on-site education, including meals and lodging.

There is no minimum period of time after signing the Franchise Agreement or before opening that training must be completed. However, you must successfully complete training before opening and pass the pre-opening on-site inspection before receiving approval to open your business to the public.

Currently, we intend to offer the initial training program at least quarterly assuming sufficient demand.

Training - the-Topics. The initial training program consists of the following:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING (Note 1)	LOCATION (Note 2)
Industry Topics (Home Care, Franchising, Business Set-Up)	8.5 (includes 5.5 hours of self-paced online video modules)	30	Virtual and Your Office
Operations Topics (Inquiries, Assessments, Signature Programs, Care Management)	7 (includes 3 hours of self-paced online video modules)	13	Virtual and Your Office
Systems, Metrics, & KPIs (WellSky, the HomeWell Central extranet, operational metrics, key performance indicators)	1.5 (self-paced online video modules)	6	Virtual and Your Office
Talent Management (recruitment, retention, engagement, recognition)	8 (includes 4 hours of self-paced online video modules)	8	Virtual and Your Office
Sales (sales management and sales onboarding)	8 (includes 3 hours of self-paced online video modules)	4	Virtual and Your Office
Marketing (brand, digital marketing, Marketing Hub)	5 (includes 2 hours of self-paced online video modules)	11	Virtual and Your Office
Total	39.5	72	

Note 1: “On-the Job Training” includes coaching and other pre-opening training that we provide onsite at your offices and via calls and emails.

Note 2: As of the date of this disclosure document, we expect to offer initial training virtually; however, we may also offer the initial training in-person in Burkburnett, Texas if we determine that it is necessary or appropriate to do so.

Training Materials

For the initial training program, the training materials will consist of live instruction, digital handouts and online learning modules. You will not be charged an additional fee for any of the training materials unless you send more than 2 people to initial training (see “Training Fees and Costs” below).

Instructors

Our training staff includes members of our executive team and other specialists who have between 3 and 30 years' experience in the subject matter taught and between 2 and 8 years' experience with HomeWell.

Michelle Sellers Cone, our Senior Vice President of Training and Brand Programs oversees our training program, with the assistance of Erika Ehlers and Matt Hyre who are responsible for training design and implementation. Michelle has 27 years of experience in the home care services industry and 8 years of experience with HomeWell; Erika has 20 years of experience in learning and development and 2 years of experience with HomeWell; and Matt has 11 years of experience in learning and development and 2 years of experience with HomeWell.

Ongoing Training

From time to time, we may require that your Managing Owner, managers and other employees attend system-wide refresher or additional training courses. If you appoint a new Managing Owner or manager, that person must attend and successfully complete our initial training program before assuming responsibility for the management of your Franchised Business.

You may also request that we provide additional training (either at corporate headquarters/offices or within your Territory). We are not required to provide this additional training.

Training Fees and Costs

You must pay a nonrefundable \$5,000 Training Fee when you sign the Franchise Agreement for up to 2 people to attend our initial training program. If you send more than 2 people to training, we may charge you for the additional costs we incur in preparing the training materials and/or providing meals to the attendees at in-person training sessions (other than the initial 2 attendees). We may, in our discretion, waive the initial training requirement and initial Training Fee for existing HomeWell franchisees purchasing additional Territories. To be eligible for a waiver of the initial training requirement, we may require you to pass a test of the material covered in our current training program.

If we train new owners or managers after you open your Franchised Business, we may charge you a \$1,000 training fee for each person trained in addition to the costs we incur in preparing training materials and/or providing meals to the attendees. (We will not charge the \$1,000 training fee if the trainee attends a regularly scheduled training session.) If you request additional on-site training from us, we may charge you a training fee of up to \$1,200 per day, and you must also reimburse us for all costs that we incur for training supplies, food, lodging and travel. We may charge a training fee for any periodic system-wide refresher or additional training program that we require. You are responsible for all expenses and costs that your trainees incur for training, including wages, travel and living expenses.

Manual (Franchise Agreement, Section 7, 13.1 and 13.2)

We will lend you our Brand Standards Manual (or “Manual”) for the term of your Franchise Agreement in the format that we determine is appropriate (including paper copies and/or by making some or all of the Manual available through an Internet website, a portal, links to online learning modules, or an extranet), and we may change how we provide the Manual from time to time. The Manual may include, among other things, (i) a description of the authorized goods and services that you may offer at your Franchised Business; (ii) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for HomeWell Care Services franchisees; (iii) mandatory reporting and insurance requirements; (iv) mandatory and suggested specifications for your office; and (v) a written list of goods and services (or specifications for goods and services) you must purchase for the development and operation of your Franchised Business and a list of any designated or approved suppliers for these goods or services. The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by our franchisees. We can modify the Manual at any time, and the modifications will become binding 30 days after we send you notice of the changes. All mandatory provisions contained in the Manual are binding on you. The Manual is confidential and remains our property. As of the issuance date of this disclosure document, the Manual contains a total of 212 pages. A copy of the Table of Contents to the Manual is attached to this Disclosure Document as EXHIBIT “D”.

Site Development (Franchise Agreement, Section 8.1, 8.2 and ATTACHMENT “C”)

A HomeWell Care Services office must be at least 300 square feet and must be a “professional” office rather than a home office. You must locate and obtain our approval of the office from which you will operate your Franchised Business. The premises must be located within the Territory identified in ATTACHMENT “B” to the Franchise Agreement and must conform to our minimum site selection criteria. If you have more than one HomeWell Care Services business and Territory, we may require you to operate each business from a separate office that is located within the Territory for that business. Site selection is your responsibility, but we may provide reasonable assistance with location selection by considering population density, traffic patterns and proximity of the proposed site to other HomeWell Care Services locations or any reasonable criteria and will consider those factors in reviewing a proposed site. If you fail to obtain our approval of your site before your required opening date, we may terminate your Franchise Agreement.

We do not review the terms of your lease. However, if you will lease the premises for your office, you must use your best efforts to ensure your landlord signs the Lease Addendum that is attached to the Franchise Agreement as ATTACHMENT “D”. If your landlord refuses to sign the Lease Addendum in substantially the form attached to the Franchise Agreement, we may require that you find a new site for your office.

After you purchase or sign your lease for your office, you must, at your sole expense, construct and equip your office to the specifications contained in the Manual. Currently, we do not impose any requirements that would require you to significantly modify or remodel your office, although we may impose these requirements in the future. You agree to maintain a professional office with standard fixtures, furnishings, equipment and supplies that we require from time to time.

Computer System (Franchise Agreement, Section 13.6)

You must obtain, use, and maintain a computer system with specifications that we establish, including hardware (a tablet or laptop with Wi-Fi capability and a desktop (either PC or Mac) with high speed internet access) dedicated phone and internet lines, printers, and other related accessories and equipment.

As of the date of this disclosure document, you must obtain (from an exclusive supplier) the WellSky Personal Care software management system that you will use for scheduling, invoicing, payments, and other client and employee information. We will have the independent and unrestricted ability to access information on your Franchised Business through the software (including Gross Revenues information) subject to any restrictions

imposed by HIPAA or applicable privacy laws regarding our ability to access that information. We also have the right to access your computer system as part of an inspection.

We estimate the cost of your computer system will range from \$1,876 to \$4,560. The licensor of the required software management system will provide ongoing maintenance, support and updating in exchange for a monthly fee equal to \$11 per client, with a \$180 minimum monthly fee (or a \$2,160 minimum fee on an annual basis). In addition, the monthly fee that you must pay for Microsoft Exchange mailbox (\$4 per email for 50 GB of storage or less/\$8 per email for unlimited storage) covers maintenance of the email account. Except as disclosed in this section: (i) neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system; and (ii) we are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system.

We may require you to use a “HomeWell Care Services” e-mail address (that is, one that will contain a Top Level Domain Name that we designate, for example, john.jones@homewellcares.com) (the “Official E-mail Address”) related to the operation of your Franchised Business. We may require that you and your employees sign standard terms and conditions for use of the Official E-mail Address, and you may be required to pay ongoing fees to a third party in connection the Official E-mail Address.

You must maintain the computer system in good working order at your cost. During the term of your franchise, you may be required to upgrade or change your computer hardware and/or software to conform to our then-current specifications. There are no contractual limitations on the frequency or cost of these upgrades or changes. We reserve the right to change the software or technology that you must use or add new software or technology at any time.

We may charge you for any software or technology that we license or sublicense to you. If we sublicense the software from a third party, we will collect from you all amounts that we must pay the licensor based upon your use. If we license you software that we develop or own, we may charge commercially reasonable initial and ongoing licensing and support fees.

Brand Development Fund (Franchise Agreement, Section 12.1)

We have established a brand development fund to promote public awareness of our brand. We may use the fund to pay for any of the following in our discretion: (i) marketing, advertising, sales promotion and promotional materials and activities; (ii) developing market research and merchandising programs; (iii) website development, hosting, and search engine optimization relating to the HomeWell Care Services website; (iv) public and consumer relations; (v) publicity; (vi) any other programs, activities or uses that we deem necessary or appropriate; and (vi) providing technical or professional advice in connection with any of the forgoing. We will not use brand development fund fees to defray any of our general operating expenses, except for such reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration of the brand development fund and the activities paid for by the fund (which may include, among other things: conducting market research, preparing and conducting internet, social media, television, radio, magazine, billboard, newspaper and other media programs and activities and employing advertising agencies, collecting and accounting for contributions to the brand development fund, and paying for the preparation and distribution of financial accountings and marketing materials). As of the date of this disclosure document, the fund is not used to pay for advertisements principally directed at selling additional franchises, although consumer advertising may include notations such as “franchises available” and one or more pages on our website may promote the franchise opportunity.

You must pay a monthly brand fund contribution. For the first \$1,000,000 of combined Gross Revenues received by all territories that you operate, the amount of your brand fund contribution will vary depending upon the number of months since the effective date of the Franchise Agreement as follows:

Number of Months Since Franchise Agreement Effective Date	Brand Fund Contribution Amount
0-6	2% of Gross Revenues
7-12	2% of Gross Revenues or \$250 (whichever is greater)
13-18	2% of Gross Revenues or \$500 (whichever is greater)
19+	2% of Gross Revenues or \$1,000 (whichever is greater)

If your combined Gross Revenues exceed \$1,000,000 during the calendar year, you will contribute one percent of Gross Revenues on all Gross Revenues in excess of \$1,000,000 that the Franchised Business earns during that year. The brand fund contribution will automatically reset to 2% of Gross Revenues and the applicable minimum brand fund contribution at the start of each calendar year.

We will deposit into the fund all fund contributions paid by you and other franchisees. (Note that some franchisees may contribute at a different rate or amount if they signed a previous form of franchise agreement, or in some instances, if we agree to a different rate or amount or to waive or defer contributions to encourage system growth or if we otherwise believe it is appropriate to do so.) Any company-owned HomeWell Care Services business will not contribute to the fund on the same basis as our franchisees. Except as stated in this paragraph, we have no obligation to expend our own funds or resources for any marketing activities in your area.

All monies deposited into the fund that are not used in the fiscal year in which they accrue will be utilized in the following fiscal year. Any surplus of monies in the fund may be invested and we may lend money to the fund if there is a deficit. During the fiscal year ended December 31, 2023, we spent 78.9 percent of the brand fund contributions collected on production; 0.4 percent on media placement; 0.9 percent for administrative expenses; and 19.9 percent for other expenses (including salary amounts and site visit costs allocated to education of franchisees on marketing materials/tools and brand program availability and collecting feedback from franchisees to improve those items).

We will direct and have complete control and discretion over all advertising programs, material and activities paid for by the fund, including the content, creative concepts, materials, endorsements and media used for the programs, and the frequency, placement and allocation of the programs. We anticipate that coverage for media placed advertising will be regional and national in nature.

We need not make expenditures for your benefit that are proportionate to your contribution to the fund and we need not spend brand development funds for any particular geographic area (including within your Territory). We assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the fund. The fund will not be a trust and we will have no fiduciary obligations with respect to our administration of the fund. Brand fund contributions will be part of the general funds of HomeWell, but will be accounted for separately from the other funds of HomeWell. An unaudited financial accounting of the operations of the fund will be prepared annually and made available to you upon request. Although we intend for the brand development fund to be of perpetual duration, we have the right to terminate it (but will not do so until all brand development fund monies have been spent on marketing and promoting the HomeWell brand).

Local Advertising (Franchise Agreement, Section 12.3)

You must have a grand opening event during the period beginning 30 days before opening and ending 90 days after opening, but we do not require that you spend a specified amount on your grand opening event. In addition, you must spend the greater of \$1,000 per month and 2% of your Gross Revenues on pre-approved advertising and

business development marketing expenditures, which may include monies paid to sales and marketing personnel. We will measure your compliance with this requirement on a rolling 6-month basis, meaning that as long as your average monthly expenditure on local advertising over the 6-month period equals or exceeds the minimum monthly amount that we specify, you will be deemed in compliance even if your expenditure in any given month is less than the minimum monthly amount that we specify. You must participate at your own expense in all advertising, promotional and marketing programs that we require.

To assist our franchisees and promote brand consistency, we have created a library of customizable, “plug and play,” branded marketing materials for use by our franchisees in their local marketing efforts, and we may make other advertising and promotional materials and services available for purchase by you from an approved supplier. Materials available may include print advertising materials, posters, banners, multimedia, and miscellaneous point-of-sale items. We may use the Brand Development Fund to pay for the creation and distribution of these materials to you (but not for your printing costs or costs to purchase finished materials from third parties). If the price that you pay exceeds the cost of production, the approved supplier may provide us with credits for use in connection with system upkeep and development. As noted in Item 8, in the fiscal year ended December 31, 2023, we received credits in the amount of \$12,142 from the approved supplier of branded marketing materials and miscellaneous branded items. If you request custom marketing materials or service that is not currently available from us that requires more than 2 sets of modifications, we may bill you \$50 per hour for the additional work required (billed in 30-minute increments). We may use both outside advertising and marketing agencies and internal staff to create advertising. We will provide reasonable marketing consulting, guidance and support throughout the franchise term on an as needed basis. You must use the branded marketing materials that we make available in your local marketing efforts, unless we agree in writing to exempt you from this requirement.

You may not use any advertising materials that have not been prepared by or previously approved by us. You must submit to us any advertising materials that you prepare or modify, and we will have 15 days to review and either approve or reject the materials. Our failure to disapprove any advertising materials that we did not prepare or previously disapprove within the 15-day period will constitute our approval of the materials. If you misuse any advertising or marketing materials or use materials that we have not previously approved, we may charge a fee of up to \$500 for each such instance.

You are permitted to market your Franchised Business through approved social media channels in accordance with our social media policy. We may require that you utilize our designated supplier for social media marketing services. You must comply at all times with any social media policy that we develop.

We do not permit you to maintain your own websites or market your HomeWell Care Services businesses on the Internet (except through dedicated web pages on our website which we own and control “Dedicated Web Pages”). Therefore, you may not maintain a website, conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network (other than through approved social media outlets and your Dedicated Web Page).

Regional Advertising Cooperatives

We have the right to form, change, dissolve or merge regional advertising cooperatives in the future. If we organize a cooperative in your region, your participation will be optional. The cooperatives will be governed by its members, which may include us. We may have a controlling interest in a cooperative. The cooperatives will be governed by written documents, which will be prepared when the cooperative is formed. We do not have any regional advertising cooperatives at this time.

Advisory Council

We recently established a franchise advisory council to provide us with suggestions to improve the System, including matters such as marketing (including distributions from the brand development fund), operations and new product or service suggestions. We will consider all suggestions from the advisory council in good faith, but are not bound by any such suggestions. The advisory council has been established and operates according to rules

and regulations that we implemented (as may be updated by periodically by rules that we approve), including procedures governing the selection of representatives of the advisory council to communicate with us on matters raised by the advisory council. You would have the right to be a member of the advisory council as long as you are not in default under the Franchise Agreement, you contribute to the Brand Development Fund, and you do not act in a disruptive, abusive or counter-productive manner, as determined by us in our discretion. As a member, you would be entitled to all voting rights and privileges granted to other members of the council. Any HomeWell Care Services business operated by us or our affiliates would also be a member of the Advisory Council. Each member would be granted 1 vote on all matters on which members are authorized to vote. We have the power to form, change or dissolve the advisory council in our discretion.

Opening Requirements (Franchise Agreement, Section 8.3)

You may not open your Franchised Business before: (i) successful completion of the initial training program and on-site inspection by us; (ii) you purchase all required insurance and send us proof of insurance coverage; (iii) you obtain all required licenses, permits, credentialing (if applicable) and other governmental approvals; and (iv) we provide our written approval of your office.

We anticipate that a typical HomeWell Care Services franchisee will open their HomeWell Care Services business within 3 to 9 months after signing the Franchise Agreement. Some of the factors that may affect this timing are identification of a suitable location, financing, obtaining required licensing (if required by the laws applicable in your state), the extent to which an existing location must be upgraded or remodeled, delayed installation of equipment and fixtures, completion of training, obtaining insurance, and complying with local laws and regulations. You must open the Franchised Business within 120 days after signing the Franchise Agreement. If you are in a state that requires a home care license, you must submit your application for licensure within 45 days after the effective date of the Franchise Agreement. If you have not received your state home care license within 120 days after signing the Franchise Agreement (despite your best efforts to complete the licensing process), you must open the Franchised Business within 30 days after your state home care license has been approved. Failure to do so constitutes an event of default under your Franchise Agreement and may result in termination of your Franchise Agreement.

ITEM 12 TERRITORY

Your Territory

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You will receive a Territory with a population of 30,000 to 40,000 total seniors aged 65 and over (not to exceed 350,000 people in total population). The Territory will be described in terms of contiguous zip codes designated by us. As of the date of this disclosure document, we use the current zip codes as of the U.S. Postal Service Q4 2020 definitions and the U.S. Census and ACS data from the 2017-2021 U.S. Census Collection to determine territories and associated population bases. We purchase this data from a third party.

You will operate from one location approved by us and must receive our permission before relocating. Any relocated site for your office must be within your Territory, you must comply with site selection requirements, and you must close the original location before opening the new one. With the exception of any referred leads that you refuse or fail to service, we will not operate, or grant a franchise or license to a third party to operate, a HomeWell Care Services business that provides competitive products or services to clients located within your Territory.

Reservation of Rights and Alternative Channels of Distribution

We and our affiliates reserve the following rights:

- Right to operate, or to grant others the right to operate, a HomeWell Care Services franchise anywhere that we deem appropriate outside your Territory.
- Right to operate businesses that use the HomeWell Care Service marks within or outside the Territory, other than in-home care service businesses providing the Primary Services (or businesses providing the Optional Additional Services).
- Right to develop and own other franchise systems for the same or similar services using trade names and trademarks other than the Marks.
- Right to purchase, be purchased by, merge or combine with, businesses that directly compete with HomeWell Care Service franchises.

Although we have not done so, we and our affiliates may sell products under the Marks within and outside your Territory through any method of distribution other than a dedicated HomeWell Care Services business, including sales through channels of distribution such as the Internet, catalog sales, telemarketing, or other direct marketing sales (together, “alternative distribution channels”). You may not use alternative distribution channels to make sales outside or inside your Territory except as described in the following paragraph, and you will receive no compensation for our sales through alternative distribution channels except as described in the following paragraph.

If our corporate website or other online marketing efforts generate any leads for potential HomeWell clients located within your Territory, we will refer the potential clients to you. If you decline to service, or are unable to service, a referred client, we (or an affiliate or third party, including another franchisee) may contract with and service the client and you will not be entitled to any compensation relating to that client.

You may market your Franchised Business through approved social media channels in accordance with our social media policy. We may require that you utilize our designated supplier for social media marketing services and exclusively use our designated social media platform. We may also require that you utilize our designated supplier for website development, hosting and search engine optimization. At this time, we do not allow our franchisees to maintain their own websites (other than Dedicated Web Pages) or market their HomeWell Care Services businesses on the Internet (other than through approved social media outlets). Therefore, you may not maintain a website (other than the Dedicated Web Page), conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network relating to your Franchised Business.

We and our affiliates can use alternative channels of distribution to make sales within your Territory of products or services under trademarks different from the Marks you will use under the Franchise Agreement, but we and our affiliates have not yet made any sales of this type.

Additional Franchises or Territories

You are not granted any options, rights of first refusal or similar rights to acquire additional Territories or franchises. However, as described in Item 5, if you wish to purchase additional franchised Territories, you may do so at any time, but the discounted initial franchisee fee for an additional Territory does not extend to any Territory purchased after the initial Franchise Agreement is signed.

Minimum Performance

During each year of operation, you must achieve or exceed the following minimum performance requirements with respect to each Territory that you own and operate:

	Minimum Performance Average Monthly Gross Revenues		
Year of Operation	Territory 1	Territory 2	Territory 3
1	\$20,000	N/A	N/A
2	\$30,000	\$20,000	\$20,000
3	\$40,000	\$30,000	\$30,000
4	\$50,000	\$40,000	\$40,000
5	\$60,000	\$50,000	\$50,000
6	\$70,000	\$60,000	\$60,000
7	\$80,000	\$70,000	\$70,000
8	\$90,000	\$80,000	\$80,000
9	\$100,000	\$90,000	\$80,000
10	\$100,000	\$90,000	\$80,000

A “Year of Operation” is a 12 calendar-month period beginning on the first day of the first full calendar month after your grand opening (or an annual anniversary of your grand opening). After the last calendar month of each Year of Operation identified in the chart, we will evaluate whether you have satisfied the minimum average monthly Gross Revenues for that Year of Operation. If you fail to comply with these minimum performance requirements, we have the right to elect in our sole discretion whether to: (i) reduce the size of your Territory; or (ii) modify or eliminate the territorial protections granted to you. However, we will not terminate your Franchise Agreement based solely on your failure to comply with the minimum performance requirements. If we modify or eliminate the territorial protections granted to you, your minimum performance requirements will be adjusted commensurate with the modifications to your territory.

If you are renewing your franchise, then the Minimum Performance Average Gross Monthly Revenues for Year 10 in the table above will apply to all months during the term of the successor Franchise Agreement.

The minimum average monthly Gross Revenues requirement is not intended to be a financial performance representation. See Item 19 of this Franchise Disclosure Document for financial performance representations based on existing HomeWell businesses.

Restrictions on Marketing and Sales Activities

You may advertise or solicit business within your Territory on your own or cooperatively with other franchisees. You may advertise in a medium such as television, radio, or newspaper that covers your Territory but has some circulation outside of your Territory.

As of the date of this disclosure document, you may provide services to clients and establish relationships with referral sources located outside your Territory as follows:

(a) You may solicit referral sources outside of your Territory only if you have written consent from us, and the area is an open territory. We will grant written consent only if you remain in good standing under the Franchise Agreement.

(b) If, after 2 years of signing your Franchise Agreement or any renewal Franchise Agreement, you have not received any client from a Referral Source (defined below), we reserve the right to either appoint a representative from our office to assist you with marketing to that Referral Source, or to appoint an adjacent franchisee to assist with marketing to such Referral Source. If the Referral Source generates a client located in your Territory, that client will be yours and the adjacent franchisee must refer it to you. If the Referral Source generates a client located in the adjacent franchisee's territory based on the criteria described above, that client will belong to the adjacent franchisee. If that adjacent franchisee generates a client from a Referral Source and that client is located in a territory not yet granted to any HomeWell franchisee, that client will belong to the adjacent franchisee.

(c) If a franchisee ("original franchisee") has business outside their existing Territory and the other territory is awarded to another franchisee ("new franchisee"), the original franchisee may continue to service only those clients in that territory that: (i) have active service agreements with the original franchisee at the time the new franchisee is awarded to the new franchisee; and (ii) submit a written notice of their intent to remain with the original franchisee who is currently servicing them. If a client does not provide a written notice of intent, the original franchisee forfeits their right to service the client and agrees to facilitate a smooth transition to the new franchisee within 90 days after the new franchise agreement is signed.

(d) If you receive an inquiry for services from a client or Referral Source for services which will be provided outside of your Territory, you must take the initial client inquiry (unless otherwise instructed by us) and immediately forward such information to the franchisee within whose territory that client is located.

A "Referral Source" includes any institution or building which has responsibility for buildings and/or clients who are not all confined within any one franchisee's territory, such as a hospital, senior center, or rehabilitation facility. We may modify our policy regarding Referral Sources by providing written notice to you.


Competitive Businesses Under Different Marks

Currently, neither we nor any affiliate of ours intend to operate or franchise another business under a different trademark that sells products or services similar to the products or services offered at a HomeWell Care Services business. However, we reserve the right to do so in the future.

ITEM 13 TRADEMARKS

We grant you the right to operate a business under the names "HomeWell" and "HomeWell Care Services." You may also use our other current or future trademarks to operate your Franchised Business. You must indicate, as required in the Franchise Agreement, that you are an independent operator of the franchise and you must use the appropriate trademark and copyright marks as indicated by us.

We have applied for or registered the following marks with the United States Patent and Trademark Office (“USPTO”):

Description of Mark	Principal or Supplemental Register of the United States Patent and Trademark Office	Registration or Application Date	Registration or Serial Number
	Principal	March 24, 2020 (Registration Date)	6018140 (Registration Number)
HomeWell Care Services (Word)	Principal	November 12, 2019 (Registration Date)	5909709 (Registration Number)
HomeWell (word mark)	Principal	August 23, 2005 (Registration Date)	2987218 (Registration Number)
Trusted Care. True Compassion	Principal	January 19, 2021 (Registration Date)	6248466 (Registration Number)

We intend to file all required affidavits for the Marks described above.

You must follow our rules when you use the Marks. You cannot use a Mark, or any part of a Mark, as part of a corporate name or with modifying words, designs or symbols except for those that we license to you. You may not use the HomeWell Care Services registered name in connection with the sale of an unauthorized product of service or in a manner not authorized in writing by us.

There are presently no effective determinations of the USPTO, any trademark trial and appeal board, any state trademark administrator or any court, any pending interference, opposition, or cancellation proceeding involving any of the above-referenced Marks. There are no currently effective agreements that significantly limit our rights to use or license the use of the Marks listed in this section in a manner material to the franchise. There are no infringing uses or superior previous rights known to us that can materially affect your use of the Marks in this state or any other state in which the Franchised Business is to be located. There is no pending material federal or state court litigation regarding our use or ownership rights in any Mark.

We have the right to control any administrative proceedings or litigation involving a Mark licensed by us to you. You must notify us immediately when you learn about an infringement of or challenge to your use of our Marks. We will take the action necessary to protect the unauthorized use of our Marks. We will indemnify, hold you harmless and will reimburse you for your liability and reasonable costs in connection with defending our Marks. To receive reimbursement, you must have notified us immediately when you learned about the infringement or challenge, and you must have used the Marks only in accordance with the Franchise Agreement. We are not otherwise required to protect your rights to use the Marks, nor must we defend you against any infringement, unfair competition or any other claim respecting your use of the Marks.

You must modify or discontinue the use of a Mark if we modify or discontinue it, and you will pay for all the costs you incur to modify or discontinue any Mark. You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business. The Franchise Agreement does not grant you any rights if we require you to modify or discontinue the use of a Mark.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights:

We do not have an ownership interest in any patents or pending patent applications that are material to the franchise. We have not registered any copyright with the United States Copyright Office, but we claim copyrights on certain forms, advertisements, promotional materials and other written materials as well as our website. We also claim copyrights and other proprietary rights in the HomeWell Care Services Confidential Brand Standards Manual.

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

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

Confidential Information:

You may never - during the initial term of your Franchise Agreement, any renewal term, or after the Franchise Agreement expires or is terminated - reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize. All of your employees, other than managers who sign a Brand Protection Agreement as discussed in Item 15, must sign a Confidentiality Agreement, the form of which is attached to the Franchise Agreement as ATTACHMENT “H”.

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

Improvements

If you develop any improvements to the HomeWell Care Services Franchised Business, including enhancements, adaptations, derivative works, modifications or new processes (“Improvements”) in operating the Franchised Business, you must grant back to us exclusive rights to these Improvements, without payment. You may not use the Improvements in your Franchised Business without our express written consent. We reserve the right to incorporate the Improvements into our System and to allow all franchisees to use the Improvements without payment. If we decide to apply for patent or copyright protection for any Improvements, it will be at our expense, and you and your employees must sign all documents needed to enable us to do so.

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

The Franchise Agreement requires that you designate an owner who will be primarily responsible for the daily management and supervision of the Franchised Business (the “Managing Owner”). We must approve the owner that you appoint to serve as the Managing Owner. The Managing Owner must dedicate his or her full time efforts to your Franchised Business unless you choose to delegate management functions to a manager. Any new Managing Owner must successfully complete the initial training program before becoming involved with the supervision, management or operation of the Franchised Business. The Managing Owner must also complete any mandatory refresher or advanced training courses that we require.

You may hire a manager to assume responsibility for the daily management and supervision of your Franchised Business, but only if: (i) the manager meets all of our minimum standards and criteria for managers (as described in the Manual); (ii) the manager successfully completes the initial training program; (iii) the manager signs a Brand Protection Agreement, the form of which is attached to the Franchise Agreement as ATTACHMENT “G” (a “Brand Protection Agreement”); and (iv) the Managing Owner agrees to assume responsibility for the supervision and operation of your Franchised Business if the manager is unable to perform his or her duties due to death, disability, termination of employment, or for any other reason, until such time that you obtain a suitable replacement manager. We do not require that the manager own any equity interest in the franchise.

You also must employ at all times a sales professional who will dedicate full time efforts to: (i) marketing your Business to referral sources within your Territory; (ii) developing relationships and building the HomeWell Care Services brand within your community; and (iii) otherwise actively promoting and advertising your Business locally. The Managing Owner may qualify as the sales professional if he or she possesses adequate marketing and sales experience as determined by us in our discretion. The sales professional also must sign a Brand Protection Agreement.

All of your employees and other agents or representatives who may have access to our confidential information must sign a Brand Protection Agreement. If you are an entity, each owner (i.e., each person holding an ownership interest in you) and the spouse of each owner must sign a Franchise Owner Agreement, the form of which is attached to the Franchise Agreement as ATTACHMENT “E”.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale to the public only those types of products and services that are authorized and approved by us. You must offer all goods and services that we designate as required for all franchises. We also designate some services as optional for qualified franchisees, such as (a) supplemental staffing services for nursing homes, hospitals, other home health agencies, and other facilities; (b) skilled nursing and other in-home medical care; and (c) other related products, materials, and equipment that we may develop and implement, which you will be authorized (but not required) to offer (“Optional Additional Services”). To offer Optional Additional Services, you must be in substantial compliance with all material obligations under your Franchise Agreement and must obtain all necessary licenses and approvals in your Territory to offer and provide these services. In addition, we may require you to comply with other requirements (such as training, marketing, insurance) before we will allow you to offer certain optional services.

We may change the products and services your Franchised Business is permitted or required to offer, and there are no restrictions on our right to make these changes.

You are not restricted as to whom you may sell within your Territory or outside of your Territory, except as described in Item 12.

We may offer you advice or guidance about recommended prices you may wish to charge for products and services that we believe are reasonable, but you are free to set your own prices. The only exception to this is when we

specify a maximum price that you may charge for a product or service, which we may do in general or for a limited time such as the duration of an ad or promotion. You then must follow the maximum price we specify (to the extent permissible by applicable law).

You also must operate your Franchised Business during the minimum hours we specify.

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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.

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	Section 4.1	Term is equal to 10 years.
b. Renewal or extension of the term	Section 4.2	If you meet our conditions for renewal, you can enter into 1 successor franchise agreement. The renewal term will be 10 years, for a total maximum term of 20 years (the parties may mutually agree to extend or renew the franchise beyond 20 years).
c. Requirements for you to renew or extend	Section 4.2	You must: not be in default; have substantially complied with your obligations during the term; give us timely notice; sign our then-current form of franchise agreement and related documents; sign a general release; pay the renewal fee; remodel or upgrade your office to comply with our then-current standards and specifications; and maintain possession of your office under your lease. If you renew, you may be required to sign a contract with materially different terms and conditions than the original contract.
d. Termination by you	Section 21.1	You can terminate only if we fail to cure a material default within the cure period (subject to state law).
e. Termination by us without cause	Section 21.4	We can terminate without cause if you and we mutually agree to terminate.
f. Termination by us with cause	Section 21.2 & 21.3	We can terminate if you default.
g. "Cause" defined - curable defaults	Section 21.3	You have 15 days to cure any monetary default. You have 30 days to cure any other default (other than defaults described below under "non-curable defaults").

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
h. "Cause" defined - non-curable defaults	Section 21.2	The following defaults cannot be cured: failure to successfully complete training; failure to open in timely manner; insolvency, bankruptcy or seizure of assets; abandonment of franchise; failure to maintain required license or permit; conviction of certain types of crimes or subject of certain administrative actions; failure to comply with material law; commission of act that may adversely affect reputation of System or Marks; health or safety hazards; material misrepresentations; 2 nd underreporting of any amount due by 3% or more; unauthorized transfers; unauthorized use of our intellectual property; violation of brand protection covenant; breach of Franchise Owner Agreement by owner or spouse; termination of your lease due to your default; receipt of 3 or more default notices in any 12-month period; or termination of any other agreement between you and us or an affiliate due to your default.
i. Your obligations on termination/non-renewal	Section 22	Obligations include: complete deidentification; cease use of intellectual property; return of Manual and all branded materials; assignment of telephone numbers, listings and domain names; assignment of customer information, accounts and contracts; assist with transition of clients to us or other person we specify; cancellation of fictitious names; payment of amounts due (also see "r" below regarding your noncompetition obligations). You must pay us liquidated damages if we terminate due to your default.
j. Assignment of contract by us	Section 20.1	No restriction on our right to assign.
k. "Transfer" by you – definition	Section 20.2 & <u>Attachment A</u> (definition of "Transfer")	Includes transfer of contract or assets, or ownership change.
l. Our approval of transfer by you	Section 20.2, 20.3, & <u>Attachment A</u> (definition of "Permitted Transfer")	If certain conditions are met, you may transfer to a newly-formed entity owned by you, or in certain instances, to an existing owner, without our approval. We have the right to approve all other transfers but will not unreasonably withhold approval.
m. Conditions for our approval of transfer	Section 20.2	Transferee must: meet our qualifications; successfully complete training (or commit to do so); obtain all required licenses and permits; and sign a new franchise agreement for the remainder of the term (or at our option, take assignment of existing franchise agreement). You must: be in compliance with Franchise Agreement; assign your lease, if applicable; pay us the transfer fee; and sign a general release and subordination agreement. We must notify you that we do not intend to exercise our right of first refusal.
n. Our right of first refusal to acquire your business	Section 20.5	We have the right to match any bona fide, arms-length offer for your business.
o. Our option to purchase your business	Not Applicable	Not Applicable. However, you must assign your customers to us (or our designee) and we may assume your lease from you.

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
p. Your death or disability	Section 20.4	Within 180 days, franchise must be assigned by estate to an assignee in compliance with conditions for other transfers. We may designate a manager to operate the Franchised Business prior to transfer.
q. Non-competition covenants during the term of the franchise	Section 15.3	No involvement in competing business; comply with non-disclosure covenants. “Competitive business” means any business competitive with us (or competitive with any of our affiliates or our franchisees) that offers home care services including personal care, non-medical care, in-home care, assistance, and companionship care services; supplemental staffing services for nursing homes, hospitals, other home health agencies, and other facilities; skilled nursing and other in-home medical care; or other related products, materials, and equipment that we may develop and implement, which you will be authorized to offer. Non-competition provisions are subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.4 & 15.5	No involvement for 2 years in competing business in your former Territory(ies) or the territory of any other HomeWell Care Services Franchised Business; comply with non-disclosure covenants; cease use of intellectual property. “Competitive business” means any business competitive with us (or competitive with any of our affiliates or our franchisees) that offers home care services including personal care, non-medical care, in-home care, assistance, and companionship care services; supplemental staffing services for nursing homes, hospitals, other home health agencies, and other facilities; skilled nursing and other in-home medical care; or other related products, materials, and equipment that we may develop and implement, which you will be authorized to offer. Non-competition provisions are subject to state law.
s. Modification of the agreement	Section 25.8	Requires writing signed by both parties (except for unilateral changes to Manual or unilateral reduction of scope of restrictive covenants by us). Other modifications primarily to comply with various states laws.
t. Integration/merger clause	Section 25.8	Only the terms of the Franchise Agreement and attachments to Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 23	All disputes must be mediated or arbitrated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants (except as otherwise disclosed in <u>EXHIBIT "H"</u> to this Disclosure Document).

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
v. Choice of forum	Section 23	All mediation, arbitration and litigation must take place in county where we maintain our principal place of business (currently, Wichita County, Texas) at time dispute arises (subject to applicable state law).
w. Choice of law	Section 25.1	Texas law (subject to applicable state law)

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

The financial performance information presented below is based on the historical results for the 2022 and 2023 calendar year for all HomeWell businesses that were open as of the end of the 2023 calendar year. There were no company-operated businesses.

Table 1 Annual Gross Revenues for HomeWell Businesses for the Calendar Years 2022 and 2023

Year First Open	HomeWell Business	Territories Operated	Annual Gross Revenues - 2022	Annual Gross Revenues - 2023
2006	Business #1	1	\$3,215,342	\$3,349,903
2021	Business #2	2	\$613,748	\$1,336,295
2015	Business #3	3	\$2,331,210	\$2,071,367
2017	Business #4	3	\$871,430	\$1,061,651
2021	Business #5	1	\$231,459	\$552,313
2023	Business #6	1	\$0	\$166,845
2013	Business #7	1	\$969,459	\$1,024,803
2019	Business #8	2	\$2,231,901	\$1,267,427
2022	Business #9	1	\$289,042	\$846,701
2020	Business #10	1	\$1,309,047	\$1,850,707
2012	Business #11	8	\$3,614,050	\$3,470,385
2017	Business #12	2	\$143,992	\$72,915
2020	Business #13	1	\$4,406,448	\$6,539,708
2021	Business #14	2	\$1,284,577	\$2,865,856
2016	Business #15	1	\$1,389,726	\$2,124,436
2019	Business #16	3	\$1,172,320	\$978,635
2022	Business #17	1	\$105,015	\$539,967
2020	Business #18	1	\$255,359	\$359,624

Year First Open	HomeWell Business	Territories Operated	Annual Gross Revenues - 2022	Annual Gross Revenues - 2023
2021	Business #19	4	\$690,328	\$882,098
2021	Business #20	1	\$616,752	\$1,142,365
2021	Business #21	1	\$356,491	\$846,407
2019	Business #22	3	\$2,986,308	\$3,190,993
2023	Business #23	1	\$0	\$77,886
2006	Business #24	1	\$1,522,979	\$1,361,612
2023	Business #25	1	\$0	\$95,799
2023	Business #26	2	\$0	\$0
2021	Business #27	1	\$833,985	\$873,770
2022	Business #28	1	\$94,142	\$576,797
2020	Business #29	3	\$1,403,649	\$1,881,399
2020	Business #30	2	\$908,094	\$1,227,315
2020	Business #31	1	\$687,642	\$1,123,855
2019	Business #32	1	\$823,357	\$1,402,769
2020	Business #33	2	\$2,156,057	\$3,562,439
2021	Business #34	3	\$688,535	\$875,986
2023	Business #35	1	\$0	\$162,350
2015	Business #36	3	\$3,663,496	\$4,361,391
2023	Business #37	1	\$0	\$143,945
2023	Business #38	1	\$0	\$156,452
2023	Business #39	1	\$0	\$74,024
2020	Business #40	3	\$829,120	\$804,374
2023	Business #41	1	\$0	\$13,537
2023	Business #42	1	\$0	\$2,488
2005	Business #43	11	\$16,568,350	\$18,484,436
2006	Business #44	7	\$3,628,998	\$3,411,905
2011	Business #45	4	\$5,375,637	\$4,426,508
2012	Business #46	2	\$2,972,986	\$4,437,994
2012	Business #47	5	\$3,322,792	\$3,006,782
2023	Business #48	2	\$0	\$3,639
2019	Business #49	4	\$1,694,554	\$1,778,505
2021	Business #50	1	\$327,929	\$644,475
2016	Business #51	2	\$1,399,609	\$1,655,793
2016	Business #52	4	\$1,088,350	\$1,502,132
2017	Business #53	3	\$1,926,893	\$2,615,200
2019	Business #54	5	\$1,609,976	\$2,232,725
2021	Business #55	1	\$835,631	\$1,363,519
2021	Business #56	3	\$877,078	\$1,446,976
2023	Business #57	3	\$0	\$298,145
2023	Business #58	1	\$0	\$73,548
2023	Business #59	1	\$0	\$446,509
2023	Business #60	1	\$0	\$57,819
2023	Business #61	1	\$0	\$124,011
2023	Business #62	1	\$0	\$15,750
2018	Business #63	3	\$617,945	\$794,973
2022	Business #64	4	\$29,402	\$267,963
2023	Business #65	1	\$0	\$364,251
2011	Business #66	1	\$1,295,174	\$1,005,775

Notes to Table:

1. For purposes of this Item 19, a “HomeWell business” includes all of the Franchised Businesses operated by a single franchisee and may be operated within a single Territory or multiple Territories, depending upon the number of Franchise Agreements that the franchisee has signed with us. We have presented the Annual Gross Revenue information in this Item 19 by “HomeWell business” rather than by individual Franchised Businesses since our franchisees report Gross Revenue to us for their overall HomeWell business and not always by Territory.
2. As of December 31, 2023, there were a total of 66 open and operating HomeWell businesses representing a total of 145 Territories. The financial performance representations in Table 1 consists of data for all 66 of those businesses – even if a business opened during 2023 and therefore had not been open for a full 12 months as of December 31, 2023. There were no outlets that both opened and closed in the 2023 fiscal year.
3. Table 1 also identifies the number of territories that each of the included HomeWell businesses operate.
4. For purposes of this Item 19, “Gross Revenues” means the total amount generated by the participating HomeWell businesses (regardless of collection) arising from, connected with or related to the sale of all goods, merchandise or services and all business transacted at, from or through your Franchised Business, directly or indirectly, excluding only (a) sales taxes and other taxes separately stated that you collect from clients and pay to taxing authorities; (b) refunds and credits made in good faith to arm’s-length clients according to our standards and specifications for issuing refunds or credits; and (c) the discount value of any coupon, voucher or other allowance that we authorize at the time you redeem the client’s coupon, voucher or allowance.
5. The Gross Revenues information was provided to us through required reports received from franchisees using a uniform system of reporting. The data has not been audited or independently verified by us or our accountant.
6. The HomeWell businesses included in the sample are representative of the entire HomeWell system and offer substantially the same services to the public.
7. These figures do not reflect whether the franchisees operated at a net profit or net loss.
8. The financial performance figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from net revenue or net sales figures to obtain your net income or profit. Additional expenses that you may incur include royalty, brand fund contributions, conference registration fee installment payments, computer software fees, and local marketing obligations (see Item 6 of this Disclosure Document), interest on debt service, insurance, and legal and accounting fees. You should conduct an independent investigation of the costs and expenses you will incur in operating your HomeWell Care Services Business. Franchisees and former franchisees listed in this Disclosure Document may be one source of information.
9. The revenue figures in Table 1 are based on the historical results from the HomeWell business described above.

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

Written substantiation for this financial performance representation will be made available to you upon your reasonable written request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Casey McCleskey at 812 Sheppard Road, Burkburnett, Texas 76354; and (817) 916-8904, the Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580 and the appropriate state regulatory agencies.

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ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2021 TO 2023				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	78	101	+23
	2022	101	123	+22
	2023	123	145	+22
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	78	101	+23
	2022	101	123	+22
	2023	123	145	+22

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2021 TO 2023		
State	Year	Number of Transfers
Florida	2021	2
	2022	1
	2023	0
North Carolina	2021	0
	2022	0
	2023	2
Ohio	2021	1
	2022	0
	2023	0
Tennessee	2021	1
	2022	0
	2023	0
Texas	2021	0
	2022	0
	2023	2
Utah	2021	1
	2022	1
	2023	0
Total	2021	5
	2022	2
	2023	4

TABLE 3 - STATUS OF U.S. FRANCHISED OUTLETS FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Alaska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arkansas	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Arizona	2021	6	1	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	1	0	0	0	0	8
California	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Colorado	2021	10	0	1	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
Connecticut	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Delaware	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Florida	2021	6	4	0	0	0	0	10
	2022	10	5	0	0	0	0	15
	2023	15	1	0	0	0	0	16
Georgia	2021	3	0	2	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Indiana	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Kansas	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2

TABLE 3 - STATUS OF U.S. FRANCHISED OUTLETS FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Kentucky	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Maine	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Maryland	2021	2	3	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Massachusetts	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Michigan	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Minnesota	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Mississippi	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Missouri	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
New Jersey	2021	6	0	0	0	0	0	6
	2022	6	5	0	0	0	0	11
	2023	11	0	0	0	0	0	11
North Carolina	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	3	0	0	0	0	5
Ohio	2021	5	6	0	0	0	0	11
	2022	11	0	0	0	0	0	11
	2023	11	0	0	0	0	0	11
Oklahoma	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	0	2	0	0	0	0

TABLE 3 - STATUS OF U.S. FRANCHISED OUTLETS FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Oregon	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Pennsylvania	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	1	5
	2023	5	2	0	0	0	0	7
Tennessee	2021	4	1	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2023	6	0	1	0	0	0	5
Texas	2021	10	4	0	0	0	0	14
	2022	14	2	0	0	0	0	16
	2023	16	10	0	0	0	0	26
Utah	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Virginia	2021	0	0	0	0	0	0	0
	2022	0	4	0	0	0	0	4
	2023	4	1	0	0	0	0	5
Washington	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	2021	78	26	1	0	0	2	101
	2022	101	22	0	0	0	1	123
	2023	123	25	3	0	0	0	145

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2023			
State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	1	1	0
Arizona	2	2	0
Florida	8	7	0
Georgia	2	2	0
Illinois	3	3	0
Maryland	2	2	0
Michigan	1	1	0
Nevada	1	1	0
North Carolina	3	3	0
Ohio	1	1	0
Pennsylvania	1	1	0
Tennessee	1	1	0
Texas	7	5	0
Wisconsin	1	1	0

Notes to Tables:

1. In the tables above, each franchised territory operated by a franchisee is listed as a separate “outlet.” Each outlet is operated under a separate franchise agreement.
2. Our fiscal year ends on December 31. All references to years in these tables refer to December 31st of that year. The outlets listed in Table 1 through Table 4 only refer to outlets that are open on the relevant date.
3. The transfers listed in Table 2 refer to outlets that were transferred both before and after opening.
4. The transactions listed in Table 3 only refer to franchisees that left the system after opening their outlet. One franchisee left the system prior to opening an outlet in 2021, two franchisees left the system before opening an outlet in 2022; and five left the system before opening in 2023.
6. The outlets listed in the 2nd column in Table 5 (“Franchise Agreements Signed but Outlet Not Opened”) include all franchise agreements that were signed for unopened outlets as of December 31, 2023. The outlets listed in the 3rd column in Table 5 (“Projected New Franchised Outlets in the Next Fiscal Year”) include all outlets that we expect to open during the current fiscal year, including any outlets listed in the 2nd column that we expect to open this fiscal year.

A list of all current HomeWell Care Services franchisees is attached to this Disclosure Document as EXHIBIT “E” (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, 2023. In addition, EXHIBIT “E” (Part B) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

In the last 3 fiscal years, some franchisees have signed confidentiality agreements with us. In some instances,

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

There are no (i) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed or (ii) independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Audited financial statements of HomeWell Franchising Inc. for the years ended December 31, 2023, December 31, 2022, and December 31, 2021 are attached to this Disclosure Document as EXHIBIT “F”, as well as our unaudited financial statements as of March 31, 2024. Our fiscal year ends December 31 of each year.

The financial statements of HomeWell Franchising Inc. as of and for the years ended December 31, 2023 and December 31, 2022 have been audited by Citrin Cooperman & Company LLP, and the financial statements of HomeWell Franchising Inc. as of and for the year ended December 31, 2021 have been audited by A&G LLP.

ITEM 22 CONTRACTS

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

Exhibits to Disclosure Document

<u>EXHIBIT “C”</u>	Franchise Agreement
<u>EXHIBIT “G”</u>	State Addenda & Disclosures
<u>EXHIBIT “H”</u>	General Release

Attachments to Franchise Agreement

Attachment D	Lease Addendum
Attachment E	Franchise Owner Agreement
Attachment F	ACH Authorization Form
Attachment G	Brand Protection Agreement
Attachment H	Confidentiality Agreement

ITEM 23 RECEIPT

EXHIBIT “I” to this Disclosure Document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

**EXHIBIT “A”
TO THE DISCLOSURE DOCUMENT
STATE AGENCIES AND ADMINISTRATORS
[SEE ATTACHED]**

**EXHIBIT “A”
TO DISCLOSURE DOCUMENT
STATE AGENCIES AND ADMINISTRATORS**

List of state administrators we intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p>CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov</p>	<p>NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 (212) 416-8222</p>
<p>HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>NORTH DAKOTA North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p>ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p>RHODE ISLAND Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527</p>
<p>INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p>SOUTH DAKOTA Division of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563</p>
<p>MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p>VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p>
<p>MICHIGAN Michigan Attorney General’s Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567</p>	<p>WASHINGTON Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760</p>
<p>MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600</p>	<p>WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139</p>

EXHIBIT “B”
TO THE DISCLOSURE DOCUMENT
AGENTS FOR SERVICE OF PROCESS
[SEE ATTACHED]

EXHIBIT “B”
TO THE DISCLOSURE DOCUMENT - AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

<p>CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov</p>	<p>NEW YORK New York Secretary of State One Commerce Plaza 99 Washington Avenue Albany, NY 12231 (518) 473-2492</p>
<p>HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>NORTH DAKOTA North Dakota Securities Commissioner State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p>ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p>RHODE ISLAND Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527</p>
<p>INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p>SOUTH DAKOTA Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563</p>
<p>MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p>VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733</p>
<p>MICHIGAN Michigan Attorney General’s Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567</p>	<p>WASHINGTON Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760</p>
<p>MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600</p>	<p>WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139</p>

**EXHIBIT “C”
TO DISCLOSURE DOCUMENT**

FRANCHISE AGREEMENT
[See Attached]



FRANCHISE AGREEMENT

FRANCHISEE: _____

DATE: _____

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ATTACHMENTS

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ATTACHMENT "D"	Lease Addendum
ATTACHMENT "E"	Franchise Owner Agreement
ATTACHMENT "F"	ACH Authorization Form
ATTACHMENT "G"	Brand Protection Agreement
ATTACHMENT "H"	Confidentiality Agreement
ATTACHMENT "I"	Ownership Statement

HOMEWELL CARE SERVICES FRANCHISE AGREEMENT

This HomeWell Care Services Franchise Agreement (this “Agreement”) is entered into as of _____, 20____ (the “Effective Date”) between HomeWell Franchising Inc., a Texas corporation (“HomeWell,” “we” or “us”) and _____, a(n) _____ (“you”).

HomeWell and our affiliates have developed a format and System relating to the establishment and operation of businesses (each a “HomeWell Care Services business”) that provide homecare services for seniors and others requiring in-home care, including personal care, non-medical care, in-home care, assistance, and companionship care services (the “Primary Services”). In some cases, HomeWell franchisees may offer optional additional services (the “Optional Additional Services”) (if licensed to do so in compliance with applicable law where required), including: (a) supplemental staffing services for nursing homes, hospitals, other home health agencies, and other facilities; (b) skilled nursing and other in-home medical care; and (c) other related products, materials, and equipment that we may develop and implement, which you will be authorized to offer. Among the distinguishing characteristics of a HomeWell Care Services business is that it operates under our Intellectual Property.

You wish to obtain the right from us to: (1) operate a HomeWell Care Services business; and (2) be afforded the assistance provided by us in connection with a HomeWell Care Services business. You understand and accept that the terms, conditions and covenants set forth in this Agreement are reasonably necessary to maintain our high and uniform standards of quality and service, which are designed to protect the goodwill and enhance the public image of the Intellectual Property and the HomeWell Care Services brand. You also recognize the necessity of operating your Business in faithful compliance with the terms and conditions of this Agreement and with our standards and specifications.

In recognition of all of the details noted above, the parties have chosen to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this contract and for other good and valuable consideration (the sufficiency and receipt of which they hereby acknowledge), and they agree as follows:

- 1. DEFINITIONS.** Capitalized terms used in this Agreement are defined either in the body of this Agreement or in ATTACHMENT "A". For capitalized terms that are defined in the body of this Agreement, ATTACHMENT "A" lists the Sections of this Agreement in which such terms are defined.
- 2. GRANT OF FRANCHISE.** We hereby grant you: (a) the non-exclusive right, and you undertake the obligation, on the terms and conditions set forth in this Agreement, to establish and operate a HomeWell Care Services business (your “Business”); and (b) a license to use our Intellectual Property solely in connection with the Business, in compliance with the operating standards set forth in the Manual, within the geographic area identified in ATTACHMENT "B" (your “Territory”). As a HomeWell Care Services franchisee, you will provide Primary Services for seniors and those requiring in-home care. You may also offer Optional Additional Services if we authorize you to do so. However, you may only provide medical services if you are licensed to do so in compliance with applicable law.

3. TERRITORIAL RIGHTS AND LIMITATIONS. You will receive certain territorial protections. Specifically, during the Term, we will not operate, or grant a franchise or license to a third party to operate, a HomeWell Care Services business that provides Primary Services or Optional Additional Services to clients located within your Territory except as otherwise provided in Section 3.1 below.

3.1. We and our affiliates reserve all rights not expressly granted to you under this Agreement. Therefore, among other things, we and our affiliates have the sole right to do any or all of the following (notwithstanding the proximity to your Territory or your Business or their actual or threatened impact on sales at your Business):

(a) Operate, or grant a franchise or license to a third party to operate: (i) any business within the Territory (other than in-home care service businesses using the Marks), which provides the Primary Services or the Optional Additional Services; and (ii) any business using the Marks outside the Territory (including businesses providing the Primary Services or the Optional Additional Services);

(b) Develop and own other franchise systems for the same or similar services using trade names and trademarks (other than the Marks) within or outside the Territory;

(c) Sell products and services under the Marks within and outside your Territory through any method of distribution other than a dedicated HomeWell Care Services business, including sales through channels of distribution such as the Internet, catalog sales, telemarketing, or other direct marketing sales (“alternative distribution channels”); and/or

(d) Purchase, be purchased by, merge or combine with, businesses that directly compete with HomeWell Care Service franchises.

3.2. You may provide services to clients and establish relationships with referral sources located outside your Territory only in accordance with any extra-territorial operations policy that we establish in the Manual from time to time. If our corporate website or other online marketing efforts generate any leads for potential HomeWell clients located within your Territory, we will refer the potential clients to you. If you decline to service, or are unable to service, a referred client, we (or an affiliate or third party, including another franchisee) may contract with and service the client and you will not be entitled to any compensation relating to that client.

3.3. During each year of operation, you must achieve or exceed the following minimum performance requirements with respect to each Territory that you own and operate:

	Minimum Performance Average Monthly Gross Revenues		
Year of Operation	Territory 1	Territory 2	Territory 3
1	\$20,000	N/A	N/A
2	\$30,000	\$20,000	\$20,000
3	\$40,000	\$30,000	\$30,000
4	\$50,000	\$40,000	\$40,000
5	\$60,000	\$50,000	\$50,000
6	\$70,000	\$60,000	\$60,000
7	\$80,000	\$70,000	\$70,000
8	\$90,000	\$80,000	\$80,000
9	\$100,000	\$90,000	\$80,000
10	\$100,000	\$90,000	\$80,000

A “Year of Operation” is a 12 calendar-month period beginning on the first day of the first full calendar month after your grand opening (or an annual anniversary of your grand opening). After the last calendar month of each Year of Operation identified in the chart, we will evaluate whether you have satisfied the minimum average monthly Gross Revenues for that Year of Operation. If you fail to comply with these minimum performance requirements, we are entitled, at our discretion, to take one of the following actions: (i) reduce the size of your Territory; or (ii) modify or eliminate the territorial protections granted to you (i.e., make your territory non-exclusive).

If you are renewing your franchise, then the Minimum Performance Average Gross Monthly Revenues for Year 10 in the table above will apply to all months during the term of the successor Franchise Agreement.

4. TERM AND SUCCESSOR TERM.

4.1. Term. The term of this Agreement will begin on the Effective Date and expire ten (10) years thereafter, unless terminated earlier in accordance with this Agreement (the “Term”). If this Agreement is the initial franchise agreement for your Business, you may enter into a maximum of one (1) successor franchise agreement (a “Successor Agreement”) as long as you meet the conditions for entering into a Successor Agreement specified in Section 4.2 below. The Successor Agreement will be the current form of franchise agreement that we use in granting HomeWell Care Services franchises as

of the expiration of the Term. The terms and conditions of the Successor Agreement may vary materially and substantially from the terms and conditions of this Agreement. The successor term will be ten (10) years, for a maximum total term of 20 years. You will have no further right to operate your Business following the expiration of the successor term unless we, in our discretion, agree to grant you another franchise. If this Agreement is a Successor Agreement, the successor agreement provisions in your original franchise agreement will dictate the length of the Term of this Agreement as well as your remaining successor agreement rights, if any.

4.2. Requirements for Successor Agreement. To enter into a Successor Agreement, you and the Owners (as applicable) must: (a) notify us in writing of your desire to enter into a Successor Agreement not less than 180 days nor more than 270 days before the expiration of the Term; (b) have substantially complied with all of the terms of this Agreement throughout the Term, which means that you have not received more than two (2) notices of default (whether or not for the same issue and whether or not cured) during any rolling 24-month period; (c) not be in default under this Agreement or any other agreement with us or any affiliate of ours at the time you send the successor agreement notice or the time you sign the Successor Agreement; (d) sign the Successor Agreement and all ancillary documents that we require franchisees to sign; (e) sign a General Release; (f) pay us a \$1,500 Successor Agreement fee; (g) make all repairs, replacements and improvements to your office that we require; (h) have the right under your lease to maintain possession of your premises for the duration of the successor term; and (i) take any additional action that we reasonably require.

Except as otherwise permitted by this Section 4, you have no right to continue to operate your Business following the expiration of the Term.

5. TRAINING

5.1. Initial Training Program. The Managing Owner and all of your employees that we specify must attend and successfully complete our pre-opening initial training program before you open your Business. Upon signing the Franchise Agreement, you must pay us a non-refundable initial training fee of \$5,000 for the Managing Owner and one additional person's participation in our pre-opening initial training program. Initial training is a series of training phases beginning after the Effective Date and concluding with the opening of your Business. Initial training will be provided via recurring phone calls, emails, online learning management systems, and, at our discretion, via in-person training. The initial training program includes: (a) a training program that is conducted remotely via conference calls, email, and online learning management systems; (b) a one-day pre-opening, on-site inspection; and (c) 3 days of on-site training, which takes place at some point during your first year of operation. The 3 days of on-site training during your first year of operation is an informal training program conducted at your business office to identify and address any operational challenges you encounter after opening. We also encourage (but do not require) you to spend 1 to 3 days on-site at an operational HomeWell Care Services location to familiarize yourself with the day-to-day operations of a HomeWell Care Services business before your grand opening. If you choose to do so, you are responsible for arranging transportation, as well as expenses incurred while attending the on-site training, including meals and lodging. We reserve the right to require you to pay an additional fee of \$1,000 for each person who attends initial training in addition to the initial two (2) trainees who are covered by the initial training fee. This fee covers the costs of providing training, including training materials and meals (for in-person training). The fee is due before you begin initial training.

5.2. Initial Training For New Owners/Managers. If you hire a new Manager or appoint a new Managing Owner after we conduct our pre-opening initial training program, the new manager or

Managing Owner, as applicable, must attend and successfully complete the classroom portion of our then-current initial training program. We will not charge you a fee for attending this training as long as the trainees attend one of our regularly scheduled training sessions.

5.3. Periodic Training. We may offer periodic refresher or additional training for your Managing Owners and employees as we deem necessary through conference calls, webinars, or in-person training. Attendance at these training programs may be mandatory. We may charge you a fee for any system-wide periodic training programs that we require.

5.4. Additional Training Upon Request. Upon your written request, we may provide additional assistance or training to you at a mutually convenient time. If we agree to provide the assistance or training at your office, we may charge you a fee, which as of the Effective Date is up to \$1,200 per trainer per day, and you must also reimburse us for all costs that we incur for training supplies, food, lodging and travel. The fee is due prior to training, and expense reimbursements, if applicable, are due 10 days after invoicing.

5.5. Expenses. You are responsible for all food, lodging and travel costs that your Owners and employees incur while attending any training program or conference.

6. CONFERENCES

6.1. Attendance. We may hold periodic national or regional conferences to discuss various issues or concerns affecting HomeWell Care Services franchise owners. Attendance at these conferences is mandatory. We require that you pay a registration fee for each person who attends the conference.

6.2. Fees. The current registration fee for our annual conference is \$1,200 for up to two (2) attendees plus \$600 for each additional attendee. The conference registration fee for the first two (2) attendees is paid in 12 equal monthly installments of \$100 each, which are invoiced and payable at the same time and in the same manner as your royalty fees beginning in the first full month after signing this Agreement. The registration fee for additional attendees is due prior to the start of the conference. If you fail to attend a conference, we will charge you an additional non-attendance fee of \$1,000, billed and drafted with your royalties in a lump sum following the conference. If you operate more than one Territory under separate Franchise Agreements with us, you will pay only one annual conference registration fee for your first two attendees, but you must pay the then-current additional attendee fee for each additional attendee (in excess of the first two attendees).

6.3. Expenses. You are responsible for all food, lodging, and travel costs that your Owners and employees incur while attending a conference.

7. OTHER FRANCHISOR ASSISTANCE.

7.1. Manual. During the Term, we will lend you our confidential brand standards manual and other written instructions relating to the operations of your Business (the “Brand Standards Manual” or “Manual”) in the manner and as described in Section 13.2 below. The Manual will help you establish and operate your Business. The information in the Manual is confidential and proprietary and may not be disclosed to third parties without our prior approval. You may use the Manual only in connection with your Business and only during the Term of this Agreement. At our sole discretion, the Manual may be changed from time to time.

7.2. **Site Visits.** From time to time, we or a representative of ours will visit you to observe your operations. There is no minimum number of site visits that we will conduct during the Term. Based upon our observations, we may provide guidance and recommendations on ways to improve your Business.

7.3. **General Guidance.** We will provide you with telephone (via toll-free line) and email support during our business hours. Upon your request, we will advise you in the development and application of administrative and general operating procedures for a HomeWell Care Services business. We will guide you on methods and procedures for the purchase and use of equipment, materials, forms, displays, supplies and other items needed to operate the Business.

7.4. **Pricing.** We will assist you in developing the pricing for the products and services your Business will offer. Our recommended pricing is not binding upon you. However, to the extent permitted by applicable law, we may specify a maximum price you may charge for a product or service for a limited period of time (such as the duration of an ad or special promotion).

7.5. **Conference Calls.** We will conduct periodic group conversations via conference calls, video calls, or emails to discuss relevant matters with our franchisees as we deem appropriate.

7.6. **Marketing Assistance.** As further described in Section 12.1 and Section 12.2 of this Agreement, we will administer the Brand Development Fund and provide you with other marketing assistance during the Term as we deem appropriate.

7.7. **Website and Referrals.** We will maintain a corporate HomeWell Care Services website that will include the information about your Business that we deem appropriate. We may modify the content of the Website at any time in our discretion. Throughout the Term, we will also provide you a dedicated web page. Your dedicated web page will include localized information about your Business as we deem appropriate, such as contact information, owner and staff bios, client testimonials, client service and employment inquiry forms, local news and events, local resources, civic participation and links to social media feeds. We will own and control the domain (and all subdomains), the Website, and dedicated web pages at all times.

7.8. **Purchase Agreements.** We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for us and our franchisees. If we succeed in negotiating a purchase agreement, we will arrange for you to have the ability to purchase the goods directly from the supplier at the discounted prices that we negotiate. We may also purchase certain items from suppliers in bulk and resell them to you at our cost plus shipping fees and a reasonable markup. Subject to applicable law, we may earn money from the suppliers based on your purchases in the form of rebates, commissions, or other payments. You acknowledge that these payments compensate us for the cost of negotiating and maintaining the purchasing arrangements with the suppliers and that, subject to applicable laws, we have no obligation to remit the funds to you.

7.9. **New Products or Services.** We may, but need not, research and develop new or substitute products and/or services for sale at your Business. You agree to offer all products and services that we require.

8. ESTABLISHING YOUR BUSINESS

8.1. Site Selection. You agree to maintain a professional office and equip it, at your sole expense, as specified in the Manual. You must locate, and obtain our approval of, a premises (or “site”) from which you will operate your Business. The site must be within the Territory and meet our minimum site selection criteria. We have the right to accept or reject all proposed sites in our commercially reasonable judgment. Your site may not be a home office. Your site is deemed approved if we fail to issue our written disapproval within the 10 business-day period after our receipt of your request for approval. Our approval will be evidenced by the execution of a Site Approval Letter in the form attached to this Agreement as ATTACHMENT "C". You understand that our approval of the site indicates only that we believe the site meets our minimum criteria and does not constitute a representation or warranty of any kind, express or implied, of the suitability of the site for a HomeWell Care Services business. You understand that if you operate other HomeWell Care Services business(es) under a franchise agreement with us, you may be required to operate each other business from a separate office that is located in the territory for that business.

8.2. Lease

If you lease the premises for your Business, you must promptly send us a copy of your fully executed lease and Lease Addendum for our records. You must use your best efforts to ensure your landlord signs the Lease Addendum that is attached to this Agreement as ATTACHMENT "D".

8.3. Opening

(a) You must open your Business to the public within 120 days after the Effective Date. If you are in a state that requires a home care license or registration, you must submit your application for licensure within 45 days after the Effective Date. If you have not received your state home care license within 120 days after the Effective Date (despite your best efforts to complete the licensing process), you must open the Business within 30 days after your state home care license has been approved.

(b) You may not open your Business before: (i) successful completion of the initial training program by your Managing Owner and your other employees that we specify; (ii) you pass our on-site inspection; (iii) you purchase all required insurance and send us proof of same; (iv) you obtain all required licenses, permits, credentialing (if applicable) and other governmental approvals; and (v) we provide our written approval of the construction, build-out and layout of your office. For purposes of this Agreement, your Business is deemed “open” to the public once each of the foregoing requirements is met and you begin actively accepting clients. By virtue of opening your Business, you acknowledge that we have fulfilled all of our pre-opening obligations to you.

8.4. Relocation. You may relocate your office to a new site with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate, you must: (a) locate your new office at a site within the Territory; (b) comply with Sections 8.1 through Section 8.3 of this Agreement with respect to your new office (excluding the 120-day opening period); and (c) open your new office before closing your previous office.

9. MANAGEMENT AND STAFFING.

9.1. Owner Participation. You acknowledge that a major requirement for the success of your Business is the active, continuing, and substantial personal involvement and hands-on supervision by your Managing Owner. The Managing Owner must at all times be actively involved in the operation of the Business on a full-time basis after the opening of your Business, unless this responsibility is delegated to a Manager. Any new Managing Owner that we approve must successfully complete the initial training program.

9.2. Managers. You may hire a Manager to assume responsibility for the daily management and supervision of your Business, but only if: (a) the Manager meets all of our minimum standards and criteria for Managers (as set forth in the Manual); (b) the Manager successfully completes the initial training program; (c) the Manager signs a Brand Protection Agreement; and (d) the Managing Owner agrees to assume responsibility for the on-site management and supervision of your Business if the Manager is unable to perform their duties due to death, disability, termination of employment, or for any other reason, until such time that you obtain a suitable replacement Manager.

9.3. Sales Professional. You must employ at all times a sales professional who will dedicate full time efforts to: (a) marketing your Business to referral sources within your Territory; (b) developing relationships and building the HomeWell Care Services brand within your community; and (c) otherwise actively promoting and advertising your Business locally. We may require your sales professional to participate in our sales training program. This training will be conducted remotely via phone, webinar, email, and other online learning management systems, or, at our discretion, in person. If conducted in person, you will be responsible for all food, lodging and travel costs that the trainee incurs while attending the training program. The Managing Owner may qualify as the sales professional if they possess adequate marketing and sales experience as determined by us in our discretion.

9.4. Employees.

(a) You understand that we do not control the hiring, training, compensation, discipline, or firing of your employees; we do not control the day-to-day activities of your employees or the manner in which they perform their assigned tasks; and the employees that you hire will be employees of yours and not of ours. Accordingly, you must:

(i) Determine appropriate staffing levels for your Business to ensure full compliance with this Agreement and our System standards;

(ii) Hire, train, and supervise employees to assist you with the proper operation of the Business;

(iii) Conduct criminal background checks on all employees before you hire them. (The Manuals may specify certain background check results that may disqualify a person from serving in certain capacities in connection with your Business (such as a caregiver) due to safety or other concerns.);

(iv) Ensure that your employees obtain and maintain all required credentialing, licenses, certifications and/or other qualifications as required by applicable law in your jurisdiction;

(v) Pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings required by law) due for your employees;

(vi) Ensure that a sufficient number of trained employees are available to meet the operational standards and requirements of your Business at all times; and

(vii) Inform your employees that you exclusively supervise their activities and dictate the manner in which they perform their assigned tasks. In this regard, you must use your legal business entity name (not our Marks or a fictitious name) on all employee applications, paystubs, pay checks, employment agreements, time cards, and similar items.

(b) You may give your employees only the minimum amount of information and material from the Manual that is necessary to enable them to perform their assigned tasks. You must ensure that your employees do not make or retain any copies of the Manual or any portion of the Manual.

10. FRANCHISEE AS ENTITY. If you are an Entity, you agree to provide us with a list of all of your Owners and sign an "Ownership Statement," the current form of which is attached as ATTACHMENT "I". Upon our request, you must provide us with a resolution of the Entity authorizing the execution of this Agreement, a copy of the Entity's organizational documents, and a current Certificate of Good Standing (or the functional equivalent thereof). You represent that the Entity is duly formed and validly existing under the laws of the state of its formation or incorporation.

11. FRANCHISE OWNER AGREEMENT. If you are an Entity, all Owners (whether direct or indirect) must bind themselves to the terms of this Agreement by signing a Franchise Owner Agreement, the current form of which is attached as ATTACHMENT "E". If you are not an Entity, we require that the spouse of each Owner sign a Franchise Owner Agreement. Depending on the creditworthiness of the Owners, we may require that the spouse of each Owner sign a Franchise Owner Agreement, regardless of whether you are an Entity.

12. ADVERTISING & MARKETING.

12.1. Brand Development Fund.

(a) Administration. Recognizing the value of uniform advertising and promotion to the goodwill and public image of the System and the Marks, we have established a brand development fund ("Brand Development Fund"). The Brand Development Fund will be used for "Marketing Campaigns," which may include: (i) marketing, advertising, sales promotion and promotional materials; (ii) developing market research and merchandising programs; (iii) website development, hosting and optimization; (iv) public and consumer relations, and publicity; (v) any other programs, activities or uses that we deem necessary or appropriate; and (vi) providing technical or professional advice in connection with any of the foregoing. We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to any Marketing Campaign. We may use the Brand Development Fund fees for reasonable costs, such as salaries, administrative costs and overhead that we may incur in activities reasonably related to the implementation and administration of the Brand Development Fund and the Marketing Campaigns (which may include: conducting market research; preparing and conducting internet, social media, television, radio, magazine, billboard and other media programs and activities; employing advertising agencies; collecting and accounting for contributions to the Brand Development Fund; and paying for the preparation and distribution of financial accountings and marketing materials). We also may use

Brand Development Fund fees to pay for advertisements directed at selling additional franchises.

We need not make expenditures for your benefit that are proportionate to your contribution to the fund or for any particular geographic area (including within your Territory). Your failure to derive any such benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the brand fund. The failure (whether with or without our permission) of any other franchisee to make the appropriate amount of contributions to the Brand Fund will not release you from or reduce your obligation. The brand fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Any surplus of funds in the Brand Development Fund may be invested and we may lend money to the Brand Development Fund if there is a deficit. The Brand Development Fund is not a trust and we have no fiduciary obligations to you with respect to our administration of the Brand Development Fund. Brand fund contributions will be part of the general funds of HomeWell, but will be accounted for separately from the other funds of HomeWell. A financial accounting of the operations of the Brand Development Fund, including deposits into and disbursements from the Brand Development Fund, will be prepared annually and made available to you upon request.

(b) Contributions. You must pay a monthly brand fund contribution. For the first \$1,000,000 of combined Gross Revenues received by all territories that you operate, the amount of your brand fund contribution will vary depending upon the length of time since the effective date of the Franchise Agreement as follows:

Number of Months Since Franchise Agreement Effective Date	Brand Fund Contribution Amount
0-6	2% of Gross Revenues
7-12	2% of Gross Revenues or \$250 (whichever is greater)
13-18	2% of Gross Revenues or \$500 (whichever is greater)
19+	2% of Gross Revenues or \$1,000 (whichever is greater)

If your combined Gross Revenues exceed \$1,000,000 for all territories that you operated during a calendar year, you will contribute 1 percent of Gross Revenues on all Gross Revenues in excess of \$1,000,000 that the Business earns during that year. The Brand Development Fund fee will automatically reset to the greater of: (i) 2% of your aggregate Gross Revenues; and (ii) the applicable minimum brand fund contribution at the start of each calendar year. We will deposit into the Brand Development Fund all Brand Development Fund fees paid by you and other franchisees. Except as stated in this Section, we have no obligation to expend our own funds or resources for any Marketing Campaign.

(c) Duration

We intend for the Brand Development Fund to be of perpetual duration; however, we have the right to terminate it (but will not do so until all Brand Development Fund monies have been spent on marketing and promoting the HomeWell brand).

12.2. Marketing Assistance From Us. To assist our franchisees and promote brand consistency, we may create and make available to you advertising and other marketing materials for your purchase. We may use the Brand Development Fund to pay for the creation and distribution of these materials, in which case there will be no additional fees payable to us. We may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). Alternatively, we may enter into relationships with approved suppliers who will create the advertising or marketing materials for your purchase. If the price that you pay an approved supplier for the marketing materials exceeds the cost of production, the approved supplier may provide us with credits for use in connection with system upkeep and development. If you ask us to develop marketing materials for you, and you request more than two sets of modifications of these materials, we may charge you a marketing material development fee of \$50 per hour, billed in 30-minute increments. This fee will be due 10 days after invoicing. We will provide reasonable consulting, guidance and support for marketing throughout the Term on an as-needed basis.

12.3. Regional Marketing Cooperatives

In addition to the Brand Development Fund, we have the right to form, change, dissolve or merge regional marketing cooperatives in the future. If we organize a cooperative in your region, your participation will be optional. The cooperatives will be governed by its members, which may include us. We may have a controlling interest in a cooperative. The cooperatives (including requirements to pay regional marketing fees) will be governed by written documents, which will be prepared when the cooperative is formed. As of the Effective Date, we do not have any regional advertising cooperatives.

12.4. Your Marketing Activities.

(a) Generally. In addition to your required contribution to the Brand Development Fund, we require that you invest in local marketing and promotional activities. You must spend \$1,000 or 2% of your Gross Revenues (whichever is greater) each month for your local marketing and promotional activities. We must approve all such advertising in accordance with Section 12.4(d) of this Agreement. You also agree to participate at your own expense in all advertising, promotional and marketing programs that we require.

(b) Grand Opening. During the period beginning 30 days before opening your Business and ending 90 days after the opening of your Business, you must have a grand opening event. Your grand opening event must meet our standards for advertising and be approved by us (as described in Sections 12.4(c) and 12.4(d) below). However, we do not require that you spend a minimum amount on your event.

(c) Standards for Advertising. You must use the advertising and marketing materials that we make available to our franchisees as described in Section 12.2 of this Agreement, unless you receive our written consent to exempt you from this requirement. All advertisements and promotions that you create or use must be completely factual; conform to the highest standards of ethical advertising; and comply with all federal, state and local laws. For example, you must ensure that your

advertisements and promotional materials do not infringe upon the intellectual property rights of others. We may require that your advertisements and promotional materials list our website and include the notation “Franchises Available.” Your advertisements must exclusively list the primary dedicated business telephone line associated with your Business.

(d) Approval of Advertising. Before you use them, we must approve all advertising and promotional materials that we did not prepare or previously approve (including materials that you modify after we have previously prepared or approved those materials). We will be deemed to have approved the materials if we fail to issue our disapproval within 15 days after receipt. You may not use any advertising or promotional materials that we have disapproved (including materials that we previously approved and later disapprove). If you misuse any advertising or marketing materials or use materials that we have not previously approved, then we may require you to pay a fee of up to \$500 for each such instance, which will be due 10 days after invoicing.

(e) Online Marketing. You may market your Business through approved social media channels in accordance with any social media policy that we adopt (as may be modified from time to time). We may require that you utilize our designated supplier for social media marketing services and exclusively use our designated social media platform. We do not allow our franchisees to maintain their own websites or market their HomeWell Care Services businesses on the Internet (other than through approved social media outlets).

(f) Electronic Marketing

You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail, text message, and/or other electronic media without first obtaining our written consent as to: (i) the content of the proposed electronic advertisement or solicitation; and (ii) your plan for transmitting the proposed advertisement or solicitation. In addition to any other provision of this Agreement, you will be solely responsible for compliance with all laws pertaining to sending electronic communications, including the “Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003” (known as the “CAN-SPAM Act of 2003”) and the Federal Telephone Consumer Protection Act (“TCPA”).

13. OPERATING STANDARDS.

13.1. Generally. You agree to operate your Business: (a) in a manner that will promote the goodwill of the Marks; and (b) in full compliance with our standards and all other terms of this Agreement and the Manual. You and your employees must provide professional, courteous and efficient service to your clients.

13.2. Brand Standards Manual. You agree to establish and operate your Business in accordance with the Manual. We have the right to provide the Manual to you in the format that we determine is appropriate (including paper copies and/or by making some or all of the Manual available through an Internet website, a portal, links to online learning modules, or an extranet), and we may change how we provide the Manual from time to time. The Manual may contain, among other things: (a) a description of the authorized goods and services that you may offer at your Business; (b) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for HomeWell Care Services franchisees; (c) mandatory reporting and insurance requirements; (d) mandatory and suggested specifications for your office; (e) a written list of goods and services (or specifications for goods and services) you must purchase for the development and operation of your Business; and (f) a list of any designated or approved suppliers for the goods or services described in Section 13.2(e). The Brand Standards Manual is designed to establish and protect our brand standards, as well as the uniformity and quality of the goods and services offered by our franchisees. We can modify the Manual at any time. The modifications will become binding 30 days after we send you notice of the modification. All mandatory provisions contained in the Manual (whether they are included now or in the future) are binding on you.

13.3. Authorized Goods and Services

(a) You agree to offer all goods and services that we require from time to time. You may not offer any goods or services at your HomeWell Care Services office other than Primary Services and any Additional Optional Services that we authorize you to offer. You may not use your Business or permit your Business to be used for any purpose other than offering the goods and services that we authorize. We may, without obligation to do so, add, modify or delete authorized goods and services, and you must do the same upon notice from us. Our addition, modification or deletion of one or more goods or services shall not constitute a termination of the franchise or this Agreement.

(b) We recommend that most new franchisees focus their initial operation on Primary Services for private-pay clients; however, you may offer services to clients covered by long-term care insurance policies, Medicaid, VA, or other third-party sources if you obtain necessary certifications and comply with all federal, state, and local laws that apply.

(c) In connection with your Business, you may not provide ancillary health care services that constitute the “practice of medicine” under the laws of your state (such as medical homecare and/or nursing services) unless: (i) we provide our written consent (which may be withheld in our discretion) for you to offer such services; (ii) you have obtained and maintain appropriate licenses to provide such services; (iii) you have obtained and maintain all required accreditations and certifications to bill insurance companies for such services; and (iv) you provide such services in compliance with all applicable laws, rules and regulations.

13.4. Territory Violations. If you service a client in another franchisee's territory without permission to do so, and in violation of our extra-territorial operations policy, you must pay us liquidated damages in an amount equal to 50% of the total revenue you collect from that client as compensation for your violation of the other franchisee's territory. You acknowledge that the actual damages for a territory violation would be difficult to ascertain, and that the liquidated damages amount is a reasonable approximation of the actual damages. Upon receipt of your payment, we will pay 80% of your liquidated damages payment to the franchisee who owns the territory and will retain the remaining 20% of your liquidated damages payment. You agree to cooperate in good faith with any client transition procedures that we specify.

13.5. Suppliers and Purchasing. You agree to purchase or lease all products, supplies, equipment, uniforms, services and other items specified in the Manual from time to time. If required by the Manual, you agree to purchase certain goods and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliate). You acknowledge that our right to specify the suppliers that you may use is necessary and desirable so that we can: (a) control the uniformity and quality of goods and services used, sold or distributed in connection with the development and ongoing operation of HomeWell Care Services businesses; (b) maintain the confidentiality of our trade secrets; (c) obtain discounted prices for our franchisees if we choose to do so; and (d) protect the reputation and goodwill associated with the System and the Marks. If we receive rebates or other financial consideration from these suppliers based upon franchisee purchases, we have no obligation to pass these amounts on to you or to use them for your benefit. If you want us to approve a supplier that you propose, you must send us a written notice specifying the supplier's name and qualifications and provide any additional information that we request. We will approve or reject your request within 60 days after we receive your notice and all additional information (and samples) that we require.

13.6. Software and Technology. You must acquire and utilize (at your own expense) all software ("Software") and computer equipment, communications devices, audio/visual equipment, and other technology (collectively "Technology") that we specify from time to time. You are responsible for payment of all initial and ongoing fees relating to such Software and Technology. We may change the Software or Technology that you must use at any time. We may also develop proprietary Software or Technology that must be used by HomeWell Care Services franchisees. If this occurs, you agree to enter into a license agreement with us (or an affiliate of ours) and pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees. The terms of the license agreement will govern the terms pursuant to which you may utilize this Software or Technology. We also reserve the right to enter into a master software or technology license agreement with a third party licensor and then sublicense the Software or Technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the Software or Technology.

As of the Effective Date, we require our franchisees to subscribe to an online home care compliance platform ("Compliance Platform"). You agree to pay us the amount of \$1,000 when you sign the Franchise Agreement, which we will pass through to a third-party vendor to cover the initial set-up fee for the Compliance Platform. As of the Effective Date, we pay the ongoing fees for the Compliance Platform on your behalf; however, we reserve the right to cease that practice in the future. In that case, you will be responsible for payment of the ongoing fees.

We may permit or require you to use a "HomeWell Care Services" e-mail address (that is, one that will contain a Top Level Domain Name that we designate, for example jane.smith@Homewellcares.com) (an "Official E-mail Address") related to the operation of the

Business. You and your employees will be required to sign our standard terms and conditions for use of the Official E-mail Address. If we assign you an Official E-mail Address, then you agree that you (and your employees) will use only that email account for all official business associated with your Business. If we coordinate and arrange for the provision of email services on a systemwide basis, you agree to pay us a monthly email fee that we may specify from time to time in connection with those services. As of the Effective Date, you must pay an email fee of \$4 per email per month, which will cover all costs incurred for the set-up, use, maintenance, storage (up to 50 GB), and servicing of the email account. If you wish to have unlimited storage, as of the Effective Date, your monthly fee will be \$8 per email address per month.

Each party to this Agreement acknowledges and agrees that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree to comply with those reasonable new standards that we establish as we periodically revised this Section 13.6 for that purpose.

13.7. Client Accounts and Data.

(a) You must enter all client inquiries, client data and operational data into the software management system that we specify in the time and manner that we specify. You may use such data solely in connection with the operation of your Business and in compliance with Sections 13.7, 13.8, and 13.9 of this Agreement and any data protection policies, standards, and procedures that we establish in the Manual from time to time. To the extent permissible under applicable law, you acknowledge and agree that we exclusively own all client accounts, and that you must deliver all such information to us or the person that we designate in the manner that we specify within ten (10) days after the termination, expiration or Transfer of this Agreement. You will have no ownership rights to any such client accounts or data, other than the limited right to use such data as provided in Section 13.7 (b) and Section 13.7(c).

(b) As between you and HomeWell, HomeWell exclusively owns and reserves all right, title and interest in all HomeWell Data (defined below), during and after the term of this Agreement, and we will have the right to use, copy, record, distribute, reproduce, disclose, sell, re-sell, display, publicly perform, transmit, publish, broadcast, translate, make derivative works of, and otherwise use and exploit in any manner whatsoever, the HomeWell Data in any manner and in any means or medium (existing now or in the future) that we deem appropriate, without compensation to you. “HomeWell Data” means data and information (i) provided by or on your behalf to us, (ii) uploaded to our or our agents’ systems from your or your agents’ systems, (iii) downloaded to your or your agent’s systems from our system, and (iv) all other data created or collected by you in connection with the System, or, except as set forth below, in connection with your operation of the Business (including consumer and transaction data). Copies and/or originals of HomeWell Data must be provided to us upon our request. Subject to the terms and conditions of this Section 13.7, we hereby grant a limited, non-exclusive, revocable license back to you to use HomeWell Data, at no additional cost, solely for the term of this Agreement and solely in connection with the establishment and operation of the Business pursuant to this Agreement.

(c) Unless otherwise agreed in writing between HomeWell and you, any: customer information that you collect in-office independently of the System, such as instances where customer

information is not uploaded to or otherwise processed by the software management system we specify or other HomeWell systems, and information regarding your personnel (collectively, “Your Data”) will, as between you and HomeWell, remain your property. You shall be solely liable and responsible for any independent collection, use, and/or processing of Your Data carried out by or on your behalf independent of the System, and agree to indemnify and hold HomeWell harmless from any third party claims and all losses, damages, liabilities (including attorneys’ fees) in connection with such independently managed collection, use, and/or processing of Your Data.

13.8. Data Security and Breach Notification.

Taking into account the nature, scope, context and purposes of processing data, you agree to install and maintain appropriate technical and organizational security measures to (a) comply with applicable Data Protection Laws (defined below), and (b) protect data from accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, data transmitted, stored or otherwise processed, which shall be no less stringent than generally accepted industry-standard security measures. For example, you agree to comply with the then-current Payment Card Industry Data Security Standards (“PCI-DSS”), as those standards may be revised by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org) or successor organization; to implement the security requirements that the Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards; and to complete PCI-DSS audits as and when required by the standards. You agree to make available all relevant records, audits, assessments, logs, files, reports or other materials necessary to demonstrate compliance with applicable security standards, including PCI-DSS compliance. You acknowledge that compliance with PCI-DSS is a minimum requirement; that compliance does not guarantee that no security breach will occur; and that any losses or expenses incurred by us as a result of a security breach will be subject to indemnification under Section 19.1 of this Agreement. You must reimburse us for all costs and expenses incurred by us and our affiliates associated with an actual or suspected security breach, including: (a) security breach notification costs (including any costs of credit monitoring) using the form of notification approved by us; (b) security breach investigation and remediation costs; (c) all fines, penalties and settlements related to or arising from the security breach; and (d) related attorneys’ fees. In the event of a known or suspected security breach, you agree to notify us without undue delay (but in no event later than 48 hours after first suspecting or becoming aware of the breach, unless otherwise prohibited by applicable law) and to comply with applicable laws. Following your notification to us of a security breach, you agree to cooperate with any instructions from us regarding the security breach, including: (a) assisting with any investigation; (b) providing us physical access to facilities, systems, and operations affected; (c) facilitating interviews with your employees and others involved in the matter; and (d) making available all relevant records, logs, files, data reporting and other materials necessary to comply with applicable law, industry standards or as we otherwise require. You, at your sole cost and expense, must use best efforts to immediately remedy any security breach and prevent any further security breach in accordance with Data Protection Laws. We may offer to you, and if offered you must purchase from us or our affiliate, a package of services for internet access, PCI-DSS compliance, and data security.

13.9. Privacy

(a) Definitions.

“CCPA” means the California Consumer Privacy Act of 2018 (including as amended by the California Privacy Rights Act of 2020), and any regulations and guidance promulgated thereunder.

“Consumer” means “consumer,” “data subject,” or other similar terms defined under Data Protection Laws.

“Data Protection Laws” mean all applicable laws, ordinances, rules, regulations (including industry self-regulation), guidelines, and standards (e.g., PCI-DSS) relating to privacy and data protection, cybersecurity, breach notification, consumer protection, and otherwise pertaining to the collection, use, disclosure, integrity, security, transfer, or other processing of, Personal Information.

“Deidentified Data” means “De-identified Data” or data that has been “Deidentified” as those terms are defined in Data Protection Laws. In the absence of such definitions, “Deidentified Data” means information that cannot reasonably be used to infer information about, or otherwise be linked to, a particular Consumer or a device linked to a particular Consumer.

“Personal Information” means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer, household, or device, and includes, information that is defined or protected under Data Protection Law.

“Processor” means a person who processes Personal Information on behalf of another person, and includes “service provider” and “processor” as defined under Data Protection Laws.

“Business Purpose,” “Sell,” and “Share” each has the meaning given to them in the Data Protection Laws.

(a) Compliance with Data Protection Laws.

You agree to abide by the Data Protection Laws. You must ensure that any Personal Information is only collected, used, transferred, stored, or otherwise processed on a legal basis recognized by applicable Data Protection Laws, including express or implied consent of the data subject. You are responsible for ensuring, and represent and warrant, that (i) you have complied, and will continue to comply, with applicable Data Protection Laws in your processing of Personal Information; (ii) all data shared with or transferred to us has been collected and otherwise processed in compliance with applicable Data Protection Laws and a privacy policy that allows such sharing or transfer; and (iii) you have, and will continue to have, the right to transfer, share, or provide access to, Personal Information to us.

(b) Terms required by Data Protection Laws.

You acknowledge and agree that you will process HomeWell Personal Information in accordance with our documented instructions solely as a Processor, for the purposes consistent with the license granted to HomeWell Data in Section 13.7 of this Agreement and, as to CCPA Personal Information, to carry out the Business Purposes applicable to such purposes (collectively, the “Agreed Purposes”), which you agree and acknowledge are the sole purposes for which we are making available the HomeWell Personal Information. Without limiting the generality of the foregoing, you must: (i) not Sell or Share HomeWell Personal Information (defined below); (ii) not retain, use, and disclose HomeWell Personal Information for any purpose (including a commercial purpose) other than for the Agreed Purposes; (iii) not retain, use, or disclose HomeWell Personal Information outside of the direct

business relationship between HomeWell and you, including combining or updating HomeWell Personal Information received from us, by us or on our behalf with Personal Information that you receive from another person; (iv) provide the same level of privacy protection as required by Controllers under Data Protection Laws, including by, for example, cooperating with us in responding to and complying with Consumers' requests made pursuant to Data Protection Laws; and (v) notify us promptly within five (5) business days or, if sooner, the time required by Data Protection Laws, after you make a determination that you can no longer meet your obligations under this Agreement or Data Protection Laws.

You grant us the right, upon notice, to take reasonable and appropriate steps to stop and remediate your unauthorized use of HomeWell Personal Information. You certify that you understand and will comply with the restrictions and obligations applicable to HomeWell Personal Information under any Data Protection Laws. For the purposes of this Section, "HomeWell Personal Information" means any HomeWell Data that constitutes Personal Information. To the extent you receive from us or otherwise collect Deidentified Data as part of the System, you agree to: (i) maintain such data as Deidentified and take reasonable measures to ensure that such Deidentified Data cannot be associated with an individual or household (including implementing technical safeguards and business processes to prevent reidentification or inadvertent release of the Deidentified Data); (ii) publicly commit to maintain and use the data in Deidentified form and not to attempt to reidentify the data; and (iii) contractually obligate any third parties receiving such data from you to also commit to these same requirements. You may permit processing of HomeWell Personal Information on our behalf by third parties that we agree to in advance in writing ("Subprocessors"). You must flow down the privacy and security requirements of this Agreement to any Subprocessors in a written agreement binding upon each such Subprocessor to terms that include restrictions and obligations that are required by Data Protection Laws and that are no less restrictive than the terms of this Agreement. You will be solely responsible for all actions and omissions of its Subprocessors.

(c) Assistance with Consumer Requests.

- i. You must take appropriate measures and provide all reasonable cooperation and assistance that we request in respect of fulfillment of our obligations to respond to Consumer rights requests.
- ii. If you receive a notice, communication, claim, or complaint from a person (including a governmental authority) regarding, or a Consumer request relating to, HomeWell Personal Information, then you will promptly: (i) advise the relevant person or Consumer to make the claim, complaint or request directly to us; (ii) give written notice of the notice, communication, claim, complaint or request to us; and (iii) cooperate with and assist us to respond to the claim, complaint, or request.
- iii. You must take appropriate measures and provide all reasonable cooperation and assistance requested by us in respect of fulfillment of our obligations to respond to Consumer rights requests.

(e) Reviews and Audits.

At our request, you agree to provide us with all information, records, files, logs, reports, audits, documents, assessments or other materials necessary to confirm your compliance with this Section 13.9. and applicable Data Protection Laws. At our sole discretion, you grant us, or a third party elected by us, permission to perform an assessment, audit, examination or review of all technical and organizational security and privacy controls, including your physical and/or technical environment, in relation to all Personal Information and HomeWell Personal Information collected, used, transferred, stored or otherwise processed by you pursuant to this Agreement. You must fully cooperate by providing access to all personnel, facilities, and systems as necessary to complete the audit. In addition, at our request, you must provide us with the results of any audit performed by or on your behalf that assesses the effectiveness of your security and privacy measures.

(f) HIPAA

Although the Health Insurance Portability and Accountability Act (HIPAA) may or may not apply to your Business, we require that you comply with HIPAA to ensure the highest level of protection of client information. HIPAA imposes certain legal obligations to: (a) keep a client's health care information confidential; (b) disclose that information to clients and third parties when requests are properly submitted; and (c) ensure the privacy and security of client health care information shared with any "business associate" as defined under the HITECH Act, such as service providers, attorneys, or third-party billing companies. You must also comply with all other federal and state laws regulating the privacy and security of patient health care and other personal information.

13.10. Extranet

You agree to comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your Computer System and our Extranet and/or such other computer systems as we may reasonably require. The term "Extranet" means a private network based upon Internet protocols that will allow users inside and outside of our headquarters to access certain parts of our computer network via the Internet. We may establish an Extranet (but are not required to do so or to maintain an Extranet). The Extranet may include, among other things, the Manual, training and other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You agree to purchase and maintain such computer software and hardware (including telecommunications capacity) as may be required to connect to and utilize the Extranet. You agree to execute and deliver to us such documents as we may deem reasonably necessary to permit you to access the Extranet

13.11. Maintenance of Premises

You agree to renovate, remodel and make all improvements and alterations to your office premises that we reasonably require from time to time to reflect our then-current image, appearance and specifications. You agree to maintain your office in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements, renewals and alterations, at your sole expense, to comply with our standards and specifications. Without limiting the generality of the foregoing, you agree to take the following actions at your sole expense: (i) thorough cleaning, repainting, redecorating of the interior and exterior of the office at the intervals we may prescribe (or at such earlier times that such actions are required or advisable); and (ii) interior and exterior repair of the office as needed.

13.12. Hours of Operation. You must operate your Business during the minimum hours of operation that we specify. If there are any conflicting requirements regarding your office hours imposed by your landlord or applicable law, you must establish specific hours of operation and submit those hours to us for approval. You understand that your clients may require assistance outside normal office hours. Accordingly, you must ensure that at all times you have one or more “on-call” employees who are available to assist clients outside your normal office hours.

13.13. Customer Complaints. If you receive a client complaint, you must follow the complaint resolution process that we specify to protect the goodwill associated with the Marks. You must respond promptly to all inquiries and complaints from customers.

13.14. Customer Surveys. We may use customer surveys and similar tools established and administered by us or by third parties on our behalf for marketing, sales, and quality assurance purposes.

14. FEES

14.1. Initial Franchise Fee

(a) You agree to pay us a \$_____ initial franchise. Except as provided in Section 14.1(b) below, the initial franchise fee is payable in one lump sum at the time you sign this Agreement.

(b) If you are a new HomeWell franchisee purchasing a single Territory, you may choose one of the following options: (i) payment of an initial franchise fee of \$49,500 and payment of the ongoing royalty fee as described in Section 14.2(a) of this Franchise Agreement (“Option 1”); or (ii) no initial franchise fee payable by you and payment of the ongoing royalty fee described in Section 14.2(b) of this Franchise Agreement (“Option 2”). If you select Option 1, you must pay the \$49,500 initial franchise fee in one lump sum no later than the due date (“Due Date”), which is the opening date of your HomeWell business, or the date that is 150 days after the date that you sign the Franchise Agreement (whichever occurs first). If you have not paid us the initial franchise fee in full by the Due Date, you will be deemed to have selected Option 2. A “new HomeWell franchisee” is an individual who has never had an ownership interest in a HomeWell business or an entity whose owner(s) have never had an ownership interest in a HomeWell business.

(c) The initial franchise fee is fully earned by us when we sign this Agreement and is non-refundable.

14.2. Royalty Fee. On the 15th day of each month, you agree to pay us a royalty fee.

(a) Unless you are a new HomeWell franchisee who has selected (or who has been deemed to have selected) Option 2 set forth in Section 14.1(b) of this Agreement, during the first six months after the Effective Date, the royalty fee is 5% of your Gross Revenues generated during the preceding month. Beginning in the seventh month after the Effective Date and continuing thereafter, the royalty fee is the greater of: (i) 5% of aggregate Gross Revenues generated from all territories that you operate during the preceding month; and (ii) the minimum royalty amount described in Section 14.2(c) below (“Minimum Royalty Amount”).

(b) If you select (or have been deemed to have selected) Option 2 described in Section 14.1(b) of this Agreement, for the first \$1.5 million of Gross Revenue generated by the Business in the Territory during the Term, your royalty fee will be an amount equal to: (i) 10% of Gross Revenues generated during the preceding month for the first six months after the Effective Date; and (ii) beginning in the seventh month after the Effective Date, 10% of Gross Revenues generated during the preceding month, or the Minimum Royalty Amount (whichever is greater). After the Business has generated \$1.5 million of Gross Revenue in the Territory, your royalty fee will be an amount equal to 5% of Gross Revenues generated during the preceding month, or the Minimum Royalty Amount (whichever is greater).

(c) For purposes of this Agreement, the Minimum Royalty Amount varies depending upon the number of territories you operate and the number of months since the effective date of the applicable franchise agreement, as further described in the table below:

Number of Months after the Effective Date of the Franchise Agreement	Minimum Royalty Per Territory		
	Territory 1	Territory 2	Territory 3
0-6	N/A	N/A	N/A
7-12	\$500	\$500	N/A
13-18	\$1,000	\$500	\$500
19-24	\$1,000	\$1,000	\$500
25-30	\$1,500	\$1,000	\$1,000
31-36	\$1,500	\$1,500	\$1,000
37-42	\$2,000	\$1,500	\$1,500
43-48	\$2,000	\$2,000	\$1,500
49-54	\$2,500	\$2,000	\$2,000
55-60	\$2,500	\$2,500	\$2,000
61-66	\$3,000	\$2,500	\$2,500
67-72	\$3,000	\$3,000	\$2,500
73-78	\$3,500	\$3,000	\$3,000
79-84	\$3,500	\$3,500	\$3,000
85-90	\$4,000	\$3,500	\$3,500
91-96	\$4,000	\$4,000	\$3,500
97-102	\$4,500	\$4,000	\$4,000
103-108	\$4,500	\$4,500	\$4,000
109-114	\$5,000	\$4,500	\$4,500
115-120	\$5,000	\$5,000	\$4,500

(d) If you previously operated a home care business and are converting to a HomeWell Care Services business, we may agree to reduce royalty fees temporarily on any existing clients on a case-by-case basis, as determined by an analysis of your existing business.

(e) If you fail to timely report Gross Revenues, we may debit your account 120 percent of the royalty fee owed for the immediately prior period. We will reconcile with the actual royalties owed once we have the required Gross Revenue data.

14.3. Other Fees and Payments. You agree to pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in this Section 14. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon goods or services that you sell or based upon goods or services that we furnish to you (other than income taxes that we pay based on amounts that you pay us under this Agreement).

14.4. Late Fee. If any sums due under this Agreement have not been received by us when due (or there are insufficient funds in your Account to cover any sums owed to us when due) then, in addition to those sums, you must pay us interest on the amounts past due at the rate equal to 18% per annum (prorated on a daily basis), or the highest rate permitted by your state's law (whichever is less). If no due date has been specified by us, then interest begins to run 10 days after we bill you. We will not impose a late fee for any amounts paid pursuant to Section 14.5 of this Agreement if, but only to the extent that, sufficient funds were available in your Account to be applied towards the payments at the time the payments became due and payable. However, we may impose a late fee for any amounts that we are unable to reasonably determine due to your failure to furnish us with a report required by Section 16.3 of this Agreement within the required period of time or record sales in a timely manner, in which case we may assess a late fee on the entire amount that was due and payable. In addition to the late fee, you also agree to pay us an insufficient funds fee of \$150 or the maximum amount permitted by applicable law (whichever is less) for each instance where either: (a) we debit your Account and there are insufficient funds; or (b) a check from you is dishonored by your bank due to insufficient funds in your account. You acknowledge that this Section 14.4 does not constitute our agreement to accept the late payments after same are due, or a commitment by us to extend credit to or otherwise finance the operation of your Business.

14.5. Method of Payment. You must complete and send us an ACH Authorization Form allowing us to electronically debit a banking account that you designate (your "Account") for: (a) all fees payable to us pursuant to this Agreement (other than the initial franchise fee); and (b) any amounts that you owe to us or any of our affiliates for the purchase of goods or services. We will debit your Account for these payments on or after the due date. Our current form of ACH Authorization Form is attached to this Agreement as ATTACHMENT "F". You must sign and deliver to us any other documents that we or your bank may require to authorize us to debit your Account for these amounts. You must deposit into the Account all revenues that you generate from the operation of your Business. You must make sufficient funds available for withdrawal by electronic transfer before each due date. If there are insufficient funds in your Account to cover all amounts that you owe, any excess amounts that you owe will be payable upon demand, together with any late charge imposed pursuant to Section 14.4. You must pay all service charges and other fees that your bank imposes for any debits that are not honored or processed by your bank for any reason.

14.6. Application of Payments. We have sole discretion to apply any payments from you to any past due indebtedness of yours or in any other manner we determine is appropriate.

14.7. No Right of Set-Off You agree that you will not, for any reason, delay or withhold the payment of any amount due to us under this Agreement; put into escrow any payment due to us; or set-off payments due to us against any claims or alleged claims that you may allege against us, the Brand Development Fund, our affiliates, suppliers, or others.

15. RESTRICTIVE COVENANTS.

15.1. Reason for Covenants. You acknowledge that you would not have access to the Intellectual Property and the training and assistance that we provide except through implementation of this Agreement. You also acknowledge that competition by you, the Owners or persons associated with you or the Owners (including family members) could seriously jeopardize the entire franchise system because you and the Owners have received an advantage through knowledge of our operations and Know-how related to the System. Accordingly, you and the Owners agree to comply with the covenants

described in this Section to protect the Intellectual Property and our franchise system.

15.2. Our Know-how. You and the Owners agree that: (a) neither you nor any Owner will use the Know-how in any business or capacity other than the operation of your Business pursuant to this Agreement; (b) you and the Owners will maintain the confidentiality of the Know-how at all times; (c) neither you nor any Owner will make unauthorized copies of documents containing any Know-how; (d) you and the Owners will take all reasonable steps that we require from time to time to prevent unauthorized use or disclosure of the Know-how; and (e) you and the Owners will stop using the Know-how immediately upon the expiration, termination or Transfer of this Agreement, and any Owner who ceases to be an Owner before the expiration, termination or Transfer of this Agreement will stop using the Know-how immediately at the time he or she ceases to be an Owner.

15.3. Unfair Competition During Term. You and your Owners agree not to unfairly compete with us during the Term by engaging in any of the following activities ("Prohibited Activities"): (a) owning, maintaining, developing, operating, engaging in, franchising or licensing, making loans to, leasing real or personal property to, and/or having any whatsoever interest in, or rendering services, consulting, and/or giving advice to (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity, including to an immediate family member) in any Competitive Business, other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business; or (b) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or (c) inducing any client of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

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

15.5. Employees and Others Associated with You. You must ensure that all of your employees, officers, directors, partners, members, independent contractors and other persons associated with you or your Business who may have access to our Know-how, and who are not required to sign a Brand Protection Agreement, sign and send us a Confidentiality Agreement before having access to our Know-how. You must use your best efforts to ensure that these individuals comply with the terms of the Brand Protection Agreements and Confidentiality Agreements, as applicable, and you must immediately notify us of any breach that comes to your attention. You agree to reimburse us for all reasonable expenses that we incur in enforcing a Brand Protection Agreement or Confidentiality Agreement, as applicable, including reasonable attorneys' fees and court costs.

15.6. Covenants Reasonable. You and the Owners acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (b) our use and enforcement of covenants similar to those described above with respect to other HomeWell Care Services franchisees benefits you and the Owners in that it prevents others from unfairly competing with your Business.

15.7. Breach of Covenants. You and the Owners agree that failure to comply with the terms of this Section 15 will cause substantial and irreparable damage to us and/or other HomeWell Care Services franchisees for which there is no adequate remedy at law. Therefore, you and the Owners agree that any violation of the terms of this Section 15 will entitle us to injunctive relief. We may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of this Section 15.

16. YOUR OTHER RESPONSIBILITIES

16.1. Insurance. For your protection and ours, you agree to maintain insurance as specified in the Manuals. As of the Effective Date, the insurance policies are as follows:

(i) “all risk” property insurance coverage on all assets, including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of your Business, which must include coverage for fire, vandalism and malicious mischief and have coverage limits of at least full replacement cost;

(ii) comprehensive general liability insurance against claims for bodily and personal injury, death, advertising injury, contractual liability, independent contractors’ coverage, and property damage caused by or occurring in conjunction with the operation of your Business, containing minimum liability protection of \$1,000,000/\$3,000,000 per person/per occurrence;

(iii) professional liability insurance containing minimum liability protection of \$1,000,000 combined single limit per occurrence, and \$3,000,000 in the aggregate;

(iv) automobile liability and property damage insurance covering all loss, liability, claim or expense of any kind whatsoever resulting from the use, operation, or maintenance of any automobiles or motor vehicles, owned, leased, hired, or used by you, or your officers, directors, employees, partners or agents, in the operation of your Business, containing minimum liability protection of \$1,000,000 combined single limit per occurrence;

(v) third party liability bond with a minimum occurrence limit of \$25,000;

(vi) worker’s compensation insurance and employer’s liability insurance as required by law; and

(vii) any other insurance that we specify in the Manual from time to time. You agree to provide us with proof of coverage prior to opening, within 10 days of any renewal of a policy and at any other time on demand. You agree to obtain these insurance policies from insurance carriers that are rated A or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Business.

(b) All insurance policies must be endorsed to: (i) name us (and our members, officers, directors, and employees) as additional insureds; (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive 10 days' prior written notice of the termination, expiration, cancellation or modification of the policy. If any of your policies fail to meet these criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us.

(c) Upon 10 days' notice to you, we may increase the minimum protection requirement as of the renewal date of any policy, and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within 10 days after invoicing, all costs and premiums that we incur.

16.2. Books and Records. You agree to prepare and maintain at your business for at least seven (7) years after their preparation, complete and accurate books, records, accounts and tax returns pertaining to your Business. You must send us copies of your tax returns relating to your Business within 30 days after filing. You must send us copies of your other books and records within seven (7) days of our request.

16.3. Reports. You agree to prepare all reports that we require in the form and manner that we require, which may include reports listing client inquiries, referral source data, networking activities, events, employee applications, recruitment activities, employee turnover, invoices, payments, and other items that we specify in the Manual and subject to requirements or restrictions of applicable Data Protection Laws. If we require that you purchase a computer and/or automated cash management system that allows us to electronically retrieve information concerning your sales transactions, you agree that we will have the right to electronically poll your computer and/or automated cash management system to retrieve and compile information regarding the operation of your Business.

16.4. Financial Statements. Within 90 days after the end of each calendar year, you must prepare a balance sheet for your Business (as of the end of the calendar year) and an annual statement of profit and loss and source and application of funds. All financial statements must be: (i) verified and signed by you certifying to us that the information is true, complete, and accurate; (ii) prepared on an accrual basis in compliance with Generally Accepted Accounting Principles; and (iii) submitted in any format that we reasonably require. We have the right to require that your financial statements be audited by a certified public accountant. You agree to send us a copy of any financial statement required by this Section upon request. You authorize us to disclose the financial statements, reports, and operating data in our franchise disclosure document, to prospective franchisees, regulatory agencies and others at our discretion, provided the disclosure is not prohibited by applicable law.

16.5. Legal Compliance. You must secure and maintain in force all required licenses, permits and regulatory approvals for the operation of your Business and operate and manage your Business in full compliance with all applicable laws, ordinances, rules and regulations. You must obtain all professional licensing required by the state and locality in which you conduct Business, including licenses applicable to home health care agencies and/or senior care providers. You agree to comply with all requirements imposed upon those licensees, including obtaining any required bond. If required by

applicable law, you must engage the services of a registered nurse to assess new clients, provide ongoing supervision and implementation of care and train your staff. To the extent applicable, you must comply with all corporate practice of medicine laws and all other federal, state and local laws and regulations governing the healthcare industry. You must notify us in writing within two (2) business days of the beginning of any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Business or your financial condition. You must immediately deliver to us a copy of any inspection report, warning, certificate or rating by any governmental agency involving any health or safety law, rule or regulation that reflects your failure to fully comply with the law, rule or regulation.

17. INSPECTION AND AUDIT

17.1. Inspections. To ensure compliance with this Agreement, we or our representatives will have the right to enter your business, evaluate your operations and inspect or examine your books, records, accounts and tax returns. Our evaluation may include monitoring the provision of HomeWell services by you and your employees, contacting your landlord, clients and/or employees. We may conduct our evaluation at any time and without prior notice. During the course of our inspections, we and our representatives will use reasonable efforts to minimize our interference with the operation of your Business, and you and your employees will cooperate and not interfere with our inspection. You consent to us accessing your computer system and retrieving any information that we deem appropriate in conducting the inspection. We may also use “mystery shoppers” to conduct unannounced calls to determine if our required inquiry procedures are being followed.

17.2. Audit. We have the right, at any time, to have an independent audit made of your books and financial records. You agree to fully cooperate with us and any third parties that we hire to conduct the audit. If an audit reveals an understatement of your Gross Revenues or any amount that you owe us, you agree to immediately pay to us any additional fees that you owe us together with any late fee payable pursuant to Section 14.4. Any audit will be performed at our cost and expense unless the audit: (i) is necessitated by your failure to provide the information requested or to preserve records or file reports as required by this Agreement; or (ii) reveals an understatement of any amount due to us by three percent (3%) or more, in which case you agree to reimburse us for the cost of the audit or inspection, including reasonable accounting and attorneys’ fees and travel and lodging expenses that we or our representatives incur. The audit cost reimbursements will be due 10 days after invoicing. We shall not be deemed to have waived our right to terminate this Agreement under Section 21.2(xii) by accepting reimbursements of our audit costs.

18. INTELLECTUAL PROPERTY

18.1. Ownership and Use of Intellectual Property. You acknowledge that: (i) we are the sole and exclusive owner of the Intellectual Property and the goodwill associated with the Marks; (ii) your right to use the Intellectual Property is derived solely from this Agreement; and (iii) your right to use the Intellectual Property is limited to a license granted by us to operate your Business during the Term pursuant to, and only in compliance with, this Agreement, the Manual, and all applicable standards, specifications and operating procedures that we prescribe from time to time. You may not use any of the Intellectual Property in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all provisions of the Manual governing your use of the Intellectual Property. This Agreement does not confer to you any goodwill, title or interest in any

of the Intellectual Property.

18.2. Changes to Intellectual Property. We have the right to modify the Intellectual Property at any time in our sole and absolute discretion, including by changing the Marks, the System, the Copyrights or the Know-how. If we modify or discontinue use of any of the Intellectual Property, then you must comply with any such instructions from us within 30 days at your expense. We will not be liable to you for any expenses, losses or damages that you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.

18.3. Use of Marks. You agree to use the Marks as the sole identification of your Business; provided, however that you must identify yourself as the independent owner of your Business in the manner that we prescribe. You may not use any Marks in any modified form or as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you by this Agreement). You agree to: (i) prominently display the Marks on or in connection with any media advertising, promotional materials, posters and displays, receipts, stationery and forms that we designate and in the manner that we prescribe to give notice of trade and service mark registrations and copyrights; and (ii) obtain any fictitious or assumed name registrations required under applicable law. You may not use the Marks in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument or other legal obligation or in any manner that is likely to confuse or result in liability to us for any indebtedness or obligation of yours.

18.4. Use of Know-how. We will disclose the Know-how to you in the initial training program, the Manual, and in other guidance furnished to you during the Term. You agree that you will not acquire any interest in the Know-how other than the right to utilize it in strict accordance with the terms of this Agreement in the development and operation of your Business. You acknowledge that the Know-how is proprietary and is disclosed to you solely for use in the development and operation of your Business during the Term.

18.5. Improvements. If you conceive of or develop any improvements or additions to the marketing, method of operation or the services or products offered by a HomeWell Care Services business (collectively, "Improvements"), you agree to promptly and fully disclose the Improvements to us without disclosing the Improvements to others. You must obtain our approval before using any such Improvements. Any Improvement that we approve may be used by us and any third parties that we authorize to operate a HomeWell Care Services franchise, without any obligation to pay you royalties or other fees. You must assign to us or our designee, without charge, all rights to any such Improvement, including the right to grant sublicenses. In return, we will authorize you to use any Improvements that we or other franchisees develop that we authorize for general use in connection with the operation of a HomeWell Care Services business.

18.6. Notification of Infringements and Claims. You must immediately notify us of any: (i) apparent infringement of any of the Intellectual Property; (ii) challenge to your use of any of the Intellectual Property; or (iii) claim by any person of any rights in any of the Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We will have sole discretion to take such action as we deem appropriate. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any such litigation, Patent and Trademark Office proceeding or other proceeding, or to otherwise protect and maintain our interest in the Intellectual Property.

19. INDEMNITY

19.1 Indemnification by You

You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them arising out of, as a result of, or in connection with any of the following: (i) the marketing, use or operation of your Business or your performance and/or breach of any of your obligations under this Agreement; (ii) any claim related to a data security breach or violation of applicable Data Protection Laws; (iii) any Claim relating to taxes or penalties assessed by any governmental entity against us that are directly related to your failure to pay or perform functions required of you under this Agreement; (iv) any labor, employment or similar type of Claim pertaining to your employees, including claims alleging that we are a joint employer of your employees; and (v) any actions, investigations, rulings or proceedings conducted by any state or federal agency relating to your employees, including the United States Department of Labor, the Equal Employment Opportunity Commission and the National Labor Relations Board. You and your Owners agree to give us notice of any action, suit, proceeding, claim, demand, inquiry or investigation described above. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any Claim; and (ii) control the response thereto and the defense thereof, including the right to enter into an agreement to settle such Claim. You may participate in such defense at your own expense. You agree to give your full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such Claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such Claim, including court costs and reasonable attorneys' fees, within 10 days of the date of each invoice delivered by such Indemnified Party to you enumerating such costs, expenses and attorneys' fees.

19.2 Indemnification by Us

Provided that you are not in default under this Agreement or any other agreement with us or our affiliates, we will indemnify you and your Owners and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them as a result of or in connection with any Claim asserted against you and/or your Owners based upon the violation of any third party's intellectual property rights caused by your use of our Marks in strict compliance with the terms of this Agreement and the Manual. You must promptly notify us of any such Claim and fully cooperate with us in the defense of such Claim.

20. TRANSFERS

20.1. By Us. This Agreement and the franchise is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Agreement up to the effective date of the assignment. We may also delegate some or all of our obligations under this Agreement to one or more persons without assigning the Agreement.

20.2. By You. You understand that the rights and duties created by this Agreement are personal to you and the Owners and that we have granted the franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners. Therefore, neither you nor any Owner may engage in any Transfer other than a Permitted Transfer without our prior written approval. Any Transfer (other than a Permitted Transfer) without our approval is void and constitutes a breach of this Agreement. We will not unreasonably withhold our approval of any proposed Transfer if the following conditions are all satisfied:

(i) the proposed transferee is, in our opinion, an individual of good moral character, who has sufficient business experience, aptitude and financial resources to own and operate a HomeWell Care Services business and otherwise meets all of our then-applicable standards for franchisees;

(ii) you and your Owners are in full compliance with the terms of this Agreement and all other agreements with us or our affiliate;

(iii) all of the owners of the transferee have successfully completed, or made arrangements to attend, the initial training program (and the transferee has paid us the training fee for each new person who must attend training);

(iv) your landlord consents to your assignment of the lease to the transferee, or the transferee is diligently pursuing an approved substitute location within the Territory;

(v) the transferee and its owners, to the extent necessary, have obtained all licenses, permits and credentialing required by applicable law in order to own and operate the Business;

(vi) the transferee (and its owners if the transferee is an Entity) sign our then-current form of franchise agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), except that: (a) the Term and successor term(s) shall be the Term and successor term(s) remaining under this Agreement; and (b) the transferee need not pay a separate initial franchise fee;

(vii) you or the transferee pay us a transfer fee equal to 30% of our then-current initial franchise fee (we waive this fee if the transferee is an Owner's spouse or adult child, although we may charge you our then-current training fee to train these individuals);

(viii) if the buyer was referred by a broker, you pay all applicable broker fees;

(ix) you and your Owners sign a General Release for all claims arising before or contemporaneously with the Transfer;

(x) you enter into an agreement with us to subordinate the transferee's obligations to

you to the transferee's financial obligations owed to us pursuant to the franchise agreement;

(xi) we do not elect to exercise our right of first refusal described in Section 20.5; and

(xii) you or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

Our consent to a Transfer does not constitute a waiver of any claims we may have against the transferor, nor may it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the franchise by the transferee.

20.3. Permitted Transfers. You may engage in a Permitted Transfer without our prior approval, but you must give us at least 10 days' prior written notice. You and the Owners (and the transferee) agree to sign all documents that we reasonably request to effectuate and document the Permitted Transfer.

20.4. Death or Permanent Disability of an Owner. Upon the death or permanent disability of an Owner, the Owner's ownership interest in you or the franchise, as applicable, must be assigned to another Owner or to a third party approved by us within 180 days after the death or permanent disability. Any assignment to a third party will be subject to all of the terms and conditions of Section 20.2, unless the assignment qualifies as a Permitted Transfer. For purposes of this Section, an Owner is deemed to have a "permanent disability" only if the person has a medical or mental infirmity that will prevent the person from substantially complying with his or her obligations under this Agreement or otherwise operating the Business in the manner required by this Agreement and the Manual for a continuous period of at least three (3) months.

20.5. Our Right of First Refusal. If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase the interest in your Business or the ownership interest in you for the same price and upon the same terms contained in the offer (however, we may substitute cash for any form of payment proposed in the offer). If, during the 30-day period, we notify you that we intend to purchase the interest, you or the Owner, as applicable, must sell the interest to us. We will have at least an additional 30 days to prepare for closing. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you as the seller of the assets or the Owner as the seller of the ownership interest or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of Section 20.2 (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the right of first refusal specified in this Section. Our right of

first refusal in this Section does not apply to any Permitted Transfer.

21. TERMINATION

21.1. By You. You may terminate this Agreement if we materially breach this Agreement and fail to cure the breach within 90 days after you send us a written notice specifying the nature of the breach. If you terminate this Agreement, you must still comply with your post-termination obligations described in Section 22 and all other obligations that survive the expiration or termination of this Agreement.

21.2. Termination By Us Without Cure Period. We may, in our sole discretion, terminate this Agreement without opportunity to cure, effective immediately upon receipt of written notice by you, for any of the following reasons (all of which constitute material events of default under this Agreement):

(i) if the Managing Owner, or any successor, fails to satisfactorily complete the initial training program in the manner required by Section 5.1;

(ii) if you fail to open your Business within the time period required by Section 8.3;

(iii) if you become insolvent by reason of your inability to pay your debts as they become due or you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);

(iv) if your Business, or a substantial portion of the assets associated with your Business, are seized, taken over or foreclosed by a government official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor; or a final judgment against you remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in your Business, and it is not discharged within five (5) days of the levy;

(v) if you abandon or fail to operate your Business for three (3) consecutive business days, unless the failure is due to an event of Force Majeure or another reason that we approve;

(vi) if a regulatory authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Business, even if you or the Owner still maintain appeal rights;

(vii) if you or an Owner (a) is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other material crime or (b) is subject to any material administrative disciplinary action or (c) fails to comply with any material federal, state or local law or regulation applicable to your Business;

(viii) if you or an Owner commits an act that can reasonably be expected to adversely affect the reputation of the System or the goodwill associated with the Marks;

(ix) if you manage or operate your Business in a manner that presents a health or safety hazard to your clients, employees or the public;

(x) if you or an Owner make any material misrepresentation to us, whether occurring before or after being granted the franchise;

- (xi) if you fail to pay any amount owed to us or an affiliate of ours within 15 days after receipt of a demand for payment (including any amount owed pursuant to a promissory note);
- (xii) if you underreport any amount owed to us by at least three percent (3%), after having already committed a similar breach that had been cured in accordance with Section 21.3;
- (xiii) if you make an unauthorized Transfer;
- (xiv) if you make an unauthorized use of the Intellectual Property;
- (xv) if you breach any of the restrictive covenants described in Section 15;
- (xvi) if any Owner or the spouse of any Owner breaches a Franchise Owner Agreement;
- (xvii) if the lease for your office is terminated due to your default;
- (xviii) if we send you three (3) or more default notices during any 12 consecutive month period, regardless of whether such defaults are cured; or
- (xix) if you are in default of any other agreement between you and us or any of our affiliates.

21.3. Additional Conditions of Termination. In addition to our termination rights in Section 21.2, we may, in our sole discretion, terminate this Agreement upon 30 days' written notice if you or an Owner fail to comply with any other provision of this Agreement (including any mandatory provision in the Manual) or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 30-day notice period. If we deliver a notice of default to you pursuant to this Section 21.3, we may suspend performance of any of our obligations under this Agreement until you fully cure the breach. If applicable law requires a longer cure period than 30 days, then the longer cure period imposed by applicable law will apply.

21.4. Mutual Agreement to Terminate. If you and we mutually agree in writing to terminate this Agreement, you and we will be deemed to have waived any required notice period.

22. POST-TERM OBLIGATIONS.

22.1. Obligations of You and the Owners. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

- (i) immediately cease to use the Intellectual Property;
- (ii) pay us all amounts that you owe us;
- (iii) comply with all covenants described in Section 15 that apply after the expiration, termination or Transfer of this Agreement or the disposal of an ownership interest by an Owner;
- (iv) return all copies of the Manual, or any portions thereof, as well as all signs, sign faces, brochures, advertising and promotional materials, forms, and any other materials bearing or containing any of the Marks, Copyrights or other identification relating to a HomeWell Care Services business, unless we allow you to transfer such items to an approved transferee;

(v) take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks;

(vi) provide us with a list of all of your current, former and prospective clients;

(vii) assign all client contracts to us (unless we allow you to transfer those contracts to an approved transferee);

(viii) assist and cooperate with us to effectuate an efficient, professional and orderly transition of client servicing functions to us, the transferee (if applicable), another franchisee, or a third party service provider, as determined by us;

(ix) make such modifications and alterations to your office premises that are necessary or that we require to prevent any association between us or the System and any business subsequently operated by you or any third party at the premises; provided, however, that this subsection does not apply if your franchise is transferred to an approved transferee or if we exercise our right to assume the lease for your office;

(x) notify all telephone companies, listing agencies and domain name registration companies (collectively, the “Agencies”) of the termination or expiration of your right to use: (a) the telephone numbers and/or domain names, if applicable, related to the operation of your Business; and (b) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and

(xi) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

In addition, at our option, we have the right (but not the obligation) to require you to assign your lease to us at no additional charge.

22.2. Liquidated Damages. If we terminate this Agreement due to your default, then in addition to your obligations set forth in Section 22.1 above, you agree to pay us liquidated damages equal to the greater of:

(a) the average monthly royalty fee you owed to us during the 12-month period immediately preceding the termination date (or if the Business was open less than 12 months, the average monthly royalty fee for the period of time since opening) multiplied by (i) 36; or (ii) the number of months remaining under the Term if the Agreement had not been terminated (whichever is less); and

(b) your then-current minimum royalty fee multiplied by (i) 36 months; or (ii) the number of months remaining under the Term if the Agreement had not been terminated (whichever is less).

The parties agree that it would be difficult to determine precisely the damages we would incur as a result of the termination and the loss of cash flow from royalties due to, among other things, the complications of determining what costs, if any, we might have saved and how much the royalty fees would have grown

over the remainder of the Term. The parties consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages and not a penalty. The liquidated damages provision only covers our damages from the loss of cash flow from royalties and does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the royalties section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the royalties section. The liquidated damages amount is payable 15 days after termination.

23. DISPUTE RESOLUTION.

(a) The parties agree to submit any claim, dispute or disagreement, including any matter pertaining to the interpretation of this Agreement or issues relating to the offer and sale of the franchise or the relationship between the parties (a “Dispute”) to mediation before a mutually-agreeable mediator prior to arbitration. If the Dispute is not resolved by mediation within 30 days after either party makes a demand for mediation, the parties will submit the dispute to mandatory and binding arbitration conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The party filing the arbitration must initially bear the cost of any arbitration fees or costs. The arbitrators will not have authority to award exemplary or punitive damages.

(b) Notwithstanding the foregoing, any Dispute that involves an alleged breach of Section 15 or Section 18 will not be subject to mediation or arbitration unless otherwise agreed to by both parties, and either party may immediately file a lawsuit in accordance with this Section with respect to any alleged breach of Section 15 or Section 18.

(c) All mediation, arbitration and litigation shall take place in the county in which we maintain our principal place of business at the time the Dispute arises (currently, Wichita County, Texas) and the parties irrevocably waive any objection to such venue. If we or you must enforce this Agreement in a judicial or arbitration proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees. In addition, if you breach any term of this Agreement or any other agreement with us or an affiliate of ours, you agree reimburse us for all reasonable legal fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings.

(d) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED OR A VIOLATION OF SECTION 15 OR SECTION 18) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR ARBITRATION (OR IF PERMITTED, LITIGATION) WITHIN two (2) years and one (1) day FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (i) TRIAL BY JURY; AND (ii) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.

24. YOUR REPRESENTATIONS. YOU HEREBY REPRESENT THAT: (i) YOU ARE AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF OURS MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT AND CONSEQUENTLY THAT OUR

OBLIGATIONS AND RIGHTS WITH RESPECT TO OUR VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES; AND (ii) YOU ARE AWARE OF THE FACT THAT WE MAY HAVE NEGOTIATED TERMS OR OFFERED CONCESSIONS TO OTHER FRANCHISEES AND WE HAVE NO OBLIGATION TO OFFER YOU THE SAME OR SIMILAR NEGOTIATED TERMS OR CONCESSIONS.

25. GENERAL PROVISIONS

25.1. Governing Law. Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement, the franchise relationship and all disputes between the parties shall be governed by the laws of the State of Texas (without reference to its principles of conflicts of law), but any law of the State of Texas that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

25.2. Relationship of the Parties. You understand and agree that nothing in this Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employer, employee, joint employer, or servant of the other for any purpose. During the Term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties, as a franchisee of ours and the independent owner of your Business. You agree to place such other notices of independent ownership on such forms, stationery, advertising, business cards and other materials as we may require from time to time. Except as otherwise provided in this Agreement, neither we nor you are permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that our relationship is other than franchisor and franchisee. In addition, neither we nor you will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Agreement.

25.3. Severability and Substitution. Each section, subsection, term and provision of this Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Agreement. If a court concludes that any promise or covenant in this Agreement is unreasonable and unenforceable: (a) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (b) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable.

25.4. Waivers. We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall be without prejudice to any other rights we may have. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach of this Agreement to be a default and to terminate the franchise before the expiration of its term) by virtue of: (i) any custom or practice of the parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any mandatory specification, standard, or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other HomeWell Care Services

franchisees; or (iv) the acceptance by us of any payments due from you after breach of this Agreement.

25.5. Approvals. Whenever this Agreement requires our approval, you must make a timely written request for approval, and the approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request. If we deny approval and you seek legal redress for the denial, the only relief to which you may be entitled is to acquire our approval. You are not entitled to any other relief or damages for our denial of approval.

25.6. Force Majeure. Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations results from any event of Force Majeure. Any delay resulting from an event of Force Majeure will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable under the circumstances.

25.7. Binding Effect. This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement; provided, however, that the additional insureds listed in Section 16.1 and the Indemnified Parties are intended third party beneficiaries under this Agreement with respect to Section 16.1 and Section 19, respectively.

25.8. Integration. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND SUPERSEDES ANY AND ALL PRIOR OR CONTEMPORANEOUS NEGOTIATIONS, DISCUSSIONS, UNDERSTANDINGS OR AGREEMENTS. THIS AGREEMENT MAY NOT, EXCEPT AS PERMITTED BY SECTION 13.2 AND SECTION 25.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. Any e-mail correspondence or other form of informal electronic communication will not be deemed to modify this Agreement, unless such communication is signed by both parties and specifically states that it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manual are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document.

25.9. Covenant of Good Faith. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant does not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (a) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may affect favorably or adversely your interests; (b) we will use our business judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees generally (including ourselves and our affiliates if applicable), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (c) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (d) in the absence of bad faith, a trier of fact in any arbitration or litigation must not substitute its judgment for our judgment so exercised.

25.10. Rights of Parties are Cumulative. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by law.

25.11. Survival. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement (or the Transfer of an ownership interest in the franchise) shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire.

25.12. Construction. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement

is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

25.13. Time of Essence. Time is of the essence in this Agreement and every term thereof.

25.14. Counterparts. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together will constitute but one and the same document.

25.15. Notice. All notices given under this Agreement must be in writing, delivered by hand, fax, email (to the last email address provided by the recipient) or first class mail, to the following addresses (which may be changed upon 10 business days prior written notice):

YOU: As set forth below your signature on this Agreement

US: HomeWell Franchising Inc.
812 Sheppard Road
Burkburnett, Texas 76354
franchising@homewellcares.com

Notice will be considered given: (a) at the time delivered by hand; (b) one (1) business day after sending by fax, e-mail or comparable electronic system; or (c) three (3) business days after placed in the mail, postage prepaid, by certified mail with a return receipt requested.

[Signature Page Follows]

The parties to this Agreement have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

HomeWell Franchising Inc.,
a Texas corporation

By: _____
Name: _____
Its: _____

YOU (If you are an entity):

_____,
a(n) _____
By: _____
Name: _____
Its: _____

YOU (If you are not an entity):

Name: _____

Name: _____

Name: _____

Name: _____

Franchisee's Principal Business Address:

ATTACHMENT "A"
TO FRANCHISE AGREEMENT

DEFINITIONS

“*Account*” is defined in Section 14.5.

“*Agencies*” is defined in Section 22.1(x).

“*Agreement*” is defined in the Introductory Paragraph.

“*Brand Development Fund*” is defined in Section 12.1.

“*Brand Protection Agreement*” means our form of Brand Protection Agreement, the most current form of which is attached to this Agreement as ATTACHMENT "G".

“*Business*” is defined in Section 2.

“*Claim*” or “*Claims*” means any and all claims, actions, demands, assessments, litigation, or other form of regulatory or adjudicatory procedures, claims, demands, assessments, investigations, or formal or informal inquiries.

“*Competitive Business*” means any business competitive with us (or competitive with any of our affiliates or our franchisees) that offers home care services including personal care, non-medical care, in-home care, assistance, and companionship care services; supplemental staffing services for nursing homes, hospitals, other home health agencies, and other facilities; skilled nursing and other in-home medical care; or other related products, materials, and equipment that we may develop and implement, which you will be authorized to offer.

“*Confidentiality Agreement*” means our form of Confidentiality Agreement, the most current form of which is attached to this Agreement as ATTACHMENT "H".

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

“*Data Protection Laws*” and related terms are defined in Section 13.9(a), and include: “*CCPA*,” “*Consumer*,” “*Deidentified Data*,” “*Personal Information*,” “*Processor*,” and “*Business Purpose*,” “*Sell*,” and “*Share*.”

“*Dispute*” is defined in Section 23.

“*Effective Date*” is defined in the Introductory Paragraph.

“*Entity*” means a corporation, partnership, limited liability company or other form of association.

“*Force Majeure*” means any war (declared or undeclared); act of terrorism; epidemic; pandemic; riots or civil commotion; labor disputes, strikes, lockouts, or inability to obtain labor or materials; fire, hurricane, windstorm, flooding, or other acts or elements of nature; accidents; government restrictions or appropriation; or other causes, whether like or unlike the foregoing, which are beyond the control of the party affected thereby.

“*General Release*” means our current form of general release of all claims against us and our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, in both their corporate and individual capacities.

“*Gross Revenues*” means the total amount billed by you (regardless of collection) arising from, connected with or related to the sale of all goods, merchandise or services and all business transacted at, from or through your Business, directly or indirectly, excluding only (a) sales taxes and other taxes separately stated that you collect from clients and pay to taxing authorities; (b) refunds and credits made in good faith to arm’s-length clients according to our standards and specifications for issuing refunds or credits; and (c) the discount value of any coupon, voucher or other allowance that we authorize at the time you redeem the client’s coupon, voucher or allowance.

“*HomeWell Care Services business*” is defined in the Recitals.

“*HomeWell Personal Information*” is defined in Section 13.9(b).

“*Improvements*” is defined in Section 18.5.

“*Including*” or “*Includes*” means “including (or includes), but not limited to,” “including (or includes) without limitation,” and similar constructions.

“*Indemnified Party*” or “*Indemnified Parties*” means us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parent companies, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements.

“*Interim Manager*” is defined in Section **Error! Reference source not found.**

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of a HomeWell Care Services business, including methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

“*Losses and Expenses*” means all compensatory, exemplary, and punitive damages; fines and penalties; attorneys’ fees; experts’ fees; court costs; costs associated with investigating and defending against Claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or incurred by an Indemnified Party as a result of a Claim.

“*Manager*” means the person assigned by the Owner to conduct day-to-day operations of the Business.

“*Managing Owner*” means the Owner that you designate and we approve as the primary contact responsible for the daily management and supervision of the Business. As of the Effective Date, your Managing Owner is: .

“*Manual*” is defined in Section 7.1.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a HomeWell Care Services business, including “HomeWell,” “HomeWell Care Services” and related logo, and any other trademarks, service marks or trade names that we designate for use in a HomeWell Care Services business.

“*Marketing Campaign*” is defined in Section 12.1(a).

“*Minimum Royalty Amount*” is defined in Section 14.2(a).

“*new HomeWell franchisee*” is defined in Section 14.1(b).

“*Optional Additional Services*” is defined in the Recitals.

“*Owner*” or “*Owners*” means any individual who owns a direct or indirect ownership interest in the franchise or the Entity that is the franchisee under this Agreement. “*Owner*” includes both passive and active owners.

“*Permitted Transfer*” means: (i) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer by an Owner who is the Managing Owner that results in the Managing Owner holding less than 10% of the ownership interests in the franchise; and/or (ii) a Transfer to a newly established Entity for which the Owners collectively own and control 100% of the ownership interests and voting power.

“*Post-Term Restricted Period*” means, with respect to you, a period of two (2) years after the termination, expiration or Transfer of this Agreement; provided, however, that if a court of competent jurisdiction determines that the two-year Post-Term Restricted Period is too long to be enforceable, then the “*Post-Term Restricted Period*” means, with respect to you, a period of one (1) year after the termination, expiration or Transfer of this Agreement. “*Post-Term Restricted Period*” means, with respect to an Owner, a period of two (2) years after the earlier to occur of (i) the termination, expiration or Transfer of this Agreement or (ii) the Owner’s Transfer of his or her entire ownership interest in the franchise or the Entity that is the franchisee, as applicable.

“*Primary Services*” is defined in the Recitals.

“*Prohibited Activities*” is defined in Section 15.3.

“*Restricted Territory*” means the geographic area within: (i) your Territory (or Territories if you operate more than one Territory); and (ii) all other HomeWell Care Services territories that are operated by us or other HomeWell Care Services franchisees as of the Effective Date and that remain in operation during all or any part of the Post-Term Restricted Period.

“*Subprocessor*” is defined in Section 13.9(b).

“*Successor Agreement*” is defined in Section 4.1.

“*System*” means our system for the operation of a HomeWell Care Services business, the distinctive characteristics of which include: logo and trademarks; trade secrets; standards and specifications; services, programs and products; protocols and techniques; policies and procedures; advertising and promotional methods; confidential brand standards manual; and operating system.

“*Term*” is defined in Section 4.1.

“*Territory*” is defined in Section 2.

“*Transfer*” means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree), assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of the franchise (or any interest therein), the Franchise Agreement, the Business (or any portion thereof) or an ownership interest in an Entity that is the franchisee, including by merger or consolidation, by issuance of additional securities representing an ownership interest in the Entity that is the franchisee, or by operation of law, will or a trust upon the death of an Owner (including the laws of intestate succession).

“*We*” or “*us*” is defined in the Introductory Paragraph.

“*You*” is defined in the Introductory Paragraph.

ATTACHMENT "B"
TO FRANCHISE AGREEMENT

TERRITORY

The Territory referenced in the Franchise Agreement shall consist of the geographic areas within the following zip codes within the State of _____, as further reflected on the map attached hereto:

[Insert Zip Codes]

*** If there are any changes to the zip codes or the boundaries of the areas within the zip codes during the term of the Franchise Agreement or any successor term, then, unless otherwise agreed to by you and us in writing, the boundaries of your Territory shall remain defined by the zip codes in effect as of the Effective Date and referenced in the maps on the following pages.

ATTACHMENT "C"
TO FRANCHISE AGREEMENT
FORM OF SITE APPROVAL LETTER

[See Attached]

SITE APPROVAL LETTER

HomeWell Franchising Inc. (“we” or “us”) entered into a HomeWell Care Services Franchise Agreement (the “Franchise Agreement”) with _____ (“you”), which is dated _____, 201___. Pursuant to Section 8.1 of the Franchise Agreement, we hereby approve the site listed below for the operation of your HomeWell Care Services business.

Approved address:

By signing below, you and we agree that the address identified above shall be deemed your approved site for your HomeWell Care Services business established and operated pursuant to the Franchise Agreement.

Franchisor

Franchisee

HomeWell Franchising Inc.

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

Date: _____

Date: _____

ATTACHMENT "D"
TO FRANCHISE AGREEMENT

LEASE ADDENDUM

[See Attached]

Lease Addendum

THIS AGREEMENT dated this ___ day of _____, 20__ among HomeWell Franchising Inc., a Texas corporation, with principal offices at 813 Sheppard Rd, Burkburnett, Texas 76354 (the “Franchisor”), a(n) _____, with principal offices located at _____ (the “Landlord”), and _____, a(n) _____, with principal offices located at _____ (the “Tenant/Franchisee”).

Introduction

A. On _____, the Tenant/Franchisee and the Franchisor entered a HomeWell Care Services, Franchise Agreement (the “Franchise Agreement”). Under the Franchise Agreement, the Franchisor granted the Tenant/Franchisee the right, and the Tenant/Franchisee undertook the duty, to operate a HomeWell Care Services franchised business (the “Franchised Business”) at the Premises (defined below).

B. Simultaneously with entering this Agreement, the Landlord and the Tenant/Franchisee are entering a lease agreement (the “Lease”). Under the Lease, the Tenant/Franchisee leases the premises described in Exhibit “A” (the “Premises”).

C. To protect the Franchisor’s rights and interests under the Franchise Agreement, the Landlord grants certain rights to the Franchisor under the Lease as set forth below.

Agreement

The parties, therefore, agree as follows:

1. Notices. At the same time such notices are sent to the Tenant/Franchisee, the Landlord must provide the Franchisor with copies of all written notices of default that it sends to the Tenant/Franchisee. The Landlord agrees to send such copies by first-class mail, postage prepaid, to the Franchisor at its address set forth above or such other address as the Franchisor may notify the Landlord in writing.

2. Right to Cure. If the Tenant/Franchisee defaults under the Lease, the Franchisor has the right (but not the duty) to cure such default within 15 days following the expiration of any applicable cure period. Furthermore, in such event, the Franchisor may immediately commence occupancy of the Premises as the tenant under the Lease without obtaining the Landlord’s or Franchisee’s consent. The Franchisor may thereafter assign the Lease to another HomeWell Care Services franchisee or to an entity owned and/or controlled by the Franchisor. If it does, the Franchisor must first obtain the Landlord’s written approval of the assignee. The Landlord, however, must neither unreasonably withhold nor delay its approval thereof. The Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

3. Right to Assign. At any time (including upon the expiration or sooner termination of the Franchise Agreement) without the Landlord's prior consent, the Tenant/Franchisee may assign the Lease to the Franchisor. In such event, the Franchisor may thereafter assign the Lease to another HomeWell Care Services franchisee or to an entity owned and/or controlled by the Franchisor. If it does, the Franchisor must first obtain the Landlord's written approval of the assignee. The Landlord, however, must neither unreasonably withhold nor delay its approval thereof. The Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

4. Expiration or Termination of Franchise Agreement. The Landlord agrees that the expiration or termination of the Franchise Agreement shall constitute a default under the Lease, giving the Franchisor the right, but not the obligation, to cure such default by succeeding to Tenant/Franchisee's interests under the Lease in accordance with Section 2 above.

5. Acknowledgement of Rights. The Landlord acknowledges the Franchisor's rights under the Franchise Agreement to enter the Premises to: (i) make any modifications or alterations necessary in the Franchisor's sole discretion to protect its franchise system and its trademarks without being guilty of trespass or any other tort or crime; and (ii) remove any trade fixtures, interior or exterior signs and other items bearing the Franchisor's trademarks or service marks upon the expiration or termination of the Franchise Agreement.

6. Modification of Lease. Without the Franchisor's prior written consent, the Landlord and the Tenant/Franchisee may not amend, modify, supplement, terminate, renew or extend the Lease.

7. Miscellaneous.

a. In the event of any inconsistency between the terms of this Agreement and the terms of the Lease, the terms of this Agreement control.

b. All of the terms of this Agreement, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns.

c. The provisions of this Agreement may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Agreement and making specific reference to this Agreement.

d. This Agreement may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument. Confirmation of execution by telex or by telecopy facsimile signature page is binding upon any party so confirming or telecopying.

IN WITNESS WHEREOF, this Agreement has been executed the date and year first above written.

FRANCHISOR:

HomeWell Franchising Inc., a Texas corporation

By: _____

Name: _____

Its: _____

LANDLORD:

_____, (a)n _____

By: _____

Name: _____

Its: _____

TENANT/FRANCHISEE:

_____, (a)n _____

By: _____

Name: _____

Its: _____

EXHIBIT "A" TO LEASE ADDENDUM

DESCRIPTION OF PREMISES

ATTACHMENT "E"
TO FRANCHISE AGREEMENT
FRANCHISE OWNER AGREEMENT

[See Attached]

FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this “Agreement”) is entered into by: (i) each of the undersigned owners of Franchisee (defined below); and (ii) the spouse of each such owner, in favor of HomeWell Franchising Inc., a Texas corporation, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as “you”.

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

“*Competitive Business*” means any business competitive with us (or competitive with any of our affiliates or our franchisees) that offers home care services including personal care, non-medical care, in-home care, assistance, and companionship care services; supplemental staffing services for nursing homes, hospitals, other home health agencies, and other facilities; skilled nursing and other in-home medical care; or other related products, materials, and equipment that we may develop and implement, which you will be authorized to offer.

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

“*Franchise Agreement*” means the HomeWell Care Services Franchise Agreement executed by Franchisee with an effective date of _____.

“*Franchised Business*” means the HomeWell Care Services business operated by Franchisee pursuant to the Franchise Agreement.

“*Franchisee*” means _____.

“*Improvements*” means any additions, modifications or improvements to (i) the goods or services offered at a HomeWell Care Services business, (ii) the method of operation of a HomeWell Care Services business or (iii) any marketing or promotional ideas relating to a HomeWell Care Services business, whether developed by you, Franchisee or any other person.

“*Including*” or “*Includes*” means “including (or includes), but not limited to,” “including (or includes) without limitation,” and similar constructions.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of a HomeWell Care Services business, including methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

“*Manual*” means our confidential brand standards manual for the operation of a HomeWell Care Services business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a HomeWell Care Services business, including “HomeWell,” “HomeWell Care Services” and related logo, and any other trademarks, service marks or trade names that we designate for use in a HomeWell Care Services business.

“*Prohibited Activities*” means any or all of the following: (i) owning, maintaining, developing,

operating, engaging in, franchising or licensing, making loans to, leasing real or personal property to, and/or having any whatsoever interest in, or rendering services, consulting, and/or giving advice to (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity, including to an immediate family member) in any Competitive Business; (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing any client of ours (or of one of our affiliates or franchisees) to transfer their business to Owner or to any other person that is not then a franchisee of ours.

“*Restricted Period*” means the two (2) year period after the earliest to occur of the following: (i) the termination or expiration of the Franchise Agreement; (ii) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom neither you nor your spouse holds any direct or indirect ownership interest; or (iii) the date on which you cease to be an owner of Franchisee or your spouse ceases to be an owner of Franchisee, as applicable.

“*Restricted Territory*” means the geographic area within: (i) Franchisee’s protected territory (or territories if Franchisee operates more than one territory); and (ii) all other HomeWell Care Services territories that are operated by us or other HomeWell Care Services franchisees as of the date of this Agreement and that remain in operation during all or any part of the Post-Term Restricted Period.

“*System*” means our system for the operation of a HomeWell Care Services business, the distinctive characteristics of which include: logo and trademarks; trade secrets; standards and specifications; services, programs and products; protocols and techniques; policies and procedures; advertising and promotional methods; confidential brand standards manual; and operating system.

2. Background. In your capacity as an owner of Franchisee, or the spouse of an owner of Franchisee, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In addition, you understand that certain terms of the Franchise Agreement apply to “owners” and not just Franchisee. You agree to comply with the terms of this Agreement In order to: (i) avoid damaging our System by engaging in unfair competition; and (ii) bind yourself to the terms of the Franchise Agreement applicable to owners.

3. Brand Protection Covenants.

(a) **Intellectual Property.** You agree: (i) you will not use the Know-how in any business or capacity other than the HomeWell Care Services business operated by Franchisee; (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 an owner of Franchisee, as applicable. You further agree that you will not use the Intellectual Property for any purpose other than the development and operation of Franchisee’s HomeWell Care Services business pursuant to the terms of the Franchise Agreement and 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) Unfair Competition During Relationship You agree not to unfairly compete with us at any time while you are an owner of Franchisee or while your spouse is an owner of Franchisee, as applicable, by engaging in any Prohibited Activities.

(c) Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging 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 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).

(d) Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.** 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 the system protection covenants in Section 3 of this Agreement, upon written notice to you, 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 Section 3 of this Agreement to ensure that the terms and covenants are enforceable under applicable law

(e) Breach. You agree that failure to comply with the covenants in this Section 3 will cause substantial and irreparable damage to us and/or other HomeWell Care Services 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 Section 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.

4. Transfer Restrictions. If you are an owner of Franchisee, you acknowledge that we must approve all persons who hold a direct or indirect ownership interest in Franchisee. Accordingly, you agree that you will not, directly or indirectly or by operation of law, sell, assign, mortgage, pledge or in any manner transfer any direct or indirect ownership interest in Franchisee except in accordance with the terms and conditions set forth in Section 20 of the Franchise Agreement.

5. Financial Security. In order to secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including any agreement for the purchase of goods or services from us or an affiliate of ours

and any promissory note related to payments owed to us (collectively, the “Secured Agreements”), you, jointly and severally, personally and unconditionally: (a) guarantee to us and our successor and assigns, that Franchisee shall punctually fulfil all of its payment and other financial obligations under the Secured Agreement; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements. You waive: (1) acceptance and notice of acceptance by us of the foregoing undertakings; (2) notice of demand for payment of any indebtedness guaranteed; (3) protest and notice of default to any party with respect to the indebtedness guaranteed; (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed. You agree that: (1) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (2) you will render any payment required under the Secured Agreements upon demand if Franchisee fails or refuses punctually to do so; (3) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (4) 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 Secured Agreements and following the termination, expiration or transfer of each of the Secured Agreements to the extent any financial obligations under any such Secured 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 Secured 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.

6. Dispute Resolution. 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. **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 to terminate the Franchise Agreement in accordance with the terms thereof.**

7. Miscellaneous.

(a) If either party hires an attorney or files suit against the other party in relating to an 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 Texas 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 Follows]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

ATTACHMENT "F"
TO FRANCHISE AGREEMENT
ACH AUTHORIZATION FORM

[See Attached]

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 E-mail Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	<input type="checkbox"/> Checking <input type="checkbox"/> Savings (check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)	Bank Phone No.	

Authorization:

Franchisee hereby authorizes HomeWell Franchising Inc. (“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: _____	
Its: _____	
Federal Tax ID Number: _____	

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

ATTACHMENT "G"
TO FRANCHISE AGREEMENT
BRAND PROTECTION AGREEMENT

[See Attached]

BRAND PROTECTION AGREEMENT

This Agreement (this “Agreement”) is entered into by the undersigned (“you”) in favor of HomeWell Franchising Inc., a Texas corporation, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement.

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

“*Competitive Business*” means any business competitive with us (or competitive with any of our affiliates or our franchisees) that offers home care services including personal care, non-medical care, in-home care, assistance, and companionship care services; supplemental staffing services for nursing homes, hospitals, other home health agencies, and other facilities; skilled nursing and other in-home medical care; or other related products, materials, and equipment that we may develop and implement, which you will be authorized to offer.

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

“*Franchisee*” means the HomeWell Care Services franchisee for whom you are an officer, director, employee or independent contractor.

“*Improvements*” means any additions, modifications or improvements to (i) the goods or services offered at a HomeWell Care Services business, (ii) the method of operation of a HomeWell Care Services business or (iii) any marketing or promotional ideals relating to a HomeWell Care Services business, whether developed by you, Franchisee or any other person.

“*Including*” or “*Includes*” means “including (or includes), but not limited to,” “including (or includes) without limitation,” and similar constructions.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of a HomeWell Care Services business, including methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

“*Manual*” means our confidential brand standards manual for the operation of a HomeWell Care Services business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a HomeWell Care Services business, including “HomeWell,” “HomeWell Care Services” and related logo, and any other trademarks, service marks or trade names that we designate for use in a HomeWell Care Services business.

“*Prohibited Activities*” means any or all of the following: (i) owning, maintaining, developing, operating, engaging in, franchising or licensing, making loans to, leasing real or personal property to, and/or having any whatsoever interest in, or rendering services, consulting, and/or giving advice to (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity, including to an immediate family member) in any Competitive Business (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing any client of ours (or of one of our affiliates or franchisees) to transfer their business to

you or to any other person that is not then a franchisee of ours.

“*System*” means our system for the operation of a HomeWell Care Services business, the distinctive characteristics of which include: logo and trademarks; trade secrets; standards and specifications; services, programs and products; protocols and techniques; policies and procedures; advertising and promotional methods; confidential brand standards manual; and operating system.

2. Background. You are an officer, director, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the HomeWell Care Services business operated by Franchisee; (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 officer, director, employee or independent contractor of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an officer, director, employee or independent contractor of Franchisee by engaging in any Prohibited Activities.

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

6. Miscellaneous.

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys’ fees and costs in doing so.

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

(c) Each section of this Agreement, including each subsection and portion thereof, is severable.

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

(d) You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you 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 Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

[Signature Page Follows]

This Brand Protection Agreement is executed as of the date or dates set forth below.

RESTRICTED PARTY

By: _____

Name: _____

Date: _____

By signing below, I hereby affirm that I witnessed the person named above execute this Agreement on the date set forth below his or her name.

WITNESS

By: _____

Name: _____

Date: _____

ATTACHMENT A

Restricted Territory

[Insert]

ATTACHMENT "H"
TO FRANCHISE AGREEMENT
CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

This Agreement (this “Agreement”) is entered into by the undersigned (“you”) in favor of HomeWell Franchising Inc., a Texas corporation, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement.

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

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

“*Franchisee*” means the HomeWell Care Services franchisee for whom you are an officer, director, employee or independent contractor.

“*Improvements*” means any additions, modifications or improvements to (i) the goods or services offered at a HomeWell Care Services business, (ii) the method of operation of a HomeWell Care Services business or (iii) any marketing or promotional ideals relating to a HomeWell Care Services business, whether developed by you, Franchisee or any other person.

“*Including*” or “*Includes*” means “including (or includes), but not limited to,” “including (or includes) without limitation,” and similar constructions.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, System and Improvements.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of a HomeWell Care Services business, including methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

“*Manual*” means our confidential brand standards manual for the operation of a HomeWell Care Services business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a HomeWell Care Services business, including “HomeWell,” “HomeWell Care Services” and related logo, and any other trademarks, service marks or trade names that we designate for use in a HomeWell Care Services business.

“*System*” means our system for the operation of a HomeWell Care Services business, the distinctive characteristics of which include: logo and trademarks; trade secrets; standards and specifications; services, programs and products; protocols and techniques; policies and procedures; advertising and promotional methods; confidential brand standards manual; and operating system.

2. Background. You are an officer, director, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the HomeWell Care Services business operated by Franchisee; (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 officer, director, employee or independent contractor of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

4. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

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

7. Miscellaneous.

(e) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

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

(g) 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 enforceable.

This Confidentiality Agreement is executed as of the date set forth below.

RESTRICTED PARTY

By: _____

Name: _____

Date: _____

By signing below, I hereby affirm that I witnessed the person named above execute this Agreement on the date set forth below his or her name.

WITNESS

By: _____

Name: _____

Date: _____

ATTACHMENT "I"
TO FRANCHISE AGREEMENT
OWNERSHIP STATEMENT

OWNERSHIP STATEMENT

_____ (“Franchisee” or “You”) represents that as of _____, 20____
 (“Effective Date”):

1. **Business Entity.** Franchisee was organized on _____ under the laws of _____ and is in good standing as of the Effective Date.

2. **Principal Officers/Directors.** The following is a list of your directors and officers as of the Effective Date:

<u>Name of Each Officer/Director</u>	<u>Position(s) Held</u>

3. **Shareholders/Owners.** The following are the full names of each person who is a shareholder or owner of the Franchisee and fully describes the nature of his or her interest in the Franchisee. Attach additional sheets if necessary.

<u>Name of Each Shareholder:</u>	<u>Nature of Interest and Percentage</u>

4. **Governing Documents.** Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the Franchisee, including articles of incorporation or organization, operating agreement, shareholder agreement, and bylaws. There are no other agreements in effect regarding the ownership, management or operation of the Entity.

FRANCHISEE

By: _____
 Name: _____
 Title: _____
 Date: _____

EXHIBIT “D”
TO DISCLOSURE DOCUMENT
TABLE OF CONTENTS OF BRAND STANDARDS MANUAL
[See Attached]

VOLUME 1: GETTING STARTED (100
pages)

1.01 INTRODUCTION TO THE MANUAL

1.02 THE HOMEWELL CARE SERVICES
FRANCHISE SYSTEM

1.03 EMAIL ACCOUNTS

1.04 ESTABLISHING YOUR BUSINESS

1.05 FINANCIAL SYSTEMS

1.06 CREATING A BUSINESS PLAN

1.07 COMPETITIVE ANALYSIS

1.08 INSURANCE

1.09 SITE SELECTION

1.10 AGENCY FORMS, DOCUMENTS
AND MANUALS

1.11 HOME CARE MANAGEMENT
SOFTWARE

1.12 DETERMINING YOUR BILLING
AND PAY RATES

1.13 SETTING UP THE BUSINESS
OFFICE

1.14 PREPARING FOR BUSINESS
LAUNCH

SUPPLEMENTAL

APPENDIX

VOLUME 2: TALENT MANAGEMENT
(60 pages)

2.01 THE MANUAL

2.02 YOUR RESPONSIBILITIES AS AN
EMPLOYER

2.03 FOUNDATIONS OF
ORGANIZATIONAL GROWTH

2.04 RECRUITMENT

2.05 EMPLOYEE SELECTION

2.06 ONBOARDING

2.07 RETENTION

2.08 RECRUITMENT & RETENTION
KEY PERFORMANCE INDICATORS

2.09 EMPLOYEE MANAGEMENT

2.10 PERSONNEL RECORDS

2.11 WORKPLACE POSTINGS

VOLUME 3: SERVICE EXCELLENCE
(78 pages)

3.01 THE MANUAL

3.02 HOMEWELL SERVICES

03 - CLIENT ADMISSION PROCESS

04 - SERVICE DELIVERY

05 - STAFFING AND SCHEDULING

06 - BILLING & REIMBURSEMENT FOR
SERVICES

07 - CLIENT TRANSFER,
TERMINATION OR DISCHARGE

08 – HIPAA & HOME CARE

09 - CLIENT RECORDS

10 – CLIENT KEY PERFORMANCE
INDICATORS

**EXHIBIT “E”
TO DISCLOSURE DOCUMENT**

LIST OF FRANCHISEES
[See Attached]

**EXHIBIT “E”
TO DISCLOSURE DOCUMENT**

LIST OF FRANCHISEES

Part A (Current Franchisees – Open Outlets as December 31, 2023)

Owner	Street Address	City	State	Zip Code	Phone Number	Territories
Josh Frommer	1801 E Dowling Suite 300	Anchorage	Alaska	99507	(907) 868-3100	1
Brandon Phipps	813 Oak Street Suite 3	Conway	Arkansas	72032	(501) 358-6175	2
Michael Roley	3707 E. Southern Ave, Ste 1019	Mesa	Arizona	85215	(480) 629-8322	2
Michael Roley	9375 E Shea Blvd, Ste 100	Scottsdale	Arizona	85260	(480) 629-8322	1
Grant Hickman	7225 N Mona Lisa Suite 204	Tucson	Arizona	85741	(520) 327-2555	3
Sharon Szayer & Brian Szayer	15128 Bell Road, Suite 3-01	Surprise	Arizona	85374	(888) 399-0309	1
Patricia King	5700 West Olive Ave	Glendale	Arizona		(623) 265-6300	1
Carolyn Tucker & Leslie Reese	813 D Street	San Rafael	California	94901	(415) 599-4333	1
Tony Nole	300 Harding Blvd Suite 214	Roseville	California	95678	(916) 751-5000	2
Bill Ortiz	3555 Voyager St. #203	Torrance	California	90503	(310) 370-2444	1
Tracie Dominguez	3720 Sinton Rd #130	Colorado Springs	Colorado	80907	(719) 358-6873	1
Thomas Mangas	3001 N Taft Suite 100	Loveland	Colorado	80538	(970) 461-4799	5
Thomas Mangas	6640 Gunpark Dr, Ste101	Boulder	Colorado	80301	(720) 753-4739	1
Thomas Mangas	8471 Turnpike Dr	Westminster	Colorado	80031	(303) 839-5352	1
Thomas Mangas	3333 S Bannock St, Ste 850	Englewood	Colorado	80110	(303) 487-5471	1
Don deLaski	191 Post Rd. West	Westport	Connecticut	06880	(203) 404-5007	2
Will Childers, Cydnei Childers	142 E Market Street First Floor	Georgetown	Delaware	19947	(302) 467-3443	1
Will Childers	665 South Carter Road	Smyrna	Delaware	19977	(302) 663-2586	2
Janet Christoff	1216 Bowman Street	Clermont	Florida	34711	(352) 504-3400	1
Crystal Keyworth & Jonathan Lirette	7700 Congress Ave	Boca Raton	Florida	33487	(303) 621-6701	3
Dee Polito & Mason Rister	1600 Eau Gallie Blvd, Suite 205K	Melbourne	Florida	32935	(321) 312-7476	1
Kevin Walters	13100 Westlinks Terrace Unit 13	Fort Myers	Florida	33913	(239) 666-2339	1

Owner	Street Address	City	State	Zip Code	Phone Number	Territories
Natasha Matos & Laura Demps	1411 Sawgrass Corporate Pkwy Suite B50	Sunrise	Florida	33323	(954) 306-2562	4
Jose Rincon & Katie Rincon	2801 W. Busch Blvd Suite 200	Tampa	Florida	33618	(813) 308-4663	1
Martin Mudd & Teri Rosado	450 South Orange Avenue 3rd Floor Suite 346	Orlando	Florida	32801	(407) 726-7953	1
Christie Castro	3406 Magic Oak Lane	Sarasota	Florida	34235	(941) 303-5642	3
Tara Winner, Shane Winner	712 S Ocean Shore Blvd	Flagler Beach	Florida	32136	(386) 871-1975	1
Hannah Lee	333 Sandy Springs Circle NE Suite 125	Sandy Springs	Georgia	30328	(404) 474-2480	1
Ines Eisner, Pablo Janowicz	222 Wisconsin Ave, Suite 306	Lake Forest	Illinois	60045	(877) 257-6335	1
Erik McDonald, Amy McDonald	1551 Sturdy Rd, Suite 6	Valparaiso	Indiana	46383	(219) 476-3239	1
Dee Polito and Rob Rister	3660 Central Avenue, Unit 003	Columbus	Indiana	47203	(812) 371-9968	1
Frank Davis & Cindy Davis	10500 Barkley Street Suite 112	Overland Park	Kansas	66212	(913) 295-9205	1
James Brenneis	7340 W. 21st Street, Suite 104	Wichita	Kansas	67205	(316) 500-7555	1
Dee Polito & Rob Rister	141 N Eagle Creek #103	Lexington	Kentucky	40509	(859) 303-6018	2
Johnny Ilunga, Patrick Sivanzire	675 Main Street, Suite 13B Lewiston, ME 04240	Lewiston	Maine	04240	(207) 810-2005	1
Bruce Dincin	16220 Frederick Road, Suite 404	Gaithersburg	Maryland	20877	(301) 263-3502	2
Denise Bateman & Mike Nugent	205 E Joppa Rd Unit 103	Towson	Maryland	21286	(410) 441-3650	3
Daniel Caldicott	5 Commonwealth Road, Suite 3A	Natick	Massachusetts	01760	(781) 755-8282	2
Anita Lot & Benson Omoregbe	300 Brickstone Square, Suite 201	Andover	Massachusetts	01810	(978) 409-2729	1
Mark Fratto & Lisa Fratto	26 West Street, Ste. 101	Beverly Farms	Massachusetts	01915	(978) 969-1351	1
Michael Marohn	560 Kirts Blvd.	Troy	Michigan	48084	(248) 886-6161	3
Fahd Arafat	7300 Metro Blvd	Edina	Minnesota	55439	(312) 772-7888	1
Jonathan Davis	9378 Olive Blvd	St. Louis	Missouri	63132	(314) 970-2065	1
Dani Ramsey, Chandler Ramsey, Key Ramsey	140 Enterprise Drive	Madison	Mississippi	39110	(601) 790-7097	1
Heather Fernandez, Roberto Fernandez	307 Gilead Rd	Huntersville	North Carolina	28078	(980) 444-3023	3

Owner	Street Address	City	State	Zip Code	Phone Number	Territories
Carla Segovia	2504 Raeford Rd	Fayetteville	North Carolina	28376	(910) 491-0043	1
Blair Reeves, Hugh Reeves	105 Oakmont Drive, Suite C	Greenville	North Carolina	27858	(252) 298-6131	1
Lou Romano	15 Dyatt Place	Hackensack	New Jersey	07601	(201) 487-9220	11
Chrissy Coffman	1329 E. Kemper Rd, Suite 4214	Cincinnati	Ohio	45246	(513) 791-4824	5
Chrissy Coffman	8087 Washington Village Dr., Ste 100	Dayton	Ohio	45458	(937) 781-6296	2
Ray Black & Lisa Black	6649 N High St. Suite 200	Worthington	Ohio	43085	(614) 528-0088	4
Tim Spaulding	12901 SE 97th Ave, Suite #408	Clackamas	Oregon	97015	(503) 344-6044	2
Ed Haslam & Wayne Haslam	72-A S Trooper Rd.	Trooper	Pennsylvania	19403	(610) 233-2323	5
Stefanie Thompson	1515 Market St	Philadelphia	Pennsylvania	19103	(215) 854-6459	2
Elizabeth Collier & John Collier	177 E. Main St. Lancaster Building Ste. 6	Hendersonville	Tennessee	37075	(615) 622-9360	4
Boris Zecevic	112 Public Square E Suite 2B	Shelbyville	Tennessee	37160	(931) 303-1129	1
Leslie Whatley & Steve Whatley	101 E Park Blvd Suite 457	Plano	Texas	75074	(469) 519-1014	2
Abey Kurikesu & Rooha Kurikesu	5583 Davis Boulevard, Suite 200	North Richland Hills	Texas	76180	(817) 382-0622	4
Aleida Taylor & Ronnie Taylor	3000 Polar Lane #402	Cedar Park	Texas	78613	(512) 222-6196	3
Vaishali Nileshwar	11104 West Airport Blvd #148	Stafford	Texas	77477	(281) 721-5536	5
Elysa Coleman & Dallas Coleman	17920 Huffmeister Road, Suite 250	Cypress	Texas	77429	(281) 213-4302	1
Matthew Hodgson, Daniel Slider, Eliezer Da Silva	1475 Heritage Parkway, Suite 221, Mansfield, TX 76063	Mansfield	Texas	76063	(817) 658-6012	3
Jeff Clark & Meredith Clark	1067 FM 306 Suite 603	New Braunfels	Texas	78130	(830) 214-2059	3
Mbanwi Njem	6391 De Zavala road suite 202 78249	San Antonio	Texas	78249	(210) 670-5747	1
Fabian Saldana	2600 Nasa Road 1 Seabrook, TX 77586	Seabrook	Texas	77586	(832) 536-2228	1
Shwetha	3740 N Josey Lane, Suite 100	Carrollton	Texas	75007	(469) 546-3377	1
Stephanie Scallan, Travis Scallan	2330 Timber Shadow Drive, Suite 100	Kingwood	Texas	77339	(832) 909-2440	1

Owner	Street Address	City	State	Zip Code	Phone Number	Territories
Anthony Hurst, Al Elliott	11200 Broadway	Pearland	Texas	77584	(832) 564-4868	1
Thad Eldredge	9533 South 700 East, Suite 204	Murray	Utah	84070	(801) 572-2030	3
Sarah Hill	1320 Central Park Blvd, Suite 200	Fredericksburg	Virginia	22401	(571) 921-9990	1
Arizette Carrinho	45662 Terminal Dr., Suite 200	Sterling	Virginia	20166	(703) 431-4706	4
Kerry Hopkins	14419 Greenwood Ave. N. Suite E	Seattle	Washington	98133	(206) 440-5500	1

Part B (Current Franchisees – Franchise Agreement Signed, but Outlet not Open as December 31, 2023)

Owner	Street Address	City	State	Zip Code	Phone Number	Territories
Rhonda Bryant	200 Beacon Pkwy West	Birmingham	Alabama	32819	(205) 800-4855	1
Patrick Indovina		Glendale	Arizona		(602) 245-4665	1
Sharita Yates		Tempe	Arizona		(530) 560-5336	1
Michael Martin, Renee Martin	670 Clearwater Largo Rd. Suite B	Largo	Florida		(727) 739-8858	4
John Cofield		Tallahassee	Florida		(850) 276-7981	1
Sebastian Paez, Grace Taco Lasso		Miami	Florida		(786) 300-6693	1
Jimi Williamceau		Fort Myers	Florida		(239) 228-8043	1
Rachel Brill		Pensacola	Florida		(850) 712-6303	1
Iwu Aguene, Mary Aguene		Lawrenceville	Georgia		(404) 519-7340	1
Joyce Ricketts		Norcross	Georgia		(678) 427-3202	1
Renato Navarro, Gigi Navarro		Chicago	Illinois		(312) 647-4071	1
Rhonda Aylward, Matt Aylward, Alexandra Aylward		Edwardsville	Illinois		(618) 791-2508	1
Aleksey Razdolgin		Chicago	Illinois		(305) 205-7768	1
Kelly Butcher & Joe Sendldorfer	207 Osborne Ave	Catonsville	Maryland	21228	(443) 617-3174	1
Mia Dalcour		Gambrills	Maryland		(301) 237-9853	1
Amr Elkheshen, Elhussini Elkheshen		Farmington Hills	Michigan		(248) 482-8969	1
Clarence Mack, Arica Mack	1107 Wendover Ave, Suite A	Greensboro	North Carolina	27405	(336) 907-6163	1
Mahidhar Miriyala		Apex	North Carolina		(313) 421-8350	1
Luyen Pham	101 Conner Drive, Suite 404	Chapel Hill	North Carolina	27514	(919) 987-3832	1
Krissy Spivey		Las Vegas	Nevada		(702) 860-6486	1
Nicole Hansard		Marysville	Ohio		(614) 616-0787	1
Monica Jones		Philadelphia	Pennsylvania	19003	(215) 834-9013	1

Owner	Street Address	City	State	Zip Code	Phone Number	Territories
Princess Mickens		Memphis	Tennessee		(901) 701-0886	1
Nora Adeyinka, Rolanda Edmond	25700 I-45, Suite 400	The Woodlands	Texas	77386	(336) 685-6175	1
Jon Langford	2521 Hwy 35	Alvin	Texas	77511	(346) 901-7314	1
Noah Muthana		Aldine	Texas		(225) 202-6972	1
Nicholas Soldevila		Fort Worth	Texas		(469) 321-0742	1
Reddrion Price		Garland	Texas		(214) 986-9286	1
Janet Lambert		Dallas	Texas		(817) 875-3762	1
Radonica Steward		Dallas	Texas		(945) 321-0626	1
Mbanwi Njem	6391 De Zavala Road, Suite 202	San Antonio	Texas	78249	(210) 670-5747	1
Nikki Russell		Mequon	Wisconsin		(262) 478-0732	1

Part C (Franchisees who had an outlet terminated, not renewed, canceled, or otherwise voluntarily or involuntarily left the system during the fiscal year ended December 31, 2023)

Owner	City	State	Phone Number	New Owner Transferee
Saher Khan*	Orlando	Florida	(646) 932-0316	
Daniel Ramirez*	Port St Lucie	Florida	(773)573-2729	
Tonie Quick*	Atlanta	Georgia	(404) 840-1998	
Jason Turk	Broken Arrow	Oklahoma	(918) 455-0128	
Susie Lerma	Livingston	Tennessee	(931) 922-237	
Andre Council*	Chesapeake	Virginia	(757) 537-1703	
Susan Locke**	Huntersville	North Carolina	(980) 444-3023	Heather Fernandez, Roberto Fernandez
Monica Jones, Stefanie Thompson*	Philadelphia	Pennsylvania	(215) 854-6459	
Jennifer Barnet**	Justin	Texas	(817) 662-6433	Abey Kurikesu, Rooha Kurikesu

*Never opened

**Transferred

Part D (Franchisees who have not communicated with us within 10 weeks of the issuance date of the FDD): None

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

EXHIBIT “F”
TO DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS
[See Attached]

HomeWell Franchising Inc. and Subsidiaries

Consolidated Financial Statements

Years Ended December 31, 2023 and 2022

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Independent Auditor's Report

To the Stockholders
HomeWell Franchising Inc. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of HomeWell Franchising Inc. and Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in stockholders' equity (deficit), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of HomeWell Franchising Inc. and Subsidiaries as of December 31, 2023 and 2022, and the results of their operations and their 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 Consolidated Financial Statements section of our report. We are required to be independent of the HomeWell Franchising Inc. and Subsidiaries 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

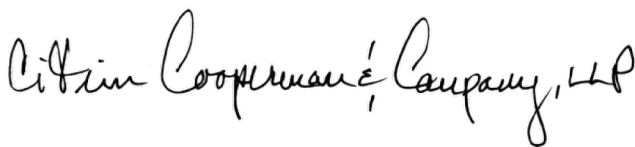
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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



Philadelphia, Pennsylvania

April 29, 2024

HomeWell Franchising Inc. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash	\$ 590,205	\$ 460,437
Accounts receivable, net	638,480	766,256
Prepaid expenses	82,087	48,300
Current portion of deferred franchise costs	221,774	139,039
Total Current Assets	1,532,546	1,414,032
Property and equipment, net	4,995	5,451
Operating lease right-of-use asset	19,969	67,589
Intangible assets, net	167,645	121,489
Deferred franchise costs, net of current portion	1,711,808	1,315,311
Total Assets	\$ 3,436,963	\$ 2,923,872
Liabilities and Stockholders' Equity (Deficit)		
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	915,688	607,146
Current portion of Economic Injury Disaster Loan	2,770	2,668
Current portion of operating lease liabilities	19,969	47,620
Current Portion of deferred revenue	419,413	428,795
Total Current Liabilities	1,357,840	1,086,229
Economic Injury Disaster Loan, net of current portion	144,674	147,332
Operating lease liability, net of current portion	-	19,969
Deferred revenue, net of current portion	1,500,712	1,871,370
Total Long-Term Liabilities	1,645,386	2,038,671
Total Liabilities	3,003,226	3,124,900
Stockholders' Equity (Deficit)		
Common stock, \$0.001 par value; 1,000 shares authorized, issued and outstanding	1,000	1,000
Retained earnings (accumulated deficit)	432,737	(181,292)
Accumulated other comprehensive loss	-	(20,736)
Total Stockholders' Equity (Deficit)	433,737	(201,028)
Total Liabilities and Stockholders' Equity (Deficit)	\$ 3,436,963	\$ 2,923,872

See accompanying notes to consolidated financial statements.

HomeWell Franchising Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022

	2023	2022
Income Statement		
Revenues		
Franchise fees	\$ 691,890	\$ 425,428
Royalties	4,652,238	3,618,433
Brand fund fees	743,888	468,797
Other revenues	151,790	161,009
Total revenues	6,239,806	4,673,667
Operating expenses		
Selling, general and administrative expenses	5,174,754	4,210,151
Other income (expense)		
Interest income	121	117
Other Income	17,565	14,357
Interest expense	(6,216)	(16,585)
Other income (expense), net	11,470	(2,111)
Net Income	1,076,522	461,405
Foreign currency translation adjustment	-	916
TOTAL COMPREHENSIVE INCOME	\$ 1,076,522	\$ 462,321

See accompanying notes to consolidated financial statements.

HomeWell Franchising Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity (Deficit)
For the years ended December 31, 2023 and 2022

	Common Stock Shares	Common Stock Amount	Common (Accumulated Deficit)	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total Stockholders' Equity (Deficit)
Balance at January 1, 2022	1,000	\$ 1,000	\$ (642,697)	\$ (21,652)	\$ (663,349)	
Net income	-	-	461,405	-	461,405	
Foreign currency translation adjustment	-	-	-	916	916	
Balance at December 31, 2022	1,000	1,000	(181,292)	(20,736)	(201,028)	
Net income	-	-	1,076,522	-	1,076,522	
Distributions	-	-	(441,757)	-	(441,757)	
Dissolution of HomeWell Franchising of Canada, Inc.	-	-	(20,736)	20,736	-	
Balance at December 31, 2023	1,000	\$ 1,000	\$ 432,737	\$ -	\$ 433,737	

See accompanying notes to consolidated financial statements.

HomeWell Franchising Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Net income	\$ 1,076,522	\$ 461,405
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities		
Provision for doubtful accounts	5,000	5,000
Non-cash lease expense	47,620	47,189
Depreciation and amortization	10,089	26,878
Change in operating assets and liabilities		
Accounts receivable	122,776	(415,705)
Prepaid expenses	(33,787)	(15,831)
Deferred franchise cost	(479,232)	(342,490)
Accounts payable and accrued expenses	308,542	124,681
Operating lease liabilities	(47,620)	(47,189)
Deferred revenue	(380,040)	65,912
Net Cash Provided by (Used in) Operating Activities	629,870	(90,150)
Cash Flows from Investing Activities		
Website development costs	(49,989)	(121,489)
Purchase of property and equipment	(5,800)	-
Net Cash Used in Investing Activities	(55,789)	(121,489)
Cash Flows from Financing Activities		
Repayment of stockholder note	-	(300,000)
Repayment of EIDL Loan	(2,556)	-
Distributions to stockholders	(441,757)	-
Net Cash Used in Financing Activities	(444,313)	(300,000)
Effect of exchange rate changes on cash	-	916
Net Increase (Decrease) in Cash	129,768	(510,723)
Cash - beginning	460,437	971,160
Cash - ENDING	\$ 590,205	\$ 460,437
Supplemental Cash Flow Information		
Interest Paid	\$ 6,216	\$ 7,813

See accompanying notes to consolidated financial statements.

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

1. ORGANIZATION AND NATURE OF OPERATIONS

HomeWell Franchising Inc. ("HWFI") was formed on April 22, 2002, in the State of Washington and was converted to a Texas corporation on May 4, 2016. On December 14, 2020, HWFI changed its name to HomeWell Franchising Inc. from HomeWell Senior Care, Inc. HWFI is in the business of operating under the trademark "HomeWell Care Services" and selling "HomeWell Care Services" franchise licenses for the operation of a business that provides home care services for seniors and others requiring in-home care. All franchisee centers operate under the terms and conditions of a franchise agreement.

HomeWell Corporate Holdings, LLC ("HWCH") is a wholly-owned subsidiary of HWFI formed on April 15, 2015. HWCH is a limited liability company operating under the laws of the State of Texas. HWCH did not have any activity in 2022 or 2023, and was dissolved as of December 31, 2023.

WorkWell Suites, LLC ("WWS") is a wholly-owned subsidiary of HWCH. WWS is a limited liability company operating under the laws of the State of Texas and was formed on May 24, 2016. During the year ended December 31, 2021, WWS ceased operations. WWS had minimal activity in 2022, and was dissolved as of December 31, 2023.

HomeWell Franchising of Canada Inc. ("HWFC") is a wholly-owned subsidiary of HWFI. HWFC is a Canadian corporation incorporated under the Province of New Brunswick on August 22, 2013. During the year ended December 31, 2021, HWFC ceased operations. HWFC had minimal activity in 2022, and was dissolved as of December 31, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of consolidation and basis of presentation

The accompanying consolidated financial statements include the accounts of HWFI, HWCH, WWS, and HWFC (collectively, the "Company").

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany accounts and transactions have been eliminated.

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

b. Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c. Revenue recognition

The Company records revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*. Additionally, the Company follows the provisions of FASB Accounting Standards Update ("ASU") No. 2021-02, *Franchisors - Revenue from Contracts with Customers (Subtopic 952-606)* ("ASU 2021-02").

The Company derives its revenue from franchise fees, royalties, and brand fund fees.

Franchise fees and royalties

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

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

The Company's primary performance obligations under the franchise agreement include the granting of certain rights to access the Company's intellectual property, in addition to a variety of activities relating to the opening of a franchise unit. Those costs include training and other activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under ASU 2021-02 are recognized as a single performance obligation. For all other pre-opening activities, if any, the Company determines if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The portion of pre-opening activities, if any, that is not brand specific is deemed to be distinct, as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property and therefore is accounted for as a separate performance obligation. All other pre-opening activities are determined to be highly interrelated to the use of the Company's intellectual property and therefore are accounted for as a single performance obligation which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

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

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as initial and renewal franchise fees.

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

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

Brand fund fees

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

d. Deferred franchise cost

Deferred franchise costs consist of broker fees and commissions incurred related to initial franchise fees for which revenue has not been recognized. These direct costs are deferred until the related revenue is recognized.

e. Deferred revenue

Contract liabilities consist of deferred revenue resulting from initial franchise fees and transfer fees paid by franchisees, which are recognized on a straight-line basis over the term of the franchise agreements.

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

f. Accounts receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts, and changes in the allowance are included in selling, general and administrative expenses in the accompanying consolidated statements of comprehensive income. The Company assesses collectability by reviewing accounts receivable on a collective basis where similar risk characteristics exist. In determining the allowance for doubtful accounts, management considers historical collectability and makes judgments about the creditworthiness of the franchisees based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions adjust the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted.

Under the prior accounting rules, the Company evaluated the following factors when determining the collectability of specific customer accounts: customer creditworthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms.

Gross accounts receivable at December 31, 2023, 2022, and 2021, was \$644,874, \$772,650, and \$361,945, respectively. The allowance for doubtful accounts as of December 31, 2023, 2022, and 2021, was \$6,394.

g. Property and equipment

Additions to property and equipment are recorded at cost. Improvements and replacements are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the consolidated statement of comprehensive income. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which primarily consist of office furniture and equipment with an estimated useful life of seven years.

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

h. Long-lived assets

The Company's long-lived assets, including the Company's operating lease right-of-use asset, are reviewed whenever events or changes in circumstances indicate that the carrying amount of the asset in question may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, the Company recognizes an impairment loss based on the estimated fair value of the asset. The Company did not identify an impairment adjustment during the years ended December 31, 2023 and 2022.

i. Intangible assets

Costs for development of the Company's website are accounted for in accordance with FASB ASC 350, *Intangibles - Goodwill and Other* ("ASC 350"). ASC 350 requires the capitalization of certain costs incurred in connection with developing the Company's website for internal use. Capitalized costs for website development are included in intangibles assets, net in the accompanying consolidated balance sheets in accordance with ASC 350. The Company amortizes the costs using the straight-line method over their estimated economic useful lives, which is a period of three years.

j. Leases

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

Lease terms include the noncancelable portion of the underlying lease along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Company uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

k. Advertising

Advertising costs are expensed as incurred and amounted to \$532,739 and \$537,395 for the years ended December 31, 2023 and 2022, respectively.

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

I. Income taxes

HWFI has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders are taxed on the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the consolidated financial statements. HWCH and WWC are single member limited liability companies and as such, are treated as disregarded entities for income tax purposes.

HWFC is taxed as a general corporation under the Canadian federal and provincial tax regulations. As HWFC ceased operations in 2021 and had minimal activity in 2022 and 2023, no provision or liability for Canadian federal income taxes has been included in the consolidated financial statements.

The Company follows accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes* ("ASC 740"). Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more likely than not that the provision will be sustained upon examination by the taxing authorities. ASC 740 also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transitions.

As of December 31, 2023 and 2022, the Company had no significant uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

m. Foreign currency translation

Assets and liabilities of HWFC are translated at the rate of exchange in effect on the consolidated balance sheet date; income and expenses are translated at the average rate of exchange prevailing during the year. The effects of exchange rate fluctuations in translating assets and liabilities of HWFC's operations into U.S. dollars are accumulated and reflected as "Accumulated other comprehensive loss," a component of stockholders' equity (deficit).

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

n. Franchised outlets

The following data reflects the status of the Company's franchises as of and for the years ended December 31, 2023 and 2022:

	2023	2022
Franchise sold	44	47
Franchise purchased	-	-
Franchise outlets in operation	145	123
Franchisor-owned outlets in operation	-	-

o. Recently adopted accounting pronouncements

In June 2016, the FASB issued ASU No. 2016-03, *Financial Instruments-Credit Losses (Topic 326)* ("ASC 326"), along with subsequently issued related ASUs, which requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions. ASC 326 eliminates the probable initial threshold for recognition of credit losses for financial assets recorded at amortized cost, which could result in earlier recognition of credit losses. It utilizes a lifetime expected credit loss measurement model for the recognition of credit losses at the time the financial asset is originated or acquired. The Company's financial instruments include accounts receivable. The expected credit losses are adjusted each period for changes in expected lifetime credit losses.

The Company adopted ASC 326 using the modified retrospective method at January 1, 2023, and it did not have a material impact on the consolidated financial statements.

p. Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 29, 2024, the date on which these consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

3. REVENUES AND RELATED CONTRACT BALANCES

a. Disaggregated revenues

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

Revenues by timing of recognition for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Point in time:		
Royalties	\$ 4,652,238	\$ 3,618,433
Franchise fees	130,000	60,000
Brand fund fees	743,888	468,797
Other revenue	151,790	161,009
Total point in time	5,677,916	4,308,239
Over time:		
Franchise fees	561,890	365,428
Total Revenues	\$ 6,239,806	\$ 4,673,667

b. Deferred franchise costs

The following reflects the change in deferred franchise costs during the years ended December 31, 2023 and 2022:

	2023
Deferred franchise costs - January 1, 2023	\$ 1,454,350
Expenses recognized during the year	(409,878)
New deferrals due to commissions paid	889,110
Deferred franchise costs - December 31, 2023	\$ 1,933,582

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

	2022
Deferred franchise costs - January 1, 2022	\$ 930,751
Expenses recognized during the year	(182,844)
New deferrals due to commissions paid	706,443
	\$ 1,454,350

Deferred franchise costs are expected to be recognized in the future as the related revenue is recognized as follows:

Year ending December 31:	Amount
2024	\$ 221,774
2025	221,240
2026	220,150
2027	212,750
2028	206,364
Thereafter	851,304
	\$ 1,933,582

c. Deferred revenue

The following reflects the change in deferred revenue during the years ended December 31, 2023 and 2022:

	2023
Deferred revenue - January 1, 2023	\$ 2,300,165
Revenue recognized during the year	(711,640)
Additions for initial franchise fees received	331,600
	\$ 1,920,125

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

	2022
Deferred revenue - January 1, 2022	\$ 2,053,145
Revenue recognized during the year	(425,428)
Additions for initial franchise fees received	672,448
Deferred revenue - December 31, 2022	\$ 2,300,165

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

Year ending December 31:	Amount
2024	\$ 419,413
2025	259,368
2026	250,419
2027	242,476
2028	227,991
Thereafter	520,458
Total	\$ 1,920,125

4. CONCENTRATIONS OF CREDIT RISK

The Company maintains cash balances in financial institutions which, at times, may exceed amounts insured by the Federal Deposit Insurance Corporation. The Company has not experienced losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Concentrations of credit risk with respect to receivables is limited due to the large number of franchisees in the Company's customer base and their geographic dispersion. The Company provides an allowance for doubtful accounts equal to the estimated collection losses based on historical experience coupled with a review of the current status of existing receivables.

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

5. PROPERTY AND EQUIPMENT

The historical costs of the Company's property and equipment and related accumulated depreciation balances at December 31, 2023 and 2022 were as follows:

	2023	2022
Signage	\$ 5,627	\$ 5,627
Buildings and improvements	5,800	-
Office furniture and equipment	31,857	31,857
Property and equipment, gross	43,284	37,484
Less: accumulated depreciation	(38,289)	(32,033)
Property and equipment, net	\$ 4,995	\$ 5,451

Depreciation expense related to property and equipment was \$6,256 and \$5,677 for the years ended December 31, 2023 and 2022, respectively.

6. INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31, 2023 and 2022:

	2023	2022
Website development costs	\$ 277,270	\$ 228,118
Less: accumulated amortization	109,625	106,629
Intangible assets, net	\$ 167,645	\$ 121,489

Amortization expense was \$3,833 and \$21,201 for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2022, the Company had \$121,489 of intangible assets not yet subject to amortization, as they had not yet been put to use. These intangible assets were placed in service in 2023.

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

7. ECONOMIC INJURY DISASTER LOAN

On June 24, 2020, the Company entered into a loan agreement with the Small Business Administration ("SBA") under the Economic Injury Disaster Loan program under Section 7(b) of the Small Business Act (the "EIDL"), with proceeds of \$150,000. The EIDL matures 30 years from the date of the loan agreements and accrues interest at a fixed rate of 3.75% per annum. Payments are deferred for the first 30 months of the loan term and are payable in equal consecutive monthly installments of principal and interest of \$731 commencing in January 2023. Total interest expense for the year ended December 31, 2023 and 2022 was \$6,216 and \$8,772, respectively. The EIDL agreement does not include any provisions that convert a portion of the principal amount to a grant.

Year ending December 31:	Amount
2024	\$ 2,770
2025	2,875
2026	2,985
2027	3,099
2028	3,217
Thereafter	132,498
Total	\$ 147,444

8. RELATED-PARTY TRANSACTIONS

a. Stockholder note

During the year ended December 31, 2021, the Company entered into a promissory note with a stockholder in the amount of \$300,000. The note bore interest at a rate of 6.25% per annum and principal and interest were due at maturity in December 2024. This note was repaid in full during the year ended December 31, 2022. Total interest expense for the year ended December 31, 2022, was \$7,813.

b. Operating lease

The Company has one lease agreement for the lease of office space from an entity owned by a member of management of the Company. The lease expires in May 2024 and does not include an option to extend the lease term. Total operating lease expense for the years ended December 31, 2023 and 2022, was \$48,000. The Company did not have any sublease income, variable lease costs, or short-term lease costs for the years ended December 31, 2023 and 2022.

HomeWell Franchising Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

Net minimum lease payments to be made during the year ended December 31, 2024, are \$20,000. The present value of the lease liability at December 31, 2023 is \$19,969. The difference of \$31 is due to interest.

Supplemental cash flow information related to the lease was as follows:

Cash paid for amounts included in the measurement of lease liabilities:	2023	2022
Operating cash flows from operating lease	\$ 48,000	\$ 48,000

Average lease terms and discount rates were as follows:		
Weighted-average remaining lease term (in years)	0.42	1.44
Weighted-average discount rate (%)	0.91	0.91

9. 401(K) SAVINGS PLAN

The Company sponsors a 401(k) profit sharing plan that covers substantially all employees. The Company contributes to the plan in the form of a 4% safe harbor match of employee contributions. In addition, the Company may make discretionary contributions, as well as discretionary matching of employee's contributions. The Company's matching contribution to the plan for the years ended December 31, 2023 and 2022, was \$90,722 and \$48,694, respectively.

10. CONTINGENCIES

The Company is, from time to time, involved in ordinary and routine litigation. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on the Company's financial position, results of operations or cash flows. Nevertheless, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include money damages and, in such event, could result in a material adverse impact on the Company's financial position, results of operations or cash flows for the period in which the ruling occurs.

HomeWell Franchising Inc.

Consolidated Financial Statements

As of December 31, 2021 and 2020 (As Restated)

*and for the years ended December 31, 2021, 2020 (As Restated)
and 2019 (Restated)*

HomeWell Franchising Inc.

Consolidated Financial Statements

As of December 31, 2021 and 2020 (As Restated)
and for the years ended December 31, 2021, 2020 (As Restated), 2019 (As Restated)

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Independent Auditor's Report

To the Stockholders
HomeWell Franchising Inc.
Burkburnett, Texas

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of HomeWell Franchising Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2021 and 2020 (As Restated) and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity (deficit) and cash flows for the years ended December 31 2021, 2020 (As Restated) and 2019 (As Restated), and related notes to the financial statements.

In our opinion, the accompany financial statements present fairly, in all material respects, the financial position of HomeWell Franchising Inc. and its subsidiaries as of December 31, 2021 and 2020 (As Restated) and the results of its operations and comprehensive income (loss), changes in stockholders' equity (deficit) and cash flows for the years ended December 31, 2021, 2020 (As Restated), and 2019 (As Restated), in conformity 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 HomeWell Franchising Inc. 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 Consolidated 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 HomeWell Franchising Inc. ability to continue as a going concern within one year from the date the financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness HomeWell Franchising Inc.'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 HomeWell Franchising Inc.'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.

A+G LLP

A&G LLP
Dallas, Texas
April 4, 2022

Consolidated Balance Sheets

As of December 31,	2021	As Restated 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 971,160	\$ 427,663
Accounts receivable, net	355,551	223,132
Prepaid expenses	32,469	44,630
Deferred franchise costs	137,116	85,843
Total current assets	<u>1,496,296</u>	<u>781,268</u>
Property and equipment, net	11,128	311,897
Intangible assets, net	21,202	56,745
Deferred franchise costs, net	974,744	651,128
Total assets	\$ 2,503,370	\$ 1,801,038
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 55,074	\$ 70,606
Accrued expenses	427,391	270,534
Deferred revenue	333,657	413,160
Current portion of long-term debt	-	262,605
Note payable - stockholder	300,000	-
Total current liabilities	<u>1,116,122</u>	<u>1,016,905</u>
Long-term debt, net of current portion	150,000	150,000
Deferred revenue, net	1,866,853	1,125,527
Total liabilities	<u>3,132,975</u>	<u>2,292,432</u>
Commitments and contingencies (Note 13)		
Stockholders' deficit:		
Common stock, \$1.00 par value; 1,000 shares authorized, issued and outstanding	1,000	1,000
Other comprehensive loss	(21,652)	(21,676)
Retained earnings	(608,953)	(470,718)
Total stockholders' deficit	<u>(629,605)</u>	<u>(491,394)</u>
Total liabilities and stockholders' deficit	\$ 2,503,370	\$ 1,801,038

Consolidated Statements of Operations and Comprehensive Income (Loss)

For the years ended December 31,	2021	As Restated 2020	As Restated 2019
Revenues:			
Franchise fees revenue	\$ 415,329	\$ 504,798	\$ 404,655
Royalty revenue	2,741,312	1,879,890	1,652,247
Brand development fund revenue	200,181	50,778	-
Other fee revenue	117,899	112,630	93,536
Other revenue	17,639	-	11,919
Total revenues	3,492,360	2,548,096	2,162,357
Operating expenses:			
Advertising and marketing	356,162	196,460	274,080
Depreciation and amortization	45,106	48,967	28,730
Occupancy costs	48,073	26,501	28,425
Personnel costs	1,796,452	1,282,115	1,335,003
Contract services	579,112	467,742	41,949
Commissions	137,336	213,108	97,453
Professional fees	58,915	88,230	63,732
Software and services	243,385	139,291	127,767
Other general and administrative	244,429	171,454	244,862
Total operating expenses	3,508,970	2,633,868	2,242,001
Loss from operations	(16,610)	(85,772)	(79,644)
Other income (expense):			
Interest income	122	70	353
Other income	13,296	12,922	2,846
Loss on disposal of assets	8,794	-	-
Gain on extinguishment of debt	11,445	206,700	-
Interest expense	(17,570)	(23,215)	(22,875)
Other expense	(137,712)	-	-
Total other income (expense)	(121,625)	196,477	(19,676)
Income (loss) before benefit for income taxes	(138,235)	110,705	(99,320)
Benefit for income taxes	-	(779)	(1,153)
Net income (loss)	(138,235)	111,484	(98,167)
Comprehensive income (loss):			
Foreign currency translation adjustments	24	352	354
Total comprehensive income (loss)	\$ (138,211)	\$ 111,836	\$ (97,813)

Consolidated Statements of Changes in Stockholders' Equity (Deficit)

	Common Stock		Additional Paid-In Capital	Other Comprehensive Loss	Retained Earnings (Deficits)	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balance at December 31, 2018, as previously reported	1,000	\$ 1,000	\$ -	\$ (22,382)	\$ (17,663)	\$ (39,045)
Net loss	-	-	-	-	(98,167)	(98,167)
Comprehensive loss	-	-	-	354	-	354
Adoption of accounting standard (Note 2)	-	-	-	-	(466,372)	(466,372)
Balance at December 31, 2019, as restated	1,000	\$ 1,000	\$ -	\$ (22,028)	\$ (582,202)	\$ (603,230)
Net loss	-	-	-	-	111,484	111,484
Comprehensive income	-	-	-	352	-	352
Balance at December 31, 2020, as restated	1,000	\$ 1,000	\$ -	\$ (21,676)	\$ (470,718)	\$ (491,394)
Net income	-	-	-	-	(138,235)	(138,235)
Comprehensive income	-	-	-	24	-	24
Balance at December 31, 2021	1,000	\$ 1,000	\$ -	\$ (21,652)	\$ (608,953)	\$ (629,605)

Consolidated Statements of Cash Flows

For the years ended December 31,	2021	As Restated 2020	As Restated 2019
Operating Activities			
Net income (loss)	\$ (138,235)	\$ 111,484	\$ (98,167)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	45,106	48,967	28,730
Provision for doubtful accounts	1,608	36,449	18,140
Provision for doubtful note	-	-	15,737
Loss on disposal of assets	(8,794)	-	-
Gain on extinguishment of debt	(11,445)	(206,700)	-
Changes in operating assets and liabilities:			
Accounts receivable	(134,027)	(39,848)	(69,763)
Income taxes receivable/payable	-	1,051	3,767
Prepaid expenses	12,161	(23,232)	16,524
Deferred franchise costs	(374,889)	(89,410)	(155,442)
Accounts payable	(15,532)	(11,343)	6,985
Accrued expenses	158,039	41,258	25,886
Deferred revenue	661,823	286,302	110,246
Net cash provided (used) by operating activities	195,815	154,978	(97,357)
Investing Activities			
Proceeds from disposition of property and equipme	300,000	-	-
Purchases of intangibles	-	-	(106,630)
Collections on note receivable	-	-	2,769
Net cash provided (used) by investing activities	300,000	-	(103,861)
Financing Activities			
Net activities on line of credit	-	(139,506)	139,506
Proceeds from note payable - stockholder	300,000	-	30,000
Payments on note payable - stockholder	-	(30,000)	-
Proceeds from long-term debt	-	366,700	-
Payments on long-term debt	(252,605)	(8,525)	(7,918)
Net cash provided (used) by financing activities	47,395	188,669	161,588
Net increase (decrease) in cash and cash equivalents	543,210	343,647	(39,630)
Exchange rate effect on cash and cash equivalents	287	1,898	(1,433)
Cash and cash equivalents, beginning of year	427,663	82,118	123,181
Cash and cash equivalents, end of year	\$ 971,160	\$ 427,663	\$ 82,118

Consolidated Statements of Cash Flows (continued)

For the years ended December 31,	2021	As Restated 2020	As Restated 2019
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Supplemental Disclosure of Cash Flow Information

Interest paid	\$ 13,865	\$ 19,510	\$ 22,875
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Non-cash operating and financing activities in connection with extinguishment of debt

Extinguishment of accrued interest	\$ 1,445	\$ -	\$ -
Extinguishment of long-term debt	\$ 10,000	\$ 206,700	\$ -

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

1. Organization and Operations

Description of Business

The consolidated financial statements include the accounts of HomeWell Franchising Inc. (“HWFI” or “Parent”) and its subsidiaries (Collectively, “we”, “us”, “our”, “HWFI Entities”, and the “Company”). HomeWell Franchising Inc. was formed on April 22, 2002 in the State of Washington and was converted to a Texas corporation on May 4, 2016. On December 14, 2020, HWFI changed its name to HomeWell Franchising Inc from HomeWell Senior Care, Inc.

The Company is in the business of operating under the trademark “HomeWell Care Services” and selling “HomeWell Care Services” franchise licenses for the operation of a business which provides home care services for seniors and others requiring in-home care. All franchisee centers operate under the terms and conditions of a franchise agreement.

During the years ended December 31, 2021 and 2020, 26 and 22 franchised outlet were opened and 3 and 2 franchised outlet were closed, respectively. As of December 31, 2021 and 2020, there were 101 and 78 franchised outlets in operation, respectively.

The following table summarizes HWFI’s ownership of each subsidiary and its operating location:

<u>Subsidiaries</u>	<u>Ownership %</u>	<u>Principal location</u>
Home Care Advantage LLC	100%	United States
HomeWell Corporate Holdings, LLC	100%	United States
WorkWell Suites, LLC	100%	United States
HomeWell Franchising of Canada Inc.	100%	Canada

Subsidiaries

Home Care Advantage LLC (“HCA”) is a wholly owned subsidiary of HomeWell Franchising Inc. Home Care Advantage LLC is a limited liability company operating under the laws of the State of Texas. Home Care Advantage LLC was formed on June 10, 2014 and terminated in 2019.

HomeWell Corporate Holdings, LLC (“HWCH”) is a wholly owned subsidiary of HomeWell Franchising Inc. HomeWell Corporate Holdings, LLC is a limited liability company operating under the laws of the State of Texas. HomeWell Corporate Holdings, LLC was formed on April 15, 2015. In February 2018, the sole member contributed all membership interests to HWFI.

WorkWell Suites, LLC (“WWS”) is a wholly owned subsidiary of HomeWell Corporate Holdings, LLC. WorkWell Suites, LLC is a limited liability company operating under the laws of the State of Texas and was formed on May 24, 2016.

HomeWell Franchising of Canada Inc. (“HWFC”) is a wholly owned subsidiary of HomeWell Franchising Inc. HomeWell Franchising of Canada Inc. is a Canadian corporation incorporated under the Province of New Brunswick on August 22, 2013. During the year ended December 31, 2021, HWFC ceased operations.

Going Concern

Management has evaluated our ability to continue as a going concern as of December 31, 2021. Due to the positive cash flows from operation and approximately \$971,000 of cash on hand as of December 31, 2021, we have concluded that there is not significant doubt about our ability to continue as a going concern.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

1. Organization and Operations (continued)

COVID-19

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption. The full impact of the pandemic will continue to depend on future developments, including the continued spread and duration of the pandemic, the emergence of future variant strains of COVID-19, the availability and distribution of effective medical treatments or vaccines as well as any related federal, state or local governmental orders or restrictions. Accordingly, the Company cannot reasonably determine the ultimate impact the COVID-19 pandemic will have on its future results of operations due to the continuing uncertainty surrounding the pandemic's magnitude and duration.

Restatement of Previously Issued Financial Statements Due to Adoption of ASU 2021-02

In January 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The Company elected to adopt the provisions of ASU 2021-02 for the year ended December 31, 2021 using the full retrospective method of transition to the date which FASB ASC 606 was adopted.

Impacts of Adoption on the Financial Statements

The following tables summarize the impacts of adopting the practical expedient provided by ASU 2021-02 on the Company's financial statements:

	Impacts of ASU 2021-02		
	As Previously Reported	Adjustments	As Restated
Balance Sheet			
December 31, 2020			
Total assets	\$ 1,801,038	\$ -	\$ 1,801,038
Deferred revenue	225,659	187,501	413,160
Total current liabilities	829,404	187,501	1,016,905
Deferred revenue, net	1,612,170	(486,643)	1,125,527
Total stockholders' deficit	(790,536)	299,142	(491,394)
Total liabilities and stockholders' deficit	1,801,038	-	1,801,038
Statement of Operations			
For the year ended December 31, 2020			
Franchise fee revenue	\$ 456,106	\$ 48,692	\$ 504,798
Total revenue	2,499,404	48,692	2,548,096
Total operating expenses	2,633,868	-	2,633,868
Loss from operations	(134,464)	48,692	(85,722)
Total other income (expense)	196,477	-	196,477
Income before benefit for income taxes	62,013	48,692	110,705
Benefit for income taxes	(779)	-	(779)
Net income	62,792	48,692	111,484
Foreign currency translation adjustments	352	-	352
Total comprehensive income	63,144	48,692	111,836

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

1. Organization and Operations (continued)

Restatement of Previously Issue Financial Statements Due to Adoption of ASU 2021-02

Impacts of Adoption on the Financial Statements

	Impacts of ASU 2021-02		
	As Previously Reported	Adjustments	As Restated
Statement of Cash Flows			
For the year ended December 31, 2020			
Cash flows from operating activities:			
Net income	\$ 62,792	\$ 48,692	\$ 111,484
Changes in operating assets and liabilities:			
Deferred revenue	334,994	(48,692)	286,302
Net cash provided by operating activities	361,680	-	361,680
Balance Sheet			
December 31, 2019			
Total assets	\$ 1,390,597	\$ -	\$ 1,390,597
Deferred revenue	281,737	131,423	413,160
Total current liabilities	770,436	131,423	901,859
Deferred revenue, net	1,221,098	(381,873)	839,225
Total stockholders' deficit	(832,652)	250,450	(603,230)
Total liabilities and stockholders' deficit	1,390,597	-	1,390,597
Statement of Operations			
For the year ended December 31, 2019			
Franchise fee revenue	\$ 311,375	\$ 93,280	\$ 404,655
Total revenue	2,069,077	93,280	2,162,357
Total operating expenses	2,242,001	-	2,242,001
Loss from operations	(172,924)	93,280	(79,644)
Total other income (expense)	(19,676)	-	(19,676)
Loss before benefit for income taxes	(192,600)	93,280	(99,320)
Benefit for income taxes	(1,153)	-	(1,153)
Net loss	(191,447)	93,280	(98,167)
Foreign currency translation adjustments	354	-	354
Total comprehensive loss	(191,093)	93,280	(97,813)
Statement of Cash Flows			
For the year ended December 31, 2019			
Cash flows from operating activities:			
Net loss	\$ (191,447)	\$ 93,280	\$ (98,167)
Changes in operating assets and liabilities:			
Deferred revenue	203,526	(93,280)	110,246
Net cash used by operating activities	(103,861)	-	(103,861)

2. Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany accounts and transactions have been eliminated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

2. Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Estimates are used for the following, among others: revenue recognition, allowance for doubtful accounts and notes, valuation of acquired assets, and useful lives for depreciation and amortization of long-lived assets. Actual results could differ from those estimates.

Comparative Financial Statements

Certain prior period amounts have been reclassified to conform to current year presentation.

Fair Value of Financial Instruments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The fair value hierarchy has three levels, which are based on reliable available inputs of observable data, and requires the use of observable market data when available.

Assets and liabilities that are carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist primarily of cash and cash equivalents, trade receivables, trade payables, and accrued expenses. The carrying values of cash and cash equivalents, trade receivables, trade payables, and accrued expenses are considered to be representative of their respective fair values due to the short-term nature of these instruments. Non-recurring fair value measurements include the assessment of property, plant and equipment for impairment. As there is no corroborating market activity to support the assumptions used, the Company has designated these estimates as Level 3.

Cash and Cash Equivalents

For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of royalties, franchise fees and other fees due from franchisees, less an allowance for doubtful accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts aged longer than thirty days are considered past due. No interest is charged on outstanding receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts.

Deferred Franchise Costs

Prepaid expenses and deferred franchise costs consists of prepaid expenses and direct costs relating to initial franchise fees for which revenue has not been recognized. These direct costs are deferred until the related revenue is recognized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

2. Significant Accounting Policies (continued)

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the following estimated useful lives of the respective asset.

	<u>Estimated Useful Life</u>
Building	39 Years
Office furniture and equipment	7 Years
Signage	5 Years

Maintenance and repair costs are expensed in the period incurred. Expenditures for purchases and improvements that extend the useful lives of property and equipment are capitalized.

Intangible Assets

Intangible assets are recorded at the lower of cost or net realizable value. Intangible assets with indefinite lives are not amortized, but are assessed for impairment on at least an annual basis. Intangible assets with definite lives are amortized over the expected useful lives of the assets and are assessed for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets are stated at cost less accumulated amortization. Amortization is computed using the straight-line method over estimated useful lives.

	<u>Estimated Useful Life</u>
Organization Costs	5 Years
License	5 Years
Website	3 Years

Impairment of Long-Lived Assets

The Company assesses potential impairment of its long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that the Company considers important which could trigger an impairment review include, but are not limited to, significant under-performance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the Company's overall business, and significant industry or economic trends. When the Company determines that the carrying value of the long-lived assets may not be recoverable based upon the existence of one or more of the above indicators, the Company determines the recoverability by comparing the carrying amount of the asset to net future undiscounted cash flows that the asset is expected to generate. If the carrying value is not recoverable, an impairment is recognized in the amount by which the carrying amount exceeds the fair value of the asset. During the year ended December 31, 2021 no impairment charges were recognized related to long-lived assets.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09 "Revenue with Contracts from Customers (Topic 606)," as amended by multiple updates to the standard. The update requires the entity to recognize revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU replaced most of the existing revenue recognition requirements in GAAP. The Company adopted the new guidance on January 1, 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

In January 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The Company elected to adopt the provisions of ASU 2021-02 for the year ended December 31, 2021 using the full retrospective method of transition to the date which FASB ASC 606 was adopted.

The Company sells individual franchises. The franchise agreements typically require the franchisee to pay an initial, non-refundable fee prior to opening the respective location(s), continuing royalty and other fees on a monthly basis based upon a percentage of franchisees gross sales. A franchise agreement establishes a Franchise Center developed in one or multiple defined geographic area and provides for a 10-year initial term with the option to renew for an additional 10-year term. Subject to the Company's approval, a franchisee may generally renew the franchise agreement upon its expiration. If approved, a franchisee may transfer a franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid by the current owner which then terminates that franchise agreement. A franchise agreement is signed with the new franchisee with no franchise fee required. If a contract is terminated prior to its term, it is a breach of contract and a penalty is assessed based on a formula reviewed and approved by management. Revenue generated from a contract breach is termed reconveyance fee by the Company and included other revenues.

Under the terms of our franchise agreements, the Company typically promises to provide franchise rights, pre-opening services such as site selections, operational materials and functional training courses, and ongoing services, such as management of the advertising fund. The Company considers certain pre-opening activities and the franchise rights and related ongoing services to represent two separate performance obligations. The franchise fee revenue has been allocated to the two separate performance obligations using a residual approach. The Company has estimated the value of performance obligations related to certain pre-opening activities deemed to be distinct based on cost plus an applicable margin, and assigned the remaining amount of the initial franchise fee to the franchise rights and ongoing services. Revenue allocated to preopening activities is recognized when (or as) these services are performed, no later than the opening date. Revenue allocated to franchise rights and ongoing services is recognized on a straight line basis over the contractual term of the franchise agreement as this ensures that revenue recognition aligns with the customer's access to the franchise right. Renewal fees are recognized over the renewal term of the respective franchise from the start of the renewal period. Transfer fees are recognized over the contractual term of the franchise agreement.

Royalties and other fee revenue from Franchise Centers are based on a percentage of the franchisees' gross revenue. Royalties and other fee revenue are recognized during the respective franchise agreement as earned each period as the underlying franchised business sales occur.

Although brand development fund fees are not separate performance obligations distinct from the underlying franchise right, the Company acts as the principal as it is primarily responsible for the fulfillment and control of the marketing services. As a result, the Company records brand development fund contributions in revenue and related marketing fund expenditures in expenses in the Statement of Operations. Brand development fund revenue is contributed by franchisees based on one percent of franchised businesses gross revenue and is recognized as earned.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

The following table disaggregates revenue by source for the year ended December 31, 2021:

	<u>Point in Time</u>	<u>Over Time</u>	<u>Net Revenues</u>
Franchise fee revenue	\$ -	\$ 415,329	\$ 415,329
Royalty revenue	-	2,741,312	2,741,312
Brand development fund revenue	-	200,181	200,181
Other fee revenue	-	117,899	117,899
Other revenue	17,639	-	17,639
Total revenues	<u>\$ 17,639</u>	<u>\$ 3,474,721</u>	<u>\$ 3,492,360</u>

The following table disaggregates revenue by source for the year ended December 31, 2020:

	<u>Point in Time</u>	<u>Over Time</u>	<u>Net Revenues</u>
Franchise fee revenue	\$ -	\$ 504,798	\$ 504,798
Royalty revenue	-	1,879,890	1,879,890
Brand development fund revenue	-	50,778	50,778
Other fee revenue	-	112,630	112,630
Total revenues	<u>\$ -</u>	<u>\$ 2,548,096</u>	<u>\$ 2,548,096</u>

The following table disaggregates revenue by source for the year ended December 31, 2019:

	<u>Point in Time</u>	<u>Over Time</u>	<u>Net Revenues</u>
Franchise fee revenue	\$ -	\$ 404,655	\$ 404,655
Royalty revenue	-	1,652,247	1,652,247
Other fee revenue	-	93,536	93,536
Other revenue	11,919	-	11,919
Total revenues	<u>\$ 11,919</u>	<u>\$ 2,150,438</u>	<u>\$ 2,162,357</u>

Contract Costs

Contract costs consist of broker fees and commissions incurred when the franchise rights are sold to franchisees. The Company classifies the contract assets as deferred costs in the balance sheets. The following table reflects the change in contract assets December 31, 2019 through December 31, 2021:

	<u>Contract Costs</u>
Balance at December 31, 2019	\$ 647,561
Expense recognized during the year	(213,108)
New deferrals due to commissions paid	302,518
Balance at December 31, 2020	<u>\$ 736,971</u>
Expense recognized during the year	(137,336)
New deferrals due to commissions paid	512,225
Balance at December 31, 2021	<u>\$ 1,111,860</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contract Costs (continued)

The following table illustrates estimated expenses expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2021:

2022	\$	137,116
2023		136,776
2024		136,776
2025		136,001
2026		134,758
Thereafter		430,433
Total	\$	<u>1,111,860</u>

Contract Liabilities

Contract liabilities consist of deferred revenue resulting from initial franchise fees and transfer fees paid by franchisees, which are recognized on a straight-line basis over the term of the franchise agreements. The Company classifies the contract liabilities as deferred revenue in the balance sheets. The following table reflects the change in contract liabilities from December 31, 2019 through December 31, 2021:

	<u>Contract Liabilities</u>
Balance at December 31, 2019	\$ 1,252,385
Revenue recognized during the year	(504,798)
New deferrals due to cash received	791,100
Balance at December 31, 2020	\$ 1,538,687
Revenue recognized during the year	(415,329)
New deferrals due to cash received	1,077,150
Balance at December 31, 2021	<u>\$ 2,200,510</u>

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2021:

2022	\$	333,657
2023		270,768
2024		270,768
2025		263,864
2026		253,825
Thereafter		807,628
Total	\$	<u>2,200,510</u>

Advertising

All costs associated with advertising and marketing are expensed in the period incurred. Company advertising costs and brand development fund expenses are included in "Advertising and marketing." The Company's advertising expenses for the years ended December 31, 2021, 2020 and 2019 were \$356,162, \$196,460 and \$274,080, respectively.

Personnel costs

Payroll and related costs include all salaries and wages, paid to employees. Payroll and related costs also include charges for employee benefits, various payroll taxes and other payroll related fees.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

2. Significant Accounting Policies (continued)

Income Taxes

United States

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay Federal corporate income taxes on its taxable income. Instead, the stockholders are taxed on the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. The Company recognizes income tax related interest and penalties in interest expense and other general and administrative expenses, respectively.

Home Care Advantage LLC is a wholly owned subsidiary of HomeWell Franchising Inc. and is a limited liability company operating under the laws of the State of Texas. Because of its status, HCA is disregarded as a separate entity for income tax purposes, therefore HCA does not file an income tax return separate and apart from its Parent.

HomeWell Corporate Holdings, LLC is a single member LLC and, as such, is treated as a division of its Parent for federal income tax purposes. Because of its status, the Company is disregarded as a separate entity for income tax purposes, therefore HWCH does not file an income tax return separate and apart from its Parent.

WorkWell Suites, LLC is a single member LLC and, as such, is treated as a division of HWCH for federal income tax purposes. Because of its status, the Company is disregarded as a separate entity for income tax purposes, therefore WWS does not file an income tax return separate and apart from its Parent.

Foreign

HomeWell Franchising of Canada Inc. is a corporation and accounts for income taxes in accordance with generally accepted accounting standards, which requires the use of the liability method of accounting for income taxes. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred income taxes are provided for the temporary differences in basis of the Company's assets and liabilities and their reported amounts. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will be either taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are determined based on the enacted rates that are expected to be in effect when these differences are expected to reverse. Deferred tax expense or benefit is the result of the changes in the deferred tax assets and liabilities. The Company records a valuation allowance to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company recognizes income tax related interest and penalties in interest expense and other general and administrative expenses, respectively.

Other Comprehensive Income

Other comprehensive income consists of foreign currency translation adjustments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

2. Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" as amended by multiple updates to the standard. This update requires lessees to recognize a lease liability and a lease asset for all leases, including operating leases, with a term greater than 12 months on its balance sheet and requires lessors to classify leases as a sales-type, direct financing or operating lease. The update also expands the required quantitative and qualitative disclosures surrounding leases. In June 2020, the FASB issued ASU 2020-05, "Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities." ASU 2020-05 defers the effective date of ASU 2016-02 for private companies and private not-for-profit entities for one year. The updated guidance is effective for fiscal years beginning after December 15, 2021 with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2016-02 on its financial statements.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", and subsequent amendments to the initial guidance, ASU 2019-10. This accounting standard changes the methodology for measuring credit losses on financial instruments, including trade accounts receivable, and the timing of when such losses are recorded. ASU No. 2016-13 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2022. The Company is currently evaluating the impact of adopting ASU No. 2016-13 on its financial statements.

In December 2019, the FASB issued ASU No. 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes," which is intended to simplify various aspects related to accounting for income taxes. This update removed certain exceptions to general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. The amendments in ASU 2019-12 are effective for nonpublic entities for fiscal years beginning after December 15, 2021 with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2019-12 on its financial statements.

In January 2021, the FASB issued ASU 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The updated guidance is effective for annual reporting periods beginning after December 15, 2020 with early adoption permitted. This guidance should be applied retrospectively to the date ASU 606 was adopted. The Company elected to adopt the provisions of ASU 2021-02 for the year ended December 31, 2021 using the full retrospective method of transition to the date which FASB ASC 606 was adopted.

We reviewed all other significant newly-issued accounting pronouncements and concluded that they either are not applicable to our operations or that no material effect is expected on our financial statements as a result of future adoption.

3. Certain Significant Risks and Uncertainties

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents. The Company maintains its deposits in three financial institutions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

4. Accounts Receivable

Accounts receivable consisted of the following at December 31:

	2021	2020
Accounts receivable	\$ 361,945	\$ 220,826
Less: allowance for doubtful accounts	(6,394)	(6,394)
Accounts receivable, net	<u>\$ 355,551</u>	<u>\$ 223,132</u>

The allowance for doubtful accounts activity was as follows:

	2021	2020
Balance at beginning of year	\$ 6,394	\$ 6,394
Provision for doubtful accounts	1,608	36,449
Write-offs, net of recoveries	(1,608)	(36,449)
Balance at end of year	<u>\$ 6,394</u>	<u>\$ 6,394</u>

For the years ended December 31, 2021, 2020, and 2019, bad debt expense related to accounts receivable was \$1,608, \$36,449, and \$18,140, respectively.

5. Property and Equipment

The major classes of property and equipment consisted of the following at December 31:

	2021	2020
Building	\$ -	\$ 326,795
Office furniture and equipment	31,857	34,181
Signage	5,627	5,627
Less: accumulated depreciation	(26,356)	(54,706)
Property and equipment, net	<u>\$ 11,128</u>	<u>\$ 311,897</u>

For the years ended December 31, 2021, 2020, and 2019, depreciation expense was \$9,563, \$13,424, and \$14,387, respectively.

6. Intangible assets

The principal asset classifications of intangible assets, at cost, are as follows at December 31, 2021:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets:			
Website	\$ 106,630	\$ (85,428)	\$ 21,202
Intangible assets, net	<u>\$ 106,630</u>	<u>\$ (85,428)</u>	<u>\$ 21,202</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

6. Intangible assets (continued)

The principal asset classifications of intangible assets, at cost, are as follows at December 31, 2020:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets:			
License	\$ 30,949	\$ (30,949)	\$ -
Website	106,630	(49,885)	56,745
Intangible assets, net	<u>\$ 137,579</u>	<u>\$ (80,834)</u>	<u>\$ 56,745</u>

For the years ended December 31, 2021, 2020 and 2019, amortization expense was \$35,543, \$35,543, and \$14,340, respectively.

Future aggregate amortization expense is as follows:

Year ending December 31, 2022	21,202
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7. Long-Term Debt

For the years ended December 31, 2021 and 2020, the long-term debt consisted of the following:

	2021	2020
Note payable #1	\$ -	\$ 252,605
Note payable #2	-	10,000
Note payable #3	<u>150,000</u>	<u>150,000</u>
Long-term debt	<u>150,000</u>	412,605
Less: current portion of long-term debt	-	(262,605)
Long-term debt, net	<u>\$ 150,000</u>	<u>\$ 150,000</u>

Note Payable #1

On June 22, 2016, WorkWell Suites, LLC received a loan of \$280,000 from Fidelity Bank to purchase and renovate the Company's building. The loan is secured by a property, matures on June 22, 2021 and bears interest at a rate of 6.25% per annum.

Note Payable #2

On April 15, 2020, HomeWell Franchising Inc. received a loan of \$216,700 from First Capital Bank of Texas, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title 1 of the CARES Act, which was enacted March 27, 2020. Monthly principal and interest payments are deferred for six months from the date of the promissory note. The PPP Loan is unsecured, matures on April 15, 2022 and bears interest at a rate of 1% per annum. The PPP Loan may be prepaid at any time prior to maturity with no prepayment penalties. On February 16, 2021, the remaining PPP loan in the amount of \$10,000 and related accrued interest was forgiven by the Small Business Administration ("SBA").

Note Payable #3

On June 24, 2020, the Company received a loan of \$150,000 from the Small Business Administration ("SBA"), pursuant to the Economic Injury Disaster Loan (the "EIDL") under Division A, Title 1 of the CARES Act, which was enacted March 27, 2020. Monthly principal and interest payments are deferred for 24 months from the date of the promissory Note. The EIDL Loan is secured by all tangible and intangibles personal property, matures in June 2050 and bears interest at a rate of 3.75% per annum.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

7. Long-Term Debt (continued)

Future maturities of long-term obligations for the years following December 31, 2021 are as follows:

Year ending December 31, 2022	\$	-
Year ending December 31, 2023		2,361
Year ending December 31, 2024		3,292
Year ending December 31, 2025		3,417
Year ending December 31, 2026		3,548
Thereafter		137,382
Total	\$	<u>150,000</u>

8. Income Taxes

HWFI is taxed as an S-Corporation under the provisions of Subchapter S of the Internal Revenue Code. Consequently, federal income taxes are not provided for or payable by the Company.

HCA is a single member LLC and, as such, is treated as a division of HWFI for federal income tax purposes. HCA is disregarded as a separate entity for income tax purposes, and therefore does not file an income tax return separate and apart from its Parent.

HWCH is a single member LLC and, as such, is treated as a division of HWFI for federal income tax purposes. Because of its status, HWCH is disregarded as a separate entity for income tax purposes, therefore HWCH does not file an income tax return separate and apart from its Parent.

WWS is a single member LLC and, as such, is treated as a division of HWCH for federal income tax purposes. WWS is disregarded as a separate entity for income tax purposes, and therefore does not file an income tax return separate and apart from its Parent.

HWFI files income tax returns in the U.S. federal jurisdiction, and the various states in which it operates. HWFI is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. HWFI believes it is no longer subject to income tax examinations for the years prior to 2017.

In accordance with FASB ASC 740-10, *Income Taxes*, HWFI is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

HWFI has analyzed tax positions taken for filing with the Internal Revenue Service and the state jurisdictions where it operates. HWFI believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations or cash flows. Accordingly, HWFI has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2021 and 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

8. Income Taxes (continued)

Foreign

HWFC is taxed as a general corporation under the Canadian federal and provincial tax regulations.

HWFC files income tax returns in the Canadian federal jurisdiction. HWFC is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Company believes it is no longer subject to income tax examinations for years prior to 2017.

The benefit for income taxes consisted of the following for the year ended December 31:

	<u>2021</u>	<u>2020</u>
Current:		
Federal	\$ -	\$ -
State	-	-
Foreign	-	(779)
Deferred:		
Federal	\$ -	\$ -
State	-	-
Foreign	-	-
Net benefit for income taxes	<u>\$ -</u>	<u>\$ (779)</u>

For the years ended December 31, 2021 and 2020, the income tax expense (benefit) on reported income of HWFC was different than the amount computed using the statutory income tax rate of 27% due to the following:

	<u>2021</u>	<u>2020</u>
Expected tax provision (benefit) at statutory rates:	\$ 189	\$ (23,609)
Capital cost allowance claimed in excess of amortization	-	(267)
Other	(189)	23,097
Change in tax expense (recovery)	-	-
Provision (benefit) for income taxes	<u>\$ -</u>	<u>\$ (779)</u>

At December 31, 2021, HWFC did not have any significant temporary differences between the basis of assets and liabilities for financial reporting and income tax purposes.

In accordance with FASB ASC 740-10, *Income Taxes*, HWFI is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

HWFI has analyzed tax positions taken for filing with the Canadian Revenue Agency. HWFI believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations or cash flows. Accordingly, HWFI has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2021 and 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

9. Related Party Transactions

Transactions with stockholder

On August 13, 2019, the stockholder advanced funds to the Company and the Company issued a promissory note to its stockholder in the amount of \$30,000. The note bears interest at 7.25% per annum and principal is due at maturity, August 2021.

On December 28, 2021, the stockholder advanced funds to the Company and the Company issued a promissory note to its stockholder in the amount of \$300,000. The note bears interest at 6.25% per annum and principal is due at maturity, December 2024.

At December 31, 2021 and 2020, the Company had a balance due to its stockholder in the amount of \$300,000 and \$0, respectively. For the years ended December 31, 2021 and 2020, the Company recognized interest expense related to the promissory note in the amount of \$0 and \$665, respectively.

10. Commitments and Contingencies

Litigation

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

Leases

The Company leases its office facilities under a commercial lease that will expire on May 31, 2024.

The future minimum lease payments under these operating leases are as follows:

Year ending December 31, 2022	48,000
Year ending December 31, 2023	48,000
Year ending December 31, 2024	20,000
Total	<u>\$ 116,000</u>

Employee Agreements

The Company has entered into employment agreements with certain members of management. The terms of each agreement are different. However, one or all of these agreements include stipulated base salary, bonus potential, vacation benefits, severance, and non-competition agreements.

11. 401(k) Savings Plan

The Company established a 401(k) profit sharing plan and trust effective November 2014 that feature a 3% safe harbor match of employee contribution. In addition, the Company may make discretionary payments as well as discretionary matching of employee's contributions. The employees may elect to defer amounts according to the maximum allowed under Federal guidelines. The Company's matching contribution to the Plan for years ended December 31, 2021, 2020, and 2019 was \$47,905, \$33,691, and \$16,297, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020 (As Restated)

12. Subsequent Events

The Company has evaluated subsequent events through April 4, 2022 the date the financial statements were available to be issued.

UNAUDITED FINANCIAL STATEMENTS

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

HomeWell Franchising Inc.
Balance Sheet
As of March 31, 2024

Assets

Current assets:

Cash and cash equivalents	\$ 468,966
Accounts receivable, net	781,986
Prepaid expenses	234,095
Deferred franchise costs	1,711,808
Total current assets	3,196,855

Property and equipment, net	70,875
Operating lease right-of-use asset	19,969
Intangible assets, net	155,645

Total assets	\$ 3,443,344
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Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable	\$ 209,864
Accrued expenses	129,641
Operating lease liability-current	19,969
Deferred franchise revenue-current	419,413
Total current liabilities	778,887

Long term liabilities:

Operating lease liability	-
Economic Injury Disaster Loan	146,643
Deferred revenue	1,500,712
Total long term liabilities	1,647,355
Total liabilities	2,426,242

Stockholders' equity

Common stock	1,000
Retained earnings	1,016,102
Total stockholders equity (deficit)	1,017,102

Total liabilities and stockholders' equity	\$ 3,443,344
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HomeWell Franchising Inc.
Income Statement
January 1, 2024 - March 31, 2024

Revenues:	
Franchise fees	\$ 50,000
Royalty fees	1,469,448
Other system fees	285,390
Other revenue	80,313
Total revenues	<u>1,885,151</u>
Operating expenses:	
Selling, general, and administrative expenses	1,235,092
Other income (expense)	
Interest income	33
Other income	3,148
Interest expense	(1,391)
Total other income (expense)	<u>1,790</u>
Net income before provision for income taxes	<u>651,849</u>
Provision for income taxes	1,446
Net profit (loss)	<u><u>\$ 650,403</u></u>

EXHIBIT “G”
TO DISCLOSURE DOCUMENT
STATE ADDENDA & DISCLOSURES
[See Attached]

STATE ADDENDA & DISCLOSURES

CALIFORNIA

Each provision of the following “Additional Disclosures” and Franchise Agreement Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law or California Franchise Relations Act are met independently without reference to these Additional Disclosures and State Addendum.

Neither the franchisor, nor any person or franchise broker identified in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling the person from membership in the association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Section 31125 of the California Corporations Code requires the franchisor to give the franchisee a special disclosure document before soliciting a proposed material modification of an existing franchise.

You must sign a general release of claims if you renew, relocate, or transfer your franchise. California Corporations Code § 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§ 31000 through 31516). Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 through 20043).

The franchise agreement requires application of the laws of the State of Texas. This provision may not be enforceable under California law.

The franchise agreement requires binding arbitration. The arbitration will occur in the county in which we maintain our principal place of business at the time the dispute arises (currently, Wichita County, Texas) with the costs being borne by the substantially losing party. Prospective franchisees are encouraged to consult private legal counsel to determine 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.

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.

Pursuant to the Home Care Services Consumer Protection Act of 2013 (the “Act”), you must conform to the Licensure and Certificate requirements of the Home Care Services Bureau (“HCSB”) effective January 1, 2016. The Act will apply to California agencies that provide home care services to consumers. Home care services as related to this Act include nonmedical services and assistance provided by a registered home care aide to a client who, perhaps because of advanced age or physical or mental disability, cannot perform these services. These services enable the client to remain in his or her residence and include, but are not limited to, assistance with the following: bathing, dressing, shopping, eating,

exercising, and personal hygiene and grooming. For further information about the Home Care Services Consumer Protection Act, please visit the following website: <http://www.cc ld.ca.gov/PG3654.htm>.

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

HAWAII

Each provision of the following “Additional Disclosures” and Franchise Agreement Addendum is 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 these Additional Disclosures and State Addendum.

THESE FRANCHISES 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.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. 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

Each provision of the following “Additional Disclosures” and Franchise Agreement Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures and State Addendum.

Illinois law governs the agreement(s) between the parties to this franchise.

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.

Franchisees' 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.

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2016) and the Medical Practice Act of 1987, 225 ILCS 60/ (West 2016).

IF YOU ARE NOT LICENSED/CERTIFIED IN ILLINOIS TO PROVIDE SERVICES OF THE NATURE DESCRIBED IN THIS DISCLOSURE DOCUMENT, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH THE LICENSED MEDICAL PROFESSIONALS WHO WILL PROVIDE THE SERVICES THAT YOUR FRANCHISED BUSINESS OFFERS YOU SHOULD RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

The Home Health, Home Services, and Home Nursing Agency Code is set forth in the Illinois Administrative Code at: 77 Ill. Adm. Code 245 (2015)

See: <http://www.dph.illinois.gov/topics-services/health-care-regulation/facilities/home-services> for information on non-medical Home Services Agency certification and licensure requirements, costs and process.

See: <http://www.dph.illinois.gov/topics-services/health-care-regulation/facilities/home-health> for information on skilled nursing Home Health Agency state certification and licensure requirements, costs and process.

See: <http://www.dph.illinois.gov/topics-services2fhealth-care-regulation2ffacilities2fhospice%23laws-rules-laws-rules-hospice> for Hospice information, regulations and process.

See: <http://www.idph.state.il.us/about/hfpb/conprocess.htm> and <https://www2.illinois.gov/sites/hfsrb/CONProgram/Pages/default.aspx> for information regarding the nature of, and application process for, the Illinois Certificate of Need Program.

See the last page of this Exhibit H for your Signature.

INDIANA

Each provision of the following “Additional Disclosures” and State Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Act are met independently without reference to these Additional Disclosures and State Addendum.

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

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

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

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

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

MARYLAND

The Maryland disclosures and agreement amendments apply if the franchisee is a resident of Maryland or the business is to be operated in Maryland.

Amendment to the FDD and the Franchise Agreement:

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

Amendments to Item 17 of the FDD:

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The general release required as a condition to renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Amendments to Franchise Agreement. The Franchise Agreement is hereby amended to incorporate the following provisions:

- (a) Any claims arising under the Maryland Franchise Registration and Disclosure Law must

be brought within 3 years after the grant of the franchise.

(c) The general release required as a condition to renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

(d) A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

(e) All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

MICHIGAN

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

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

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

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

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

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

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

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

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

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: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

Each provision of the following “Additional Disclosures” and State Addendum is 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 these Additional Disclosures and State Addendum.

The Franchise Agreement requires binding arbitration. The arbitration will occur in a state other than Minnesota, with costs being borne by the non-prevailing party. Under Minnesota Statutes § 80C.21 and Minnesota Rule Part 2860.4400J, this section may not in any way invalidate or reduce any of the franchise owner’s rights that are listed in Chapter 80C of the Minnesota Statutes.

The Franchise Agreement requires application of the laws of a state other than Minnesota. Under Minnesota Statutes § 80C.21 and Minnesota Rule Part 2860.4400J, this section may not in any way invalidate or reduce any of the franchise owner’s rights that are listed in Chapter 80C of the Minnesota Statutes.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Franchise Agreement.

The Franchise Agreement requires you to sign a general release as a condition of renewing or reselling a franchise. Minn. Rule 2860.4400J prohibits us from requiring you to sign a release of claims arising under the Minnesota Franchise Law. Therefore, any release we require you to sign will exclude claims arising under the Minnesota Franchise Law.

Under Minnesota law, any claims arising under Section 80C must be brought within three (3) years after the cause of action accrues. Therefore, in Minnesota the Franchise Agreement is amended to provide for a three- (3-) year period within which to bring any Minnesota claims.

NORTH DAKOTA

Each provision of the following “Additional Disclosures” and State Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to these Additional Disclosures and State Addendum.

1. Item 17(c) of the Disclosure Document and Sections 1.2 and 15.2 of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document and Article 16 of the Franchise Agreement are amended accordingly.

3. Items 6 and 17(i) of the Disclosure Document and Article 14 of the Franchise Agreement require the franchisee to consent to termination or liquidated damages. Since the Commissioner has

determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document and Article 18 of the Franchise Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 18 of the Franchise Agreement which require jurisdiction of courts in the State of Texas are deleted.

6. Item 17(w) of the Disclosure Document and Article 18 of the Franchise Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 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. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 18 of the Franchise which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 18 of the Franchise Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

RHODE ISLAND

Each provision of the following “Additional Disclosures” and State Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to these Additional Disclosures and State Addendum.

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

In spite of the provisions of Item 17v and Item 17w of the Disclosure Document, any litigation or arbitration arising under the Franchise Agreement will take place in Rhode Island or other place mutually agreed to by the franchisee and franchisor. In spite of the provisions of the franchise Agreement and to the extent required by Section 19-28.1-14 of the Rhode Island Franchise Investment Act, the Franchise Agreement will be governed by the laws of the State of Rhode Island.

VIRGINIA

Each provision of the following “Additional Disclosures” and State Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to these Additional Disclosures and State Addendum.

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

Additional Disclosures:

1. The following statements are added to Item 17.h.:

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

**ADDENDUM TO THE FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE
DOCUMENT REQUIRED BY THE STATE OF WASHINGTON**

Each provision of the following “Additional Disclosures” and State Addendum is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to these Additional Disclosures and State Addendum.

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.

Item 6 of the Franchise Disclosure Document and Section 22.2(a) and Section 22.2(b) of the Franchise Agreement are amended to replace the references to “36 months” with “24 months.”

Item 17 of the Franchise Disclosure Document and Section 22 of the Franchise Agreement are amended by adding the following statement: “At the time of expiration or termination of the Franchise Agreement, RCW 19.100.180 requires a franchisor to purchase certain assets of the franchisee at fair market value (including goodwill in certain instances), offset by any amounts owed by the franchisee to the franchisor.”

Item 17(c) and Item 17(m) and Exhibit H of the Franchise Disclosure Document and Section 4.2 and Section 20.2 of the Franchise Agreement are each amended by adding the following: “This release does not apply to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, or any rules or order adopted thereunder, in accordance with RCW 19.100.220(2).”

Section 19.1 of the Franchise Agreement is amended to exclude liabilities caused by the franchisor’s gross negligence or willful misconduct from those liabilities for which the franchisee is required to indemnify the franchisor.

Section 23(d) of the Franchise Agreement is amended by adding the following: “The two-year limitation for bringing a proceeding related to any dispute does not apply to claims arising under the Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.”

Section 25.9 of the Franchise Agreement is amended by adding the following: “This Section does not waive the statutory good faith requirement of the Franchise Investment Protection Act of Washington.”

The Franchise Disclosure Document and the Franchise Agreement are each amended to add the following:

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

Section 3.d. of the “Franchise Owner’s Agreement” (Attachment E to the Franchise Agreement) is hereby amended by deleting the following sentence: “**YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**”

Section 7.b. of the “Franchise Owner’s Agreement” (Attachment E to the Franchise Agreement) is hereby amended by adding, “(subject to state law)” to the end of the sentence.

Section 7.c. of the “Franchise Owner’s Agreement” (Attachment E to the Franchise Agreement) is hereby amended by adding, “(subject to state law)” to the end of the sentence.

[Signature Page Follows]

The undersigned does hereby acknowledge receipt of these Additional Disclosures and Addenda.

Dated this _____ day of _____ 20____.

PROSPECTIVE FRANCHISEE

(Signature)

(Name)

(Signature)

(Name)

**EXHIBIT “H”
TO DISCLOSURE DOCUMENT**

GENERAL RELEASE
[See Attached]

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (the "Release") is made as of _____, 20__ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of HomeWell Franchising Inc., a Texas corporation ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (the "Agreement") pursuant to which Franchisee was granted the right to own and operate a HomeWell Care Services business;

WHEREAS, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee, **[enter into a successor franchise agreement]** **[terminate the Agreement]** and Franchisor has consented to such transfer **[agreed to enter into a successor franchise agreement]** **[terminate the Agreement]**; and

WHEREAS, as a condition to Franchisor's consent to the transfer **[Franchisee's ability to enter into a successor franchise agreement]**, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent to the transfer **[Franchisor entering into a successor franchise agreement]** **[early termination of the Agreement]**, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims or obligations being terminated and released hereunder. [] represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries or related companies, divisions and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto.

3. Assumption of Risk

Releasor understands that the facts in respect of which the release in Section 2 above is given may turn out to be different from the facts now known or believed by the parties to be true. Releasor hereby accepts and assumes the risk of the facts turning out to be different and agree that the release shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts. This includes the parties' waiver of state laws that might apply to limit a release (such as Calif. Civil Code Section 1542, which states that "[a] general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.")

4. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business or their reputation.

5. Washington Addendum. This release does not apply to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, or any rules or order adopted thereunder, in accordance with RCW 19.100.220(2). Miscellaneous Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Texas.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

h. The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

7. **[if applicable -- Termination of Agreement. The Agreement is hereby terminated as of _____.]**

[Signature Page Follows]

IN WITNESS WHEREOF Releasor has executed this Release as of the date first written above.

FRANCHISEE

_____, a

By: _____
Name: _____
Its: _____

FRANCHISEE'S OWNERS

Date _____ Signature _____

Typed or Printed Name

STATE OF _____)
County of _____) ss.

The foregoing instrument was acknowledged before me this ____ day of _____, by _____.

Notary Public
My commission expires:

**EXHIBIT “I”
TO DISCLOSURE DOCUMENT**

RECEIPTS
[See Attached]

STATE EFFECTIVE DATES

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

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

California
Hawaii:
Illinois:
Indiana:
Michigan:
Maryland
Minnesota:
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.

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If HomeWell Franchising Inc. offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If HomeWell Franchising Inc. does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

_____ Mike Condon; 812 Sheppard Road, Burkburnett, Texas 76354; (817) 916-8904

_____ John Anderson; 3710 E. 87th Place, Tulsa, Oklahoma 74137; (714) 267-3418

_____ Crystal Franz; 812 Sheppard Road, Burkburnett, Texas 76354; (817) 916-8904

_____ Jack Wilson; 812 Sheppard Road, Burkburnett, Texas 76354; (817) 916-8904

_____ David Tregg Johnson; 812 Sheppard Road, Burkburnett, Texas 76354; (817) 916-8904

_____ Name: _____; Address _____; Phone: _____

Issuance Date: April 29, 2024

HomeWell Franchising Inc.'s agent to receive service of process is listed in EXHIBIT "B" to this Disclosure Document.

I received a Franchise Disclosure Document dated April 29, 2024, that included the following Exhibits:

- EXHIBIT "A" State Agencies and Administrators
- EXHIBIT "B" Agent for Service of Process
- EXHIBIT "C" Franchise Agreement
- EXHIBIT "D" Table of Contents of the Confidential Brand Standards Manual
- EXHIBIT "E" List of Franchisees
- EXHIBIT "F" Financial Statements of HomeWell Franchising Inc.
- EXHIBIT "G" State Addenda & Disclosures
- EXHIBIT "H" General Release
- EXHIBIT "I" Receipts

Print Name

Date

(Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to HomeWell Franchising Inc.)

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