

FRANCHISE DISCLOSURE DOCUMENT



Synergy HomeCare Franchising, LLC
1757 E. Baseline Road
Bldg 6, Suite 124
Gilbert, Arizona 85233
(480) 659-7771
www.synergyhomecare.com

As a franchisee, you will operate a business that provides non-medical in-home personal assistance, such as in-home care and companionship, medication reminders, providing personal services to seniors, the convalescing, disabled persons and others who need help with daily living activities.

The estimated initial investment for your “Franchised Business” (Item 1), ranges from \$54,200 to \$141,700 which includes between \$41,400 and \$66,900 that must be paid to us.

To highly qualified applicants, and in limited circumstances, Synergy HomeCare Franchising, LLC, may consider awarding a Regional Developer agreement (RD Agreement). As a Regional Developer, the applicant will be granted the right to act as an independent contractor in a stated geographic area to develop, support and provides services to franchisees within such area (RD Business). The Regional Developer will not sign the Franchise Agreement. The estimated initial Regional Developer investment for the “RD Business” is between \$88,750 and \$600,000 depending upon the size of the territory, including between \$77,085 and \$502,085 that must be paid to us.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Contracts Administrator, Peter Tourian, at 1757 E. Baseline Road, Bldg 6, Suite 124, Gilbert, AZ 85233, 480-659-7771 or pt@synergyhomecare.com. The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

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

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

ISSUANCE DATE: April 3, 2012

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT AND RD AGREEMENT REQUIRE THAT MOST DISAGREEMENTS BE SUBMITTED TO ARBITRATION OR LITIGATION IN MARICOPA COUNTY, ARIZONA. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN ARIZONA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT AND RD AGREEMENT STATE THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAW PROVISIONS ARE VOID OR SUPERSEDED. YOU SHOULD CONSIDER INVESTIGATING WHETHER ANY STATE FRANCHISE LAWS PROTECT YOU. YOU SHOULD REVIEW THE STATE-SPECIFIC ADDENDA ATTACHED TO THIS DISCLOSURE DOCUMENT AND THE FRANCHISE AGREEMENT AND RD AGREEMENT FOR STATE-SPECIFIC PROVISIONS.

3. YOU, AS A FRANCHISEE OR REGIONAL DEVELOPER ARE REQUIRED TO ATTAIN CERTAIN SALES QUOTAS. IF YOU FAIL TO DO SO, WE MAY GRANT ADDITIONAL FRANCHISES IN YOUR PROTECTED TERRITORY OR TERMINATE YOUR FRANCHISE.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more Franchise Brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

See the next page for state effective dates.

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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	April 27, 2012
Florida	May 31, 2011
Hawaii	May 31, 2011
Illinois	April 13, 2011
Indiana	April 19, 2011
Kentucky	June 8, 2005
Maryland	July 11, 2011
Michigan	April 13, 2011
Minnesota	May 4, 2009
Nebraska	June 1, 2005
New York	July 30, 2011
Rhode Island	April 30, 2011
South Dakota	April 30, 2011
Texas	April 29, 2006
Utah	May 4, 2011
Virginia	April 20, 2011
Washington	April 30, 2011
Wisconsin	April 13, 2011

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EXHIBITS

- A. List of State Administrators and State Agents for Service of Process
- B. List of Franchisees and Regional Developers
- C. Franchise Agreement
- C-1. Regional Developer Agreement
- D. Table of Contents of Confidential Operations Manual
- D-1 Table of Contents of Regional Developer Manual
- E. Financial Statements
- F. List of Terminated Franchisees
- G. Franchisee Disclosure Questionnaire
- H. Multi-State Addenda
- I. List of Trademark-Specific Franchisee Organizations
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Item 1
THE FRANCHISOR AND ANY PARENT, PREDECESSORS, AND AFFILIATES

The Franchisor

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

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

Our Business Activities

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

Synergy HomeCare Businesses currently offer non-medical in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medication reminders, medical and social appointment scheduling and management, organizational and bill paying assistance, housecleaning services and light home maintenance to seniors, the convalescing, disabled persons and others who need help with daily living activities. A Synergy HomeCare Business should occupy a minimum of approximately 100 to 150 square feet in a shared office or executive office environment, including receptionist and mail services and access to a conference room, in a facility with easy access to major highways. You will operate the Franchised Business according to our System, which is described in greater detail in our Franchise Agreement attached as Exhibit C to this Disclosure Document.

We may consider awarding a “Regional Development Agreement” (“RD Agreement” found at Exhibit C-1) to highly qualified applicants, and in limited circumstances. As a “Regional Developer”, the applicant will be granted the right to act as an independent contractor in a stated geographic area (Development Region) to help us find qualified prospective franchisees. Once the franchisee signs the franchise agreement, the Regional Developer will support and provides services to franchisees in the form of: helping the franchisee find a site for the Synergy HomeCare Business; providing some or all of training offered to the franchisee (Item 11); and providing some or all of the post-opening services identified in Item 11. The Regional Developer will not sign the Franchise Agreement. We will, subject to some conditions (see Article 5 of the RD Agreement), share certain fees with the Regional Developer as follows: for each franchisee introduced to us by the Regional Developer that signs a franchise agreement, we will split the initial franchise fee 50/50; if a franchisee in the Development Region transfer his franchise and if the transferee pays a full initial franchisee fee, we will split the initial franchise fee 50/50; for each Royalty payment made by a franchisee within the Development Region will will split the same 50/50; and, if any Synergy HomeCare products (such products being goods that have our Marks imprinted on them), we will split the any fees generated in accordance with an agreement between Regional Developer and us.

* Capitalized terms not otherwise defined have the same meaning as in our Franchise Agreement attached as Exhibit C to this Disclosure Document.

The Franchise Agreement and RD Agreement may sometime be called the “Agreement”. The Franchised Business and the RD Business may sometimes be called the “Business”.

We have offered franchises for Synergy HomeCare Businesses since March 2005. We also granted certain qualified applicants RD Agreements from October 2005 through March 2006. We will again offer the RD Agreement beginning on December 15, 2010 in those states that so permit. We do not offer and have not previously offered franchises or regional developer agreements in any other line of business under our current or former name and we are not engaged in any other line of business. We do not currently own or operate a business of the type being franchised.

Our Parent and Affiliates

We do not have a parent company. Our predecessor that was organized on December 19, 2003 was AZHC Franchising, LLC. We changed our name to Synergy HomeCare Franchising, LLC on December 16, 2004. Our predecessor did not operate a business of the type being offered here. It did not offer franchises in any other line of business.

We have affiliates.

Synergy Staffing, Inc. (our “Staffing Affiliate”), was incorporated in the State of Arizona on October 1, 2001 and is located at 1757 E. Baseline Road, Bldg 6, Suite 124, Gilbert, Arizona 85233. Our Staffing Affiliate owned and operated one Synergy HomeCare Business in Mesa, Arizona from December 15, 2001 until August, 2005, when the business was sold to a franchisee. Our Affiliate does not offer and has not previously offered franchises in this or in any other line of business.

Elite Backgrounds LLC, was incorporated in Arizona, on February 28, 2007 and is located at located at 1757 E. Baseline Road, Bldg. 6, Suite 124, Gilbert, Arizona 85233 (Elite Affiliate). This affiliate performs background checks (including criminal and credit checks) on Synergy HomeCare franchisees. It does not operate a business that is similar to the one being offered here. Elite Affiliate does not offer and has not previously offered franchises in this or in any other line of business.

Another affiliate is Clean Franchising, LLC, which was incorporated in Arizona, on February 28, 2007 and is located at located at 75 W. Baseline Road, Suite 53, Gilbert, Arizona 85233 (Clean Affiliate). This affiliate offers franchises for power washing businesses. It does not operate a business that is similar to the one being offered here. Clean Affiliate does not offer and has not previously offered franchises in this or in any other line of business.

The Staffing, Elite and Clean Affiliates may sometimes be referred to as an “Affiliate” or the “Affiliates”.

Market and Competition

Synergy HomeCare Businesses target the sale of their services primarily to the elderly. We believe the market for in-home personal services, such as elderly care, is a developing market that will become increasingly competitive in the years to come. There are several other franchise systems and a number of independently owned and operated companies providing in-home personal care services to the elderly and convalescing or disabled persons. As a Franchisee or Regional Developer, you will likely face competition from franchisees of other in-home personal care providers as well as local businesses and individuals offering one or more of the services offered by Synergy HomeCare Businesses.

Industry Specific Regulations

Some states and federal agencies have laws regulating one or more of the services offered by Synergy HomeCare Businesses. Some states require providers of personal-care services to be licensed or certified by health agencies or other state agencies. You should consult with your attorney and investigate whether these laws will apply to the Franchised Business or its employees and you should investigate whether there are other laws or regulations in your state that are specific to the services offered by Synergy HomeCare Businesses and that will apply to the Franchised Business or its employees. In some cases, the Regional Developer may be required to file its own franchise disclosure document. In such an event, it will be required to comply with the Federal Trade Commission rules found at 16 CFR 436 et seq., and any applicable state statutes, rules and regulations.

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

Agents for Service of Process

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

ITEM 2 **BUSINESS EXPERIENCE**

Managing Member: Peter Tourian

Peter Tourian is our Managing Member and has been since our organization in December 2003. Additionally, he is the Founder and CEO of our Affiliates and has held each position since: 2001 for the Staffing Affiliate; 2007 for the Elite Affiliate and 2010 for the Clean Affiliate. Mr. Tourian is a founding board member of the Private Duty Home Care Association. Mr. Tourian has a Bachelor of Science in Business Management from Arizona State University main campus.

Chief Operating Officer: Patrick Tourian

Patrick Tourian is our Chief Operating Officer and has been since December 2004. Additionally, he has been the Chief Operating Officer of our Clean Affiliate since its inception in 2010. Before joining SYNERGY HomeCare, Mr. Tourian worked as a Section Manager of a team of Device Engineers and Technicians for Motorola in Chandler, Arizona from February 1995 until June 2004.

Chief Corporate Officer: Paul Avona

Paul Avona is our Chief Corporate Officer and has been since September 2005. Additionally, he is the Chief Corporate Officer of our Clean Affiliate since its inception in 2010. Before joining us, Mr. Avona was with Motorola Inc., located in Chandler, Arizona, starting in May of 1990, until it spun off its semiconductor division in December 2004 into Freescale Semiconductor. He worked for Freescale Semiconductor, located in Chandler, Arizona, until he joined us.

Director of Medical Services: Edward Lowe RN, MHA, MBA and BSN

Edward Lowe is our Director of Medical Services. Ed joined SYNERGY HomeCare in June 2011. Ed was the Regional Director of Operations for the Western Division for AseraCare, from 2006 to 2008. Previous to that he was the Vice President of Systems and Operations for Home Health and Hospice at Medshares, Inc. Edward has over 20 years of healthcare experience in a variety of settings. Ed has earned both a Masters in Business Administration and a Masters in Healthcare Administration. He also is a certified Anesthesia Assistant by the Ohio Board of Anesthesiology. He has served on the governing boards of Hospice organizations in Colorado and Arizona.

Franchisee Support Manager: Kitty Vradenburg

Kitty Vradenburg is our Franchisee Support Manager. Kitty joined SYNERGY HomeCare in April 2009. Kitty's background is in home health and home care recruiting, marketing and sales. She worked for Gentiva Healthcare Services from July 2001 to April 2005 located in Phoenix, Arizona. She worked for Bayada Nurses from April 2005 to January 2008 in King of Prussia, Pennsylvania and just prior to joining SYNERGY HomeCare, Kitty worked for Inamax Medical Staffing in Phoenix, Arizona.

Accountant: Therese D. Zirkle

Therese D. Zirkle is our Accountant and has held this position since September 30, 2011. Ms. Zirkle is also the Accountant for our Clean Affiliate and has had that position since September 30, 2011. Ms. Zirkle's experience includes employment as acting CFO for Steve Beyer Productions, Inc and three affiliate corporations, in Henderson, NV, from October of 2005 to October, 2010. Ms. Zirkle's corporate responsibilities included overseeing the accounting department, human resources department, IRS and state reporting agencies liaison, and overseeing corporation retirement plan contributions. Ms. Zirkle, additionally, co-owned The Tax Doctor Tax & Bookkeeping Service, in Henderson, NV from 01/2004-12/2010. Ms. Zirkle represented clients in Federal/State Tax Audits and processed corporate and interstate tax returns.

Franchise Developer: Shirley Kefgen, CFE

Shirley Kefgen is our Franchise Developer. She joined SYNERGY HomeCare in June 2008. She is also the Franchisor Developer for our Clean Affiliate and has held this position since 2010. From March 2002 to December 2005, Shirley was Qualifying Specialist and Competitive Analyst for Two Men And A Truck

International, Inc., located in Lansing, Michigan. From December 2005 to May 2008, Shirley was Franchise Development Coordinator for Two Men And A Truck International, Inc. Shirley has earned her Certified Franchise Executive (CFE) designation from the International Franchise Association.

ITEM 3 **LITIGATION**

In July of 2010 we filed a complaint against a former franchisee. *Synergy Home Care Franchising, LLC v. Rashon Johnson et al.* No CV2010-8051532 (Superior Court, Maricopa County, Arizona). We alleged that this former franchisee was competing against us in violation of the franchise agreement's covenants not to compete. We prevailed on all issues at the trial which concluded on or about July 16, 2010. We are now in the process of enforcing the court's order. Other than this action, no litigation is required to be disclosed in this Disclosure Document.

ITEM 4 **BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Disclosure Document.

ITEM 5 **INITIAL FEES**

As a franchisee, you must pay an initial "Franchise Fee" when you sign the Franchise Agreement. The Franchise Fee is \$39,500 for one Protected Territory (which will include approximately 20,000 persons (Items 11 and 12)), as of the date of the Franchise Agreement, who are age 65 or over. You may purchase one (1) additional Protected Territory at the same time you purchase the first Protected Territory: (i) if approved by us (which approval may be granted or denied for any reason or no reason at all); and, (ii) you pay a reduced Franchise Fee of \$25,500. See Item 12 for further information about how Protected Territories are determined and changed.

The Franchise Fee is nonrefundable except as described below. The Franchise Fee is payment, in part, for expenses incurred by us in furnishing assistance and services to you as described in the Franchise Agreement and for costs incurred by us, including general sales and marketing expenses, training, legal, accounting and other professional fees. The Franchise Fee also includes payment for the initial license fee, training on our recommended scheduling software, and the first year's monthly fee for our required software. (Items 6 and 11).

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

Before opening, the Franchisee is required to pay us \$1,000 as the Grand Opening Advertising Fee and the first 3 months of the Franchisee Technology Services Fee (\$900). (Item 7).

As a Regional Developer, you must pay an "Initial Regional Developer Fee" (sometimes identified as the "IRDF") when you sign the RD Agreement of between \$75,000 and \$500,000 depending on the size of the "Development Region" granted to you (Items 11 and 12, RD Agreement, Section 4.1).

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

We will refund 50% of the IRDF, after payment of any broker fees or commissions, if we, in our discretion, determine that you are unable to satisfactorily complete the training program described in ITEM 11 of this Disclosure Document and if we terminate the RD Agreement as a result of making that determination. Even if it is terminated, the restrictive covenants of the RD Agreement will remain in effect.

Before Opening Regional Developer is required to pay us the first 3 months of “RD Technology Services Fee” (a total of \$300) for the “RD Technology Services”. (ITEMS 7 and 11). This fee will be collected at the time you pay the IRDF. Regional Developer will also pay us the “Regional Developer Advertising Fee” equal to \$300 per month for the first 3 months (a total of \$900) for the Regional Developer Advertising Services (Items 7 and 11). Regional Developer will also pay a minimum of \$250 for the initial inventory of sales and advertising materials. (ITEMS 6 and 7).

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

ITEM 6
OTHER FEES

Franchisee

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Sales	Weekly	See definition of Gross Sales ¹ (Section 3.3).*
Marketing Fund Contribution	2% of Gross Sales	Weekly	We reserve the right to reduce or suspend the Marketing Fund Contributions (Section 3.4). We may also require Marketing Fund Contributions to be used in Cooperative Advertising (Section 11.4).
Minimum Local Advertising Requirement	The greater of \$300 or at least 2% of Gross Sales per month	Monthly	If the Franchisee fails to spend the minimum every month, the Franchisor reserves the right to collect the required Minimum Local Advertising Requirement from franchisee, to charge our then current Advertising Service Fee, and to cause the money collected to be spent on behalf of the Franchisee in his Protected Territory. (Section 11.2). We may require Local Advertising expenditures to be used in Cooperative Advertising. (Section 11.4)
Advertising Service Fees and Costs	Our then-current fee (which now is \$250 per month) plus the cost to use a advertising firm in the Franchisee’s Protected Territory	Monthly	Collected only if the Franchisee fails to spend the Minimum Local Advertising Requirement and we are forced to collect it.
Franchisee	Our then current fee which	Payable Monthly	The Franchisee Technology Services

* All citations of Section numbers in this table refer to the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Technology Services Fee	now is \$300 per month		Fee covers the cost of supplying you the Franchisee Technology Services. (See ITEM 11 and Section 4.6).
Computer Maintenance and Updates	Approximately \$150 and \$1,500 for maintenance and approximately \$500 and \$2,000 to replace computer	As required	You must maintain and keep the computer system in good working order. Such maintenance may occur at any time. You may be required to purchase new computer hardware no more often than once each five (5) years.
Software Support and on-line data storage and backups	Approximately \$200 to \$1,000	As required	You must maintain the software with all patches. If you need support to operate your software, you may be required to pay for it through the software manufacturer. You must use on-line data storage and backups. We have no schedule for such updating. (ITEM 11)
Software Maintenance Fee	Will vary. No fee is currently set.	Monthly	There is not now a Software Maintenance Fee. We reserve the right to collect this fee at any time we require you to use our software (or the software of our affiliate or a third party) after first providing you with 60 days written notice. Once implemented, you will begin paying the fee on the first day of the month following the month in which notice was given.
Audit Expenses	Cost of audit	Upon demand	Audit costs payable only if the audit shows an understatement in amounts due of at least 3% (Section 12.6).
Late Fees	The highest rate allowed by law, plus collection costs	Upon demand	Applies to all overdue Royalty Fees, Marketing Fund Contributions and other amounts due to us. (Section 3.8) Also applies to any understatement in amounts due revealed by an audit (Section 12.6).
Supplier or Product Approval	All reasonable costs of evaluation	Time of evaluation	Applies to new suppliers or products you wish to use or purchase that we have not previously approved (Section 13.1).
Expansion Fee	\$39,500 for the first Additional Protected Territory and \$25,500 for the second Additional Protected Territory	When incurred	If Franchisee desires to purchase an additional Protected Territory (each of which will include approximately 20,000 persons who are age 65 or over, as determined by Franchisor based on most currently available information from the U.S. Census Bureau) after the Franchise Agreement has been executed and Franchisor has approved Franchisee's request. (Section 2.4), Franchisee will pay this Expansion Fee
Insurance Policies	Amount of unpaid	Upon demand	Payable only if you fail to maintain

Type of Fee	Amount	Due Date	Remarks
	premiums plus our expenses in obtaining coverage for you		required insurance coverage and we elect to obtain coverage for you (Section 15.6).
Transfer Fee	The greater of \$17,500, 50% of our then-current Franchise Fee or the amount necessary to reimburse us for our reasonable costs and expenses. (Section 18.2.3.9)	\$8,750 when you notify us that you intend to sell your Franchised Business and the balance at the time of transfer (Section 18.2.2.2)	Our reasonable costs and expenses include our costs and expenses to review the proposed transfer, provide training to the transferee and cover administrative expenses and legal fees. See ITEM 3 for our current Franchise Fee. Does not apply to a controlled entity under Section 18.3 of the Franchise Agreement
Public Offering Fee	\$5,000 or any greater amount necessary to reimburse us for our reasonable costs and expenses to review the proposed offering	10 days following invoice date	This covers our cost in reviewing the proposed offering of your securities (Section 18.7).
Customer Service	All costs incurred in assisting your customers	Upon demand	You must reimburse us if we determine it is necessary to service your customers (Section 13.8).
Additional Training	Market rates plus our expenses and your expenses as well as your employees' expenses in attending, not to exceed a reasonable amount based on the training required	Time of service	We conduct an initial training program for you and one additional person at no charge. You pay for additional training if you request it and we agree to provide it, or if you are required to train additional Designated Managers due to excessive turnover (Sections 8.1 and 8.4).
Additional Operation Assistance	Market rates plus our expenses, not to exceed a reasonable amount based on the training required	Time of service	You pay for additional assistance if you request it (Section 8.2).
Ongoing Training and Annual Franchise Meeting (AFM)	Your and your employees' expenses in attending these programs. \$1,500 if you fail to attend a mandatory training program. You will also pay \$250 for the AFM.	Time of program	We do not charge for ongoing training programs, but you must pay your own expenses in attending and pay us a fee if you fail to attend a mandatory training program. We also will host the Annual Franchise Meeting. Attendance is required (Item 11 and Section 8.5).
System Modifications	Amounts as we may reasonably require	As required	If we decide to modify the System by requiring new equipment, fixtures, software, trademarks, etc., you must make the modifications at your expense (Section 10.2).
Cost of Enforcement	All costs including attorneys' fees	Upon demand	You must reimburse us for all costs in enforcing obligations under the Franchise Agreement if we prevail. (Section 22.4)
Indemnification	All costs including attorneys' fees	Upon demand	You must defend lawsuits at your cost and hold us harmless against lawsuits arising from your operation of the Franchised Business (Section 21.2).
Franchisor's	Then current fee (now \$120)	Upon demand	Incurred if the Franchisee services

Type of Fee	Amount	Due Date	Remarks
Investigative Fee	an hour) plus attorney's fees and costs		clients in another franchisee's territory without permission and is given notice. (Section 2.5.1)
Violation Fees	\$2,500 for the first violation (First Violation Fee); the greater of \$5,000 or the net profits realized by the franchisee for the second violation (Second Violation Fee) and possible termination	Upon demand	If franchisee services a client in the territory of another franchisee without permission. (Section 2.5.1). Each fee will be split equally between the franchisee whose protected territory was violated and us.
Background Check and Drug Testing Fees	Will vary. Currently between \$13 and \$100 per caregiver	Upon Demand	May be from any approved vendor.

The above is a detailed description of other recurring or isolated fees or payments that you must pay to us or our affiliates or that we or our affiliates impose or collect in whole or in part for a third party under the terms of the Franchise Agreement. Unless otherwise noted, all fees are payable to us. Unless otherwise noted, all fees payable to us will be deducted automatically by us from your operating account ("Electronic Funds Transfer" or "EFT") in a manner more fully described in the Manuals. We reserve the right to change the method of collection at any time. (Section 3.7). No other fees or payments are to be paid to us or our affiliates, and we or our affiliates do not impose or collect any other fees or payments for any other third party. All fees are generally non-refundable. These are the fees the Regional Developer will also pay if it exercises its rights under the Franchise Purchase Option.

NOTES:

¹ "Gross Sales" means the aggregate of all revenue from the sale of services and products from all sources in connection with the Franchised Business whether for check, cash, credit or otherwise, including all proceeds from any business interruption insurance but excluding all refunds made in good faith, any sales and equivalent taxes that you collect for or on behalf of, and pay to, any governmental taxing authority, and the value of any allowance issued or granted to any client of the Franchised Business that you credit in full or partial satisfaction of the price of any services and products offered in connection with the Franchised Business (Section 1).

Regional Developer

Type of Fee	Amount	Due Date	Remarks
Sales Services Commission (1)	50% of the Franchise Fee Paid by Franchisee except as stated in the Remarks	After paid by Franchisee	Payable if a prospective franchisee is introduced to us by you and if that prospect signs a Franchise Agreement (Section 5.1)*.*.
Royalty Commission (2)	50% of all royalty payments actually received from franchisees in Regional Developers territory	Monthly	See note 2 below.
Synergy HomeCare Product Sales Commission (3)	Amount agreed upon between us	After paid by purchaser	To be paid to Regional Developer 20 days of the end of each month in which products were purchased. Section 5.5
Regional Developer	\$300	As incurred	Regional Developer must pay this to us per month for the Regional

Type of Fee	Amount	Due Date	Remarks
Advertising Fee			Developer Advertising . This may be increased to up to \$500 per month upon notice from us. (Item 11)
Transfer Fee Split	50% of the Franchise Fee paid by the transferee	After paid by franchisee	If a transfer of a current franchise agreement results in the payment of the full Initial Franchisee Fee, then the Regional Developer will get a Sales Service Commission (after payment of any broker or salesperson fees) (Section 5.3) . If the transfer results only in the payment of a transfer fee (as defined by the Franchise Agreement), no Transfer Fee Split will be made to Regional Developer
RD Renewal Fee	25% of the then-current Initial Regional Developer Fee	As incurred	Paid at such time as the RD Agreement is renewed.
Transfer Fee	\$50,000. The Transfer Fee may be reduced to \$25,000 only under the following conditions: (i) the Development Schedule must have been met for each year prior to the date of renewal; and, (ii) franchises operating within the Development Region must have met or exceeded the Minimum Sales Quota as defined in the Franchise Agreement for each such Franchisee.	Before transfer	Section 14.3(d) of the Regional Developer Agreement
Franchise Purchase Option	\$0 Franchise Fee for the first Franchise Agreement; 50% of each Franchise Agreement thereafter	At the time of signing Franchise Agreement	We may grant or deny your right to open franchises. Item 5
New Services Training Cost	\$1,000-\$6,000	As incurred	If Franchisor updates or modifies the Franchise or RD Agreement, or introduces new services or products to franchisees or regional developers, Regional Developer may be required to attend training on the services and products. There is no tuition, but the Regional Developer will pay all travel, food, lodging and wages incurred by it to attend training. (Section 6.3)
Additional Operating Assistance other than New Services	Our then-current fee that now is	Time of service	For training of replacement managers and other staff (Section 6.3)

Type of Fee	Amount	Due Date	Remarks
training			
Replacement Regional Operating Manager Training	Tuition from \$0 to our then-current training fee plus room, board, travel, and wages	Time of Service	For training a replacement for your Regional Operating Manager (ITEM 11) (Section 6.1). We may charge tuition at our discretion. You will pay all other costs.
Sales and Adverting Materials	\$250-1,000	As invoiced	You are required for the purchase of sales and marketing materials to advertise the availability of franchise opportunities in your Development Region. They may be purchased from us or an approved vendor.
Audit Expenses	Cost of audit	Upon demand	Audit costs payable only if the audit shows failure to report or an understatement of sales or Gross Revenue (Section 13.1).
Late Fees	The highest rate allowed by law, plus collection costs	Upon demand	Applies to all overdue Royalty Fees, Marketing Fund Contributions and other amounts due to us. Also applies to any understatement in amounts due revealed by an audit.
Late Document Fee	Our then current fee which now is \$250 per month or any part of a month	Upon demand	Due if Regional Developer fails to timely deliver to Franchisor any document identified in the RD Agreement
RD Technology Services Fee	Our then-current fee which now is \$100 per month	Payable Monthly	The RD Technology Services Fee covers email addresses; on-line calendar and client relationship management services, maintenance costs, and other services.
Regional Developer Advertising Fee	Our then current fee which now is \$300 per month	Payable Monthly	This fee covers the Regional Developer Advertising Services. (See Item 11 and Section 8.11. This fee may be increased to \$500 per month at any time.
Computer Maintenance and Updates	Approximately \$150 and \$1,500 for maintenance and approximately \$500 and \$2,000 to replace computer	As required	You must maintain and keep the computer system in good working order. Such maintenance may occur at any time. You may be required to purchase new computer hardware no more often than once each five (5) years.
Software Support and on-line data storage and backups	Approximately \$200 to \$1,000	As required	You must maintain the software with all patches. If you need support to operate your software, you may be required to pay for it through the software manufacturer. You must use on-line data storage and backups.

Type of Fee	Amount	Due Date	Remarks
			We have no schedule for such updating. (ITEM 11)
Supplier or Product Approval	All reasonable costs of evaluation	Time of evaluation	Applies to new suppliers or products you wish to use or purchase that we have not previously approved (Section 4.2).
Reduced Initial Regional Developer Fee	50% of the then-current IRDF plus 50% of any commission to be paid to a broker or sales person	When incurred	After the Regional Developer has sold 3 franchises which are opening and operation for at least 12 month, it may be awarded the right to purchase a franchise in its Development Region (Franchise Purchase Option). Franchisor must approve the Regional Developer's right to exercise this option. (Section 4.2)
Insurance Policies	Amount of unpaid premiums plus our expenses in obtaining coverage for you	Upon demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you (Section 12.8).
Customer Service	All costs incurred in assisting your customers	Upon demand	You must reimburse us if we determine it is necessary to service your customers (Section 13.1).
Additional Operation Assistance	Then current fee plus our expenses,	Time of service	You pay for additional assistance if you request it (Section 6.3)
Mandatory and/or Annual Franchise Meeting (AFM)	Your and your employees' expenses in attending these programs. Tuition for the AFM is \$250 per attendee	Time of program	You must pay your own expenses in attending any mandatory meeting and the AFM (Item 11)
Mandatory Meeting Non-Attendance Fee	\$3,000	Time of program	If you fail to attend any mandatory meeting or the AFM. (Section 6.3)
System Modifications	Amounts as we may reasonably require	As required	If we decide to modify the System by requiring new equipment, fixtures, software, trademarks, etc., you must make the modifications at your expense (Section 9.4).
Cost of Enforcement	All costs including attorneys' fees; \$250 for each letter of violation that is sent to you from us.	Upon demand	You must reimburse us for all costs in enforcing obligations under the RD Agreement if we prevail. At a minimum, you must pay us \$250 for each letter from us which identifies a violation of the RD Agreement (Section 16.8)
Indemnification	All costs including attorneys' fees	Upon demand	You must defend lawsuits at your cost and hold us harmless against lawsuits arising from your operation of the Franchised Business
RD Difference	The difference between the amount	Upon	Due if you fail to spend the entire

Type of Fee	Amount	Due Date	Remarks
Collection.	of Regional Developer Advertising fee that you should have spent and the amount actually spent	Demand	amount of the Regional Developer Advertising Fee on a monthly basis.
Advertising Service Fee	Our then-current fee which now is \$250	Upon Demand	Charged to you if we are forced to collect the RD Difference Collection amount
Side Agreement Fee	50% of amount of fee paid by broker or sales person to Regional Developer	At time of payment to Regional Developer	If Regional Developer makes any side deal with broker or sales person that results in a payment to Regional Developer, it must pay 50% of it to Franchisor. If Regional Developer fails to disclose such Side Agreement Fee to Franchisor it may have to pay 100% of Side Agreement Fee to Franchisor and RD agreement may be terminated (Section 5.2)

**** All citations in this table refer to the Regional Development Agreement**

1. The Sales Services Commission paid to the Developer shall be an amount equal to 50% of the Initial Franchise Fees paid to Franchisor. If any fees are payable to a broker, a Franchisor's salesperson, lead referral source or any person or entity then the Regional Developer shall pay 50% of that fee from its portion of the Sales Service Commission and Franchisor shall pay 50% of that fee from its portion of the Initial Franchise Fee. Regional Developer will not receive any Sales Service Commission for any qualified lead that was obtained by us before the RD Agreement was signed even if such lead closes after the RD Agreement is signed. In such an event, Regional Developer will receive the Royalty Commission and shall also qualify for any other commissions or fees.

2. Excludes royalties paid under Franchise Agreements between Franchisor and Regional Developer or any RD Affiliate. Regional Developer shall be entitled to receive Royalty Commissions each month unless Regional Developer has failed to perform in any material respect any term of the RD Agreement. Regional Developer will not receive a Royalty Commission on any franchises that were existing in the Development Region before Regional Developer opened or for Royalties paid under Franchise Agreements between Franchisor and Regional Developer or any RD Affiliate. (Section 5.4). You will not receive Royalty Commission from franchises that you purchase under the Franchise Purchase Option.

3. A "Synergy HomeCare Product" means goods and merchandise bearing our Marks.

Unless otherwise noted, all fees payable to us including any late fees, Advertising Service Fee will be deducted automatically by us from your operating account ("Electronic Funds Transfer" or "EFT") in a manner more fully described in the Manuals. We may, at any time change the method by which we collect funds to include collection by electronic check. We will notify you by a change in the Operations Manual, email, or other method and will give you thirty (30) calendars within which to make such change.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Franchisee

Type of Expenditure	Amount (Low – High)	Method of Payment	When Due	To Whom Payment Is To Be Made
Franchise Fee ¹	\$39,500 to \$65,000	Cashier's Check or wire transfer	Upon Signing Franchise Agreement	Us
Real Estate/Rent ²	\$1,200 to 5,500	As Arranged	Before Beginning Operations	Lessor
Utility Deposits ³	\$0 to 300	As Arranged	Before Beginning Operations	Utilities
Leasehold Improvements ⁴	\$0 to 1,500	As Arranged	Before Beginning Operations	Third Parties
Furniture, Fixtures & Equipment ⁵	\$500 to 3,000	As Arranged	Before Beginning Operations	Third Parties
Software ⁶	\$750 to 1,000	As Arranged	Before Beginning Operations	Third Parties
Computers and Printer ⁽⁷⁾	\$1,500 to 3,500	As Arranged	Before Beginning Operations	Third Parties
Franchisee Technology Services Fee ⁽⁸⁾	\$900	As Arranged	At Time of Payment of Franchise Fee	US
Insurance and Bonds ⁰	\$2,500 to 10,000	As Arranged	Before Beginning Operations	Third Parties
Signage ⁰	\$100 to 1,000	As Arranged	Before Beginning Operations	Third Parties
Office Equipment & Supplies ⁰	\$750 to 3,000	As Arranged	Before Beginning Operations	Third Parties
Grand Opening Advertising Fee ⁰	\$1,000	As Arranged	Before Beginning Operations	Us
Training ⁰	\$1,000 to 2,500	As Arranged	Before Beginning Business	Third Parties

Type of Expenditure	Amount (Low – High)	Method of Payment	When Due	To Whom Payment Is To Be Made
Licenses & Permits ⁰	\$0 to 10,000	As Arranged	Before Beginning Business	Licensing Authority
Legal & Accounting ⁰	\$500 to 3,000	As Arranged	Before Beginning Business	Attorneys and Accountants
Dues & Subscriptions ⁰	\$0 to 500	As Arranged	Before Beginning Business	Third Parties
Additional Funds – 3 Months ⁰	\$4,000 to 30,000	As Arranged	As Necessary	You Determine
TOTAL⁰	\$54,200 to \$141,700			

We anticipate that you will incur the above estimated initial expenditures in the establishment of your Franchised Business. All fees paid to our Affiliates or us are non-refundable under any circumstances once paid except as provided in ITEM 3. Fees paid to vendors or other suppliers may or may not be refundable depending on your vendors and suppliers.

NOTES

(1) **Franchise Fee:** The Franchise Fee is described in greater detail in ITEM 3 of this Disclosure Document.

(2) **Real Estate/Rent:** You must lease or otherwise provide a suitable facility for the operation of the Franchised Business. You will need approximately 100 to 150 square feet of space in a shared office or executive office environment. Your lease costs can vary based upon variances in square footage, cost per square foot and required maintenance costs. We assume that you will have to pay the first month's rent and a security deposit equal to one month's rent in advance. The rent you pay is typically not refundable, but your security deposit may be under certain circumstances. This covers rent for 3 months.

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

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

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

(6) **Software:** You must purchase a license to use software from an approved vendor. We will pay the initial fee for the first year's license fee and training for the scheduling software. You must pay the monthly usage fee for the scheduling software. That fee is currently \$150 per month, but is subject to change by the software vendor. You must also purchase QuickBooks, the cost of which will vary depending

on competition among suppliers, among other things. See ITEM 11 for a description of the software you must purchase.

(7) Computers and Printer: You must purchase certain computers and printers to operate the software and QuickBooks for a cost of approximately \$2,000. See ITEM 11 for a description of the computers and printers you must purchase.

(8) Technology Services Fee: You will pay us the first 3 months of the Franchisee Technology Services Fee for the Franchisee Technology Services that are more fully described in Item 11.

(9) Insurance and Bonds: You must secure policies for the following types of insurance and bonds: “all-risk” property, worker’s compensation, general liability, professional liability, business interruption, automotive liability, coverage under the Franchise Agreement’s indemnity provisions, and a fidelity or dishonesty bond, as required by Section 15 of the Franchise Agreement. Your cost of insurance may vary based on the location of the Franchised Business, value of the leasehold improvements, amount of inventory, number of employees and other factors.

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

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

(12) Grand Opening: You will pay us this Grand Opening Advertising Fee before you open. We will use the fee as described in Item 11.

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

(14) Licenses & Permits: Local government agencies typically charge fees for such things as business licenses. Depending on your local laws, you may also be required to obtain licenses to perform certain services such as home maintenance or child care, for example. Your actual costs may vary from the estimates based on the requirements of local government agencies.

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

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

(17) Additional Funds: This estimates additional funds necessary for the first three months of your business operations, and does not include an owner or any employee salaries or personal or living expenses. These figures are estimates and we cannot guarantee that you will not incur additional expenses starting the Franchised Business. Your costs will depend on factors such as: how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic

conditions; local regulation compliance; the local market for Synergy HomeCare Businesses in your area; the prevailing wage rate; competition from other sellers of similar services in your area during this period. This includes a variety of expenses and working capital items during your start-up phase such as: legal and accounting fees; advertising, promotional expenses and materials; employee salaries; and other miscellaneous costs. However, this excludes your salary and also excludes any sales, use or similar taxes that may be assessed by your state or local authorities. Please check with your local and state governmental agencies for any taxes that may be assessed.

(18) **Total:** In compiling this chart, we relied on our own and our Affiliates' combined industry experience and 3 years of experience in operating a similar business. The amounts shown are estimates only and may vary for many reasons including the size of your Franchised Business, the capabilities of your management team, where you locate your Franchised Business and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting the Franchised Business.

Regional Developer

Type of Expenditure	Amount (Low – High)	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Regional Developer Fee (IRDF) ⁽¹⁹⁾	\$75,000 to \$500,000	Cashier's Check or wire transfer	Upon Signing Regional Developer Agreement	Us
Real Estate/Rent ⁽²⁰⁾	\$1,200 to 2,500	As Arranged	Before Beginning Operations	Lessor
Utility Deposits ⁽²⁰⁾	\$0 to 300	As Arranged	Before Beginning Operations	Utilities
Leasehold Improvements ⁽²¹⁾	\$0 to 1,500	As Arranged	Before Beginning Operations	Third Parties
Furniture, Fixtures & Equipment ⁽²¹⁾	\$500 to 3,000	As Arranged	Before Beginning Operations	Third Parties
Initial Inventory of Sales Literature	\$250	Lump Sum	Before Beginning Operations	Us
RD Technology Services Fee ⁽²²⁾	\$300	As Arranged	At time IRDF is paid	Us
Regional Developer Advertising Fee ⁽²²⁾	\$900	As Arranged	At time IRDF is paid	Us
Computer, Printer, Copier, Fax, Smart phone and software ⁽²³⁾	\$1,500 to 3,500	As Arranged	Before Beginning Operations	Third Parties

Type of Expenditure	Amount (Low – High)	Method of Payment	When Due	To Whom Payment Is To Be Made
Insurance and Bonds ⁽²⁴⁾	\$2,500 to 10,000	As Arranged	Before Beginning Operations	Third Parties
Signage ⁽²⁵⁾	\$100 to 1,000	As Arranged	Before Beginning Operations	Third Parties
Office Equipment & Supplies ⁽²⁶⁾	\$750 to 3,000	As Arranged	Before Beginning Operations	Third Parties
Training ⁽²⁷⁾	\$1,000 to 2,500	As Arranged	Before Beginning Business	Third Parties
Licenses & Permits ⁽²⁸⁾	\$0 to 10,000	As Arranged	Before Beginning Business	Licensing Authority
Legal & Accounting ⁽²⁹⁾	\$500 to 30,000	As Arranged	Before Beginning Business	Attorneys and Accountants
Filing Fee ⁽²⁹⁾	\$250 to \$750	As Arranged	At the Time of Registration	State
Dues & Subscriptions ⁽³⁰⁾	\$0 to 500	As Arranged	Before Beginning Business	Third Parties
Additional Funds – 3 Months ⁽³¹⁾	\$4,000 to 30,000	As Arranged	As Necessary	You Determine
TOTAL⁽³¹⁾	\$88,750 to \$600,000			

(19) Initial Regional Developer Fee: The IRDF is described in greater detail in ITEM 3 of this Disclosure Document.

(20) Real Estate/Rent: You will need approximately 100 to 150 square feet of space in a shared office or executive office environment. Your lease costs can vary based upon variances in square footage, cost per square foot and required maintenance costs. We assume that you will have to pay the first month's rent and a security deposit equal to one month's rent in advance. The rent you pay is typically not refundable, but your security deposit may be under certain circumstances. This covers rent for 3 months.

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

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

You will be required to purchase or lease office furniture and any equipment necessary for

providing the various services offered by Synergy HomeCare Businesses. Although some of these items may be leased, the range shown represents the approximate purchase price.

(22) RD Technology Services Fee: You will pay us the Technology Services Fee at the time you pay the IRDF. This fee may change at any time. The amount here reflects the total fee for the first 3 months of operation. See ITEM 11 for a description of the Technology Services.

Regional Developer Advertising Fee: You must also pay us the Regional Developer Advertising Fee that will be used by us for the “Regional Developer Advertising Services”. This amount reflects the total fee for the first 3 months of operation. See Item 11 for a description of the Regional Developer Advertising Services.

(23) Computer and Electronics: You must purchase certain computers and printers to operate the software for the approximate cost stated here. You must also purchase a fax machine and copier of any type, make or model. See ITEM 11 for a description of the computer, software and printer you must purchase. You must purchase or own a cellular smart phone with email capabilities.

(24) Insurance and Bonds: You must secure policies for the following types of insurance and bonds: “all-risk” property, renter’s insurance, worker’s compensation, general liability, professional liability, business interruption, automotive liability, coverage under the RD Agreement’s indemnity provisions, and a fidelity or dishonesty bond, as required by the RD Agreement. Your cost of insurance may vary based on the location of the Franchised Business, value of the leasehold improvements, amount of inventory, number of employees and other factors. Franchisor reserves the right to require Regional Developer to participate in Franchisor’s Group Errors and Omissions insurance policy and require Regional Developer to pay its pro rata share of such insurance coverage.

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

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

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

(28) Licenses and Permits: Local government agencies typically charge fees for such things as business licenses. Depending on your local laws, you may also be required to obtain licenses to perform certain services such as home maintenance or child care, for example. Your actual costs may vary from the estimates based on the requirements of local government agencies.

(29) Legal, Accounting, Fees: You may need to employ an attorney, an accountant and other consultants to assist you in establishing your RD Business. These fees may vary from location to location depending upon the prevailing rate of attorneys’, accountants’ and consultants’ fees. If by state law you are required to file a franchise disclosure document of your own, you will incur the cost to develop and file such document. If you are required to file your own disclosure document, you will incur a state filing fee. This is an approximate range of such fees. The actual amount will vary

depending upon the state in which you are located.

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

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

In compiling this chart, we relied on our own and our Affiliates' combined industry experience and 3 years of experience in operating a similar business. The amounts shown are estimates only and may vary for many reasons including the size of your Franchised Business, the capabilities of your management team, where you locate your Franchised Business and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting the Franchised Business.

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

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

Specifications/Approved Suppliers

You must equip the Franchised and RD Business according to our standards and specifications. All signs, equipment, and other items used in the operation of the Business must comply with our specifications and quality standards and, if we require, must only be purchased from Approved Suppliers that we designate. We or one of our Affiliates may be an Approved Supplier. Except for services for which our Affiliates or we are the only supplier, none of our officers owns an interest in any supplier. We will provide you, in the Manual or other written or electronic form, a list of specifications for equipment, supplies, and other materials and, if required, a list of designated or Approved Suppliers for some or all of these items, which may include us or our Affiliates. From time to time we may modify the list. We formulate and modify our specifications and standards for products and services based upon our industry knowledge and our Affiliates' experience in operating a Synergy HomeCare Business.

If you would like to use any item or service in establishing or operating the Franchised or RD Business that we have not approved (for items or services that require supplier approval), you must first send us sufficient information, specifications and/or samples for us to determine whether the item or service complies with our standards and specifications or the supplier meets our Approved Supplier criteria. You must reimburse us for all reasonable expenses that we incur in connection with our evaluation of an item, service or supplier. We will decide and notify you within a reasonable time

(usually 30 days) after receiving the required information whether you may purchase or lease such items or services or from such supplier. We apply the following general criteria in approving a proposed supplier: the ability to provide sufficient quantity of product; quality of products and/or services at competitive prices; production and delivery capability; and dependability and general reputation of the supplier. From time to time, we may review our approval of any item, service or supplier. We may revoke the approval of a supplier if it fails to continue to meet our standards. We will notify you if we revoke our approval of an item, service or supplier, and you must immediately stop purchasing disapproved items or services, or must immediately stop purchasing from a disapproved supplier.

We will supply the Franchisee services connected with the Grand Opening Advertising Fee (Item 11), and the Franchisee Technology Services Fee (Items 6,7, and 11).

Regional Developer will be required to pay us the RD Technology Services Fee and the Regional Developer Advertising Fee (Items 6 and 7).

Computer Hardware and Proprietary Software

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

If you are required to use software that we own or that is owned by our affiliate or a third party, you may be required to pay us the Software Maintenance Fee (Items 6 and 11).

Insurance and Bonds

You must purchase and maintain in effect during the term of the Franchise Agreement and/or the RD Agreement the type and amount of insurance and bonds specified in Section 15 of the Franchise Agreement and Section 12.7 of the RD Agreement in addition to any other insurance or bonds that may be required by applicable law, any lender or lessor. Your insurance policies must name us as an additional insured and/or loss payee. We receive no rebates, discounts or other benefits from your purchase of insurance or bonds, but we may derive revenue from future arrangements with suppliers based on franchisee purchases.

Miscellaneous

We may negotiate group rates, including price terms, for the purchase of equipment and supplies necessary for the operation of the Franchised or RD Business. Presently, no such purchase or supply agreements are in effect and there are no purchasing or distribution cooperatives that you are required to join. In the year ending December 31, 2011 we received approximately \$67,526 of revenue as a result of franchisee purchases from Clayton Kendall and eRSP, which we used to support the cost of other services we provide to franchisees. This represents approximately 1% of our total revenue of \$6,212,713. We may derive revenue from future arrangements with suppliers based on franchisee purchases.

For both the Franchisee and the Regional Developer, we estimate that approximately 65% to 80% of your expenditures for leases and purchases in establishing your Business will be for goods and services that must be purchased either from us, our Affiliates or an Approved Supplier, or in accordance with our standards and specifications. We estimate that approximately 20% to 30% of your expenditures on an ongoing basis will be for goods and services that must be purchased from either us, our Affiliates, an Approved Supplier or in accordance with our standards and specifications.

We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional Franchised or RD Businesses) based on whether or not you purchase through the sources we designate or approve; however, purchases of unapproved products or from unapproved suppliers in violation of the Franchise Agreement or RD Agreement will entitle us, among other things, to terminate the Franchise Agreement.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Franchise Agreement

Obligation		Section in the Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Section 5	ITEM 11 and ITEM 12
b.	Pre-opening purchases/leases	Sections 5 and 15	0 and 0
c.	Site development and other pre-opening requirements	Sections 5 and 8	ITEM 4, 0 and ITEM 11
d.	Initial and ongoing training	Section 8	ITEM 4, 0 and ITEM 11
e.	Opening	Sections 5 and 11	0 and ITEM 11
f.	Fees	Sections 3, 5, 8, 10, 11, 12, 13, 15, 18, 21 and 22	ITEM 3 and ITEM 4
g.	Compliance with standards and policies/Operating Manual	Sections 6, 7, 9, 11, 12, 13 and 15	0, ITEM 11 and ITEM 16
h.	Trademarks and proprietary information	Sections 6, 7 and 9	ITEM 13 and ITEM 14
i.	Restrictions on products/services offered	Sections 5, 6, 9 and 13	0 and ITEM 16
j.	Warranty and customer service requirements	Section 13	ITEM 16
k.	Territorial development and sales quotas	Sections 2, 4 and 16	ITEM 12 and ITEM 17
l.	Ongoing product/service purchases	Section 13	0 and ITEM 11
m.	Maintenance, appearance and remodeling requirements	Sections 10 and 13	ITEM 4 and ITEM 17
n.	Insurance	Section 15	ITEM 4, 0 and 0

Obligation		Section in the Franchise Agreement	Disclosure Document Item
o.	Advertising	Sections 3 and 11	ITEM 4, 0 and ITEM 11
p.	Indemnification	Section 21	ITEM 4
q.	Owner's participation/management/staffing	Section 13	ITEM 15
r.	Records and reports	Sections 3 and 12	ITEM 11
s.	Inspections and audits	Sections 12 and 13	ITEM 4, ITEM 11 and ITEM 13
t.	Transfer	Section 18	ITEM 17
u.	Renewal	Section 4	ITEM 17
v.	Post-termination obligations	Section 17	ITEM 17
w.	Non-competition covenants	Sections 7 and 17	ITEM 17
x.	Dispute resolution	Section 23	ITEM 17

RD Agreement

Obligation		Section in the RD Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Section 8.12	ITEM 11 and ITEM 12
b.	Pre-opening purchases/leases	Articles 4 and 8	0 and 0
c.	Site development and other pre-opening requirements	Articles 4 and 8	ITEM 6 AND ITEM 11
d.	Initial and ongoing training	Article 6	ITEM 4, 0 and ITEM 11
e.	Opening	Section 8.2	0 and ITEM 11
f.	Fees	Articles 4 and 5	ITEM 3 and ITEM 4
g.	Compliance with standards and policies/Operating Manual	Articles 6, 7, 9	0, ITEM 11 and ITEM 16
h.	Trademarks and proprietary information	Articles 9, 10 and 11	ITEM 13 and ITEM 14
i.	Restrictions on products/services offered	Article 12	0 and ITEM 16

Obligation		Section in the RD Agreement	Disclosure Document Item
j.	Warranty and customer service requirements	Articles 8 12 and 13	ITEM 16
k.	Territorial development and sales quotas	Articles 3 and 15	ITEM 12 and ITEM 17
l.	Ongoing product/service purchases	Articles , 6, 8 and 12	0,
m.	Maintenance, appearance and remodeling requirements	Section 8.12	ITEM 4 and ITEM 17
n.	Insurance	Section 12.7	ITEM 4, 0 and 0
o.	Advertising for franchisees.	Sections 3.3, 8.11 and 12.9	ITEM 4, 0 and ITEM 11
p.	Indemnification	Section 17.4	ITEM 4
q.	Owner's participation/management/staffing	Section 12.5	ITEM 15
r.	Records and reports	Sections 12.10 and 12.11	ITEM 11
s.	Inspections and audits	Section 13.1	ITEM 4, ITEM 11 and ITEM 13
t.	Transfer	Article 14	ITEM 17
u.	Renewal	Section 15.2	ITEM 17
v.	Post-termination obligations	Article 16	ITEM 17
w.	Non-competition covenants	Sections 11.1 and 16.5	ITEM 17
x.	Dispute resolution	Article 18	ITEM 17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your lease or other obligations.

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

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

For the Franchisee, from time to time, we shall have the right to and will delegate the performance of any portion or all of our obligations and duties hereunder to a Regional Developer or

other third party who is approved by us to deliver such services and perform such duties, whether the same are agents of ours or as independent contractors which we have contracted with to provide such services. The Franchisee agrees in advance to any such delegation by us of any portion or all of its obligations and duties hereunder.

A. PRE-OPENING ASSISTANCE

1. Pre-Opening Assistance for the Franchisee

Before you open the Franchised Business, we will:

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

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

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

c. Review and approve your lease for the site for the Approved Location. (Franchise Agreement Section 5.2). Our review of your lease and any advice or recommendations we may offer is not a representation or guarantee by us that you will succeed at the leased premises.

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

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

f. Loan to you one copy (whether printed or on computer disk) of, or make available electronically via the Internet, the Synergy HomeCare Operations Manual. (Section 9.1) The Table of Contents of the Operations Manual, along with number of pages devoted to each section, is included as Exhibit D to this Disclosure Document. The total number of pages in the Operations Manual is approximately 346.

g. Delivery to you the Franchisee Technology Services (Franchise Agreement, Section 3.5)

2. Pre-Opening Assistance for the Regional Developer

Before you open the RD Business, we will:

a. Designate the Development Region within which you will operate the RD Business. (RD Agreement, Section 2.1)

b. Provide training as more fully described in this ITEM (RD Agreement, Section 6.1).

c. Loan you one copy of the RD Operations Manual and the RD Sales Manual (together called the “RD Manual”). (RD Agreement, Section, 7.1). The total number of pages in the RD Manuals are approximately 389.

d. Loan you one copy of the Franchise Operations Manual for your use in training Franchisees. (RD Agreement, Section 7.3).

e. Upon the reasonable request by the Regional Developer, it will provide consultation, guidance and advice (delivered by telephone, e-mail, facsimile, newsletters and other methods) related to franchise sales, Franchisee support, advertising, use of the Marks and similar assistance. In providing such assistance, Franchisor will be reasonably accessible during normal business hours by phone, fax, e-mail, or other means of communication reasonably determined by Franchisor. Franchisor will not be required to spend money for travel for its personnel and shall be entitled to full reimbursement of all expenses, including wages, consultation fees (at the then-current fee charged by the Franchisor), travel, lodging and meals, incurred by Franchisor or Franchisor’s employees at the request of or on behalf of Regional Developer. Regional Developer understands and acknowledges that different Regional Developers will require different levels of service and support and that Franchisor makes no warranties or guarantees that Regional Developer will receive the same level of service and support as any other Regional Developer. (RD Agreement Section 7.4).

f. Deliver your initial inventory of sales and promotional materials (RD Agreement Sections 7.4 and 12.9).

g. Deliver to you the services covered by the RD Technology Services Fee (RD Agreement, Section 4.6)

B. ASSISTANCE DURING THE OPERATION

1. After the opening of the Franchised Business, we will:

a. From time to time, advise and offer general guidance to you by telephone, e-mail, facsimile, newsletters and other methods. (Franchise Agreement, Section 7.4)

b. At our discretion, make periodic visits to the Franchised Business for the purposes of consultation, assistance and guidance in various aspects of the operation and management of the Franchised Business. We may prepare written reports outlining any suggested changes or improvements in the operations of the Franchised Business and detail any deficiencies that become evident as a result of our visit. If we prepare a report, you may request a copy from us. (Franchise Agreement, Section 14.2)

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

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

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

f. Provide the Franchisee Technology Services. (Franchise Agreement, Section 3.5)

2. After the opening of the RD Business, we will:

a. From time to time, advise and offer general guidance to you by telephone, e-mail, facsimile, newsletters and other methods. Our advice and guidance may relate to authorized services or products, operational methods, accounting procedures, marketing and sales strategies, or other operational and management issues relating to the operation of a RD Business; operation of a Synergy HomeCare Businesses. (RD Agreement, Section 7.4).

b. At our discretion, make periodic visits to the RD Business for the purposes of consultation, assistance and guidance in various aspects of the operation and management of the Franchised Business. We may prepare written reports outlining any suggested changes or improvements in the operations of the Franchised Business and detail any deficiencies that become evident as a result of our visit. If we prepare a report, you may request a copy from us. (RD Agreement, Section 13.1)

c. Make available to you operations assistance and ongoing training as we deem necessary. (RD Agreement, Sections 6.1 through 6.4).

d. Make available to you changes and additions to the System as generally made available to all franchisees and Regional Developers. (RD Agreement, Section 7.4).

e. Provide to you, at our discretion, advertising and promotional materials including ad-slicks, brochures, fliers and other materials for use in the operation of the RD Business. (RD Agreement, Section 7.4).

f. Deliver to you the services covered by the Technology Services Fee. (RD Agreement, Section 4.6).

C. ADVERTISING AND PROMOTION

1. For the Franchisee

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

We have a System-wide Marketing Fund, and you are required to contribute 2% of your Gross Sales to the fund. (Franchise Agreement, Section 11.3) We may adjust the percentage from time to time, but your contribution will not exceed 2% of your Gross Sales to the fund. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet or other media for advertisements and promotions. We do not guarantee that any particular franchisee will benefit directly or in proportion to

their contribution from the placement of advertising by the Marketing Fund. We may use your contributions to meet any cost of, or reimburse us for our expenses related to, producing, maintaining, administering and directing consumer advertising (including the cost of preparing and conducting television, radio, Internet, magazine and newspaper advertising campaigns and other public relations activities; developing and/or hosting an Internet web page of similar activities; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees). We initially plan to conduct all advertising in-house, but we may use a national or regional advertising agency in the future.

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

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

All Synergy HomeCare Businesses owned by our Staffing Affiliate or us are not required to make similar contributions to the Marketing Fund as required of franchisees.

We will have an unaudited accounting of the Marketing Fund prepared each year and we will provide you with a copy if you request it. We may require that the annual accounting be audited by an independent certified public accountant at the expense of the Marketing Fund.

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

During 2011, we spent \$317,931.84 of the monies collected by the Marketing Fund as follows: Production – 54%; Media Placement – 34%; Administration – 12%.

Although we are not obligated to do so, we may create a Cooperative Advertising program for the benefit of all Synergy HomeCare Businesses located within a particular region. We have the right to (a) allocate any portion of the Marketing Fund to a Cooperative Advertising program; and (b) collect and designate all or a portion of the Local Advertising for a Cooperative Advertising program. We will determine the geographic territory and market areas for each Cooperative Advertising program. You must participate in any Cooperative Advertising program established in your region. If a Cooperative Advertising program is implemented in a particular region, we may establish an advertising council for franchisees in that region to self-administer the program. (Franchise Agreement, Section 11.4)

You will pay us on or before you open, for business the Grand Opening Advertising Fee (Item 7). This fee will be spent by us during the first three (3) months of operation of the Franchised Business on local advertisement and promotion of your initial opening, including the solicitation of healthcare professionals and organizations for client referrals (“Grand Opening Advertising”). We may use any media available including print, radio, and internet. We may use in-house marketing services or a local or national advertising firm. We will maintain your Grand Opening Advertising Fee (and the Grand Opening Advertising Fee of all other franchisees) in an account that is separate from the Franchisor’s operating funds. Such funds will not be used for any of general operating expenses, except for

Franchisor's reasonable administrative costs and overhead related to the administration of the Grand Opening Advertising Fee. Franchisor will not use the Grand Opening Advertising Fee for the direct solicitation of franchise sales. If requested by you, we will supply you with an unaudited statement in a spreadsheet format (or such other format as we may deem reasonable) showing the expenditures made with your Grand Opening Advertising Fee. The account into which is placed the Grand Opening Advertising Fee is not a trust and we assume no fiduciary duty in administering it. (Franchise Agreement, Section 11.1).

You must list the telephone number for the Franchised Business in your local print and on-line "white pages" telephone directory and in the "yellow pages" category we specify. You must place the listings together with other Franchised Businesses operating within the distribution area of the directories. (Franchise Agreement, Section 11.6).

2. For the Regional Developer

All Regional Developers must pay us the "Regional Developer Advertising Fee" equal to \$300 per month. We will collect the first 3 months of this fee (equal to \$900) at the time you pay the IRDF. We may increase this fee at any time to \$500.

This fee will be used for the delivery of nationwide "Regional Developer Advertising Services". These services include the purchase of prospective franchisee leads (Leads) from internet or other lead services, for search engine optimization of websites that we own and use to solicit Leads, to purchase "pay-per-click" advertising, for public relations relating to the entire franchise system, and for other services that we believe will generate Leads.

We will control the creative concepts, materials and media used for such Lead generation and we will determine the placement and allocation of the Regional Developer Advertising Fees. We may use print, television, radio, Internet or other media for Lead generation advertisement and promotions. We do not guarantee that any particular Regional Developer will benefit directly or in proportion to its contribution to the Regional Advertising Fee account. We may use your contributions to meet any cost of, or to reimburse us for our expenses related to providing the Regional Developer Advertising Services (including the cost of preparing and conducting such campaigns and other public relations activities; developing and/or hosting an Internet web pages; employing advertising agencies to assist therein; conducting market research; and providing similar services to the Regional Developer). We may use in-house marketing services or those of a local or national advertising firm.

We will maintain your contributions in a separate account from our funds and except as stated above, we will not use them for any of our general operating expenses. The Regional Developer Advertising Services will be used for the direct solicitation of franchise sales.

Any Regional Developer Advertising Services not spent in any year will be carried over to and available for use in the following year. We may, at our discretion, allow the Regional Developer Advertising Fees to accumulate in the account or to disburse contributions as necessary. We intend for the Regional Developer Advertising Fees to be continual and perpetual, but we have the right to suspend (and subsequently reinstate) or terminate it if necessary. We will not terminate this fund however, until all contributions and earnings have been used for the purpose for which they were collected.

If we or an Affiliate owns or operates a Development Region as a Regional Developer it will not be required to make similar contributions to the fund as are required of the Regional Developer.

We will have an unaudited accounting of the Regional Developer Advertising Fee account prepared each year and we will provide you with a copy if you request it. We may require that the annual

accounting be audited by an independent certified public accountant at the expense of the Regional Developer Advertising Fee account.

The Regional Developer Advertising Fee account is not a trust and we assume no fiduciary duty in administering the Marketing Fund.

As this is a new fee we have not yet collected any such fees and therefore do not have an allocation of any monies spent.

Franchisor may increase this amount to \$500 per month at any time. It will notify the Regional Developer sixty (60) days before implementing such change.

You agree to send us, in a manner we prescribe, an accounting of local advertising expenditures at such times, and for such reporting periods, as we may specify from time to time. If you do not spend at least the Regional Developer Advertising Fee on a monthly basis; then, within thirty (30) days after such time as we specify, you will pay us the difference between the actual expenditures on local advertising, promotions and public relations that you completed and the Regional Developer Advertising Fees that were to be spent during that period (RD Difference Collection). If we do collect the RD Difference Collection, we will also charge you our then-current "Advertising Service Fee" (currently \$250 per month), plus the cost to use an advertising firm in your Development Region to place the advertising for you.

Regional Developer must maintain a listing in both the white and yellow pages of the principal telephone directories in its Development Region. The cost for insertion is in addition to the Regional Developer Advertising Fee.

Regional Developer may advertise on the Internet except that it must abide by all rights of the Franchisor to its Marks and System. Franchisor may monitor Regional Developer's internet presence and may require commercially reasonable changes to it. You will make such changes within three (3) days.

There is no national advertising fee assessed on the Regional Developer.

D. COMPUTER SYSTEM

Under both the Franchise and RD Agreement, we have the right to require you to purchase and use any and all computer software programs that we may develop or designate for use by the System, and to purchase all computer hardware necessary for the efficient operation of the software. (Franchise Agreement, Section 12.5; RD Agreement, Section 8.3) In addition to the below, we may require you to purchase other computer hardware, software, firmware, dedicated telephone and power lines, modem(s), printer(s), and other computer-related accessories or peripheral equipment as Franchisor may later specify in Franchisee or RD Manuals or otherwise in writing.

Currently, the Franchisee's and Regional Developer's computer hardware and software must operate under the latest version Microsoft Windows Operating System (currently Windows 7), and must be loaded with the most current editions of Microsoft Office Small Business Edition and QuickBooks Professional. The Approved Suppliers for computer hardware are identified in the Operations Manual. We reserve the right to specify other computer hardware or software and to specify other computer-related standards in the future.

Regional Developer and Franchisee must have a color printer, a fax machine, and copier.

The Regional Developer must own or must purchase a cellular smart phone with email

capabilities. This phone can be of any make or model so long as it has such capabilities.

Franchisee should have at least two separate dedicated phone lines (land lines with voice mail capabilities and dedicated fax line). The Regional Developer shall also be required to have its office serviced by a minimum of one dedicated telephone line with 24-hour professional answering service or voice mail.

We do not now, but in the future have the right to require you to purchase and use certain computer software that is now owned by Franchisor, its affiliate or a third party or that is later purchased by us from our affiliate or a third party. We reserves the right to suspend, modify or terminate your use such software if you are in breach of the Franchise Agreement. If and when you are required to use the software, you will have to pay the Software Maintenance Fee (Item 6). Your right to use any such software will terminate or expire on the date this Agreement terminates or expires.

Franchisee will be required to use our “Franchisee Technology Services” for which he will pay the Franchisee Technology Service Fee (Items 6 and 7). The Franchisee Technology Services including the delivery of on-line calendar, care-giver and client relationship management applications, email addresses, and other services. The Franchisee Technology Services Fee will also be used for maintenance of the Franchisee Technology Services.

Regional Developer will be required to use to use the “RD Technology Services” and pay the RD Technology Services Fee (Items 6 and 7). The Technology Services include on-line customer relationship management, email addresses, calendars, and other services. The RD Technology Services Fee will also be used for maintenance of the Franchisee Technology Services.

Franchisee and Regional Developer must have access to the internet through a DSL, cable or faster internet connection available in your service area. Each must have an electronic mail address and must routinely (but no less than on a daily basis) check email and the portion of our web site devoted to franchise owners.

Regional Developer shall also be required to have a minimum of one dedicated telephone line with 24-hour professional answering service or voice mail.

In addition, the Regional Developer’s computer systems shall have the capacity to electronically exchange information, messages, and other data with other computers, by such means (including, but not limited to, the Internet), and using such protocols (*e.g.*, TCP/IP), as Franchisor may reasonably prescribe in the RD Manual or otherwise in writing.

The cost of the computer hardware and software for both the Franchisee and Regional Developer is estimated to range between \$1,605 to 4,500.

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

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

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

We have the right at any time to independently access your computer(s) and software without notifying you first. We have the right to and will access all franchisee files, Regional Developer files, and any other files found on the computers, and to will use all such information for any purpose both during and after the expiration or termination of the Franchise Agreement or RD Agreement. If your system is password controlled or has limited access, you must grant us the permission necessary to access the computers. This must be done before you open.

E. METHODS USED TO SELECT THE LOCATION OF THE BUSINESS

The Regional Developer will be required to lease office space in the Development Region. The space may be in a shared office or executive office environment (RD Location). The Regional Developer may also use a "virtual office" system so long as the virtual office has available to you a conference room to use when meeting prospective franchisees, and the franchisees in your Development Region. Except that the premises must be reasonably clean and professional looking, we have no other criteria for it. We will not approve the office and will not review or approve the lease. You must notify us of the RD Location.

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

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

Neither we nor any of our employees have special expertise in selecting sites. Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience.

OUR APPROVAL OF A LOCATION DOES NOT INFER OR GUARANTEE THE SUCCESS OR PROFITABILITY IN ANY MANNER.

F. TYPICAL LENGTH OF TIME BEFORE OPERATION

For the Franchisee, the typical length of time between the signing of the Franchise Agreement and the opening of your Franchised Business is approximately 2 months; however, you are required to

open your Franchised Business and be operational within 3 months after signing the Franchise Agreement. Factors that may affect how long it takes you to open the Franchised Business include your ability to secure permits, zoning and local ordinances, weather conditions and delays in installation of equipment and fixtures. (Franchise Agreement, Section 5.4)

For the Regional Developer, the typical length of time between the signing of the RD Agreement and the opening of your RD Business is approximately 60 to 75 days; however, unless otherwise agreed to in writing between us, you shall complete the initial training and commence operation of the RD Business within ninety (90) days from the “Effective Date” (the date that the RD Agreement is finally signed by Franchisor and Regional Developer) of the RD Agreement. We will extend the time within which you have to commence operations for a reasonable period of time, in the event that factors beyond your reasonable control prevent you from meeting this schedule, so long as you have made reasonable and continuing efforts to comply and you request in writing an extension of time in which to have its RD Business established prior to the expiration of the initial ninety (90) day period.

G. TRAINING PROGRAM

Franchisee

For the Franchisee, we will conduct an initial training program that the Designated Manager (which is you, if you are not a corporation or other business entity) must attend and complete to our satisfaction. Although initial training is mandatory for the Designated Manager, it is also available for one additional person. The initial training program lasts approximately 5 days and covers all material aspects of the operation of a Synergy HomeCare Business, including such topics as sales and marketing methods; financial controls; maintenance of quality standards; customer service techniques, record keeping and reporting procedures, employee recruitment and screening, other operational issues and on-the-job training. Initial training programs are held approximately every month. Prior to attending our training program you may be provided with information for your review and assignments you must complete. If you replace your Designated Manager, your new Designated Manager must attend and complete our training program at the next available session. Although we do not charge for initial training, you may be charged fees for additional training of a new Designated Manager. You are responsible for training your own employees and other management personnel.

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

FRANCHISEE TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Welcome and introductions to Synergy HomeCare; review Operations Manual	1.0	0	Our Headquarters or other location we designate
Recruiting	3.0	0	Our Headquarters or other location we designate
Working Lunch - Photos	1.0	0	Our Headquarters or other location we designate
Interviewing, Hiring, and Training Homework assigned	6.0	0	Our Headquarters or other location we designate
Homework review	0.5	0	Our Headquarters or other location we designate
Marketing	3.0	0	Our Headquarters or other location we designate
Lunch	1.0	0	Our Headquarters or other location we designate
Marketing/Homework assigned	6.0	0	Our Headquarters or other location we designate
Homework review	0.5	0	Our Headquarters or other location we designate
Sales	3.0	0	Our Headquarters or other location we designate
Lunch	1.0	0	Our Headquarters or other location we designate
Client operations (Homework assigned)	4.0	0	Our Headquarters or other location we designate
Homework review	0.5	0	Our Headquarters or other location we designate
Client Operations	1.5	0	Our Headquarters or other location we designate
Running a profitable business	1.5	0	Our Headquarters or other location we designate

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Lunch	1.0	0	Our Headquarters or other location we designate
Employee motivation (Homework assigned)	4.0	0	Our Headquarters
Homework review	1.0	0	Our Headquarters
Keeping clients	1.5	0	Our Headquarters
Roundtable with the CEO	2.0	0	Our Headquarters
Graduation	0.5	0	Our Headquarters
Lunch with staff	1.5	0	Our Headquarters or other location we designate
Total	45.0	0	

Patrick Tourian, Ed Lowe, Kitty Vradenburg, Therese Zirkle, Althea Loomer and David Manbeck will provide training. The instructors' experience including their length of experience with us and in the industry in general is found at Item 2. Mr. Tourian has had approximately 8 years' experience in both training our franchisees and in the actual operation of our pilot office that is substantially similar to the one that you will operate. Mr. Lowe has over 20 years of healthcare experience in a variety of settings of home-health, hospice and non-medical home care as a RN. Ms Vradenburg worked in the home-health and non-medical home-care businesses as a marketer and salesperson since 2001. Ms Loomer has worked in the non-medical home care industry since 2000. Mr. Manbeck has worked in the home-health, hospice and non-medical home care industry since 1997. Ms. Zirkle is our accountant who will provide training in accounting. She has been in the accounting industry since approximately 2004. Mr. and Mss. Mabeck, Vradenburg and Loomer, will provide training in various aspects of client operations.

From time to time Franchisor may provide, and if it does, has the right to require that the Designated Manager attend, ongoing training programs, seminars or meetings during the Initial Term of this Agreement, any Interim Period and Successor Terms. Franchisor will not charge a fee for any mandatory ongoing training, except for the Annual Franchise Meeting ("AFM"). An attendance fee of \$250 per person is required to attend the AFM and will be paid at least 30 days prior to attending the AFM. A maximum of three (3) people per Franchised Business can attend the AFM.

You are responsible for all travel costs, living expenses and employees' salaries incurred in connection with the Designated Manager's attendance at such training. If you or its Designated Manager fails to attend any mandatory ongoing training program, we have the right to charge you a fee of \$1,500.00, which is due and payable on demand, for each mandatory ongoing training program that Franchisee fails to attend. If you fail to attend two (2) or more mandatory ongoing training programs during the Initial Term of this Agreement and any Interim Period, we also have the right to terminate the Franchise Agreement.

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

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

Regional Developer

No later than sixty (60) days after the Effective Date of the RD Agreement, we will furnish and Regional Developer, (or if you are a partnership, corporation, or a business entity other than a sole proprietorship, an individual designated by you who owns at least twenty-five (25%) of the ownership interest in your business entity and who has been approved by us (Regional Operating Manager)) will attend the initial training program, to consist of the training described in the table below. (Regional Developer Training). The Regional Developer Training will take place at Franchisor's then current headquarters or at such other place and time as Franchisor may designate. All such training shall be provided on an as-needed basis but will never be more than one time each month. Regional Developer may not begin offering any services in the Development Region until Regional Developer has satisfactorily completed the Regional Developer Training, unless Regional Developer receives written authorization from the Franchisor to begin operations at an earlier date. If you replace your Regional Operating Manager, your new Regional Operating Manager must attend and complete our training program at the next available session. You may be charged fees for additional training of a new Regional Operating Manager. You are responsible for training your own employees and other management personnel.

Regional Developer Training will take approximately 8 business days which may be increased or decreased in our sole discretion depending upon your experience and knowledge. Except for a fee that may be charged to train the replacement Regional Operating Manager, no tuition or fee shall be charged for the Regional Developer Training. You will however be responsible for all travel and living expenses (including any wages), incurred in connection with attendance at the Regional Developer Training.

RD TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Welcome and introductions to Synergy HomeCare; Accounting, employee and CRM Software review	8	0	Our Headquarters or other location we designate
Internet technology (including use of social networking, equipment review)	8	0	Our Headquarters or other location we designate
Services offered to Franchisee's Business; sales techniques	8	0	Our Headquarters or other location we designate
Business development	8	0	Our Headquarters or other location we designate
Billing services	8	0	Our Headquarters or other location we designate
Sales techniques for prospective franchisees; review of franchise disclosure documents and franchise agreement	8	0	Our Headquarters or other location we designate

Delivery of support services to franchisees; Business development	8	0	Our Headquarters or other location we designate
Reporting obligations; record maintenance	8	0	Our Headquarters or other location we designate
Total	64	0	

Patrick Tourian, Ed Lowe, Kitty Vradenburg, Therese Zirkle, Althea Loomer and David Manbeck will provide training. The instructors' experience including their length of experience with us and in the industry in general is found at Item 2. Mr. Tourian has had approximately 8 years' experience in both training our franchisees and in the actual operation of our pilot office that is substantially similar to the one that you will operate. Mr. Lowe has over 20 years of healthcare experience in a variety of settings of home-health, hospice and non-medical home care as a RN. Ms Vradenburg worked in the home-health and non-medical home-care businesses as a marketer and salesperson since 2001. Ms Loomer has worked in the non-medical home care industry since 2000. Mr. Manbeck has worked in the home-health, hospice and non-medical home care industry since 1997. Ms. Zirkle is our accountant who will provide training in accounting. She has been in the accounting industry since approximately 2004. Mr. and Mss. Mabeck, Vradenburg and Loomer, will provide training in various aspects of client operations.

Additional training may also be required as and when the Franchise or RD Agreement is updated and when new services are added (New Services Training). No tuition or fee shall be charged for the New Services Training. However, Regional Developer shall be responsible for all travel and living expenses (including any wages) incurred in connection with attendance at the additional or New Services Training. It is estimated that such additional training could take between 1 and 4 business days. Such training will be held at our then-current offices or at such other location as we designate. The same parties that received the initial Regional Developer Training will be eligible and must attend this training. At the time of such training, we will announce the identity of the training staff.

If you request additional operating assistance from us (Additional Operation Assistance), you will pay us our then-current fee for such services. If we travel to your location, you will also pay us all costs associated with such travel including transportation, food and lodging.

From time to time Franchisor may require the Regional Developer and/or Regional Operating Manager to attend other ongoing training programs, seminars or meetings during the Initial Term, during any interim period and during Successor Terms. The Regional Developer and Regional Operating Manager must attend the Annual Franchise Meeting (AFM). Franchisor will not charge a fee for any mandatory ongoing training, except for the AFM for which an attendance fee of \$250 per person is required (AFM Fee). The AFM Fee will be paid at least 30 days prior to attending the AFM. A maximum of three (3) people per RD Business can attend the AFM. Regional Developer is responsible for all travel costs, living expenses and employees' salaries incurred in connection with the at such training.

If the Regional Developer and/or Regional Operating Manager fails to attend any mandatory ongoing training program or the AFM, Franchisor has the right to charge Franchisee a fee of \$3,000.00 (Mandatory Meeting Non-Attendance Fee), which is due and payable on demand, for each mandatory ongoing training program that you fail to attend. If Regional Developer and/or Regional Operating Manager fail to attend two (2) or more mandatory ongoing training programs during the Initial Term of this Agreement, or any interim period or Successor Term, we also have the right to terminate the RD Agreement.

The instructional material used are primarily the Operations Manual and the RD Manuals together with the business startup checklist and a pre-class workbook.

H. REASONABLE BUSINESS JUDGMENT

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

As part of our exercise of our Reasonable Business Judgment, and in order to timely respond to market conditions and the needs and wishes of customers to the franchisee's business, Franchisor reserves the right, in its sole and exclusive determination, to vary any standard of the System, the Marks, or the Manuals.

ITEM 12 **TERRITORY**

Franchisee

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

We will also grant you a Protected Territory. Each Protected Territory will include contiguous zip codes or other physical, political or natural boundaries that we expect to contain approximately 20,000 persons age 65 or over as of the date of your Franchise Agreement. The number of persons in your Protected Territory will be determined by a recognized third-party provider selected by us based using the most currently available information from the U.S. Census Bureau. The Protected Territory will be defined by and exist within the zip codes or other physical, political or natural boundaries as set forth in Exhibit B of the Franchise Agreement. If the Protected Territory is determined by zip codes and the geographic area included within any zip code on the boundary of your Protected Territory changes after the Effective Date, then the Protected Territory will be deemed to be amended to include any additional area included within such zip codes so long as this area is not already included in the protected territory of any other franchisee.

We have the right to: (a) establish, own or operate, and license others to establish, own or operate, Synergy HomeCare Businesses outside of the Protected Territory as we deem appropriate; (b) establish, own or operate, and license others to establish, own or operate, other businesses under other systems using other proprietary marks at locations inside and outside of the Protected Territory and on such terms and conditions as we deem appropriate; (c) provide services and sell any products authorized for Synergy HomeCare Businesses using the Marks or any other trademark, service marks and commercial symbols

through alternate channels of distribution including joint marketing with partner companies and all forms of Internet sales on such terms and conditions as we deemed appropriate; and (d) engage in any other activities not expressly prohibited by the Franchise Agreement.

We will not operate locations or grant franchises for other Synergy HomeCare Businesses within your Protected Territory unless you fail to meet your sales quota (“Minimum Sales Quota”) or are in breach of any other terms of the Franchise Agreement.

To satisfy your Minimum Sales Quota and maintain your Protected Territories, you must achieve the following Gross Sales for each of your Protected Territories as of the last month of each of the following Years of Operation:

Year of Operation	Minimum Monthly Gross Sales by end of each Year of Operation
1	\$10,000
2	\$20,000
3	\$30,000
4	\$40,000

Each “Year of Operation” will be defined by twelve month period that commences on the first day of the first full calendar month after your Grand Opening and ends on the last day of the twelfth calendar month thereafter. If you fail to satisfy the Minimum Sales Quota as of the end of the first, second, or third Year of Operation of the Initial Term of your Franchise Agreement we have the right to: reduce the size of or eliminate your Protected Territory; fashion some other remedy; or, terminate your Franchise Agreement, as we determine to be commercially reasonable appropriate. If you fail to satisfy the Minimum Sales Quota as of the end of the fourth Year of Operation of the Initial Term, we have the rights to: reduce the size of or eliminate your Protected Territory; fashion some other remedy; the right to terminate your Franchise Agreement, as we determine to be commercially reasonable appropriate; and, refrain from granting you a Successor Franchise Agreement. The Minimum Sales Quota of \$40,000 per month will continue for each Year of Operation granted by any Successor Franchise Agreement.

All Gross Sales from clients located outside of the Protected Territory (but for which you have our permission to service) in excess of twenty-five percent (25%) of Franchisee’s total monthly Gross Sales will not be credited towards satisfying the Minimum Sales Quota unless Franchisor has provided its written approval (Franchise Agreement, Section 2.4.2).

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

If after you sign the Franchise Agreement, you wish to purchase additional Protected Territories and we have approved your request pursuant to Sections 2.4 and 3.2 of the Franchise Agreement (which request may be granted or denied for any reason or no reason at all), you will pay us an additional fee (each being an “Expansion Fee”) of \$39,500 for the first additional Protected Territory and \$25,500 for the second Additional Protected Territory. If we do not approve your request within 30 days after you have submitted the request, (unless Franchisor has notified you that we need additional time to consider the request), then your request to add Additional Protected Territories will be deemed to have been denied.

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

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

- a. you have been operating each of the current Protected Territories for at least one (1) year each;
- b. you have met or exceeded the Minimum Sales Quota for the entire period of operation of each such Protected Territory;
- c. you provide us with a written request that it wishes to expand into a third territory;
- d. you have has the commercially reasonable financial ability to expand into an additional territory; and,
- e. Franchisor approves Franchisee's written request. Any such request can be approved or denied by the Franchisor for any reason or for no reason at all.

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

Except as described below, you may not directly market to or solicit, or provide services to, clients whose principal residence is inside the protected territory of any other Synergy HomeCare Business. You have the right to perform services for clients whose principal residence is outside of the Protected Territory so long as: (a) the client's principal residence is not inside the protected territory of any other Synergy HomeCare Business; and (b) the Franchised Business is able to perform services for the client according to the standards described in the Manual. Except as part of Cooperative Advertising, you may not advertise in any media whose primary circulation does not include or overlap with the Protected Territory without our prior written approval.

Franchisee will not solicit potential sources of client referrals or directly market to Referring Agencies with offices located outside of the Protected Territory, except with the prior written approval of Franchisor

You may not directly solicit "National Referral Agencies" to perform services for clients whose principal residence is inside of the Protected Territory without prior approval from Franchisor.

A "National Referral Agencies" mean Referring Agencies with offices or facilities in more than one geographic area that Franchisor has approved by designation in National Referral List file. Franchisor has the right to amend the list of approved National Referral Agencies at any time without prior notice to Franchisee. If any client's principal residence later becomes part of another Synergy HomeCare Business's protected territory, you may continue to perform services for that client, but you must refer any new clients who are within another Synergy HomeCare Business's protected territory to that Synergy HomeCare Business.

Regional Developer

The Regional Developer will be granted the right to develop a “Development Region”. The Development Region will be of no particular geometric shape and may include political regions including cities, counties, and zip codes and may be also defined by geographic limitations including water ways and mountains. The determination of your Development Region will be agreed upon between before you sign the RD Agreement.

We will not establish or license any other regional developer in your Development Region unless your Development Region is reduced or eliminated altogether (see the 3d paragraph following this paragraph and Section 3.1 of the RD Agreement). We will however have the right to sell franchises in the Development Region and will grant brokers or similar sales persons the right to sell franchises in your Development Region. You will be paid a Sales Commission commensurate with your participation in obtaining the franchisee (Item 6, RD Agreement, Article 5). We will also pay you a Royalty Commission for those franchises that open after you begin operation of your RD Business (Item 6, RD Agreement, Article 5) even though such franchise may have been sold by us or another sales person, though you will not be paid a Royalty Commission on franchises between you and us or on franchises that were sold before you received training and opened for business.

You are subject to a “Development Quota” with respect to each “Sales Year”. Under the RD Agreement a Sales Year is defined as each twelve (12) month period during the term of the RD Agreement. Each Sales Year will begin on the first day of the month. If the Initial Term of the RD Agreement starts on a day other than the first day of a month, then the Sales Year will include the remainder of the days in such month plus the twelve full months that follow.

The Development Quota will be based upon the size of the Development Region and such factors as the number of residents in the Development Region who are 65 years or older, the income demographics of the Development Region and the factors that we use to determine the availability of possible Protected Territories for franchisees. The Development Quota will be agreed upon between us before you sign the RD Agreement. The determination as to whether you have met the Development Quota for any Sales Year will be based on the total number of Synergy HomeCare Businesses purchased and paid for by Franchisees within the Development Region by the end of a Sales Year.

If you fail to satisfy the Development Quota as of the end of any Sales Year of the Initial Term and if that is the only breach of the RD Agreement, we have the right to: reduce the size of the Development Region to the size that encompasses the number of Protected Territories that are then in the Development Region; eliminate the Development Region altogether (though you will continue to service the franchisees in the Protected Territories that you already service), or to fashion some other remedy that does not include termination of the RD Agreement. If we reduce or eliminate your Development Region, we have the right to repackage and resell the recaptured area of you former Development Region in any manner we deem fit under any terms, covenants or conditions that the Franchisor deems appropriate and without having to pay you any other fees or commissions. If the failure to satisfy the Development Quota is in addition to any other breach of the RD Agreement, then in addition to the Franchisor’s rights described in this paragraph, we also have the right to terminate the RD Agreement.

You may not directly market to or solicit or provide services to Franchisees outside your Development Region. You must market only within your Development Region.

In some circumstances, the Regional Developer will be permitted to purchase for itself, one or more franchises under our then-current standard Franchise Agreement (Franchise Purchase Option). During the Initial Term of the RD Agreement and after Regional Developer has sold or has serviced three (3) franchises in the Development Region each of which has been opened and has been operating for at least 12 months, the Regional Developer shall have the option (but only after our approval using amongst other criteria, our Reasonable Business Judgment) to purchase one franchise for 50% of the then-current initial Regional Developer Fee (Reduced IRDF). If a commission is due to any broker or sales person as a result of Regional Developer's exercise of the Franchise Purchase Option, the Regional Developer will pay fifty percent (50%) of such commission to Franchisor in addition to the Reduced IRDF. Franchisor will pay the other fifty percent (50%) of the such commission from the Reduced IRDF. If you wish to exercise this option, the following additional terms shall apply:

a. Regional Developer's Franchise Purchase Option shall be exercisable by providing Franchisor with written notice of its intention to exercise the Franchise Purchase Option delivered to Franchisor no later than thirty (30) days prior to the expiration of the "Option Expiration Date" (as defined below). Such notice shall include payment of the Reduced IRDF and the identity of the proposed location for the Synergy HomeCare Business in the Development Region.

b. Regional Developer shall sign Franchisor's then-current form of Franchise Agreement. Other than the Reduced IRDF, all other terms of the Franchise Agreement shall apply as written and such terms may be materially different than those found in any franchise agreement that previously may have been signed.

c. The Regional Developer will not receive a Sales Service Commission on the reduced Franchise Fees, but will receive a commission on the Royalties that it may pay under each such Franchise Agreement.

The Franchise Purchase Option shall expire without prior notice upon the earlier of the expiration of the Initial Term or upon the earlier termination of this RD Agreement for any reason (Option Expiration Date). The Regional Developer acknowledges that the Franchise Purchase Option shall not be transferable without Franchisor's prior written approval which approval may be granted or denied for any reason or for no reason at all.

The terms of each Franchise Agreement granted under the Franchise Purchase Option may be significantly different than the Franchise Agreement previously signed by the Regional Developer and may include a greater royalty, higher costs to open, different territorial limitations, and similar material changes. In such an event, we will supply with the most recent franchise disclosure document and will provide you the time to review it as is required by state and federal law.

Other than the Franchise Purchase Option, you do not have any options, rights of first refusal or similar rights to acquire additional franchises, any Additional Protected Territories, or any additional RD Businesses.

You must operate the RD Business only from the RD Location within the Development Region. You may relocate within the Development Region only with our permission which will not be unreasonably withheld.

We have the right to: (a) use, and to license others to use, the Marks and System for the operation of other RD Businesses at any location outside of the Development Region, wherever located; (b) solicit prospective Franchisees through our own sales force, through the use of independent brokers, or otherwise, and to grant other persons franchises to operate Synergy HomeCare Businesses at locations within and outside of the Development Region and on such terms and conditions as we deem appropriate and to own

and operate such Synergy HomeCare Businesses within the Development Region (subject to its obligation to compensate Regional Developer, RD Agreement, Section 5.2); (c) use and license the use of alternative proprietary marks or methods in connection with the operation of home care businesses bearing the Synergy HomeCare Marks and related services at any location, which businesses may be the same as, or similar to, or different from Synergy HomeCare Businesses, or which may be in alternative channels of distribution; (d) use in alternate channels of distribution and at any location (subject to its obligation to compensate Regional Developer, RD Agreement, Section 5.5), the Marks and System in connection with some or all of the same Synergy HomeCare products and services offered by Synergy HomeCare Businesses, other services, and Synergy HomeCare Products, promotional and marketing efforts or related items; and, (e) acquire, merge with, or be acquired by any other business, including a business that competes with the Synergy HomeCare Business or the RD Business.


You must abide by all federal, state, and local government guidelines concerning your Business, its employees and any independent contractor that you use.

Except as stated here, there is no exclusive right to any territory.

ITEM 13 **TRADEMARKS**

You must operate the Franchised or RD Business under the name “Synergy HomeCare.” You may also use any other current or future Mark to operate the Franchised or RD Business that we designate in writing, including the logo on the front of this Disclosure Document. By “Mark,” we mean any trade name, trademark, service mark or logo used to identify Synergy HomeCare Businesses. The Marks are owned by Peter Tourian, our Managing Member, and are licensed exclusively to us and our Staffing Affiliate. Mr. Tourian has granted us an exclusive, royalty-free license (“Trademark License”) to use the Marks for purposes of franchising the Synergy HomeCare System around the world. The Trademark License extends for 20 years, commencing March 1, 2005, but it will automatically renew for subsequent 20 year periods provided we are not in default or do not materially breach the Trademark License by engaging in any activity which damages the Marks or the goodwill of the System. In the event the Trademark License is terminated, Mr. Tourian has agreed to license the use of the Marks directly to our franchisees until such time as each Franchise or RD Agreement expires or is otherwise terminated.

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

Mark	Filing Date	Registration Number	Registration Date
 Synergy HomeCare (design plus words)	November 12, 2003	2958593	May 31, 2005
Synergy HomeCare (standard character mark)	July 16, 2004	3066796	March 7, 2006

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

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

Mr. Tourian also for the following service mark on the Principal Register:

Mark	Filing Date	Serial Number Number
Synergy HomeCare (standard character mark)	October 25, 2010	85160238

This service mark is identical to the service mark found at Registration Number 3066796. The new filing was made to add protection under additional classes. We continue to have registration of, and the protection for our principal trademarks and service marks. This Mark has been added to the license agreement described above.

You will not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your Franchised or RD Business. You may only use the Marks in accordance with our standards, operating procedures and specifications. Any unauthorized use of the Marks by you is a breach of the Franchise or RD Agreement and an infringement of our rights in the Marks. You may not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You may not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us as soon as you become aware of any apparent infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you may not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We may take whatever action we deem appropriate in these situations; we have exclusive control over settlement, litigation or Patent and Trademark Office or other proceeding arising out of any alleged infringement, challenge or claim or otherwise concerning any Mark. You must take any actions that, in the opinion of our counsel, may be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks.

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

We will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner

and you have complied and are in compliance with the Franchise or RD Agreement and our directions with regard to such proceeding. We have the right to control the defense and settlement of any such proceeding. Our reimbursement does not include your expenses incurred in removing signage or discontinuing your use of any Mark. Our reimbursement also does not apply to any disputes between you and us where we challenge your use of a Mark. Our reimbursement does not apply to legal fees you incur in seeking separate, independent legal counsel. We have the right to offset any such reimbursement against any amounts you owe to us for Royalty Fees, Marketing Fund Contributions, Sales Service Commissions, Royalty Commissions, or any other obligation.

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

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

You may not establish, create or operate an Internet site or website using any domain name containing the words “Synergy HomeCare” or any variation thereof without our prior written consent. (Section 10.9)

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

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

No patents are material to the Franchise or the RD Agreement. We own certain copyrights in all Manuals, marketing materials and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights and need not do so to protect them. You may use these items only as we specify while operating the Franchised Business and you must stop using them if we direct you to do so.

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

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

Certain individuals with access to Confidential Information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees

and staff may be required to sign nondisclosure and non-competition agreements the same as or similar to the form attached as Exhibit E to the Franchise Agreement and Attachment 6 to the RD Agreement.

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

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

Franchisees

The Franchised Business must always be under the direct full-time supervision of a Designated Manager, which is you if you are an individual, or is an individual you select if you are a business entity. You (or your Designated Manager) must attend and satisfactorily complete our initial training program before opening the Franchised Business. You must keep us informed of the identity of your current Designated Manager. If you are a corporation or other business entity and the Franchised Business is under the supervision of a Designated Manager, he or she does not have to be one of your owners.

As described in ITEM 14, all shareholders (and members of their immediate families and households), officers, directors, partners, members, managers, executives, employees and staff, and other individuals having access to Confidential Information may be required to sign nondisclosure and non-competition agreements the same as or similar to the form attached as Exhibit E to the RD Agreement. We will be a third party beneficiary with the right to enforce the agreements.

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

Regional Developer

The RD Business must always be under the direct full-time supervision of the Regional Developer or the Regional Operating Manager. Regional Developer shall at all time during the term of the RD Agreement own and control the RD Business. The Regional Developer or Regional Operating Manager must live in the Development Region.

As described in ITEM 14, all shareholders (and members of their immediate families and households), officers, directors, partners, members, managers, executives, employees and staff, and other individuals having access to Confidential Information may be required to sign nondisclosure and non-competition agreements the same as or similar to the form attached as Attachment 6 to the RD Agreement. We will be a third party beneficiary with the right to enforce the agreements.

If you are a business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the RD Agreement and agree to be personally liable for your breach of the RD Agreement by signing the Guaranty and Assumption of Obligations attached to the RD Agreement as Attachment 3.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Franchisees

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

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

We may periodically change required and/or authorized products or services. There are no limits on our right to do so. If we modify the System, you may be required to add or replace equipment, signs and fixtures, and you may have to make improvements or modifications as necessary to maintain uniformity with our current standards and specifications. From time to time, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based upon such factors as we determine, including test marketing, your qualifications, and regional or local differences.

Regional Developer

You must operate in the Development Region only in accordance with the RD Agreement. You may not deviate from these standards, specifications and procedures without our written consent which may be granted or denied for any reason or for no reason at all.

You must offer the services and products we specify from time to time, in strict accordance with our standards and specifications. You may not sell any services or products that we have not authorized and you must discontinue offering any services or products that we may, in our sole discretion, disapprove in writing at any time.

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

From time to time, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based upon such factors as we determine, including test marketing, your qualifications, and regional or local differences.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

The Franchise Relationship

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

Provision	Section in the Franchise Agreement	Summary
f. Termination by us with cause	Section 16.2	We may terminate the Franchise Agreement only if you default.
g. “Cause” defined-curable defaults	Section 16.2.2	You can avoid termination of the Franchise Agreement if you cure the following defaults within: 30 days of receiving our notice of termination for your failure to comply with mandatory specifications in the Franchise Agreement or Manual; or 5 days of receiving our notice of termination for your failure to make payments due us.
h. “Cause” defined-non-curable defaults	Section 16.2.1	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to establish and equip the Franchised Business; fail to satisfactorily complete training; make a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Franchised Business; use the Manual or Confidential Information in an unauthorized manner; abandon the Franchised Business for 5 or more consecutive days; surrender or transfer of control of the Franchised Business in an unauthorized manner; fail to maintain the Franchised Business under the supervision of a Designated Manager if you die or become disabled; submit reports on 2 separate occasions understating any amounts due by more than 3%; are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use of the Marks, copyrights or Confidential Information; fail on 2 occasions within any 12 months to submit reports or records or to pay any fees due us or any Affiliate; fail to meet the Minimum Annual Sales Quota; violate any health, safety or other laws or conduct the Franchised Business in a manner creating a health or safety hazard, or allow a license or permit necessary for the operation of the Franchised Business to lapse or providing Synergy HomeCare services to be revoked or suspended for a period exceeding 10 days; or default under any other agreement between you and us (or our Affiliates) such that we (or our Affiliates) have the right to terminate the Franchise Agreement; service the client of another franchisee without permission.
i. Your obligations on	Section 17.1	If the Franchise Agreement is terminated or we do not

Provision	Section in the Franchise Agreement	Summary
termination/non-renewal		extend your rights to operate the Franchised Business, you must: stop operating the Franchised Business; stop using any Confidential Information, the System and the Marks; if requested, assign your interest in the Approved Location to us; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the termination provisions of the Franchise Agreement; return the Manual and all other Confidential Information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of contract by us	Section 18.1	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by you-definition	Section 18.2	"Transfer" includes transfer of ownership in the franchise, the Franchise Agreement, the Approved Location, the Franchised Business's assets or the franchisee entity.
l. Our approval of transfer by you	Section 18.2	You may not transfer your interest in any of the above without our prior written consent.
m. Conditions for our approval of transfer	Section 18.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed our form of general release; the prospective transferee meets our then-current business and financial standards; the transferee and all persons owning any interest in the transferee sign the then-current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee of the greater of \$17,500, 50% of our then-current Franchise Fee; or the reasonable costs and expenses we incur to review the proposed transfer, provide training to the transferee and reimburse us for our administrative expenses and legal fees; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed our form of non-competition agreement; and before assuming management of the operation of the Franchised

Provision	Section in the Franchise Agreement	Summary
		Business, the transferee's Designated Manager has completed the initial training program.
n. Our right of first refusal to acquire your Franchised Business	Section 19	We may match an offer for your Franchised Business or an ownership interest you propose to sell.
o. Our option to purchase your Franchised Business	Section 17.5	Except as described in (n) above, we do not have the right to purchase your Franchised Business; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the Franchised Business for book value, excluding any goodwill.
p. Your death or disability	Section 18.6	If you (or one of you owners) die or become incapacitated, your representative must transfer, subject to the terms of the Franchise Agreement, your interest in the Franchised Business within 180 days of death or incapacity or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 7.3	You, your owners (and members of their families and households) and your officers, directors, executives managers, professional staff or employees are prohibited from: attempting to divert any business or customer of the Franchised Business to a Competitive Business or causing injury or prejudice to the Marks or the System; owning or working for a Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.2	For 2 years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives managers, professional staff or employees are prohibited from: owning or working for a Competitive Business operating within 50 miles of the Approved Location (or within the Protected Territory, if greater) or any other Synergy HomeCare Business; or soliciting or influencing any of our employees or business associates to compete with us or terminate their relationship with us.
s. Modification of the agreement	Section 22.47	The Franchise Agreement can be modified only by written agreement between you and us. We may unilaterally modify the Manual if the modification does not materially alter your fundamental rights.
t. Integration/merger clause	Section 22.7	Only the terms of the Franchise Agreement are binding. Any other promises may not be enforceable. Nothing in the Franchise Agreement is intended to disclaim the

Provision	Section in the Franchise Agreement	Summary
		representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 23.7	Except for claims relating to the Marks, Confidential Information, covenants not to compete, money due on contracts and termination for violations of health or safety regulations, all disputes must be arbitrated in Maricopa County, Arizona.
v. Choice of forum	Section 23.2	Any litigation must be pursued in courts located in Maricopa County, Arizona.
w. Choice of law	Section 23.1	Arizona law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.).

THE REGIONAL DEVELOPER RELATIONSHIP

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

The Regional Developer Relationship

Provision	Section in the RD Agreement	Summary
a. Length of the franchise term	Section 15.1	The Initial Term is 10 years.
b. Renewal or extension of the term	Section 15.2	You may extend your rights to operate the Franchised Business for 2 additional terms of 10 years each, subject to (c) below.
c. Requirements for you to renew or extend	Section 15.3	You may extend your rights to operate the RD Business if you: have substantially complied with the provisions of the RD Agreement; have met the Development Quotas; are not in default of the RD Agreement at the time you send notice to renew; send timely notice, sign the then-current RD Agreement, which agreement may contain terms that are significantly different than those found in the current RD Agreement ; sign release; pay the RD Renewal Fee; agree to a new Development Quota
d. Termination by you	Section 16.1	After the first 12 months of operation, you may terminate the RD Agreement if you are in compliance with it. You must provide 90 days written notice. We will retain all fees paid to date, you must comply with the termination requirements found in Section 16.1; and must pay liquidated damages equal to fifty percent (50%) of the then-current IRDF.
e. Termination by us without cause	Not Applicable	

Provision	Section in the RD Agreement	Summary
f. Termination by us with cause	Section 16.2	We may terminate the RD Agreement only if you default. See (g) below.
g. "Cause" defined-curable defaults	Section 16.2	Failure to pay when due (10 days); failure to timely cure breach of any RD Agreement between us; failure to cure certain breaches of RD Agreement after receiving 30 days notice; default under Prime Lease or Sublease.
h. "Cause" defined-non-curable defaults	Section 16.2.1	Failure to complete training; material misrepresentation or omissions on applications; failure to meet Development Quota (in addition to the breach of any other covenant of the RD Agreement); unauthorized Transfer; criminal conviction; acts in a way that is insolvency; adverse to the goodwill of the Franchisor or Marks; abandons the RD Business; receipt of 4th notice of breach of RD Agreement within 12 months; default under lease; defaults on other agreement between us; fails to comply with laws; fails to pay when due.
i. Your obligations on termination/non-renewal	Section 16.3	You must: stop operating the RD Business; stop using any Confidential Information, the System and the Marks; deidentify as a regional developer pay all amounts due within 15 days of termination or non renewal; cancel or assign to us any assumed names; return all manuals, sales materials, and all other Confidential Information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the RD Agreement.
j. Assignment of contract by us	Section 14.1	There are no restrictions on our right to assign our interest in the RD Agreement.
k. "Transfer" by you-definition	Section 14.2	"Transfer" includes transfer of ownership in the RD Business, sale of ownership in the RD Business; give, disposition through death or divorce; sale of material assets.
l. Our approval of transfer by you	Section 14.3	You may not transfer your interest in any of the above without our prior written consent.

Provision	Section in the RD Agreement	Summary
m. Conditions for our approval of transfer	Sections 14.3 through 14.5	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed our form of general release; the prospective transferee meets our then-current business and financial standards; the transferee and all persons owning any interest in the transferee assume the current RD Agreement, or at our option sign the then-current RD Agreement with the understanding that the terms of the then-current Regional Developer Agreement may differ materially from the terms contained in the current RD Agreement ; you provide us with a copy of all contracts and agreements related to the transfer and we approve; if applicable, you subordinate your rights to franchise-related collateral; you or the transferee pay the transfer fee; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the RD Agreement; you or all of your equity owners have signed our form of non-competition agreement; and before assuming management of the operation of the RD Business, the transferee has completed the initial training program.
n. Our right of first refusal to acquire your Franchised Business	Section 14.7	We may match an offer
o. Our option to purchase your Franchised Business	None	Except as described in (n) above, we do not have the right to purchase your RD Business,
p. Your death or disability	Section 14.6	If you (or one of you owners) die or become incapacitated, your representative must transfer, subject to the terms of the RD Agreement, your interest in the RD Business within 6 months of death or incapacity or we may terminate the RD Agreement.
q. Non-competition covenants during the term of the franchise	Section 10.2	We have the right to require you, your owners (and members of their families and households) and your officers, directors, executives managers, professional staff or employees to sign the Non-Disclosure and Non-Competition Agreement attached as Attachment 6 of the RD Agreement, which prohibits you from: attempting to divert any business, employee, or customer of the RD Business to a Competitive Business or causing injury or prejudice to the Marks or the System; owning or working for a Competitive Business.

Provision	Section in the RD Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 10.2	See (q) above. The period of non-competition is 2 years and the prohibited areas are: the Development Region; 50 miles from the perimeter of the Development Region; 50 miles from the perimeter of any other regional developer's development region or franchisee's protected territory.
s. Modification of the agreement	Section 19.3	Franchisor may unilaterally modify or update its standards, specifications, and operating and marketing techniques, and may add new services to the Franchise Agreement or the RD Agreement through updates to the Operations Manuals or RD Manuals, under any conditions and to the extent in which Franchisor deems necessary to protect, promote, or improve the Marks and the quality of the System. Except as described here, this Agreement may only be modified in writing which must be signed and dated by the Franchisor and Regional Developer.
t. Integration/merger clause	Section 19.1	Only the terms of the RD Agreement are binding. Any other promises may not be enforceable. Nothing in the RD Agreement is intended to disclaim the representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Article 18	Except for claims relating to the Marks, Confidential Information, covenants not to compete, all disputes must be arbitrated in Maricopa County, Arizona.
v. Choice of forum	Section 18.1	Any dispute must be resolved in Maricopa County, Arizona.
w. Choice of law	Section 18.1	Arizona law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The following is a statement of the “Average Annual Gross Sales” by twelve Synergy HomeCare Businesses, for the period from January 1, 2011 to December 31, 2011, as more fully explained below.

These statements have not been prepared in accordance with generally accepted accounting principles. The figures were compiled from data received from the Synergy HomeCare franchisees using a uniform system of reporting Gross Sales to us. All of the Synergy HomeCare Businesses offered substantially the same services to the public. Substantially the same services were offered by us to the Synergy HomeCare Businesses upon which the data is based. Substantiation of the data used in preparing this Statement will be made available to you upon reasonable request.

The statement of Average Annual Gross Sales is compiled from the 21 Synergy HomeCare Businesses. One is located in each of the following states and was opened on the date stated:

State	Start Date
Arizona	January 2003
Arizona	January 2006
Arizona	February 2006
Arizona	June 2006
California	November 2007
Colorado	October 2006
Georgia	June 2008
Illinois	March 2008
Michigan	June 2008
New Jersey	August 2007
New Jersey	November 2007
New Jersey	June 2008
Ohio	January 2008
South Carolina	November 2007
South Dakota *	April 2006
Texas *	August 2006
Texas	February 2007
Texas	February 2007
Virginia	October 2007
Washington	January 2008
Washington *	August 2006

Note: asterisk (*) denotes office owned by Regional Developer.

Units are owned by franchisees and regional developers (where noted by asterisk in above table). Weekly reports or other similar information is submitted by these franchisees to us stating their actual Gross Sales. “Gross Sales” is defined in Item 6.

Time Period	Total Offices	Average Gross Sales	Median Sales	Gross	Highest Franchise Gross Sales	Lowest Franchise Gross Sales
12 months ended December 31, 2011	21	1,265,272	\$931,173		\$4,225,963	\$442,988

Of the 21 Synergy HomeCare Businesses whose Gross Sales is used in this representation, 6 attained the Average Gross Sales (and 15 are below the Average Gross Sales), 11 attained the Median Gross Sales (and 10 are below the Median Gross Sales). Written substantiation for the financial performance representation will be made available for inspection by you at our headquarters in Gilbert, Arizona, upon reasonable request.

Only 21 Synergy HomeCare Businesses identified above have been included because they have the longest operating history of any of the Synergy HomeCare Businesses in our system.

CAUTION

We do not warrant, represent, promise, predict or guarantee that you can or will attain these gross sales. To the contrary, your individual financial results will likely differ from the results stated in this item 19. You must accept the risk of not doing as well.

These figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your synergy homecare business. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

You are likely to achieve results that are different, possibly significantly and adversely from the results shown above. Many factors such as your location, management capabilities, local market conditions and other factors, are unique to your territory and may significantly impact the financial performance of your business.

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

Historical fees, costs, gross sales and other numbers identified here do not necessarily correspond to future fees, costs, or gross sales, since they do not take into consideration such matters as inflation, market fluctuations, and demand for your services.

We do not make any representations or statements of actual, or average, or projected, or forecasted sales, profits or earnings to you about synergy homecare businesses, except the information in this item 19. Our sales personnel, employees and officers are not authorized to make and are instructed that each may make no other claims or statements as to the earnings, sales or profits or prospects or chances of success that you can expect or that present or past franchisees have had. We recommend that you make your own investigation and determine whether or not the synergy homecare businesses are profitable. We recommend that you consult with an advisor of your choosing.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1**
Systemwide Outlet Summary
For Years 2009-2011

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchisees	2009	48	95	+47
	2010	95	116	+21
	2011	116	127	+11
Company-Owned	2009	0	0	0
	2010	0	0	0
	2011	0	0	0
Total Outlets	2009	48	95	+47
	2010	95	115	+21
	2011	115	129	+14

** All Tables includes Franchised Businesses and RD Businesses

Table No. 2
Transfers of Franchised Outlets
For Years 2009-2011

State	Year	Number of Transfers
Alabama	2009	0
	2010	0
	2011	1
Arizona	2009	0
	2010	0
	2011	0
Arkansas	2009	0
	2010	0
	2011	0
California	2009	0
	2010	0
	2011	0
Colorado	2009	0
	2010	0
	2011	0
Connecticut	2009	0
	2010	0
	2011	1
Georgia	2009	0
	2010	0
	2011	0
Illinois	2009	0
	2010	0
	2011	2
Kansas	2009	0
	2010	0

State	Year	Number of Transfers
	2011	0
Maryland	2009	0
	2010	0
	2011	0
Minnesota	2009	0
	2010	0
	2011	0
Missouri	2009	1
	2010	0
	2011	1
Montana	2009	0
	2010	0
	2011	1
New Jersey	2009	0
	2010	0
	2011	0
Ohio	2009	0
	2010	0
	2011	0
Oklahoma	2009	0
	2010	0
	2011	0
Oregon	2009	0
	2010	0
	2011	0
South Carolina	2009	0
	2010	0
	2011	0
South Dakota	2009	0
	2010	0
	2011	1
Tennessee	2009	0
	2010	0
	2011	0
Texas	2009	0
	2010	0
	2011	0
Virginia	2009	0
	2010	0
	2011	0
Washington	2009	0
	2010	0
	2011	0
Wisconsin	2009	0
	2010	0
	2011	0
Totals	2009	1
	2010	0

State	Year	Number of Transfers
	2011	7

**Table No. 3
Status of Franchised Outlets
For Years 2009-2011**

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2008	0	1	0	0	0	0	1
	2009	0	0	0	0	0	0	0
	2010	1	1	0	0	0	0	2
	2011	2	0	0	0	0	0	2
Arizona	2008	4	2	0	0	0	0	6
	2009	6	1	0	0	0	1	6
	2010	6	0	1	0	0	0	5
	2011	5	0	0	0	0	0	5
Arkansas	2008	1	0	0	0	0	0	1
	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
California	2008	2	2	0	0	0	1	3
	2009	3	10	0	0	0	1	12
	2010	12	5	0	0	0	0	17
	2011	17	3	1	0	0	2	17
Colorado	2008	1	2	0	0	0	0	3
	2009	03	0	0	0	0	0	03
	2010	3	0	1	0	0	1	1
	2011	1	2	0	0	0	0	3
Connecticut	2009	0	3	0	0	0	0	3
	2010	3	0	0	0	0	1	2
	2011	2	2	0	0	0	0	4
District of Columbia	2009	0	0	0	0	0	0	0
	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Florida	2009	0	3	0	0	0	0	3
	2010	3	1	0	0	0	1	3
	2011	3	2	0	0	0	0	5
Georgia	2009	2	4	0	0	0	0	6
	2010	6	0	0	0	0	0	6
	2011	6	0	0	0	0	0	6
Hawaii	2009	0	1	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Idaho	2009	0	0	0	0	0	0	0
	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Illinois	2009	2	3	0	0	0	0	5
	2010	5	2	0	0	0	0	7
	2011	7	0	0	0	0	1	6
Indiana	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
Kansas	2009	0	0	0	0	0	0	0
	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Kentucky	2009	0	1	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	1	0	0	0	1	1
Maryland	2009	1	3	0	0	0	0	4
	2010	4	0	0	0	0	0	4
	2011	4	0	0	0	0	1	3
Massachusetts	2009	0	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Michigan	2009	2	2	0	0	0	0	4
	2010	4	2	0	0	0	0	6
	2011	6	0	0	0	0	0	6
Minnesota	2009	1	2	0	0	0	0	3
	2010	3	2	0	0	0	0	5
	2011							
Mississippi	2009	0	1	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Missouri	2009	2	2	0	0	0	0	4
	2010	4	1	0	0	0	0	5
	2011	5	0	0	0	0	0	5
Montana	2009	0	1	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
New Jersey	2009	4	6	0	0	0	0	10
	2010	10	0	0	0	0	0	10
	2011	10	2	0	0	0	0	12
New Mexico	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
New York	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	1
	2011	0	1	0	0	0	0	1
North Carolina	2009	0	1	0	0	0	0	1
	2010	1	2	0	0	0	0	3

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2011	3	0	0	0	0	0	3
Ohio	2009	2	1	0	0	0	1	2
	2010	2	2	0	0	0	0	4
	2011	4	1	0	0	0	0	5
Oklahoma	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Oregon	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	1	0
	2011	0	1	0	0	0	0	1
Pennsylvania	2009	0	2	0	0	0	0	2
	2010	2	1	0	0	0	0	3
	2011	3	1	0	0	0	0	4
South Carolina	2009	2	0	0	0	0	1	1
	2010	1	0	0	0	0	0	1
	2011	1	1	0	0	0	0	2
South Dakota	2009	1	1	0	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
Tennessee	2009	1	0	0	0	0	1	0
	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	1	0
Texas	2009	6	1	0	0	0	1	6
	2010	6	2	0	0	0	0	8
	2011	8	5	0	0	0	0	13
Virginia	2009	2	1	0	0	0	0	3
	2010	3	0	0	0	0	1	2
	2011	2	0	0	0	0	0	2
Washington	2009	2	1	0	0	0	0	3
	2010	3	1	0	0	0	0	4
	2011	4	0	0	0	0	0	4
Wisconsin	2009	1	1	0	0	0	0	2
	2010	2	1	0	0	0	0	3
	2011	3	0	0	0	0	0	3
Wyoming	2009	0	1	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Total	2009	48	53	0	0	0	6	95
	2010	95	27	2	0	0	5	115
	2011	115	21	2	0	0	5	129

Table No. 4
Status of Company-Owned Outlets
For Years 2009-2011

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Total Outlets	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0

Table No. 5
Projected Openings as of
December 31, 2012

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	0	0	0
Arizona	0	0	0
Arkansas	0	0	0
California	0	7	0
Colorado	0	1	0
Connecticut	0	1	0
Delaware	0	1	0
Florida	0	2	0
District of Columbia	0	0	0
Georgia	0	1	0
Hawaii	0	0	0
Idaho	0	1	0
Illinois	0	2	0
Indiana	0	1	0
Iowa	0	1	0
Kansas	0	1	0
Kentucky	0	1	0
Maine	0	1	0
Maryland	0	1	0
Massachusetts	0	1	0
Michigan	0	1	0
Minnesota	0	1	0
Mississippi	0	1	0
Missouri	0	1	0
Nebraska	0	1	0
Nevada	0	1	0
New Hampshire	0	1	0
New Jersey	0	1	0
New Mexico	0	1	0
New York	0	3	0
North Carolina	0	1	0
Ohio	0	1	0
Oklahoma	0	1	0

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
Oregon	0	1	0
Pennsylvania	0	1	0
Rhode Island	0	1	0
South Carolina	0	1	0
South Dakota	0	0	0
Tennessee	0	1	0
Texas	0	2	0
Utah	0	1	0
Virginia	0	1	0
Washington	0	1	0
West Virginia	0	1	0
Wisconsin	0	1	0
Wyoming	0	0	0
Totals	0	41	0

The above figures are estimates only. These numbers may change significantly depending upon a number of factors, including the timing of various state registrations and the success of franchise marketing efforts.

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

In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with a Synergy HomeCare franchise. 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.

The name, address, telephone number, email address and Web address of each Trademark-Specific Franchisee Organizations is listed in Exhibit I.

ITEM 21 **FINANCIAL STATEMENTS**

Attached as Exhibit E are our audited financial statements for our fiscal years ending December 31, 2009, December 31, 2010, and December 31, 2011.

Our fiscal year end is December 31.

ITEM 22 **CONTRACTS**

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

The Synergy HomeCare Regional Development Agreement is attached to this Disclosure Document as Exhibit C-1.

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

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

The Synergy HomeCare General Release is attached to the Franchise Agreement as Exhibit F.

The Synergy HomeCare Telephone Number and Directory Listing Assignment is attached to the Franchise Agreement as Exhibit G.

The Synergy HomeCare Telephone Electronic Funds Authorization is attached to the Franchise Agreement as Exhibit H.

The Synergy HomeCare Multi-State Addendum is attached to the Franchise Agreement as Exhibit I.

We provide no other contracts or agreements for your signature.

ITEM 23
RECEIPT

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



EXHIBIT A

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE

EXHIBIT A TO THE DISCLOSURE DOCUMENT

**LIST OF STATE ADMINISTRATORS
AND STATE AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Corporations Department of Corporations One Sansome Street, Ste. 600 San Francisco, CA 94104 415-972-8559	Corporations Commissioner 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 44 Capitol Avenue Hartford, CT 06106 203-240-8299	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 904-922-2770	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 404-656-3790	Same
HAWAII	State of Hawaii Business Registration Division Securities Compliance Branch Dept. of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722	Hawaii Commissioner of Securities Same Address
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 502-573-2200	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 504-342-7013 (gen. info.) 504-342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 500 St. Paul, MN 55101 651-296-4026	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 Lincoln, NE 68508 P.O. Box 95006 Lincoln, Nebraska 68509-5006 Tele: 402-471-3445	Same
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 603-271-3641	Same
NEW YORK	Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 212-416-8222	Secretary of State of New York 41 State Street Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office/Securities Division Legislative Annex Building 300 Salisbury Street Raleigh, NC 27602 919-733-3924	Secretary of State Secretary of State's Office 300 Salisbury Street Raleigh, NC 27602

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor Bismarck, ND 58505-0510 701-328-4712; Fax: 701-328-0140	North Dakota Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215 614-466-8831 or 800-282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 405-521-2451	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Division of Securities Department of Business Regulation 1511 Pontiac Avenue John O. Pastore Center – Building 69-1 Cranston, RI 02920 401-277-3048	Director of the Rhode Island Department of Business Regulation Rhode Island Attorney General 1511 Pontiac Avenue John O. Pastore Center – Building 69-1 Cranston, RI 02920
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 803-734-2166	Same
SOUTH DAKOTA	Department of Commerce and Regulation Division of Securities State of South Dakota 445 E. Capitol Avenue Pierre, SD 57501-3185 605-773-4013	Director of South Dakota Division of Securities Same Address
TEXAS	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 512-475-1769	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 TELE: 801-530-6601 FAX:801-530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, Ninth Floor Richmond, VA 23219 804-371-9733	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501 360-902-8760	Director, Dept. of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501
WISCONSIN	Wisconsin Dept. of Financial Institutions Division of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703 608-266-8557	Wisconsin Commissioner of Securities Same Address



EXHIBIT B

**LIST OF FRANCHISEES AND REGIONAL
DEVELOPERS**

EXHIBIT B TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES AND REGIONAL DEVELOPERS AS OF DECEMBER 31, 2011

As of December 31, 2011, we have the following Franchisees[†]:

Full Name	Business Address	City, State	Business Phone
<u>Alabama</u>			
Shelly and Myra Waites	114 Trade Center Dr., Ste A	Birmingham, AL 35244	(205) 987-0555
Scott & Laura Binder	1216 Memorial Parkway	Huntsville, AL 35801	(256) 425-0061
<u>Arizona</u>			
Mike Endredy	1660 S. Alma School Rd, Ste 201	Mesa, AZ 85210	(480) 377-6770
David Cogan	10240 W. Bell Road, Suite A	Sun City, AZ 85351	(623) 875-7100
Meridell Sloterbeek	2345 E. Thomas Road, Suite 110	Phoenix, AZ 85016	(602) 283-5050
Vida Johnson & Lori Whitesell	1926 E. Fort Lowell Road #103	Tucson, AZ 85719	(520) 327-2771
Sarah & Kelly Engelhardt	17470 N Pacesetter Way, Ste 112	Scottsdale, AZ 85255	(480) 947-1234
<u>Arkansas</u>			
Michael & Michelle Stevens	135 W. Sunbridge Drive, Suite 3	Fayetteville, AR 72703	(479) 439-4080
<u>California</u>			
Vasilis & Anastasia Georgiou	7700 Irvine Center Dr., Ste 800	Irvine, CA 92618	(949) 753-1085
Saili Gosula	1670 S Amphlette Blvd,	San Mateo, CA 94402	(605) 504-8040
Bill & Kitty Myers	1883 Stacy Way	Upland, CA 91784	(909) 908-2545
Tommy Yamamoto	4320 Stevens Creek Blvd, Ste 123	San Jose, CA 95129	(408) 247-0913
Glenn & Julia Mark	6500 Dublin Blvd, Ste 200E	Dublin, CA 94568	(925) 551-0998
Carrie Casillas	501 Stockton Ave, Ste 105	San Jose, CA 95126	(408) 288-7785
Philippe Faurie & Michele Celie	5415 Oberlin Dr.	San Diego, CA 92121	(858) 202-0476
Ernie & Betty Madsen	7305 Morro Rd, Ste 201	Atascadero, CA 93244	(805) 462-1300
Kim Robinson	2760 E Spring St., Ste 204	Long Beach, CA 90806	(562) 426-9100
Raghu Yadavalli	2685 Maureen Way, Ste 1220	Mountain View, CA 94043	(650) 938-2273
Glenn & Janet Callaway	6520 Lonetree Blvd, Ste 120	Rocklin, CA 95765	(916) 789-9920
Mike & Lore VandenHeuvel	160-B Guthrie Ln., Ste 15	Brentwood, CA 94513	(925) 240-5501
Ken Kuck	1101 California Ave, Ste 100	Corona, CA 92881	(951) 250-9808
Yan Qu	13405 Folsom Blvd, Ste 513	Folsom, CA 95630	(916) 351-0794
<u>Colorado</u>			
Betsi Brimer	4105 E. Florida, Suite 103	Denver, CO 80222	(303) 756-9322
<u>Connecticut</u>			
Caleena and Manish Namdev	76 Progress Dr, Ste 235L	Stamford, CT 06902	(203) 661-6969
Jim Crossett	53 Lake Ave. Extension	Danbury, CT 06811	(914) 747-3098
<u>District of Columbia</u>			
Chonita Tillmon	1155 F St. NW, Ste 1050	Washington, DC 20036	(202)558-7706
<u>Florida</u>			
Lucia & Jorge Robelo	6855 SW 81 st , Ste 210	Miami, FL 33143	(786) 888-0379
Vish Rajan	601 N. Congress Ave, Ste 429	Delray Beach, FL 33445	(561) 276-9985

Robert Solomon 4651 Salisbury Rd, Ste 470 Jacksonville, FL 32256 (904) 783-7076

Georgia

Stacy Korosec & Sue McCormick 11380 Southbridge Pkwy, Ste 225 Alpharetta, GA 30078 (770) 777-4781
Jeff Kelly 2386 Clower St. Bldg D, Ste 100D Snellville, GA 30078 (678) 682-9121
Marti Carlson & Sam Sanders 5425 Peachtree Pkwy Norcorss, GA 30092 (404) 474-8443
Barbara & Nancy Bour 160 Clairemont Ave, Ste 200 Decatur, GA 30030 (770) 493-4344
Dan Armstead 650 Henderson Drive, Ste 434 Cartersville, GA 30120 (770) 783-2323
Joel Bagley 2078 Teron Trace, Ste 250 Dacula, GA 30019 (770) 783-2323

Hawaii

Richard & Feli Caballero 320 Ward Ave, Ste 207 Honolulu, HI 96814 (808) 596-7014

Idaho

Mike Smith 1243 E Iron Eagle Dr Eagle, ID 83616 (208) 906-3725

Illinois

Diego & Ana Uribe 1250 Grove Ave, Ste 200 Barrington, IL 60010 (847) 304-0123
Steve & Jan Victor 500 Corporate Ctr, Ste 350 Deerfield, IL 60015 (847) 236-1242
Albert Estrin 1655 N Arlington Hts Rd, Arlington Heights, IL
Ste 201
60004 (847)230-0044

Mark Gould 799 Roosevelt Rd, Ste 105 Glen Ellyn, IL 60137 (630) 517-0068

Bob Langelund 1301 Pyott Rd., Ste 104 Lake in the Hills, IL 60156 (847) 458-0092
Mark Barry 1300 Belmont St, Ste 304 Chicago, IL 60657 (773) 880-2352

Kansas

Paul & Darla Czeropski 7275 W 162nd St., Ste 102 Stilwell, KS 66085 (913) 658-9700

Maryland

Mark Decker 407 E. Churchville Rd, Ste 202 Bel Air, MD 21014 (410) 638-1533
Steve & Jennifer Diamond 8601 LaSalle Rd, Ste 101 Towson, MD 21286 (410) 339-7260
Francis McAndrews 1612 McGuckian St, Ste 200 Annapolis, MD 21401 (240) 263-4050

Massachusetts

Steve Converse & Rich Schmidt 175 Littleton Rd, Ste 10 Westford, MA 01886 (978) 467-4190

Michigan

Ron & Nicole Greer 140 W. Middle St, Ste A Chelsea, MI 48118 (734) 433-9007
Jeanne & Jim Atkinson 33314 Grand River Ave Farmington, MI 48336 (248) 919-1244
Darryl & Sandra Ellison 705 S Main St, Ste 160 Plymouth, MI 48170 (734) 446-5855
Jerry Sowik 410 W. University Rochester, MI 48307 (248) 608-3970
Carol Thompson 51145 Nicolette Chesterfield, MI 48047 (586) 716-0720
Tom & Kathleen Gordon 102 Kercheval, Ste 12 Grosse Point Farms, MI 48136 (313) 794-9036

Minnesota

Percy Nelson 7616 Currell Blvd., Ste 200 Woodbury, MN 55125 (651) 209-6360
Mitch Bloom 7575 Golden Valley Rd, Ste 270 Golden Valley, MN 55427(763) 746-2899
Jim Zenk 3433 Broadway St NE, Ste 195 Minneapolis, MN 55413 (612) 455-2585

David & Vicki Dunnigan Omar Richmond	4134 Deegan Ct, Ste 50 13955 W Proserve Blvd, St 202	Monticello, MN 55362 Burnsville, MN 55337	(763) 295-1140 (952) 697-4430
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Mississippi

Mitch Clemmer	320 Bellmeade Point, Ste A	Flowood, MS 39223	(601) 992-2323
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Missouri

Ben & Shelley Gordon	4201 NE Lakewood Way, Ste 112	Lee's Summit, MO 64064	(816) 795-7797
Mark & Julie Mann	1270 Jungermann Rd., Ste D	St Peter's, MO 63376	(636)-447-6355
Mark & Julie Mann	111 Westport Plz Dr, Ste 600	St. Louis, MO 63146	(314) 813-9505
Matt Kraus & Don Heck	1610 Des Peres Rd, Ste 150	St. Louis, MO 63131	(314) 835-1100

Montana

Connie Beggars	2526 Grand Ave, Ste B	Billings, MT 59102	(406) 839-2390
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New Jersey

Dennis Crippen	539 S. Shore Road, Suite 3	Marmora, NJ 08223	(609) 486-6627
John Finn & Joel Lucchese	621 Shrewsbury Ave, Ste 237	Shrewsbury, NJ 07702	(732) 530-7766
Dean & Kristin Moran	1 E. Ridgewood Ave, Ste 201	Paramus, NJ 07652	(201) 444-4630
Paul & Mary Euell	21 Route 31 North, Ste B8	Pennington, NJ -8534	(609) 730-9004
Casey Holstein & David Katz	181 New Rd, Ste 213	Parsippany, NJ 07054	(973) 808-3475
Jeanne Chiaradio	212 Bellevue Ave, 2 nd Floor	Hammonton, NJ 08037	(609) 289-6562
Andrea Nemeth	897 McBride Ave, Ste 203	Woodland Park, NJ 07424	(973) 653-2170
Tony Podias	115 Rt. 46 West, Ste F	Mountain Lake, NJ 07046	(973) 394-5638
Mark Tse	1 Mountain Blvd, Ste 201	Warren, NJ 07059	(908) 834-8242
Bill Schumm	902 Coventry Dr.	Phillipsburg, NJ 08865	(908) 387-9595

North Carolina

Brent & Sarah Weldy	11330 Vanstory Dr.	Huntersville, NC 28078	(704) 897-0496
Tom Pechar	1213 Culbreth Dr, Ste 215	Wilmington, NC 28405	(910) 398-6410
Jamie Canelas	8801 Fast Park Dr, Ste 211	Raleigh, NC 27617	(919) 786-5052

Ohio

Leslie Selig	150 E. Sprague Rd, Ste 5	Broadview Hts, OH 44147	(440) 746-1855
Rodger Miller	8150 Corp. Park Dr., Ste 170	Cincinnati, OH 45242	(513) 469-2273
Tim Homer	535 Windsor Park Drive	Centerville, OH 45459	(937) 610-0555
Carol Richardson	3753 Attucks Dr, Ste B	Powell, OH 43065	(614) 389-3099

Oklahoma

Steve & Julie Myers	2405 Westport Drive	Norman, OK 73069	(405) 310-4020
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Pennsylvania

Travis McMenimon & Jahanabin	630 Freedom Business Cntr Dr, 3 rd FL	King of Prussia, PA 19406	(610) 265-2350
Chris Secchiari & Chris/Charlene Bernal Tom & Terri Kelly	1571 Sumneytown Pike 60 Pottstown Pike, Ste 2	Lansdale, PA 19446 Chester Springs, PA 19454	(267) 222-8642 (484) 341-8720

South Carolina

LeAnne & Chet Ballentine	2215-B Platt Springs RoadWest	Columbia, SC 29169	(803) 796-2092
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South Dakota

John & Kim Kreber	210 N. Derby Lane	N. Sioux City, SD 57049	(605) 242-6056
Amy White & Kim Kreber	411 N Minnesota Ave, Ste 103	Sioux Falls, SD 57104	(605) 274-2191

Texas

Andrea & Dana Mosher	2508 W. Davis Street, Suite 203	Conroe, TX 77304	(936) 441-7760
Chad Jolley	11811 North Freeway, Suite 500	Houston, TX 77060	(281) 999-2273
Michael Willett	1225 N. Loop West, Suite 216	Houston, TX 77008	(713) 868-6112
Barry & Leslie McMahon	2600 S. Shore Blvd, Ste 300	League City, TX 77573	(281) 535-1979
Eddy & Noemi Badrina	10701 Corporate Dr, Ste 186	Strafford, TX 77477	(713) 271-0481
Scott Herron	3624 Long Prairie Rd, Ste 208	Flower Mount, TX 75022	(972) 691-8139
Stephanie Allen	5825 Phelan Blvd	Beaumont, TX 77706	(409) 861-2000

Virginia

Mitch Opalski	2111 Wilson Blvd., Suite 600	Arlington, VA 22201	(703) 558-3435
Sameer Farah	4000 Legato Rd, Ste 1100	Fairfax, VA 22033	(703) 349-0846

Washington

Bill Merriman	1603 116th Ave. NE, Ste 116	Bellevue, WA 98004	(425) 462-5300
Craig Hanley	1609 F Street	Vancouver, WA 98663	(360) 891-1506
Tracy and Michele Powers	1605 NW Sammamish Rd, Ste 250	Issaquah, WA 98027	(425) 988-3759
Ray & Carole Fitzgibbon	5501 4 th Ave S, Ste 201	Seattle, WA 98108	(206) 420-4934

Wisconsin

Steve & Patty Reske	200 S. Executive Dr., Ste 101	Brookfield, WI 53005	(262) 754-9500
Marc Bassler	W175 N11081 Stonewood Dr, Ste 105	Germantown, WI 53022	(262) 250-1198
Ruth Busalacchi	4810 S 76 th St, Ste 102	Greenfield, WI 53220	(414) 763-8368

Wyoming

Jeff Pederson	453 Vandehei, Ste 140I	Cheyenne, WY 82009	(307) 426-4177
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† Some franchisees operate their Synergy HomeCare Businesses through a corporation or limited liability company

* Signed franchise agreement but not opened as of December 31, 2011

As of December 31, 2011, we have the following Regional Developers:

Full Name	Business Address	Business Phone
<u>South Dakota</u>		
John & Kim Kreber	210 N Derby Lane	Sioux City, SD 57049 (605) 242-6056
<u>Houston, Texas</u>		
Michael Willett	1225 N. Loop West, Suite 216	Houston, TX 77008 (713) 868-6112
<u>San Francisco Bay Area, California</u>		
David Blue	315 Golden Grass Drive	Alamo, CA 94507 (206) 240-0388
<u>Southern Ohio, Southern Indiana and Northern Kentucky</u>		
John Wayne & David Casto	312 Walnut St. Suite 1600	Cincinnati, OH 45202 (513) 417-7226
<u>Colorado</u>		
Sarah Brown	401 Cinnabar Drive	Castle Rock, CO 80108 (720) 775-5289

Minnesota

Mark Eggleston 15480 Yakima Street NW Ramsey, MN 55303 (763) 432-0666

Connecticut

Jay Kiley 2228 Black Rock Turnpike Fairfield, CT 06825 (203) 923-8866

Atlanta, GA

Gurpreet Vig 9727 Geisler Road Eden PrairieMN55347 (404) 474-7065

Southern Michigan

Mark & Julie Bennett 3857 Lakewood Drive Waterford, MI 48329 (248) 599-9249

Southern California

Erik Van Horn and
Dan Castellini and
Richard Van Horn 19193 Monterey St. Apple Valley, CA 92308 (605) 645-1465

Dallas - Ft. Worth, Texas

Dave Laurenzo and
Hana Laurenzo 1512 8th Ave, Ste 800 Forth Worth,TX 76104 (817) 927-1925

Washington and Oregon

Bill Merriman 1603 116th Ave. NE, Ste 116 Bellevue, WA 98004 (425) 462-5300



EXHIBIT C

FRANCHISE AGREEMENT



SYNERGY HOMECARE FRANCHISING, LLC

FRANCHISE AGREEMENT

EXHIBIT C TO THE DISCLOSURE DOCUMENT

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EXHIBITS

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SYNERGY HOMECARE FRANCHISING, LLC

FRANCHISE AGREEMENT

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

WITNESSETH:

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

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

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

WHEREAS, Franchisor may have or will in the future award a regional development Agreement (RD Agreement) to a “Regional Developer” whose territory will include your “Protected Territory”. In such an event, we have delegated or will delegate to the Regional Developer certain services that otherwise would be provided by Franchisor under this Agreement. When the “Franchisor’s Representative” is referred to herein, it shall include the Regional Developer; and,

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

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

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

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

1. DEFINITIONS

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

“Additional Protected Territory” means one or 2 additional Protected Territories that Franchisee purchases after the Effective Date, in accordance with the procedures set forth in Section 2.4 and upon payment of the “Expansion Fee” as set forth in Section 3.2;

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

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

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

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

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

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

“Cooperative Advertising” means the combined advertising of two (2) or more franchisees established within a common market which Franchisor may require for Franchised Businesses within a particular region, as further described in Section 11.4;

“Designated Manager” means the person designated by Franchisee who has primary responsibility for managing the day-to-day affairs of the Franchised Business; if Franchisee is an individual and not a business entity, the Designated Manager is Franchisee; and if Franchisee is a business entity, the Designated Manager is one of

Franchisee's owners, partners or members, as the case may be that has received our training and has been approved by us;

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

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

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

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

"Franchise Fee" has the meaning given to such term in Section 3.2;

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

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

"Franchisor" means SYNERGY HomeCare Franchising, LLC;

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

"Grand Opening" means the date that is 30 days after Franchisee completes Initial Training, as set forth in Section 8.1;

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

"Gross Sales Report" has the meaning given to such term in Section 12.2;

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

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

“Local Advertising” has the meaning given to such term in Section 11.2;

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

“Marketing Fund” has the meaning given to such term in Section 3.4;

“Marketing Fund Contribution” has the meaning given to such term in Section 3.4;

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

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

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

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

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

“Protected Territory” has the meaning given to such term in Section 2.4;

“Reasonable Business Judgment” means Franchisor will use its Reasonable Business Judgment in the exercise of its rights, obligations, and discretion, except where otherwise indicated. Use of its Reasonable Business Judgment will mean that our determination on a given matter will prevail even in cases where other alternatives are also reasonable

so long as we are intending to benefit, or are acting in a way that could reasonably benefit any component of the System and/or the Marks, any one or more of the franchisees or regional developers, or any other aspect of the franchise or regional developer system. Such decisions may include, but will not be limited to, matters that may: enhance and/or protect the Marks and the System; increase customer satisfaction; increase the use of the services all franchisees offer; increase the effectiveness of a regional developer, and matters which correspond with franchisee, regional developer, and customer satisfaction. Franchisor will not be required to consider any franchisee's or regional developer's particular economic or other circumstances when exercising its Reasonable Business Judgment. Reasonable Business Decisions will not affect all franchisees or regional developers equally, and some may be benefited while others will not.

"Referral Agency" means any governmental or private agency, organization or institution that can or does refer the Franchised Business to persons that need or want any of the services provided by the Franchised Business, or can or does refer such persons to the Franchised Business;

"Regional Developer" means any person or entity to whom the Franchisor has awarded a "Development Region" which may include your Protected Territory. The Regional Developer is not the Franchisor. Only the Franchisor will sign the Franchise Agreement with the Franchisee.

"Restricted Territory" means the geographic area within a 50 mile radius from Franchisee's Approved Location (and including the Approved Location itself).

"Royalty Fee" has the meaning given to such term in Section 3.3;

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

2. LICENSE/LOCATION/TERRITORY

2.1. Grant, Regional Developer and Reasonable Business Judgment

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

In the event that a Regional Developer's Development Region includes your SYNERGY HomeCare Business, it will provide services to you, including but not limited to, location approval (Article 5), training (Article 8), marketing help (Article 11), accounting help (Article 12), quality control, financial and similar audits (Article 13) and other pre- and post-opening services that would otherwise be delivered by us. You must accept such services as though they were delivered directly by us, and you must abide by any other requirements made of you by the Regional Developer so long as they are within the scope of this Agreement.

You will be notified by Franchisor at the time you sign this Agreement if your Protected Territory is covered by a Regional Developer. In such an event, certain services provided to you under this Agreement will be delivered by Franchisor to the Regional Developer who will then deliver the same. In the future, if a Regional Developer is awarded a Development Region that includes your Protected Territory, you will be notified by us in writing to be delivered by fax or by electronic mail (email) and will be given further information concerning the Regional Developer and the services that it will provide to you. At any time that your Protected Territory is covered by a Regional Developer, you must follow the directions of the Regional Developer and must perform such duties and obligations for the Regional Developer as may be set forth in this Agreement as though the Regional Developer were the Franchisor.

In some cases a Regional Developer may have participated in the franchise sales process with you. The Regional Developer will not sign this Agreement; the Franchisor will. The Regional Developer is not the Franchisor. Franchisor shall have the right to, and will use its Reasonable Business Judgment when making any decision under this Agreement.

2.2. Approved Location

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

2.3. Sub-franchising/Agents

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

2.4. Territorial Protection - Protected Territory and Minimum Sales Quota

Franchisor will not, so long as this Agreement is in force and effect and Franchisee is not in default under any of the terms hereof (including the Minimum Sales Quota), license, own or operate any other SYNERGY HomeCare Business within a geographic area (“Protected Territory”) surrounding the Franchised Business and containing a population we expect to contain approximately 20,000 persons age 65 or over as of the date of your Franchise Agreement. Population demographics will be determined by a recognized third-party provider selected by Franchisor based using the most currently available information from the U.S. Census Bureau as of the time the Protected Territory is designated. The Protected Territory will be defined by and exist within the zip codes or other physical, political or natural boundaries as set forth in Exhibit B and the map of the Protected Territory set forth in Exhibit B-1. If the Protected Territory is determined by zip codes and the geographic area included within any zip code on the boundary of your Protected Territory changes after the Effective Date, then the Protected Territory will be deemed to be amended to include any additional area included within such zip codes so long as this area is not already included in the protected territory of any other franchisee.

In order to maintain your Protected Territory, Franchisee must achieve the levels of Gross Sales (the ‘**Minimum Sales Quota**’) set forth below for each Protected Territory as of the last month of each of the following Years Of Operation

Year of Operation	Minimum Monthly Gross Sales by end of each Year of Operation
1	\$10,000
2	\$20,000
3	\$30,000
4	\$40,000

For purposes of this Agreement, each “Year of Operation” will be defined by twelve month period that commences on the first day of the first full calendar month after your Grand Opening and ends on the last day of the twelfth calendar month thereafter. If you fail to satisfy the Minimum Sales Quota as of the end of the first, second, or third Year of Operation of the Initial Term of your Franchise Agreement we have the right to: reduce the size of, or eliminate your Protected Territory; fashion some other remedy; or, terminate your Franchise Agreement, as we determine to be commercially reasonable appropriate. If you fail to satisfy the Minimum Sales Quota as of the end

of the fourth Year of Operation of the Initial Term, we have the right to: reduce the size of, or eliminate your Protected Territory; fashion some other remedy; or terminate your Franchise Agreement, as we determine to be commercially reasonable appropriate. Also, we may not grant you a Successor Franchise Agreement. The Minimum Sales Quota of \$40,000 per month will continue for each Year of Operation granted by any Successor Franchise Agreement.

All Gross Sales from clients located outside of the Protected Territory (but for which you have our permission to service) in excess of twenty-five percent (25%) of Franchisee's total monthly Gross Sales will not be credited towards satisfying the Minimum Sales Quota unless Franchisor has provided its written approval (Section 2.4.2).

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

If Franchisor approves your request, then Franchisor will provide you a copy of the then-current FDD that will also contain the then-current franchise agreement. Franchisee's right to open and operate in the additional Protected Territory will not be effective until: (i) the appropriate waiting period required by state and/or federal law (Waiting Period) has passed since Franchisee signed the receipt for the FDD (which is found at the last page of the FDD); (ii) franchisee signs a copy of the franchise agreement identical to the one included in the FDD; and (iii) franchisee pays the Expansion Fee. If Franchisee has not signed the franchise agreement and paid the Expansion Fee within thirty (30) days after the end of the Waiting Period, then the approval will be rescinded and you will have to reapply for permission.

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

- a. you have been operating each of the current Protected Territories for at least one (1) year each;
 - b. you have met or exceeded the Minimum Sales Quota for the entire period of operation of each such Protected Territory;
 - c. you provide us with a written request that it wishes to expand into a third territory;
 - d. you have has the commercially reasonable financial ability to expand into an additional territory;
- and,
- e. Franchisor approves Franchisee's written request. Any such request can be approved or denied by the Franchisor for any reason or for no reason at all.

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

If Franchisor approves Franchisee's request, then Franchisor will provide Franchisee a copy of the then-current FDD that will also contain the then-current franchise agreement. Franchisee's right to open and operate in the additional protected territory will not be effective until: (i) the appropriate waiting period required by state and/or federal law (Waiting Period) has passed since the Franchisee signed the Receipt for the FDD; (ii) Franchisee signs a copy of the franchise agreement identical to the one included in the FDD; and (iii) Franchisee pays Franchisor the Expansion Fee set forth in Section 3.2. If Franchisee does not sign and return a copy of the franchise agreement along with the Expansion Fee within 10 days after receipt of executable franchise agreement (which ten (10) day period shall not begin to run until the expiration of the Waiting Period), then Franchisor's approval will be deemed to be withdrawn.

2.5. Marketing and Solicitation Restrictions

2.5.1 Franchisee will not directly market to or solicit, or provide services to, clients whose principal residence is inside the protected territory of any other SYNERGY HomeCare Business. If Franchisee seeks to service a client whose principal residence is in the protected territory of another franchisee, you must, no later than five (5) business days before accepting such client, contact in writing the franchisee in whose protected territory the proposed client is located and receive specific written permission to service this client. The franchisee in whose protected territory the client is located, has no obligation or duty to grant you permission. If you are granted permission then you may service the client so long as you are able to perform the services for the client according to the standards described in the manual. If you are not granted permission, you may not service such client. If you nonetheless service such client or if you fail to provide written notification to the franchisee in whose protected territory the client is located but instead service such client, you will be in violation of this Franchise Agreement. Within ten (10) days of receiving written notice of such violation, you must: (i) turnover within 24 hours the client/s; and (ii) pay to Franchisor a \$2,500 fee (First Violation Fee). This fee will be split equally between the Franchisor and the franchisee whose protected territory has been violated. ok 4/3 make sure it is FDD

If a second separate violation occurs during the Initial Term or any Successor term, then Franchisee must: (i) turnover client/s within 24 hours; and, (ii) pay to Franchisor a \$5,000 fee or the net profit realized by you from such service, whichever is greater (Second Violation Fee). Further, the second or any subsequent violation is grounds for termination as the sole discretion of the Franchisor. This fee will be split equally between the Franchisor and the franchisee whose protected territory has been violated.

In all cases of a violation as stated above, Franchisee is responsible for all fees including reasonable attorney's fees, and our then-current "Investigative Fee" incurred by Franchisor in investigating such violations. For purposes of this Agreement, the Investigative Fee will be the fee charged by Franchisor at the time of the investigation (currently \$120 an hour) plus attorney's fees and costs incurred by the Franchisor during such investigation.

Franchisee has the right to perform services for clients whose principal residence is outside of its Protected Territory so long as: (a) such clients' principal residence is not inside the protected territory of any other SYNERGY HomeCare Business; and (b) the Franchised Business is able to perform services for such client according to the standards set forth in the Manual. Except as part of Cooperative Advertising implemented pursuant to Section 2.4, Franchisee will not advertise in any media whose primary circulation does not include or overlap with the Protected Territory without the prior written approval of Franchisor.

2.5.2. Franchisee will not solicit potential sources of client referrals or directly market to Referring Agencies with offices located outside of the Protected Territory, except with the prior written approval of Franchisor.

Franchisee may not directly solicit National Referral Agencies to perform services for clients whose

principal residence is inside of the Protected Territory without prior approval from Franchisor.

If any client's principal residence becomes part of the protected territory subsequently granted to any other SYNERGY HomeCare Business, Franchisee has the right to continue to perform services for such client; provided, however, that any new client referrals or inquiries received by Franchisee who are within another SYNERGY HomeCare Business's protected territory must be referred to that SYNERGY HomeCare Business.

2.6. Franchisor's Rights

Except to the extent provided in Section 2.4, Franchisor (but not the Regional Developer) retains all of its rights and discretion with respect to the System and Marks, including the right to:

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

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

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

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

2.7. Anti-Terrorism Laws

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

Franchisee and its owners certify that none of them, their respective employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224 (which can be accessed at <http://www.treasury.gov/offices/enforcement/ofac/legal/eo/13224.pdf>). Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex.

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

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

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

"Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury

Office of Foreign Assets Control and any government agency outside the U.S.) addressing or in any way relating to terrorist acts and/or acts of war.

3. FEES

3.1. Acknowledgements

Franchisee understands and acknowledges that through the services and materials to be provided to Franchisee under this Agreement prior to the opening of the Franchised Business (such as site selection, training, guidance and other assistance), as well as other aspects of the System, the Marks, the Manuals, and other services to be made available to Franchisee, Franchisor will provide Franchisee with a substantial portion of the consideration flowing to Franchisee under this Agreement prior to the date when the full weekly Royalty Fees are due to Franchisor. Franchisee also understands and acknowledges that such consideration is substantially greater in value than the Franchise Fee. Therefore, Franchisee and Franchisor agree that both the Franchise Fee and the weekly Royalty Fees hereunder will be earned by Franchisor prior to the date when the full weekly Royalty Fees are due to Franchisor.

3.2. Franchise Fee

Upon execution of this Agreement, Franchisee will pay a fee (“**Franchise Fee**”) by certified check or wire transfer to Franchisor equal to THIRTY NINE THOUSAND FIVE HUNDRED DOLLARS (\$39,500) for one (1) “Protected Territory”, which will include approximately 20,000 persons, as of the date of the Franchise Agreement, who are age 65 or over, as determined by a recognized third-party provider selected by Franchisor based using the most currently available information from the U.S. Census Bureau. The Franchise Fee is deemed fully earned upon execution of this Agreement and is nonrefundable, except under certain conditions set forth under Section 8.3. The Franchise Fee is payment, in part, for expenses incurred by Franchisor in furnishing assistance and services to Franchisee as set forth in this Agreement and for costs incurred by Franchisor, including general sales and marketing expenses, training, legal, accounting and other professional fees.

The Franchise Fee for your first Protected Territory also includes payment for the initial license fee and training cost for our recommended scheduling software, and the first year’s monthly fee for our required software.

Franchisee may purchase one (1) additional Protected Territory at the same time it purchases the first Protected Territory: (i) if approved by Franchisor (which approval may be granted or denied for any reason or no reason at all); and, (ii) Franchisee pays a reduced Franchise Fee of TWENTY FIVE THOUSAND FIVE HUNDRED DOLLARS (\$25,500).

If after the Franchise Agreement has been signed, Franchisee desires to expand the number of Protected Territories to two (2), (each of which will include approximately 20,000 persons who are age 65 or over, as determined by Franchisor based on most currently available information from the U.S. Census Bureau) and Franchisor has approved Franchisee’s request to expand the number of Protected Territories pursuant to Section 2.4 and this Section 3.2 (which request may be granted or denied for any reason or no reason at all), Franchisee will pay Franchisor an additional fee (**the “Expansion Fee”**) of \$39,500 for the first Additional Protected Territory and \$25,500 for the second Additional Protected Territory within the time required in Section 2.4.

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

3.3. Weekly Royalty Fee

On Tuesday of each week, Franchisee will pay to Franchisor without offset, credit or deduction of any nature, so long as this Agreement is in effect, a weekly fee (“**Royalty Fee**”) equal to five percent (5%) of Gross Sales for the week ending at the close of business the previous Sunday. Each weekly Royalty Fee payment will accompany the Gross Sales Report, as required by Section 12.2, for the same period. If Franchisor requires Franchisee to pay Royalty Fees through electronic transfer as set forth in Section 3.7, then such statements will instead be submitted to Franchisor via Internet or facsimile transmission, as determined by Franchisor.

3.4. Marketing Fund Contribution

Franchisor has established and will administer a System-wide marketing, advertising and promotion fund (“Marketing Fund”). Franchisee will pay to Franchisor a weekly contribution to the Marketing Fund in an amount equal to two percent (2%) of that week’s Gross Sales (“Marketing Fund Contribution”) or such lesser amount as Franchisor will specify from time to time. Marketing Fund Contributions will be made at the same time and in the same manner as Royalty Fee payments. The Marketing Fund will be maintained and administered by Franchisor or its designee in accordance with the provisions contained in Section 11.3.

3.5. Software Maintenance Fees; Franchisee Technology Services; Franchisee Technology Services Fee

There is not now a Software Maintenance Fee. If your obligation to use our software is required pursuant to Section 10.4, we reserve the right to collect this fee at such time (or at any time in the future) by providing you with no less than sixty (60) days written notice. Once implemented, you will pay this fee at the same time and by the same method as is your Royalty Payment. Franchisor reserves the right to increase or decrease the fee upon 60 days prior written notice to Franchisee.

Franchisee will be required to pay Franchisor the then-current Franchisee Technology Services Fee for the Technology Services. The Franchisee Technology Services including the delivery of on-line calendar, care-giver and client relationship management applications, email addresses, and other services. The Franchisee Technology Services Fee will also be used for maintenance of the Franchisee Technology Services.

3.6. Taxes

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

3.7. Electronic Payment of all Fees and Costs

Franchisor has the right to require all Royalty Fees, Marketing Fund Contributions, cooperative advertising funds, amounts due for purchases by Franchisee from Franchisor and any other amounts due to Franchisor to be paid through an Electronic Depository Transfer Account, on-line check or by any other means that the Franchisor may determine.

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

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

3.8. Interest

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

3.9. Application of Payments

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

4. TERM AND SUCCESSOR TERM

4.1. Initial Term

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

4.2. Successor Term

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

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

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

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

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

4.2.5 Franchisee, Franchisee’s administrative staff, and/or Franchisee’s in-home care providers have not been the subject of any criminal investigation, civil proceedings or administrative proceedings arising from in-home services provided through the Franchised Business;

4.2.6 If a fidelity dishonesty bond is required by Franchisor pursuant to Section 15.2, Franchisee’s bonding agent has not revoked or terminated such bond and has not paid any claims against such bond;

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

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

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

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

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

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

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

5. APPROVED LOCATION

5.1. Selection of Site

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

5.2. Lease of Approved Location

Franchisee will execute a lease for the Approved Location, the terms of which must have been previously approved by Franchisor. Franchisor will not unreasonably withhold its approval after using its Reasonable Business Judgment. Franchisor's review of a lease, or any advice or recommendation offered by Franchisor, will not

constitute a representation or guarantee that Franchisee will succeed at the Approved Location nor constitute an expression of Franchisor's opinion regarding the terms of such lease. Franchisor is entitled to require that nothing therein contained is contradictory to, or likely to interfere with, Franchisor's rights or Franchisee's duties under this Agreement. Franchisee will take all actions necessary to maintain the lease, if any, of the Approved Location while this Agreement is in effect. Franchisor's approval of a lease may be conditioned upon inclusion of terms in the lease acceptable to Franchisor and, at Franchisor's option, the lease will contain such provisions as Franchisor may reasonably require, including, but not limited to:

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

a provision requiring the lessor to provide Franchisor with a copy of any written notice of deficiency sent by the lessor to Franchisee, and granting to Franchisor, in its sole discretion and sole option, the right (but not the obligation) to cure any deficiency under the lease should Franchisee fail to do so within fifteen (15) days after the expiration of the period in which Franchisee may cure the default; and a provision stating that upon default of this Agreement, Franchisor or its nominee has the right to take possession of the premises and operate the Franchised Business.

5.3. Development of Approved Location

Franchisee will cause the Approved Location to be appropriately developed and equipped for the operation of the Franchised Business within ninety (90) days after the Effective Date. In connection with the development of the Approved Location, Franchisee will:

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

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

obtain at least one (1) telephone number, one (1) fax number and a high-speed Internet connection solely dedicated to the Franchised Business. Each such number and the URL, email address and all other contact information is subject to Exhibit G such that the Franchisee agrees that all such numbers, URLs, email addresses and contact information shall be assigned to the Franchisor upon the expiration or earlier termination of this Agreement for any reason..

5.4. Opening

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

- 5.4.1 fulfill all of the obligations pursuant to the other provisions of this Section 5;
- 5.4.2 complete initial training to the satisfaction of Franchisor;
- 5.4.3 recruit, perform background and reference checks (in accordance with the procedures in the Manual) on, hire and train the personnel required for the operation of the Franchised Business;
- 5.4.4 obtain or require its employees to obtain any applicable license or certification required by any municipality, county, state or other governmental division in which the Franchised Business is located;
- 5.4.5 furnish Franchisor with copies of all insurance policies and bonds required by this Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as Franchisor may request; and
- 5.4.6 pay in full all amounts due to Franchisor.

Franchisee will comply with these conditions and be prepared to open and continuously operate the Franchised Business within ninety (90) days after the Effective Date. Time is of the essence.

6. MARKS

6.1. Ownership

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

6.2. Limitations on Use

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

6.3. Notification of Infringements and Claims

Franchisee will immediately notify Franchisor as soon as Franchisee becomes aware of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee will not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge or claim; provided, however, Franchisee may communicate with Franchisee's

counsel at Franchisee's expense. Franchisor will have sole discretion to take such action as deemed appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks and Franchisee may not undertake such action on its own. Franchisee will execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, are necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks.

6.4. Indemnification for Use of Marks

If Franchisor deems it appropriate to undertake any action concerning the Marks, Franchisor will reimburse Franchisee for all expenses reasonably incurred by Franchisee in any trademark or similar proceeding disputing Franchisee's authorized use of any Mark, provided that Franchisee has timely notified Franchisor of such proceeding and has complied, and is in compliance, with this Agreement and Franchisor's directions in responding to such proceeding. At Franchisor's option, Franchisor or its designee may defend and control the defense of any proceeding arising directly from Franchisee's use of any Mark. This indemnification will not include the expense to Franchisee of removing signage or discontinuance of the use of the Marks. This indemnification will not apply to litigation between Franchisor and Franchisee wherein Franchisee's use of the Marks is disputed or challenged by Franchisor. Franchisor will have the right to offset any such reimbursement against any amounts owed to Franchisor for Royalty Fees, Marketing Fund Contributions or any other obligation of Franchisee. This indemnification will not apply to any separate legal fees or costs incurred by Franchisee in seeking independent counsel separate from the counsel representing Franchisor and Franchisee in the event of litigation disputing Franchisor and Franchisee's use of the Marks.

6.5. Discontinuance of Use

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

6.6. Right to Inspect

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

6.7. Franchisor's Sole Right to Domain Name

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

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

7. COVENANTS RELATING TO COMPETITION AND CONFIDENTIAL INFORMATION

7.1. Reason for Covenants

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

7.2. Confidential Information

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

7.3. Unfair Competition During Term

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

7.4. Unfair Competition After Term

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

7.5. Other Individuals Associated with the Franchised Business

Each officer, director, executive and manager of Franchisee must sign a Nondisclosure and Non-competition Agreement prior to or at the time such individual becomes an officer, director, executive or manager. In addition, the spouse or civil-union partner (or the equivalent in the state in which the Franchise is located) of each Owner must sign a Nondisclosure and Non-competition Agreement at the later of: (i) the date that the Owner acquires his or her ownership interest in Franchisee or the franchise; or (ii) the date that the spouse or member of a civil union marries or unites with the Owner. Each Owner agrees to immediately notify Franchisor of any change to his or her marital status or the identity of any new spouse. Franchisor may also require that the immediate family members of Franchisee's Owners, officers, directors, executives and managers sign a Nondisclosure and Non-competition

Agreement (Exhibit E) at any time during the Initial Term or any Interim Period. Franchisee must ensure that all of its other employees, independent contractors and other persons associated with Franchisee or the Franchised Business who may have access to Franchisor's Confidential Information sign a Noncompetition Agreement before having access to the Confidential Information. Franchisee must provide Franchisor with a copy of each Nondisclosure and Non-competition Agreement signed pursuant to this Section within five (5) days after it is signed. Franchisee must use its best efforts to ensure that all individuals who sign a Nondisclosure and Non-competition Agreement pursuant to this Section comply with the terms of the Nondisclosure and Non-competition Agreement and Franchisee must immediately notify Franchisor of any breach that comes to Franchisee's attention. Franchisee agrees to reimburse Franchisor for all reasonable expenses that Franchisor incurs in enforcing a Nondisclosure and Non-competition Agreement, including reasonable attorneys' fees and court costs. Upon Franchisor's request, Franchisee agrees, at Franchisee's sole expense, to enforce the terms of Nondisclosure and Non-competition Agreements against individuals who breach the covenants contained therein.

7.6. Covenants Reasonable and Enforceability

Franchisee and the Owners acknowledge that the restrictive covenants contained in this Section are essential elements of this Agreement and that without their inclusion, Franchisor would not have entered into this Agreement. Franchisee and the Owners acknowledge and agree that: (i) the terms of this Section 7 are reasonable both in time and in scope of geographic area; (ii) Franchisor's use and enforcement of covenants similar to those described above with respect to other franchisees benefits Franchisee and the Owners in that it prevents others from unfairly competing with Franchisee's Franchised Business; and (iii) Franchisee and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Section 7. **FRANCHISEE AND THE OWNERS HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS SECTION 7 AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

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

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

7.7. Breach of Covenants

Franchisee and the Owners agree that failure to comply with the terms of this Section 7 will cause substantial and irreparable damage to Franchisor and/or other SYNERGY HomeCare franchisees for which there is no adequate remedy at law. Therefore, Franchisee and the Owners agree that any violation of the terms of this Section 7 will entitle Franchisor to injunctive relief. Franchisee and the Owners agree that Franchisor may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of Franchisee and the Owners, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). 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 Franchisor under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that Franchisee or an Owner may have against Franchisor, regardless of cause or origin, cannot be used as a defense against Franchisor's enforcement of this Section 7.

7.8. Additional Developments

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

8. TRAINING AND ASSISTANCE

8.1. Initial Training

Franchisor will make an initial training program available to the Designated Manager and up to one (1) assistant. Prior to the opening of the Franchised Business, the Designated Manager must attend and successfully complete, to Franchisor's satisfaction, an initial training program consisting of approximately five (5) days of classroom pertaining to operation of the Franchised Business including, but not limited to, sales and marketing methods; financial controls; maintenance of quality standards; client service techniques, record keeping and reporting procedures, employee recruitment and screening and other operational issues. Franchisor will conduct the initial training program at its headquarters or at another designated location. Franchisor will not charge tuition or similar fees for initial training, however, all expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries, is the sole responsibility of Franchisee. Franchisee is responsible for training its management and other employees. Notwithstanding the foregoing, the Franchisor can increase or decrease the number of days for training depending upon the experience and abilities of any attendee to training. Further, Franchisor can reasonably change the dates of training from those that had previously been approved with the understanding that if a trainee has already incurred a commercially reasonable expense in reliance upon the previous date and provide written proof of the same, the Franchisor will reimburse the trainee for such expense.

8.2. Opening Assistance

In conjunction with, and prior to, the beginning of operation of the Franchised Business, if Franchisor determines it is necessary, Franchisor will make available to Franchisee, one (1) of Franchisor's representatives (or the Regional Developer or one of the Regional Developer's representatives), experienced in the System, for the purpose of providing general assistance and guidance in connection with the opening of the Franchised Business. Should Franchisee request such additional assistance from Franchisor in order to facilitate the opening or continued operation of the Franchised Business, and should Franchisor deem it necessary and appropriate to comply with such request, Franchisor or the Regional Developer will provide such additional assistance at Franchisor's or Regional Developer's then-current standard rates, plus expenses.

8.3. Failure to Complete Initial Training Program

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

8.4. New Designated Manager

If Franchisee is a business entity and, after beginning operations, Franchisee names a new Designated Manager, the new Designated Manager must attend and complete, to Franchisor's satisfaction, the next available initial training program. The new Designated Manager may attend the initial training program without charge, provided that Franchisor has the right to require Franchisee to pay the costs of training if Franchisor determines that manager changes are excessive or caused by poor hiring practices. Franchisee is responsible for all travel costs, living expenses and employees' salaries incurred in connection with the Designated Manager's attendance at such training.

8.5. Ongoing Training

From time to time Franchisor may provide ongoing training programs, seminars or meetings. If it does the Franchisor has the right to require that the Designated Manager attend. Such training may occur during the Initial Term of this Agreement, any Interim Period or Successor Term. Franchisor will not charge a fee for any mandatory ongoing training, except for the Annual Franchise Meeting ("AFM"). An attendance fee of \$250 per person is required to attend the AFM and will be paid at least 30 days prior to attending the AFM. A maximum of three (3) people per Franchised Business can attend the AFM. Franchisee is responsible for all travel costs, living expenses and employees' salaries incurred in connection with the Designated Manager's attendance at such training. If Franchisee or its Designated Manager fails to attend any mandatory ongoing training program, Franchisor has the right to charge Franchisee a fee of \$1,500.00, which is due and payable on demand, for each mandatory ongoing training program that Franchisee fails to attend. All such fees shall be paid to the Franchisor in accordance with Section 3.7.

9. MANUAL

9.1. Loan by Franchisor

While this Agreement is in effect, Franchisor will loan to Franchisee one (1) copy of the Manual, or, if the Manual is

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

9.2. Revisions to the Manual

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

9.3. Confidentiality of Manual

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

10. FRANCHISE SYSTEM

10.1. Uniformity

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

10.2. Modification of the System

Franchisor has the right to change or modify the System from time to time including, without limitation, the adoption and use of new or modified Marks or copyrighted materials, and new or additional computer hardware, software, equipment, supplies or techniques. Franchisee will accept and use any such changes in, or additions to, the System as if they were a part of this Agreement as of the Effective Date. Franchisee will make such expenditures as such changes, additions or modifications in the System as Franchisor may reasonably require. Any required expenditure for changes or upgrades to the System will be in addition to expenditures for repairs and maintenance as required in Section 13.3.

10.3. Variance

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

required to disclose or grant to Franchisee a like or similar variance hereunder.

10.4. Software License

Franchisor does not now, but in the future has the right to require you to use certain computer software that is now owned by Franchisor, its affiliate or a third party or that is later purchased by Franchisor from our affiliate or a third party. Franchisor reserves the right to suspend, modify or terminate Franchisee's use such software at any time if you are in breach of this Agreement. If and when you are required to use the software, you will have to pay the Software Maintenance Fee (Section 3.5). Franchisee's right to use any such software will terminate or expire on the date this Agreement terminates or expires.

11. MARKETING AND PROMOTIONAL ACTIVITIES

11.1. Grand Opening Advertising

Franchisee will pay to Franchisor on or before it opens for business ONE THOUSAND DOLLARS (\$1,000.00) (Grand Opening Advertising Fee). This fee will be spent by Franchisor during the first three (3) months of operation of the Franchised Business on local advertisement and promotion of the initial opening, including the solicitation of healthcare professionals and organizations for client referrals ("Grand Opening Advertising"). We may use any media available including print, radio, and internet. We may use in-house marketing services or a local or national advertising firm. Franchisor will maintain your Grand Opening Advertising Fee (and the Grand Opening Advertising Fee of all other franchisees) in an account that is separate from the Franchisor's operating funds. Such funds will not be used for any of general operating expenses, except for Franchisor's reasonable administrative costs and overhead related to the administration of the Grand Opening Advertising Fee. Franchisor will not use the Grand Opening Advertising Fee for the direct solicitation of franchise sales. If requested by you, we will supply you with an unaudited statement in a spreadsheet format (or such other format as we may deem reasonable) showing the expenditures made with your Grand Opening Advertising Fee. Franchisee acknowledges that the account into which is placed the Grand Opening Advertising Fee is not a trust and Franchisor assumes no fiduciary duty in administering it.

11.2. Local Advertising

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

Franchisee will submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by Franchisee including, but not limited to, ad copy, coupons, flyers, scripts and direct mail. Franchisor will use reasonable efforts to provide notice of approval or disapproval within twenty (20) days from the date all requested material is received by Franchisor. If Franchisor does not approve submitted materials within twenty (20) days, such materials will be deemed to have not received the required approval. Franchisee will not use any marketing or promotional material prior to approval by Franchisor. Subject to Section 14.2, the submission of advertising materials to Franchisor for approval will not affect Franchisee's right to determine the prices at which Franchisee provides services or sells products.

11.3. Marketing Fund

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

Franchisor or Franchisor's Representatives will oversee all marketing programs, with sole discretion over the creative concepts, materials and media used in such programs, and the placement and allocation thereof. Franchisor does not warrant or guaranty that any particular franchisee will benefit directly or pro rata from expenditures by the Marketing Fund. The program(s) may be local, regional or System-wide. Franchisee's Marketing Fund Contributions may be used to meet the costs of, or reimburse Franchisor for its expenses related to, producing, maintaining, administering and directing consumer advertising (including, without limitation, the cost of preparing and conducting television, radio, Internet, magazine and newspaper advertising campaigns and other public relations activities; developing and/or hosting an Internet web page or site and other forms of electronic media and advertising activities; employing advertising agencies to assist therein; and providing promotional brochures and other marketing materials to franchisees). All Marketing Fund Contributions will be maintained in a separate account from the monies of Franchisor and will not be used to defray any of Franchisor's general operating expenses, except for the costs and expenses related to the Marketing Fund described above.

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

Franchisor has the right to allow Marketing Fund Contributions to accumulate in the Marketing Fund or to disburse such contributions as necessary. If funds remain in any Marketing Fund at the end of any fiscal year, all

expenditures in the following fiscal year(s) will be made first out of such excess amounts, including any interest or other earnings of the Marketing Fund, and next out of current contributions.

Each SYNERGY HomeCare Business operated by Franchisor, or any Affiliate of Franchisor, is not obligated to make Marketing Fund Contributions at the same rate as SYNERGY HomeCare franchisees.

An unaudited accounting of the operation of the Marketing Fund will be prepared annually and will be available to Franchisee upon request. Franchisor retains the right to have the Marketing Fund audited, at the expense of the Marketing Fund, by an independent certified public accountant selected by Franchisor.

Franchisee acknowledges that the Marketing Fund is not a trust and Franchisor assumes no fiduciary duty in administering the Marketing Fund.

11.4. Cooperative Advertising

Franchisor has the right, but not the obligation, to create a Cooperative Advertising program for the benefit of SYNERGY HomeCare Businesses located within a particular region. Franchisor has the right to (a) allocate any portion of the Marketing Fund to the Cooperative Advertising program; and (b) collect and designate all or a portion of the Local Advertising for a Cooperative Advertising program. Franchisor has the right to determine the composition of all geographic territories and market areas for the implementation of each Cooperative Advertising program, and to require that Franchisee participate in such Cooperative Advertising programs when established within Franchisee's region. If a Cooperative Advertising program is implemented in a particular region, Franchisor has the right to establish an advertising council comprised of SYNERGY HomeCare franchisees to self-administer the Cooperative Advertising program. Franchisee will participate in the council according to the council's rules and procedures and Franchisee will abide by the council's decisions.

11.5. Internet Advertising

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

11.6. Printed and On-Line Telephone Directory Advertising

Franchisee must list and advertise the telephone number(s) for the Franchised Business in the printed and on-line versions of the "white pages" telephone directory and the classified or "yellow pages" telephone directory

distributed or otherwise made available through electronic communication in its trade area and in such directory heading or category as specified by Franchisor. Franchisee must place the classified directory advertisement and listings together with other SYNERGY HomeCare Businesses operating within the distribution area of the directories. If a joint listing is obtained, all SYNERGY HomeCare Businesses listed together will pay an equal share of the cost of the advertisements and listings.

12. ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS

12.1. Records

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

12.2. Gross Sales Reports

Franchisee will maintain an accurate record of Gross Sales and will deliver to Franchisor a signed and verified statement of Gross Sales ("Gross Sales Report") for the week ending at the close of business each Sunday in a form that Franchisor approves or provides in the Manual. The Gross Sales Report for the preceding week must be provided to Franchisor by the close of business on Tuesday of each week.

12.3. Financial Statements and Tax Returns

Franchisee will supply to Franchisor on or before the fifteenth (15th) day of the month following each calendar quarter, in a form approved by Franchisor, a balance sheet as of the end of the preceding calendar quarter and an income statement for the preceding calendar quarter and the year-to-date. Franchisee will, at its expense, submit to Franchisor within ninety (90) days after the end of each fiscal year, an income statement for the fiscal year just ended and a balance sheet as of the last day of the fiscal year. Such financial statements must be prepared in accordance with generally accepted accounting principles applied on a consistent basis. If required by Franchisor, such financial statements will be reviewed or audited by a certified public accountant. Franchisee will, at its expense, also submit to Franchisor, within thirty (30) days after filing with the Internal Revenue Service, a copy of its annual income tax return (inclusive of all tax forms, schedules and amendments) for the SYNERGY HomeCare Business. If the Franchisee is a business entity, the Franchisor has the right to receive from each owner of a capital account of the Franchisee (including all shareholders, partners, Members and Managing Members), a copy of its annual income tax return (inclusive of all tax forms, schedules and amendments) as filed with the Internal Revenue Service. Franchisee will submit to Franchisor such other periodic reports in the manner and at the time specified in the Manual or otherwise in writing.

12.4. Other Reports

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

12.5. Access to Computer System

Franchisor will have full access to all of Franchisee's computer and sale data and systems and all related information by means of direct access, either in person or by telephone, modem or Internet to permit Franchisor to verify

Franchisee's compliance with its obligations under this Agreement.

12.6. Right to Inspect

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

12.7. Release of Records

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

13. STANDARDS OF OPERATION

13.1. Authorized Services and Suppliers

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

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

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

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

13.2. Right to Inspect

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

13.3. Appearance and Condition of the Franchised Business

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

13.4. Ownership and Management

The Franchised Business will, at all times, be under the direct supervision of Franchisee. The Designated Manager will devote his or her full-time efforts to the management of the day-to-day operation of the Franchised Business. “Full-time” means the expenditure of at least thirty-five (35) hours per week, excluding vacation, sick leave and similar absences. Franchisee will keep Franchisor informed, in writing, at all times of the identity of its Designated Manager. Franchisee will promptly hire a substitute or replacement Designated Manager if any Designated Manager is unwilling or unable to fulfill his or her duties, whether due to illness, injury, death vacation, termination or for any other reason. Franchisee must not engage in any business or other activities that will conflict with its obligations under this Agreement.

13.5. Hours of Operation

Franchisee will make services available to clients as required by such client and as specified in the Manual, and the Designated Manager must be on call twenty-four (24) hours per day for caregiver calls, home assessments and client consultations.

13.6. Licenses and Permits

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

13.7. Notification of Proceedings and Charges

Franchisee will notify Franchisor in writing of: (i) the commencement of any action, suit or proceeding involving Franchisee or the Franchised Business; (ii) the issuance of any order, writ, injunction, award or decree which may affect the operation or financial condition of the Franchised Business; and (iii) the filing of any charges against Franchisee, the Franchised Business or any employee of the Franchised Business involving Franchisee or the Franchised Business. Franchisee will provide a copy of any documentation of any such commencement of a suit, proceeding, charges, or any order, writ, injunction, award or decree not more than five (5) days after such commencement or issuance. Franchisee will deliver to Franchisor not more than five (5) days after Franchisee’s receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee’s failure to meet and maintain the highest applicable rating or Franchisee’s noncompliance or less than full compliance with any applicable law, rule or regulation.

13.8. Compliance with Good Business Practices

Franchisee acknowledges that the quality of client service, and every detail of appearance and demeanor of Franchisee and its employees is material to this Agreement and the relationship created hereby. Therefore, Franchisee will endeavor to maintain high standards of quality and service in the operation of the Franchised Business. Franchisee will, at all times, give prompt, courteous and efficient service to clients of the Franchised

Business. The Franchised Business will in all dealings with its clients, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. Franchisor has the right to terminate this Agreement for repeated violation of this Section. Franchisee will reimburse Franchisor for all costs incurred by Franchisor in servicing a client of the Franchised Business.

13.9. Uniforms

Franchisee will abide by any uniform or dress code requirements stated in the Manual. Uniforms, if required, must be purchased from an Approved Supplier, if such is designated, or if none, then a supplier who meets Franchisor's specifications and quality standards for uniforms.

13.10. Form of Payment

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

13.11. Credit Cards

Franchisee will, at its expense, lease or purchase the necessary equipment and/or software and will have arrangements in place with Visa, MasterCard, American Express, and such other credit card issuers as Franchisor may designate from time to time to enable the Franchised Business to accept such methods of payment from its clients.

13.12. Best Efforts

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

14. FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE

14.1. General Advice and Guidance

Franchisor or Franchisor's representative will be available to render advice, discuss problems and offer general guidance to Franchisee by telephone, e-mail, facsimile, newsletters and other methods with respect to planning, opening and operating the Franchised Business. Franchisor will not charge for this service, however, Franchisor retains the right to charge a fee for this service should Franchisee, in Franchisor's discretion, be deemed to be utilizing this service too frequently or in an unintended manner. Franchisor's advice or guidance to Franchisee relative to prices for services and products that, in Franchisor's judgment, constitutes good business practice is based upon the experience of Franchisor and its franchisees in operating SYNERGY HomeCare Businesses, an analysis of costs and prices charged for competitive services and products. Franchisee will have the sole right to determine the prices to be charged by the Franchised Business; provided, however, that Franchisor will have the right to set maximum prices and minimum prices that Franchisee may charge if, in Franchisor's opinion, such decision is in the best interests of the System.

14.2. Periodic Visits

Franchisor, or Franchisor's representative may make periodic visits to the Franchised Business for the purposes of consultation, assistance and guidance with respect to various aspects of the operation and management of the Franchised Business. Franchisor and Franchisor's representatives who visit the Franchised Business may prepare,

for the benefit of both Franchisor and Franchisee, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Franchised Business. A copy of any such written report may be provided to Franchisee. Franchisee will implement any required changes or improvements in a timely manner.

Upon the giving of no less than forty-eight (48) hour notice, the Franchisee agrees that Franchisee will be personally available (or if the Franchisee is a business entity, the Franchisee will have the principal(s) of the business entity and any Designated Manager available) to meet with the Franchisor and/or its representative for the entirety of the periodic visit. If the Franchisee fails to make himself or such representatives available, the same will be a breach of this Franchise Agreement and in addition to any other remedy found herein, the Franchisor will also have the right to recover its costs associated with such periodic visit including travel, room and board.

14.3. System Improvements

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

14.4. Marketing and Promotional Materials

Franchisor may periodically provide advertising and promotional materials including ad-slicks, brochures, fliers and other materials to Franchisee for use in the operation of the Franchised Business.

15. INSURANCE AND BONDS

15.1. Types of Insurance and Amounts of Coverage

At its sole expense, Franchisee will procure within the earlier of sixty (60) days after the Effective Date or thirty (30) days prior to opening the Franchised Business, and maintain in full force and effect during the Initial Term of this Agreement and any Interim Period, the types of insurance listed below. All policies except those identified in Section 15.1.2 will expressly name Franchisor as an additional insured or loss payee and will contain a waiver of all subrogation rights against Franchisor and its successors and assigns. Insurance requirements below need to be on admitted paper. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee will procure:

15.1.1 “all risk” property insurance coverage on all assets, including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business. Franchisee’s property insurance policy will include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;

15.1.2 workers’ compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a minimum limit of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) or, if higher, the statutory minimum limit as required by state law;

15.1.3 comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Franchised Business, or Franchisee’s conduct of business pursuant to this Agreement, with a minimum liability coverage of ONE MILLION DOLLARS (\$1,000,000.00) per occurrence or, if higher, the statutory minimum limit required by state law;

15.1.4 professional liability insurance against claims from clients for injuries or damages occurring in conjunction with the rendering of services or the operation of the Franchised Business, with a minimum liability coverage of ONE MILLION DOLLARS (\$1,000,000.00) per occurrence or, if higher, any statutory minimum limit required by state law;

15.1.5 business interruption insurance to compensate Franchisee for loss of income related to the temporary interruption of business due to fire or such other disaster, with a minimum liability coverage sufficient to cover continuing expenses and obligations of the Franchised Business until the cause of the interruption is remedied;

15.1.6 automobile liability insurance for owned or hired vehicles with a combined single limit of at least ONE MILLION DOLLARS (\$1,000,000.00) or, if higher, the statutory minimum limit required by state law;

15.1.7 “employment practice liability” insurance which provides protection for an employer against claims made by employees, former employees, or potential employees relating to many types of employee related lawsuits including claims of sexual harassment, discrimination, wrongful termination, breach of employment contract, negligent evaluation, failure to employ or promote, wrongful discipline, deprivation of career opportunity, wrongful infliction of emotional distress,...etc.;

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

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

15.2. Bond Requirements

At Franchisor’s request, Franchisee will procure and maintain in force a fidelity or dishonesty bond in a principal amount of not less than TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00). If required, such bond will provide coverage to Franchisee and Franchisor against dishonesty and criminal acts by the Franchised Business’s employees and independent contractors. Such bond will have the minimum terms and coverage as may be specified by Franchisor from time to time, which minimum terms and coverage may be increased by Franchisor in its sole discretion.

15.3. Future Increases

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

15.4. Carrier Standards

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

15.5. Evidence of Coverage

Franchisee’s obligation to obtain and maintain the foregoing insurance policies is not limited in any way by reason of any insurance which may be maintained by Franchisor, nor will Franchisee’s performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 21.2. Franchisee will provide, annually, certificates of insurance and copies of bonds showing compliance with the foregoing requirements. Such certificates and bonds will state that said policy or policies will not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and will reflect proof of payment of premiums.

15.6. Failure to Maintain Coverage

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

16. DEFAULT, TERMINATION and DAMAGES

16.1. Termination by Franchisee

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

16.2. Termination by Franchisor - No Cure

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

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

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

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

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

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

16.2.6 abandons, fails or refuses to actively operate the Franchised Business for five (5) or more consecutive days (unless the Franchised Business has not been operational for a purpose approved by Franchisor), or fails to promptly relocate the Franchised Business following the expiration or termination of the lease for the Approved Location or the destruction, condemnation or other event rendering the Approved Location unusable;

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

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

16.2.9 fails to retain the services of a new Designated Manager within sixty (60) days of the date that the prior Designated Manager quits, resigns, or is fired, with the understanding that such Designated Manager once hired must complete training;

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

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

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

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

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

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

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

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

16.3. Termination by Franchisor - With Cure

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

16.3.1 within five (5) days of receiving notice of Franchisee's failure to pay any amounts due to Franchisor;

16.3.2 within thirty (30) days of receiving notice from Franchisor that Franchisee has failed to meet its Minimum Sales Quota; or

16.3.3 within thirty (30) days of receiving notice of any other default by Franchisee under this Agreement or upon Franchisee's failure to comply with any mandatory specification, standard or operating procedure prescribed in the Manual or otherwise prescribed in writing.

16.4. Reinstatement and Extension

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

16.5 Damages

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

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

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

16.5.3 Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Franchise Agreement and otherwise stop you from engaging in actions prohibited hereby, including, without limitation: (a) improper use of the Marks or System; (b) unauthorized

assignment of the Franchise Agreement; (c) violation of any of the restrictive covenants; and (d) your failure to meet or perform your obligations upon termination or expiration of this Franchise Agreement.

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

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

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

17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1. Actions to be Taken

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

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

17.1.2 cease to use the Confidential Information, the System and the Marks including, without limitation, all software, signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks;

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

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

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

17.1.6 pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

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

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

17.2. Post-Termination Covenant Not to Compete

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

17.3. Unfair Competition

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

17.4. Alteration of Approved Location

Upon termination or expiration, if Franchisor elects not to receive an assignment or sublease of the Approved Location, Franchisee will make such modifications or alterations to the Approved Location (including changing

telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Approved Location.

17.5. Franchisor's Option to Purchase Certain Business Assets

Franchisor has the right (but not the duty), for a period of thirty (30) days after termination or expiration of this Agreement, to purchase any or all assets of the Franchised Business. The purchase price will be equal to the assets' book value, excluding any goodwill. If Franchisor elects to exercise this option to purchase, it has the right to set off all amounts due from Franchisee under this Agreement, if any, against the purchase price. If Franchisor and Franchisee cannot agree on the book value of the assets Franchisor desires to purchase, an accountant selected by Franchisor will determine the book value.

18. TRANSFERABILITY OF INTEREST

18.1. Transfer by Franchisor

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

18.2. Transfer by Franchisee to a Third Party

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

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

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

18.2.2.2 Franchisee must pay to Franchisor a non-refundable deposit of the transfer fee required pursuant to Section 18.2.3.9, in the amount of EIGHT THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$8,750.00).

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

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

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

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

18.2.3.4 Franchisee (and any transferring owners, if Franchisee is a business entity) has executed a general release in, or substantially similar to, the form attached as Exhibit F, of any and all claims against

Franchisor, including its officers, directors, shareholders and employees, in their corporate and individual capacities including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to the transfer of Franchisee's ownership of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee will give the maximum release allowed by law;

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

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

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

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

18.2.3.9 Franchisee, or the transferee, has paid to Franchisor a transfer fee in the amount equal to the greater of SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS (\$17,500.00); fifty percent (50%) of Franchisor's then-current Franchise Fee; or the reasonable costs and expenses Franchisor incurs to review the proposed transfer, provide training to the transferee and reimburse Franchisor for its administrative expenses and legal fees, less the deposit paid pursuant to Section 18.2.2.2;

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

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

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

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

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

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

18.2.3.16 Beginning on the first business day following the transfer, Franchisee will assist the transferee for a reasonable period of time of no less than fifteen (15) consecutive business days for up to eight (8) business hours each day to transition the Franchised Business to the transferee. After said fifteen (15) business days, the Franchisee shall be available to telephone consultation by the transferee for an additional thirty (30) business days (for up to 3 hours per day) of telephone or email consultation. Such assistance will include but not be limited to the transfer of all contact information (including any URLs, telephone numbers, emails and contact information) to the transferee. If the transferee deems it to be reasonable, the Franchisee will personally introduce the transferee to all caregivers, vendors, clients, and administrative staff. The terms, covenants and conditions of this Section 18.2 shall survive the transfer and shall remain the continuing obligation of the Franchisee.

18.3. Transfer to a Controlled Entity

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

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

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

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

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

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

18.3.6 each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof of a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

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

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

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

18.4. Franchisor’s Disclosure to Transferee

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

18.5. For-Sale Advertising

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

18.6. Transfer by Death or Incapacity

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

18.7. Public Offering

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

19. RIGHT OF FIRST REFUSAL

19.1. Submission of Offer

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

19.2. Franchisor's Right to Purchase

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

from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal.

19.3. Non-Exercise of Right of First Refusal

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

20. BENEFICIAL OWNERS OF FRANCHISEE

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in Exhibit D as Holders of a Legal or Beneficial Interest, each of whom have executed the supplemental signature page below with respect to his or her individual obligations under this Agreement, are the sole holders of a legal or beneficial interest (in the stated proportions) of Franchisee.

21. RELATIONSHIP AND INDEMNIFICATION

21.1. Independent Contractor; No Fiduciary Duty

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

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

21.3. Right to Retain Counsel

Franchisee will give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section causes any of

Franchisee's insurers to refuse to pay a third party claim, all cause of action and legal remedies Franchisee might have against such insurer will automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances will Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss will in no way reduce the amounts recoverable by Franchisor from Franchisee.

22. GENERAL CONDITIONS AND PROVISIONS

22.1. No Waiver

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

22.2. Injunctive Relief

As any breach by Franchisee of any of the restrictions contained in Sections 6, 7 and 17 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor will be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without having to post bond in excess of ONE THOUSAND DOLLARS (\$1,000.00).

22.3. Notices

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

SYNERGY HOMECARE FRANCHISING, LLC
Attention: Chief Operating Officer
1757 E. Baseline Road, Bldg 6, Suite 124,
Gilbert, Arizona 85233

Notwithstanding anything in this Franchise Agreement to the contrary, at any time that the Franchisor is permitted or required to approve or deny approval for any matter or thing, it may deliver such approval or denial by email. Such notice will be sent to the email that is maintained by the Franchisee for business purposes which email address may be one that is provided to the Franchisee by Franchisor. Any such email notice shall be deemed to be delivered on the earlier of the date and time that Franchisor is notified electronically that it has been received or one (1) business day after being sent.

22.4. Cost of Enforcement or Defense

If Franchisor or Franchisee is required to enforce any term, covenant or condition of this Agreement in a judicial or arbitration proceeding, the "Prevailing Party" will be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees, in connection with such proceeding. For the purposes of this Agreement, the Prevailing Party shall be deemed to be that party which has obtained the greatest net judgment in terms of money or money equivalent. If money or money equivalent has not been awarded, the Prevailing Party shall be that party

which has prevailed on a majority of the material issues decided. The “net judgment” is determined by subtracting the smallest award of money or money equivalent from the largest award. Further, where one party seeks money damages and the other party seeks equitable relief and both prevail, fees and costs under this section shall be awarded by the court to the Party that it deems has substantially prevailed after considering the tenor and content of this covenant.

22.5. Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of five percent (5%) or greater will be required to execute, as of the date of this Agreement, the Guaranty and Assumption of Obligations attached as Exhibit C, through which such holders agree to assume and discharge all of Franchisee’s obligations under this Agreement and to be personally liable hereunder for all of the same.

22.6. Approvals

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

22.7. Entire Agreement and State Amendments

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

22.8. Severability and Modification

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

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

22.9. Construction

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

22.10. Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party will be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act will be extended for the amount of time of the delay. This clause will not result in an extension of the Initial Term of this Agreement.

22.11. Timing

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

22.12. Withholding Payments

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

22.13. Further Assurances

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

22.14. Multiple Originals

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

22.15. Survival of Certain Provisions

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

23. DISPUTE RESOLUTION

23.1. Choice of Law

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

23.2. Consent to Jurisdiction

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

23.3. Cumulative Rights and Remedies

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

23.4. Limitations of Claims

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

23.5. Limitation of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or

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

23.6. Waiver of Jury Trial

Franchisee and Franchisor each irrevocably waive trial by jury in any action, whether at law or equity, brought by either of them.

23.7. Arbitration

This Agreement evidences a transaction involving commerce and, therefore, the Federal Arbitration Act, Title 9 of the United States Code is applicable to the subject matter contained herein. Except for controversies or claims relating to the ownership of any of Franchisor's Marks, the unauthorized use or disclosure of Franchisor's Confidential Information, covenants against competition, money due on contracts, or claims arising from or related to termination of this Agreement for violations of health or safety regulations, all disputes arising out of or relating to this Agreement or to any other agreements between the parties, or with regard to interpretation, formation or breach of this or any other agreement between the parties, will be settled by binding arbitration conducted in Maricopa County, Arizona, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator agreed upon by the parties or otherwise appointed by the Superior Court for the State of Arizona and located in Maricopa County, Arizona. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

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

24. ACKNOWLEDGMENTS

24.1. Receipt of this Agreement and the Franchise Disclosure Document

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

24.2. Consultation by Franchisee

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

24.3. True and Accurate Information

Franchisee represents that all information set forth in any and all applications, financial statements and submissions

to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

24.4. Risk

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

24.5. No Guarantee of Success

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

24.6. No Violation of Other Agreements

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

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

SYNERGY HOMECARE FRANCHISING, LLC

By:
Name: _____
Title: _____

FRANCHISEE: _____

By:
Name: _____
Title: _____

[or, if an individual]

Signed: _____
Name printed: _____

[SUPPLEMENTAL SIGNATURE PAGE FOLLOWS]

The following have duly executed this Agreement with respect to, and agree to be personally bound by, the obligations contained in this Agreement including, without limitation, those contained in Sections 7, 17, 18, 19, 20, 21 and 23:

Signed: _____
Name printed: _____
Relationship to Franchisee: _____

Signed: _____
Name printed: _____
Relationship to Franchisee: _____

Signed: _____
Name printed: _____
Relationship to Franchisee: _____

Signed: _____
Name printed: _____
Relationship to Franchisee: _____

Signed: _____
Name printed: _____
Relationship to Franchisee: _____

Signed: _____
Name printed: _____
Relationship to Franchisee: _____

EXHIBIT A TO THE FRANCHISE AGREEMENT

APPROVED LOCATION

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

_____.

Agreed to and acknowledged by:

SYNERGY HOMECARE
FRANCHISING, LLC

FRANCHISEE: _____
(type/print name)

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

[or, if an individual]

Signed: _____

Name printed: _____

EXHIBIT B TO THE FRANCHISE AGREEMENT

PROTECTED TERRITORY

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

_____.

Agreed to and acknowledged by:

SYNERGY HOMECARE FRANCHISING, LLC

FRANCHISEE: _____
(type/print name)

By: _____
Name: _____
Title: _____
[or, if an individual]

By: _____
Name: _____
Title: _____

Signed: _____
Name printed: _____

EXHIBIT B-1 TO THE FRANCHISE AGREEMENT

MAP OF PROTECTED TERRITORY

EXHIBIT C TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

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

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith ("Agreement") by SYNERGY HOMECARE FRANCHISING, LLC ("Franchisor"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the Initial Term of the Agreement and thereafter as provided in the Agreement, that

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

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

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

PERSONAL GUARANTOR

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Personally and Individually (Signature)

HOME ADDRESS

HOME ADDRESS

TELEPHONE NO.: _____

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS:

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

HOME ADDRESS

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

EXHIBIT D TO THE FRANCHISE AGREEMENT

**HOLDERS OF LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE; OFFICERS, DIRECTORS**

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

Officers and Directors	Position/Title
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

EXHIBIT E TO THE FRANCHISE AGREEMENT

NONDISCLOSURE, NONSOLICITATION AND NONCOMPETITION AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

from Franchisee.

“*Restricted Territory*” means the geographic area within a 50 mile radius from Franchisee’s Approved Location (and including the Approved Location itself).

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

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

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

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

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

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

(iii) inducing (a) any of our employees or managers (or those of our affiliates or franchisees) to leave their position or (b) any client of ours (or of one of our affiliates or franchisees) to transfer their business away from us (or our affiliate or franchisee).

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

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

in the least manner possible so as to create a covenant that is enforceable to the fullest extent permissible.

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

7. Miscellaneous.

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

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

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

EXECUTED on the date stated below.

Date _____

Signature

Typed or Printed Name

I witnessed the execution of the foregoing document this ____ day of _____, 20__.

Date _____

Signature of Witness

Typed or Printed Name

EXHIBIT F TO THE FRANCHISE AGREEMENT

STANDARD FORM OF GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this ____ day of _____, 20____ by _____, (“**RELEASOR**”) an individual/corporation/limited liability company/partnership with a principal address of _____, in consideration of:

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

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

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

and other good and valuable consideration, and accordingly **RELEASOR** hereby releases and discharges **RELEASEE**, **RELEASEE**’S officers, directors, shareholders and employees (in their corporate and individual capacities), and **RELEASEE**’S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that **RELEASOR** and **RELEASOR**’S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this **RELEASE** arising out of or related to the Franchise, the franchise relationship, or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. This General Release is not intended to nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law or any representation made in the Franchise Disclosure Document.

RELEASOR delivers this Release with the intent that **RELEASEE** rely upon the same. Should any condition, covenant, or clause herein be considered to be unenforceable, any tribunal of competent jurisdiction shall be permitted to amend the Release or to excise the offending clause, covenant, or condition so as to form an enforceable Release which shall be binding upon the the parties hereto to the fullest extent permissible.

This General Release cannot be amended or modified unless such amendment or modification is in writing and is signed by **RELEASOR**.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

RELEASOR: _____
(type/print name)

By: _____

Name: _____

Title: _____

(or, if an individual)

Signed: _____

Name printed: _____

ACKNOWLEDGEMENT

State of _____)
) ss
County of _____)

On this ____ day of _____, 20____ before me personally came _____, known to me to be the same person whose name is signed to the foregoing General Release, and acknowledged the execution thereof for the uses and purposes therein set forth, [and who did swear and say that he/she is the _____ (title) of _____ (company name), and he/she has the authority to execute said General Release].

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

(NOTARIAL SEAL)

Notary Public
My Commission expires:

EXHIBIT G TO THE FRANCHISE AGREEMENT

**TELEPHONE NUMBER, DIRECTORY LISTING AND DOMAIN NAME
ASSIGNMENT AGREEMENT**

For value received, the undersigned ("Franchisee") hereby irrevocably assigns the telephone listing, Yellow Pages or other directory listing, numbers and domain names stated below and any successor, changed or replacement number, numbers or domain names effective upon the date of termination of the agreement described below to SYNERGY HOMECARE FRANCHISING, LLC, an Arizona limited liability company ("Franchisor"), upon the following terms and conditions:

1. This assignment is made pursuant to the terms of the SYNERGY HOMECARE FRANCHISING, LLC Franchise Agreement of even date herewith ("**Agreement**") between Franchisor and Franchisee, which in part pertains to the telephone listing, numbers and domain names used by the Franchisee in the operation of the SYNERGY HomeCare Business in the franchise territory covered by the Franchise Agreement.

2. Franchisee retains the limited right to use the telephone listings, numbers, URLs, email addresses domain names and other business contact information solely for the transaction and advertising of the SYNERGY HomeCare Business while the Franchise Agreement between Franchisor and Franchisee remains in full force and effect, but upon termination or expiration of the Franchise Agreement for any reason, the limited right of use of the telephone listing, numbers, and domain names by the Franchisee will also terminate. In such event, Franchisee agrees to immediately discontinue use of said listings, numbers, and domain names and, at Franchisor's request, immediately execute any documents, pay all monies, and take any other action as may be necessary to transfer said listings, numbers domain names to Franchisor.

3. Each and every telephone number, affiliated listing domain name, URL, email address, and contact information used by Franchisee in connection with the Franchised Business will be subject to this assignment. As such numbers, listings, email addresses, URL and domain names are activated or acquired, Franchisee will notify Franchisor and such numbers, listing and domain names will be added below. The failure to insert such numbers, listings or domain names will not automatically affect the enforceability of this assignment with respect to those or any other numbers or listings.

4. Franchisee agrees to pay all amounts owed pertaining to the use of the telephone numbers, affiliated listings and domain names incurred by it. In the event of termination or expiration of the Franchise Agreement for any reason, Franchisee agrees to immediately pay all amounts owed in connection with said listings, telephone numbers and domain names, whether or not yet due, including all sums owed under existing contracts for telephone directory or other on-line advertising.

SYNERGY HOMECARE FRANCHISING, LLC:

FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT H TO THE FRANCHISE AGREEMENT

ELECTRONIC FUND TRANSFER AUTHORIZATION

Depositor hereby authorizes and requests the bank named below (“**Depository**”) to initiate debit and credit entries to Depositor’s checking account savings account (*select one*) indicated below drawn by and payable to the order of Franchisor by Electronic Fund Transfer, provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depository’s rights with respect to each such charge will be the same as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository will be under no liability whatsoever.

Depository Name: _____

City: _____ State: _____ Zip Code: _____

Transit/ABA Number: _____ Account Number: _____

This authority is to remain in full force and effect until Franchisor and Depository have received at least 30 days’ written notification from Depositor of its termination, to afford Franchisor and Depository a responsible opportunity to act on such request.

Depositor’s Name Printed: _____

Date Signed: _____

Signature(s) of Depositor: _____
(as printed above)

(Please attach a voided blank check, for purpose of setting up Bank and Transit Numbers)

EXHIBIT I TO THE FRANCHISE AGREEMENT

MULTI-STATE ADDENDA

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF CALIFORNIA

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20_____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-3516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- The California Franchise Relations Act provides rights to Franchisee concerning termination or nonrenewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement, specifically Sections 4.2 and 16.2.
- Section 16.2.1.10 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Section 17.2 of the Franchise Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law.
- New Section 17.7 is inserted into the Franchise Agreement and states as follows:

If termination is the result of Franchisee's default, Franchisee will pay to Franchisor a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to the total of all Royalty Fee payments for: (a) the twenty-four (24) calendar months of operation of Franchisee preceding Franchisee's default; (b) the period of time Franchisee has been in operation preceding the notice, if less than twenty-four (24) calendar months, projected on a twenty-four (24) calendar month basis; or (c) any shorter period as equals the unexpired term at the time of termination. The parties agree that a precise calculation of the full extent of the damages that Franchisor will incur on termination of this Agreement as a result of Franchisee's default is difficult and the parties desire certainty in this matter and agree that the lump sum payment provided under this Section is reasonable in light of the damages for premature termination that Franchisor will incur. This payment is not exclusive of any other remedies that Franchisor may have including attorneys' fees and costs.

- The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law.
- The Franchise Agreement requires application of the laws of a state other than California. This provision might not be enforceable under California law.
- Section 23.7 of the Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in Section 23.7, with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside of the State of California.

- This Addendum contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the California Investment Law and/or the California Franchise Relations Act are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF HAWAII

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E et seq., the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- The Hawaii Franchise Investment Law provides rights to Franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Agreement, and more specifically Sections 4.2, 16 and 18, contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- Sections 4.2.12, 8.3 and 18.2.4 require Franchisee to sign a general release as a condition of renewal and transfer of the franchise; such release will exclude claims arising under the Hawaii Franchise Investment Law.
- Section 16.2.1.10 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independent of this Addendum. To the extent this Addendum will be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC: Franchisee: _____

By: _____ By: _____

Title: _____ Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF ILLINOIS

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- Section 16 of the Franchise Agreement is amended to add:

The conditions under which the Franchise Agreement can be terminated and Franchisee’s rights upon non-renewal, as well as the application by which Franchisee must bring any claims, may be governed by the Illinois Franchise Disclosure Act, 815 ILCS 705/19 and 705/20.

- Section 23 of the Franchise Agreement is amended to add:

No action for liability under the Illinois Franchise Disclosure Act will be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after Franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to Franchisee of a written notice disclosing the violation, whichever will first expire.

- Section 23.1 of the Franchise Agreement is amended to add:

The Franchise Agreement will be governed by Illinois Law. Jurisdiction and venue for court litigations will be in Illinois. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.

- Section 24.1 of the Franchise Agreement is amended to include a 14 calendar day minimum disclosure period prior to the signing of a binding agreement or any payment to the Franchisor.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF INDIANA

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2-2.7 and the Indiana Franchise Disclosure Law, IC 23-2-2.5, the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- Sections 4.2.12, 8.3 and 18.2.4 of the Franchise Agreement do not provide for a prospective general release of claims against Franchisor that may be subject to the Indiana Deceptive Franchise Practices Law or the Indiana Franchise Disclosure Law.
- Section 16 of the Franchise Agreement is amended to prohibit unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
- Section 17.2 of the Franchise Agreement is amended subject to Indiana Code 23-2-2.7-1(9) to provide that post-term non-competitor covenants will have a geographical limitation of the territory granted to Franchisee.
- Section 21.2 is amended to provide that Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee’s reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.
- Section 23.1 is amended to provide that in the event of a conflict of law, the Indiana Franchise Disclosure Law, IC 23-2-2.5, and the Indiana Deceptive Franchise Practices Law will prevail.
- Section 23.2 of the Franchise Agreement is amended to provide that Franchisee may commence litigation in Indiana for any cause of action under Indiana law.
- Section 23.7 of the Franchise Agreement is amended to provide that arbitration between Franchisor and Franchisee will be conducted in Indiana or a site mutually agreed upon.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Indiana Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum will be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF MARYLAND

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201-14-233, the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- Sections 4.2.12, 8.3 and 18.2.4 require Franchisee to sign a general release as a condition of renewal, termination and transfer of the franchise; such release will exclude claims arising under the Maryland Franchise Registration and Disclosure Law.
- Section 16.2.1.10 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Section 23.1 of the Franchise Agreement requires that the franchise be governed by the laws of the State of Arizona; however, in the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, the laws of the State of Maryland will prevail.
- Sections 23.2 and 23.7 of the Franchise Agreement requires litigation or arbitration to be conducted in the State of Arizona; the requirement will not limit any rights Franchisee may have under the Maryland Franchise Registration and Disclosure Law to bring suit in the State of Maryland.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF MICHIGAN

This Amendment to the Franchise Agreement is agreed to this ____ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____ to amend and revise said Franchise Agreement as follows:

1. In recognition of the requirements of the Michigan Franchise Investment Law, MCL §§445.1501-445.1546, the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- Section 17.2 of the Franchise Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Franchise Agreement; this covenant may not be enforceable under Michigan law.
- New Section 17.7 is inserted into the Franchise Agreement and states as follows:

If termination is the result of Franchisee’s default, Franchisee will pay to Franchisor a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to the total of all Royalty Fee payments for: (a) the twenty-four (24) calendar months of operation of Franchisee preceding Franchisee’s default; (b) the period of time Franchisee has been in operation preceding the notice, if less than twenty-four (24) calendar months, projected on a twenty-four (24) calendar month basis; or (c) any shorter period as equals the unexpired term at the time of termination. The parties agree that a precise calculation of the full extent of the damages that Franchisor will incur on termination of this Agreement as a result of Franchisee’s default is difficult and the parties desire certainty in this matter and agree that the lump sum payment provided under this Section is reasonable in light of the damages for premature termination that Franchisor will incur. This payment is not exclusive of any other remedies that Franchisor may have including attorneys’ fees and costs.

2. Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the Michigan Franchise Investment Law are met independent of this Amendment. To the extent this addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC: Franchisee:_____

By: _____ By:_____

Title:_____ Title:_____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF MINNESOTA

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Franchise Agreement agree as follows:

- Sections 4 and 16 is amended to add that with respect to franchises governed by Minnesota Law, Franchisor will comply with the Minnesota Franchise Law which requires, except in certain specified cases, that Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.
- Sections 4.2.12, 8.3 and 18.2.4 do not provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
- Section 6 is amended to add that as required by Minnesota Franchise Act, Franchisor will reimburse you for any costs incurred by Franchisee in the defense of Franchisee’s right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
- Section 23.4 of the Franchise Agreement is amended to state that any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an action for a claim is commenced within three (3) years from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.
- Section 23.5 is deleted in its entirety.
- Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Offering Circular or Franchise Agreement can abrogate or reduce any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee’s rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC: Franchisee: _____

By: _____ By: _____

Title: _____ Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF NEW YORK

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§ 680 through 695, the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- Sections 4.2.12, 8.3, and 18.2.4 require Franchisee to sign a general release as a condition of renewal, termination and transfer of the franchise; such release will exclude claims arising under the General Business Laws.
- Under Section 18.1 of the Franchise Agreement, Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor’s obligations under the Franchise Agreement, in Franchisor’s good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.
- Section 21.2 is amended to provide that Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee’s reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.
- Section 23.1 of the Franchise Agreement requires that the franchise be governed by the laws of the state the Franchisor’s principal business is then located, such a requirement will not be considered a waiver of any right conferred upon the Franchisee by Article 33 of the General Business Laws.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the New York Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et seq.* Such provisions in the Agreement are hereby amended as follows:

- Under Sections 4.2.12, 8.3 and 18.2.4 of the Franchise Agreement, the execution of a general release upon renewal, termination or transfer will be inapplicable to franchises operating under the North Dakota Franchise Investment Law to the extent that such a release excludes claims arising under the North Dakota Franchise Investment Law.
- Section 7 of the Franchise Agreement is amended to add that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.
- Sections 17.1.5 and 17.1.6 is amended to state:

If Franchisor or Franchisee is required to enforce this Agreement via judicial proceedings, the prevailing party is entitled to reimbursement of its costs, including reasonable accounting and legal fees in connection with such proceeding.

- Section 17.2 is amended to add that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- New Section 17.7 is inserted into the Franchise Agreement and states as follows:

If termination is the result of Franchisee's default, Franchisee will pay to Franchisor a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to the total of all Royalty Fee payments for: (a) the twenty-four (24) calendar months of operation of Franchisee preceding Franchisee's default; (b) the period of time Franchisee has been in operation preceding the notice, if less than twenty-four (24) calendar months, projected on a twenty-four (24) calendar month basis; or (c) any shorter period as equals the unexpired term at the time of termination. The parties agree that a precise calculation of the full extent of the damages that Franchisor will incur on termination of this Agreement as a result of Franchisee's default is difficult and the parties desire certainty in this matter and agree that the lump sum payment provided under this Section is reasonable in light of the damages for premature termination that Franchisor will incur. This payment is not exclusive of any other remedies that Franchisor may have including attorneys' fees and costs.

- Section 23.1 is amended to state that in the event of a conflict of laws, North Dakota Law will prevail.
- Section 23.2 of the Franchise Agreement is amended to add that any action may be brought in the appropriate state or federal court in North Dakota.

- Section 23.4 of the Franchise Agreement is amended to state that the statute of limitations under North Dakota Law will apply.
- Sections 23.5 and 23.6 of the Franchise Agreement is deleted in their entireties.
- Section 23.7 of the Franchise Agreement is amended to state that arbitration involving a franchise purchased in North Dakota must be held either in a location mutually agreed upon prior to the arbitration, or if the parties cannot agree on a location, the arbitrator will determine the location.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF RHODE ISLAND

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- Sections 4.2.12, 8.3 and 18.2.4 require Franchisee to sign a general release as a condition of renewal, termination and transfer of the franchise; such release will exclude claims arising under The Rhode Island Franchise Investment Act.
- Sections 23.1 and 23.2 is amended to state that restricting jurisdiction or venue to a forum outside the state of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Rhode Island Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF VIRGINIA

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____

_____, amends and revises said Franchise Agreement as follows:

- Section 16.2.1.10 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy, of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for SYNERGY HomeCare Franchising, LLC for use in the Commonwealth of Virginia is amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

- The third sentence of the third paragraph of the FTC Cover Page is amended to state:

"You must receive this disclosure document at least 14 days before you sign a binding agreement or make any payment in connection with the franchise sale or grant."

- The first sentence of the second paragraph of both Receipt Pages is amended to state:

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

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

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF WASHINGTON

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. In recognition of the requirements of the Washington Franchise Investment Protection Act, Washington Rev. Code §§19.100.010 – 19.100.940, the Franchise Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- The Washington Franchise Investment Protection Act provides rights to Franchisee concerning non-renewal and termination of the Franchise Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act will control.
- Under Sections 4.2.12, 8.3 and 18.2.4, Franchisee is required to sign a general release as a condition of renewal, termination and transfer of the franchise; such release will exclude claims arising under the Washington Franchise Investment Protection Act.
- Section 23.1 of the Franchise Agreement requires that the franchise be governed by the laws of the State of Arizona; such a requirement may be unenforceable in the event of a conflict with the Washington Franchise Investment Protection Act. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
- Sections 23.2 and 23.7 of the Franchise Agreement requires litigation or arbitration to be conducted in the State of Arizona; the requirement will not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.
- Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act (such as a right to a jury trial), may not be enforceable.
- Transfer fees are collectable to the extent that they reflect the Franchisor’s reasonable estimated or actual costs in effecting a transfer.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF WISCONSIN

This Addendum to the Franchise Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Franchise Agreement as follows:

1. The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07 will supersede any conflicting terms of the Franchise Agreement.

2. This provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____



EXHIBIT C-1

REGIONAL DEVELOPMENT AGREEMENT



SYNERGY HOMECARE FRANCHISING, LLC

REGIONAL DEVELOPER AGREEMENT

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EXHIBITS:

- Attachment 1 Rider to Regional Developer Agreement
- Attachment 2 Statement of Ownership
- Attachment 3 Guaranty & Assumption of Regional Developer’s Obligations

Attachment 4 Collateral Assignment of Telephone Numbers, Telephone Listings and Internet Addresses

Attachment 5. General Release

Attachment 6 Non-Disclosure and Non-Competition Agreement

Attachment 7 Closing Acknowledgement

Attachment 8 State Amendments

REGIONAL DEVELOPER AGREEMENT

This Regional Developer Agreement (“**RD Agreement**”) is made this ____ day of _____, 20__ by and between **SYNERGY HomeCare Franchising, LLC**, an Arizona limited liability company, located at 1757 E. Baseline Road, Bldg. 6, Suite 124, Gilbert, Arizona 85234 (“**Franchisor**”, “**us**”, “**we**” or similar expressions) and _____, (“**Regional Developer**”, “**you**”, “**your**” or similar expressions). Franchisor and Regional Developer may sometimes be referred to as a “Party” or as the “Parties”.

RECITALS

WHEREAS, Franchisor has developed and is in the process of further developing a system identified by the trademark “SYNERGY HomeCare[®]” and related trade names and trademarks (“**Marks**”) relating to the establishment, development and operation of businesses that currently offers non-medical in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medication reminders, medical and social appointment scheduling and management, organizational and bill paying assistance and housecleaning and light home maintenance services to seniors, the convalescing, disabled persons and others who need help with daily living activities (collectively, the “**System**”), and which are referred to in this RD Agreement as “SYNERGY HomeCare Businesses”; and,

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

WHEREAS, Regional Developer desires to act as an independent contractor of the Franchisor within a certain geographic area, enabling Regional Developer to market franchises for Franchisor and to develop, support and provide services to SYNERGY HomeCare Businesses within such geographical area, under the terms and conditions contained in this RD Agreement (“**RD Business**”); and

WHEREAS, Franchisor is willing to grant Regional Developer the right to serve as an independent Regional Developer, enabling Regional Developer to market franchises for, and to provide site selection and support services to, SYNERGY HomeCare Businesses within a certain geographical area, under terms and conditions in this RD Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, terms and conditions herein contained, and the acts to be performed by the respective parties, the Parties hereto agree as follows:

COVENANTS

1. DEFINITIONS

1.1 Authorized Third-Party Product. “**Authorized Third-Party Product**” means any product authorized by Franchisor to be sold by a SYNERGY HomeCare Business that is not proprietary to or trademarked by Franchisor or an affiliate of Franchisor.

1.2 Business Records. “**Business Records**” means evidence of each business transaction, and all financial, marketing, and other operating aspects of the RD Business, and all evidence and records with respect to customers, suppliers, and other service professionals relating to the RD Business including, without limitation, all databases in print, electronic or other form, including all names, addresses, phone numbers, e-mail addresses, customer purchase records, and all other records contained in the database, and all other records created and maintained by Regional Developer in operation of the RD Business.

1.3 Competitive Business. “**Competitive Business**”, shall mean a business operating or granting franchises or licenses to others to operate, a business deriving more than ten percent (10%) of its gross receipts from providing non-medical in-home personal assistance, including but not limited to, in-home care and companionship, child care, meal preparation, medication reminders, medical and social appointment scheduling, management, organizational and bill paying assistance, housecleaning and light home maintenance services, and other personal services to seniors, the convalescing, disabled persons and others who need help with daily living activities.

1.4 Development Region. “**Development Region**” is the geographical area described in the attached **Attachment 1**.

1.5 Effective Date. “**Effective Date**” means that date that this RD Agreement is finally signed by all Parties hereto. Though one Party may have signed, it will not be a contract until all Parties have signed.

1.6 Franchise Agreement. “**Franchise Agreement**” means the forms of agreement (including, without limitation, franchise agreement and any exhibits, riders, collateral assignments of lease or sublease, and personal guarantees used in connection therewith) used by Franchisor from time to time in the granting of franchises for the ownership and operation of SYNERGY HomeCare Businesses. Regional Developer acknowledges that Regional Developer will use Franchisor’s then-current form of Franchise Agreement and that Franchisor may, from time to time, modify or amend in any respect the form of Franchise Agreement and related agreements, including without limitation modifying fees, customarily used in granting SYNERGY HomeCare Business franchises. The Regional Developer will not sign the Franchise Agreement unless the Regional Developer purchases a franchise, as permitted under this RD Agreement.

1.7 Franchisee. “**Franchisee**” means any person, corporation, partnership or other entity who has entered into a Franchise Agreement with Franchisor.

1.8 Franchisor Parties. “**Franchisor Parties**” shall mean means the Franchisor, all of the “Franchisor’s Affiliates” (being those affiliates more fully identified in Item 1 of the franchise disclosure document), and any of their officers, directors, shareholders, members, managers, managing members, management personnel, employees, partners, general and/or limited partners, and all other business members of the Franchisor or its Affiliates.

1.9 Initial Franchise Fee. “**Initial Franchise Fee**” means that amount paid by a Franchisee to purchase the rights to operate a SYNERGY HomeCare Business, as more specifically identified in ITEM 5 of Franchisor’s franchise disclosure document (FDD). The Initial Franchise Fee does not include any amounts paid by Franchisee to Franchisor for equipment, inventory, or other expense items.

1.10 Initial Term. “**Initial Term**” shall have the meaning given to it in Section 15.1.

1.11 Prime Lease and Premises. “**Prime Lease**” shall mean a lease of office space (“**Premises**”) entered into by the Regional Developer, as tenant, for Premises located within the Development Region.

1.12 Protected Territory. “**Protected Territory**” shall refer to the size of the territory that the Franchisor is then offering to its Franchisees at the time that a Protected Territory is to be determined. Currently the size is approximately 20,000 persons age 65 or over as of the date of the Franchise Agreement.

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

As part of our exercise of Franchisor’s Reasonable Business Judgment, and in order to timely respond to market conditions and the needs and wishes of customers to the franchisee’s

business, Franchisor reserves the right, in its sole and exclusive determination, to vary any standard of the System, the Marks, or the Manuals.

1.14 Registration State. “**Registration State**” shall mean any state or other political subdivision within the Development Region which requires that a franchisor register its franchise offering prior to offering a Franchise Agreement to any person or entity who resides in such state or desires to open a SYNERGY HomeCare Business in the state.

1.15 Regional Operating Manager. “**Regional Operating Manager**” shall mean the person besides the Regional Developer (or if you are a partnership, corporation, or a business entity other than a sole proprietorship, an individual designated by you who owns at least twenty-five (25%) of the ownership interest in your business entity and who has been approved by us and has received our training.

1.16 RD Affiliate. “**RD Affiliate**” shall mean any entity controlled by or under common control with the Regional Developer, an entity in which Regional Developer or any RD Affiliate owns an equity interest, and any person related to Regional Developer by birth or marriage.

1.17 RD Location. “**RD Location**” shall have the meaning given it in section 8.12.

1.18 RD Manual. “**RD Manual**” means the RD Operations Manual, the RD Sales Manual, technical bulletins or other written materials covering the proper operating and marketing techniques of an RD Business and standards and specifications for implementing the System.

1.19 RD Parties. “**RD Parties**” means the Regional Developer, the Regional Operating Manager, all of the RD Affiliates, and any of their officers, directors, shareholders, members, managers, managing members, management personnel, partners, general and/or limited partners, and all other business members of the Regional Developer’s or RD Affiliates business entity, and all “immediate family members”. By way of inclusion and not limitation, “immediate family members” shall include all spouses and children, a civil union partner (or person with the equivalent status), and, if any person named herein later marries or enters into a civil union, then such spouse or member of the civil union. In such an event, each new immediate family member must sign all documents and will be subject to all covenants of this RD Agreement that reference a RD Party. Each Regional Developer agrees to immediately notify Franchisor of any change to his or her marital or civil union status and the identity of any new spouse or civil union partner.

1.20 Sales Year. “**Sales Year**” means each twelve (12) month period during the term of this RD Agreement, as set forth on Attachment 1. Each Sales Year will begin on the first day of the month. If the initial term of this RD Agreement starts on a day other than the first day of a month, then the Sales Year will include the remainder of the days in such month plus the twelve full months that follow.

1.21 Sublease. “**Sublease**” shall mean a lease entered into between the Regional Developer, as sublessor, and a Franchisee as subtenant, for all or any portion of the Premises leased pursuant to a Prime Lease.

1.22 SYNERGY HomeCare Products. “**SYNERGY HomeCare Products**” means goods and merchandise bearing the marks. SYNERGY HomeCare Products does not include any Authorized Third-Party Product.

Any other capitalized word or phrase not defined herein will have the meaning given to it in the then-current Franchise Agreement.

2. SCOPE OF APPOINTMENT

2.1 Appointment of Regional Developer/Scope of Operations.

Franchisor appoints Regional Developer, and Regional Developer agrees to perform its obligations, as an independent contractor of Franchisor in accordance with the terms and conditions of this RD Agreement, and only within the Development Region, to: (a) solicit prospective Franchisees located in the Development Region for SYNERGY HomeCare Businesses (“**Sales Services**”) as described in Sections 3.3 and 8.4; (b) perform certain site acquisition and development services described in Section 8.5 (“**Site Services**”); and (c) to render sales and marketing support and other services (“**Support Services**”) to SYNERGY HomeCare Businesses located within the Development Region as those services are described in Sections 8.6 and 8.7. Such services may be modified and updated and new services may be added by the Franchisor at any time; and as so modified and updated and as the new services are added, Regional Developer shall comply with the same. You will receive written notice of such updates, modifications and/or new services which may be transmitted to you by mail, fax or email.

2.2 Rights and Limitations to Development Region.

During the term of this RD Agreement, Franchisor will not establish and license any other Regional Developer within the Development Region; provided, however, that Franchisor shall retain such rights in the Development Region as described in Section 2.3. You must operate the RD Business only from the RD Location within the Development Region. You may relocate within the Development Region only with our permission which will not be unreasonably withheld. Regional Developer or the Regional Operating Manager must live in the Development Region.

2.3 Reservation of Rights to Franchisor.

Regional Developer acknowledges that the Agreement granted hereunder is nonexclusive and Franchisor (on behalf of itself, its affiliates and designees), retains the right (without

compensation or obligation whatsoever to Regional Developer unless specifically set forth herein):

a. To use, and to license others to use, the Marks and System for the operation of other RD Businesses at any location outside of the Development Region, wherever located;

b. To solicit prospective Franchisees through its own sales force, through the use of independent brokers, or otherwise, and to grant other persons franchises to operate SYNERGY HomeCare Businesses at such locations within and outside of the Development Region and on such terms and conditions as Franchisor deems appropriate and to own and operate such SYNERGY HomeCare Businesses within the Development Region (subject to its obligation to compensate Regional Developer, as set forth in Section 5.2);

c. To use and license the use of alternative proprietary marks or methods in connection with the operation of home care businesses and related services at any location inside or outside the Development Region, which businesses may be the same as, or similar to, or different from SYNERGY HomeCare Businesses, or which may be in alternative channels of distribution;

d. To use in alternate channels of distribution and at any location (subject to its obligation to compensate Regional Developer, as set forth in Section 5.5), the Marks and System in connection with some or all of the same SYNERGY HomeCare Products and services offered by SYNERGY HomeCare Businesses, other services, and SYNERGY HomeCare Products, promotional and marketing efforts or related items; and,

e. To acquire, merge with, or be acquired by any other business, including a business that competes with the SYNERGY HomeCare Business or the RD Business.

Franchisor also retains the right to keep any rebates delivered to it as a result of purchases that the Regional Developer is required to make from approved suppliers.

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

From time to time, Franchisor may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based upon such factors as Franchisor determines, including test marketing, your qualifications, and regional or local differences.

3. FRANCHISE SALES PROCEDURES

3.1 Development Quota.

The Regional Developer agrees that during the term of this RD Agreement it will at all times faithfully, honestly, and diligently perform its obligations hereunder and will continuously exert its best efforts to promote and enhance the development and operation of SYNERGY HomeCare Businesses within the Development Region.

The Regional Developer agrees to comply with the development quota set forth in **Attachment 1** to this RD Agreement (“**Development Quota**”) with respect to each Sales Year. The determination as to whether Regional Developer has met its Development Quota for any Sales Year under this RD Agreement shall be based on the total number of SYNERGY HomeCare Businesses purchased and paid for by Franchisees within the Development Region by the end of a Sales Year, as set forth on Attachment 1. The Regional Developer agrees that during the term of this RD Agreement it will at all times faithfully, honestly, and diligently perform its obligations hereunder and will continuously exert its best efforts to promote and enhance the development and operation of SYNERGY HomeCare Businesses within the Development Region.

If Regional Developer fails to satisfy the Development Quota as of the end of any Sales Year of the Initial Term and if that is the only breach of the RD Agreement, Franchisor has the right to: reduce the size of the Development Region to the size that encompasses the number of Protected Territories that are then in the Development Region; eliminate the Development Region altogether (though Regional Developer will continue to service the franchisees in the Protected Territories that it already services); or fashion some other remedy that does not include termination of the RD Agreement (Section 16.2(b)). If we reduce or eliminate your Development Region then we have the right to resell the recaptured Development Region in any manner Franchisor deems fit and without having to pay the Regional Developer any other fees or commissions. If the failure to satisfy the Development Quota is in addition to any other breach of the RD Agreement, then in addition to the Franchisor’s rights described in this paragraph, Franchisor also has the right to terminate the RD Agreement (Section 16.2(a)).

3.2 Prior Registration of Disclosure Documents.

Neither Regional Developer nor any employee or representative of Regional Developer shall solicit prospective Franchisees of SYNERGY HomeCare Businesses until Franchisor has registered its current FDD in any Registration State in which the Regional Developer is to operate, and has provided Regional Developer with the requisite documents, or at any time when Franchisor notifies Regional Developer that its registration is not then in effect or its documents are not then in compliance with applicable law of a Registration State. If at any time during the term of this RD Agreement, Franchisor fails to register its current FDD in a Registration State for more than 90 days after the date that such registration is required, then the Development Quota shall be suspended until the FDD is properly registered.

If Regional Developer’s activities pursuant to this RD Agreement require that it prepare, register or file any disclosure, exemption or other documents, or if the Franchisor is required to amend its filed FDD to include the Regional Developer as a subfranchisor or in any other capacity, then all requisite FDDs, ancillary documents and registration applications shall be

prepared and filed by Franchisor, Regional Developer (if the Regional Developer is required to make such filing), or its designee, and registration must be secured before Regional Developer may solicit prospective Franchisees in the Development Region. Costs of such registration applicable to Regional Developer shall be borne by the Regional Developer. In addition, Regional Developer shall at its expense:

a. Prepare and forward to Franchisor verified, and if required, audited financial statements of Regional Developer in such form and for such periods as shall be designated by Franchisor, and as necessary and appropriate to comply with applicable federal disclosure, filing or other legal requirements;

b. Promptly provide all information reasonably required by Franchisor to prepare all requisite FDD and ancillary documents for the offering of franchises throughout the Development Region;

c. Execute all documents required by Franchisor for the purpose of registering Regional Developer and Franchisor to offer franchises throughout the Development Region.

If any such documents required by this Section are not timely delivered after written request, the same will be a default of this Agreement and in addition to any other rights that the Franchisor may have the Regional Developer will be required to pay our then-current "Late Document Fee" which now is \$250 per month for each month or any part of a month that such documents are late.

Regional Developer agrees to review all information pertaining to Regional Developer, comply with legal requirements for selling franchises in the Development Region, and verify its accuracy if so requested by Franchisor. Regional Developer acknowledges that Franchisor, its affiliates or its assignees, shall not be liable to Regional Developer for any errors, omissions or delays which may occur in the preparation or filing of such materials.

3.3 Advertising, Recruiting and Screening

Regional Developer agrees that it, and not Franchisor shall be sole responsible for advertising for, recruiting, screening and reviewing prospects for SYNERGY HomeCare Business franchises within the Development Region (Section 8.11). Regional Developer shall provide prospective franchisees with written information (but not the FDD) approved by Franchisor, regarding a SYNERGY HomeCare Business franchise. Regional Developer may also communicate with prospective franchisees, via email, other electronic medium, the telephone, face-to-face meetings or through visits with other SYNERGY HomeCare Businesses within the Development Region. Regional Developer shall submit a qualified applicant ("**Applicant**") for a SYNERGY HomeCare Business franchise to Franchisor for approval. Regional Developer further agrees that all Applicants submitted to Franchisor by Regional Developer, (if an individual, or as to the principals of the Applicant if the Applicant is a business entity), have adequate financial resources and meet Franchisor's then-current criteria for Franchisees. Each application received by Regional Developer shall be submitted to Franchisor

with all information respecting the Applicant, the Applicant's proposed franchise location, if known, the Applicant's financial statements (including the tax returns for the prior two fiscal years, and its current profit and loss and balance sheet), and all other information customarily required by Franchisor when reviewing a prospective Franchisee. Regional Developer shall assist the Applicant in the preparation of such financial reports and other information. Franchisor shall have the right to revise the information required to be submitted by the Regional Developer by updating the RD Manual from time to time.

3.4 Franchisor's Approval of Prospective Franchisees

In making its decision in reference to a prospective franchisee, Franchisor shall determine whether the Applicant possesses sufficient financial and managerial capability and has satisfied the other criteria then utilized by Franchisor in the granting of franchises.

Franchisor shall approve or disapprove each Applicant by the delivery of written notice to the prospective franchisee and the Regional Developer which such notice may be sent by letter, email or other electronic method. Franchisor agrees to exert reasonable efforts to deliver such notification to Regional Developer within ten (10) business days after the later of: (a) receipt by Franchisor of a complete application, financial statement and other materials regarding the Applicant requested by Franchisor; or, (b) the personal interview of Applicant by Franchisor, if any; provided, however, that under no circumstances will an Applicant be approved or disapproved until Franchisor delivers written notification to both the prospective Franchisee and the Regional Developer, regardless when such notice is provided. Franchisor may refuse to grant a franchise to an Applicant for any reason or no reason at all. The grant of the franchise shall be effective only upon and after the full execution of the then current Franchise Agreement between Franchisor and the Applicant; and the Regional Developer shall not sign such Franchise Agreement.

4. PAYMENTS TO FRANCHISOR

4.1 Initial Regional Developer Fee.

The initial Regional Developer fee ("**Initial Regional Developer Fee**" or "**IRDF**") shall be payable to the Franchisor by Regional Developer in consideration of Regional Developer's appointment as exclusive Regional Developer within the Development Region and shall be based upon the number of people living in the Development Region, as determined by Franchisor in Franchisor's sole discretion. The IRDF is set forth in the attached **Attachment 1**. The IRDF is payable in one lump sum upon execution of this RD Agreement and is fully earned by the Franchisor upon receipt and is nonrefundable once paid. The Regional Developer acknowledges that the Initial Regional Developer Fee does not include payment of any Initial Franchise Fees for individual SYNERGY HomeCare Businesses.

4.2 Franchise Purchase Option.

In some circumstances, the Regional Developer will be permitted to purchase for itself, one or more franchises under our then-current standard Franchise Agreement (Franchise

Purchase Option). During the Initial Term of the RD Agreement and after Regional Developer has sold or has serviced three (3) franchises in the Development Region each of which has been opened and has been operating for at least 12 months, the Regional Developer shall have the option (but only after our approval using amongst other criteria, our Reasonable Business Judgment) to purchase one franchise for 50% of the then-current Initial Franchise Fee then being charged to franchisees (Reduced IFF). If a commission is due to any broker or sales person as a result of Regional Developer's exercise of the Franchise Purchase Option, the Regional Developer will pay fifty percent (50%) of such commission to Franchisor in addition to the Reduced IFF. Franchisor will pay the other fifty percent (50%) of the such commission from the Reduced IFF.

The following additional terms shall apply to Regional Developer's exercise of the Franchise Purchase Option.

a. Regional Developer's Franchise Purchase Option shall be exercisable by providing Franchisor with written notice of its intention to exercise the Franchise Purchase Option delivered to Franchisor no later than thirty (30) days prior to the "Option Expiration Date" (defined below). Such notice shall include payment of the Reduced IRDF and the identity of a proposed location for the SYNERGY HomeCare Business in the Development Region.

b. Regional Developer shall sign Franchisor's then-current form of Franchise Agreement. Other than the Reduced IRDF, all other terms of the Franchise Agreement shall apply as written and such terms may be materially different than those found in any franchise agreement that previously may have been signed.

c. The Regional Developer will not receive a Sales Service Commission on the reduced Franchise Fees, but will receive a commission on the Royalties that it may pay under each such Franchise Agreement.

The Franchise Purchase Option shall expire without prior notice upon the earlier of the expiration of the Initial Term or upon the earlier termination of this RD Agreement for any reason (Option Expiration Date). The Regional Developer acknowledges that the Franchise Purchase Option shall not be transferable without Franchisor's prior written approval which approval may be granted or denied for any reason or for no reason at all.

The terms of each Franchise Agreement granted under the Franchise Purchase Option may be significantly different than the Franchise Agreement previously signed by the Regional Developer and may include a greater royalty, higher costs to open, different territorial limitations, and similar material changes. In such an event, we will supply with the most recent franchise disclosure document and will provide you the time to review it as is required by state and federal law.

Other than the Franchise Purchase Option, you do not have any options, rights of first refusal or similar rights to acquire additional franchises, any Additional Protected Territories, or any additional RD Businesses.

4.3 Supplier or Product Approval Fee

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

4.4 Inventory of Promotional Materials

Regional Developer will be required to purchase from Franchisor or an approved vendor, its initial and replacement inventory of the promotional, sales and advertising materials. (Section 12.9).

4.5 RD Technology Services and RD Technology Services Fee

Before you open and for each month thereafter you are to pay us a fee of \$100 per month (RD Technology Services Fee). The “RD Technology Services” include on-line client relationship management, email addresses, calendars, and other services. The fee also covers maintenance of the systems. We will provide email services through our servers or through the services of an on-line vendor such as Google.

We will collect the first three (3) months of the Technology Services Fee (\$300) at the time you pay your IRDF. This fee may change at any time. You will be notified no less than sixty (60) days before such change is made.

4.6 System Modification and Other Fees

Franchisor has the right to change or modify the franchise and regional developer systems from time to time including, without limitation, the adoption and use of new or modified Marks or copyrighted materials, the adoption of new or different services for both the franchisee and regional developer, the requirement to purchase new or additional computer hardware, software, equipment, supplies or techniques. To the extent that such modifications affect the operations of the Regional Developer in any way, Regional Developer will accept and use any such changes in, or additions to, the System as if they were a part of this RD Agreement as of the Effective Date. Regional Developer will make such expenditures and will pay all fees associated with such changes, additions or modifications in the System may reasonably require.

4.7 Payment of Fees to Franchisor

Any fees to be paid by the Regional Developer to the Franchisor (including the CRM Software Fee) shall be collected when due by electronic funds transfer (EFT) from the Regional Developer's account. Regional Developer will cooperate with us to insure that such collection method is set up before it opens for business. Franchisor may, at any time change the method by which it collects funds to include collection by electronic check. Franchisor will notify Franchisee by a change in the Operations Manual, email, or other method and will give Regional Developer thirty (30) calendars within which to make such change.

5. COMMISSIONS PAYABLE TO REGIONAL DEVELOPER

5.1 Sales Services Commissions and Conditions of Payment.

During the term of this RD Agreement, and as more fully described in Section 5.2 below, Regional Developer shall be paid a commission by the Franchisor based on a percentage of Initial Franchise Fees paid by each Franchisee for the purchase of a franchise for a SYNERGY HomeCare Business to be located within the Development Region ("**Sales Services Commissions**"). Franchise Agreements between Franchisor and Regional Developer, or any of the Franchisor's Affiliates are not subject to such commission. Payment is conditioned upon the satisfactory fulfillment of the following conditions ("**Franchise Sales Conditions**"):

a. Franchisee satisfies Franchisor's then current requirements to become a SYNERGY HomeCare Business Franchisee, as provided in Section 3.4;

b. Franchisee executes a Franchise Agreement with Franchisor and an Initial Franchise Fee has: (i) been paid in full; (ii) cleared all banking channels and/or all credit card merchant service providers; and, (iii) is free of any and all other holds or conditions so that the entire amount of the Initial Franchise Fee is available for unrestricted use by Franchisor (Good Funds). Franchisor shall not be deemed to have received any fees which have been deferred as a condition of registration in a State, or paid into escrow or a State-imposed impound account, if applicable, until such fees have actually been remitted to Franchisor as Good Funds;

c. The sale for which the Initial Franchise Fee has been paid is not a resale of any existing SYNERGY HomeCare Business, or any interest therein; and,

d. Regional Developer has complied with all of its other obligations under this RD Agreement and the RD Manual with respect to such sale and verified the same to Franchisor, in writing in a form prescribed by Franchisor.

5.2 Sales Services Commission Calculation.

Subject to any other limitations found in this RD Agreement, the Sales Services Commission paid to the Developer shall be an amount equal to fifty percent (50%) of the Initial Franchise Fees paid to Franchisor. If any fees are payable to any broker, a Franchisor's salesperson, lead referral source or any person or entity then the Regional Developer shall pay

50% of that fee from its portion of the Sales Service Commission and Franchisor shall pay 50% of that fee from its portion of the Initial Franchise Fee. Payment is also subject to Section 5.6 below and to the paragraph next following.

The Sales Services Commissions will be payable to Regional Developer within twenty (20) days after the Franchise Sales Conditions have been fulfilled and all such fees have cleared banking channels and are available for unrestricted use by the Franchisor. If the Initial Franchise Fees has been deferred or deposited into an escrow or impound account, it will be paid within ten (10) days after Franchisor has received Good Funds. If however, a sales lead is generated by Regional Developer prior to the Regional Developer completing the RD Initial Training and the Franchisee Training programs and/or complying with all other obligations required to be met prior to opening the RD Business, Franchisor is not obligated to pay the Regional Developer a Sales Service Commission until Regional Developer has completed the RD Initial Training Program and the Franchisee Training Program and/or complying with all other obligations required to be met prior to opening the RD Business. Franchisor retains sole right to determine the source of the lead, and Franchisor's determination shall be final.

The Regional Developer shall not receive any Sales Services, Royalty, or other commission for franchises sold on or before the Effective Date of this RD Agreement or for any SYNERGY HomeCare Business that was sold by the Franchisor without the Regional Developer's aid. Regional Developer will not receive any Sales Service Commission for any qualified lead that was obtained by Franchisor before this RD Agreement is signed even if such lead closes after this RD Agreement is signed. In such an event however, Regional Developer will receive the Royalty Commission and shall also qualify for any other commissions or fees as described herein.

Regional Developer agrees that it must disclose to Franchisor at the time made, any incentive payments, rebates, "kickback" or "side agreements" (Side Agreements) made with any referral source including any broker or sales person. If such Side Agreement includes the payment to Regional Developer of any fee (Side Agreement Fee), then Regional Developer will pay fifty percent (50%) of such amount to Franchisor. If Regional Developer fails to notify Franchisor of any Side Agreement, or fails to pay fifty percent (50%) of such amount to Franchisor, then upon discovery by the Franchisor, Regional Developer will be required to pay the entire amount to the Franchisor and this RD Agreement may be terminated.

5.3 Transfer Fee Split.

During the term of the Agreement, if an open and operating SYNERGY HomeCare Business located within the Development Region (or an interest therein) is resold to a different Franchisee and the sale results in the execution of a Franchise Agreement and the payment of a Transfer Fee (as defined in the Franchise Agreement), the Regional Developer will not be paid a Sales Services Commission. If, however, such Transfer results in the payment of the then-current Initial Franchise Fee, then the Regional Developer will receive its Sales Service Commission (after payment of any broker fees as described in Section 5.2 above), and otherwise subject to the terms of this Article 5.

5.4 Commission on Royalty Payments.

Franchisor shall pay to Regional Developer, within twenty (20) days of the end of each month, fifty percent (50%) of all royalty payments (“**Royalties**”) actually received from each Franchisee in Good Funds and which originated from the Development Region during the previous month (“**Royalty Commission**”);excluding however Royalties paid under Franchise Agreements between Franchisor and Regional Developer (including those purchased under the Franchise Purchase Option), or between Franchisor and a Franchisor Affiliate, or paid by Franchisees who signed a Franchise Agreement prior to the Effective Date of this RD Agreement. Regional Developer shall be entitled to receive Royalty Commissions each month unless Regional Developer has failed to perform in any material respect any of the terms, covenants or conditions of this Agreement during the prior month including, but not limited to, the conducting of periodic inspections and the filing of written reports as required by Section 8.6; in which case, Franchisor may suspend payment of the Royalty Commission until Regional Developer complies with its obligations under this RD Agreement. Payment is also subject to Section 5.6 below.

5.5 Commissions on SYNERGY HomeCare Product Sales.

Franchisor shall pay to Regional Developer, within twenty (20) days of the end of each month, an amount based on any payments received in Good Funds, which shall be calculated as set forth in the attached **Attachment 1** for SYNERGY HomeCare Products (“**SYNERGY HomeCare Product Commission**”). Regional Developer shall be entitled to receive SYNERGY HomeCare Product Commissions unless Regional Developer has failed to perform in any material respect the services described in Article 8 during the prior month, including but not limited to, the failure to conduct periodic inspections and the failure to file written reports as required by Section 8.6;) in which case, Franchisor may suspend payment of the SYNERGY HomeCare Product Commission until Regional Developer complies with its obligations under this RD Agreement. Regional Developer shall be entitled to receive SYNERGY HomeCare Product Commissions only on SYNERGY HomeCare Product sales made by Franchisees in the Development Region for which payment in Good Funds has been made. Payment is also subject to Section 5.6 below.

Regional Developer shall not be entitled to receive any commissions on the sales of SYNERGY HomeCare Products to any Company Business or to Regional Developer or an RD Affiliate.

5.6 No Commissions Before Training

Regional Developer shall not be entitled to share in or receive any Royalty Commissions or SYNERGY HomeCare Product Commissions from any fees paid to Franchisor by Franchisees who were in the Development Region prior to the time Regional Developer completed the initial Regional Developer training program and prior to the Regional Developer’s commencement of his duties under this RD Agreement.

5.7 Commission After Termination.

All payments under this Article 5 shall immediately and permanently cease after the expiration or termination for any reason of this RD Agreement, although Regional Developer shall receive, within ninety (90) days of the end of the month in which this RD Agreement terminates or expires, all amounts of Good Funds which have accrued to Regional Developer on or before the effective date of expiration or termination.

5.8 Receipt and Application of Payments from Franchisees.

Franchisor's calculations of the commissions due to Regional Developer in accordance with this RD Agreement, and all other amounts due to the Regional Developer shall be due and owing only from Good Funds actually received and not on payments that may have accrued or are due or owing.

In the event of termination of a Franchise Agreement for a SYNERGY HomeCare Business within the Development Region under circumstances entitling Franchisee to the return of all or part of the Initial Franchise Fee or Royalty (or in the event that Franchisor becomes legally obligated or decides in its sole discretion to return part or all of the Initial Franchise Fee, Royalty, or SYNERGY HomeCare Product Commission), Franchisor may deduct the portion of the amount to be returned to Franchisee in the same proportion as Regional Developer shared in the Initial Franchise Fee, Royalty, or SYNERGY HomeCare Product Commission from any and all future amounts owed to Regional Developer until such deduction is paid in full.

Franchisor shall apply any payments received from a Franchisee to any past due indebtedness of that Franchisee for Royalties, SYNERGY HomeCare Product Commissions, advertising contributions, purchases from Franchisor or its Affiliates, interest or any other indebtedness of that Franchisee to Franchisor or its Affiliates. To the extent that such payments are applied to a Franchisee's overdue Royalties or SYNERGY HomeCare Product Commission payments, Regional Developer shall be entitled to its pro rata share of such payments, less its pro rata share of the costs of collection paid to third parties, including attorneys fees and any other costs of settlement.

Franchisor shall deposit all such fees into the Regional Developer's Account through Electronic Funds Transfer, by electronic check or by any other means within thirty (30) days of receipt of the Good Funds.

5.9 Setoffs.

Regional Developer shall not be allowed to set off amounts owed to Franchisor for fees or other amounts due hereunder, against any monies owed to Regional Developer by Franchisor, which right of set off is hereby expressly waived by Regional Developer. Franchisor shall be allowed to set off amounts owed to Regional Developer for Sales Services Commissions, Royalties, SYNERGY HomeCare Product Commissions or other amounts due hereunder, against any monies owed to Franchisor by Regional Developer, including setting off amounts owed to Regional Developer for Sales Services Commissions, Royalties, or SYNERGY HomeCare Product Commissions against monies owed to Franchisor for Sales Services Commissions which

were paid to Regional Developer before Franchisee failed to successfully complete Franchisor's initial training program.

6. TRAINING ASSISTANCE

6.1 Regional Developer Training.

No later than sixty (60) days after the Effective Date of the RD Agreement, the Franchisor will furnish and Regional Developer and the Regional Operating Manager will attend the initial training program, to consist of the training described in the table below (Regional Developer Training). The Regional Developer Training will take place at Franchisor's then current headquarters or at such other place and time as Franchisor may designate. Regional Developer may not begin offering any services in the Development Region until Regional Developer has satisfactorily completed the Regional Developer Training, unless Regional Developer receives written authorization from the Franchisor to begin its Sales Services, Site Services and Support Services at an earlier date. All such training shall be provided on an as-needed basis. If you replace your Regional Operating Manager, your new Regional Operating Manager must attend and complete our training program at the next available session. You may be charged fees for additional training of a new Regional Operating Manager which may be up to our then-current fee. You are responsible for training your own employees and other management personnel.

6.2 Length of Training.

Franchisor will provide the Regional Developer with the training as more fully described in the Manuals. It is expected to take approximately 8 business days which may be increased or decreased in our sole discretion depending upon Regional Developer's experience and knowledge. Except for a fee that may be charged to train the replacement Regional Operating Manager, no tuition or fee shall be charged for this training. Regional Developer will however be responsible for all travel and living expenses (including any wages), incurred in connection with attendance at the Regional Developer Training.

6.3 Additional Training, New Services Training and Operational Assistance.

The initial training program will be made available to replacement or additional Regional Operating Managers and other management personnel during the term of this RD Agreement. Franchisor reserves the right to charge a tuition or fee in an amount payable in advance for such training. Regional Developer will be responsible for all travel and living expenses incurred by its personnel in connection with attendance at the training program. Further, the availability of the training programs will be subject to space considerations and prior commitments to new SYNERGY HomeCare Business Franchisees and Regional Developers.

Additional training may also be required as and when the Franchise or RD Agreement is updated and when new services are added (New Services Training). No tuition or fee shall be charged for the New Services Training. However, Regional Developer shall be responsible for

all travel and living expenses (including any wages) incurred in connection with attendance at the additional or New Services Training. It is estimated that such additional training could take between 1 and 4 business days. Such training will be held at our then-current offices or other location that we designate. The same parties that received the initial Regional Developer Training will be eligible and must attend this training. At the time of such training, we will announce the identity of the training staff.

If you request additional operating assistance from us (Additional Operation Assistance), you will pay us our then-current fee for such services. If we travel to your location, you will also pay us all costs associated with such travel including transportation, food and lodging.

From time to time Franchisor may require the Regional Developer and/or Regional Operating Manager to attend other ongoing training programs, seminars or meetings during the Initial Term, during any interim period and during Successor Terms. The Regional Developer and Regional Operating Manager must attend the Annual Franchise Meeting (AFM). If the Regional Developer is a business entity, then only one of its principals need attend. Franchisor will not charge a fee for any mandatory ongoing training, except for the AFM for which an attendance fee of \$250 per person is required (AFM Fee). The AFM Fee will be paid at least 45 days prior to attending the AFM. A maximum of three (3) people per RD Business can attend the AFM. Regional Developer is responsible for all travel costs, living expenses and employees' salaries incurred in connection with such training.

If the Regional Developer or Regional Operating Manager fails to attend any mandatory ongoing training program or the AFM, Franchisor has the right to charge Regional Developer a fee of \$3,000.00 (Mandatory Meeting Non-Attendance Fee), which is due and payable on demand, for each mandatory ongoing training program that you fail to attend. If Regional Developer and/or Regional Operating Manager fail to attend two (2) or more mandatory ongoing training programs during the Initial Term of this Agreement, or any interim period or Successor Term, we also have the right to terminate the RD Agreement.

7. FRANCHISOR'S OPERATING ASSISTANCE

7.1 Regional Developer Manual.

Regional Developer agrees that the RD Manual (which includes other written materials, including information posted on Franchisor's Web site and information sent to Regional Developer by electronic and regular mail, written procedures, memoranda and their supplements loaned to Regional Developer by Franchisor) shall remain the sole property of Franchisor and must be returned to Franchisor at Franchisor's direction.

Franchisor shall loan to Regional Developer one copy of its RD Manual to assist Regional Developer and its employees in the conduct of the RD Business. Franchisor may prescribe mandatory and suggested standards and operating procedures for the Regional Developer in the RD Manual, which may be modified from time to time by Franchisor. Regional Developer shall keep its copy of the RD Manual current. In the event of a dispute relating to the RD Manual, the master copy that Franchisor maintains at its principal office shall be controlling.

Regional Developer may not at any time copy any part of the RD Manual, unless approved in writing by Franchisor. In the event Regional Developer's copy of the RD Manual is lost, destroyed or damaged, Regional Developer shall be obligated to obtain from Franchisor, at Franchisor's then applicable charge, a replacement copy of the RD Manual.

The RD Manual and other writings communicated to Regional Developer shall constitute material provisions of this RD Agreement as if fully set forth within its text and the failure to follow the RD Manual shall be deemed to be a material default hereunder. At any time in Franchisor's discretion, Franchisor may convert the RD Manual to an exclusively electronic format and require Regional Developer to access the document through the Internet or an intranet created and supported by Franchisor.

7.2 Trade Secrets.

Regional Developer, and each of the RD Parties and all guarantors, if any, acknowledge that the contents of the RD Manual and Regional Developer's knowledge of Franchisor's processes, services, SYNERGY HomeCare Products, know-how and the System, are secret, unique and confidential and contain "Trade Secrets" and other material proprietary to Franchisor. Regional Developer acknowledges that its entire knowledge of the operation of the SYNERGY HomeCare Business is and shall be derived from information disclosed to Regional Developer by Franchisor and that such information is proprietary, confidential and a Trade Secret of Franchisor. "Trade Secrets" refer to the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures or improvements regarding the SYNERGY HomeCare Business that is valuable and secret in the sense that it is not generally known to competitors of Franchisor. Regional Developer shall maintain the absolute confidentiality of all such Trade Secrets during and after the term of this RD Agreement, and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Regional Developer agrees not to disclose the contents of the RD Manual, to unauthorized persons and to use Regional Developer's best efforts to prevent unauthorized disclosure to any person, and Regional Developer acknowledges that such disclosure would cause irreparable harm to Franchisor and the System. Regional Developer agrees to return the RD Manual to Franchisor on the termination of this RD Agreement or at such times as may otherwise be directed by Franchisor. Regional Developer shall not copy or otherwise duplicate the RD Manual or any other proprietary materials. In furtherance of this Section, the Regional Developer agrees to maintain strict control over all such information using at least the same level of security that it would use to protect its own Trade Secrets, but in any case nothing less than insuring that the RD Manual and all other trade secret information is kept under lock and key, except when being used.

7.3 Manuals.

Franchisor agrees to loan Regional Developer one copy of each Manual used to operate Franchised and RD Businesses. Regional Developer agrees that Sections 7.1 and 7.2 (and the protections therein) apply equally to Regional Developer's use of both the RD Manual and the Franchise Operations Manual.

7.4 Additional Pre and Post Opening Operating Assistance

Franchisor will make commercially reasonably available the following services during the term of this RD Agreement as each may be applicable to pre-opening and post-opening services:

- a. Designation of the Development Region (Article 2);
- b. Training as more fully described in Article 6;
- c. Loan of one copy of the RD Operations Manual and one copy of the Franchise Operations Manuals (Section 7.1 above);
- d. Upon the reasonable request by the Regional Developer, Franchisor will provide consultation, guidance and advice (delivered by telephone, e-mail, facsimile, newsletters and other methods) related to franchise sales, Franchisee support, advertising, use of the Marks and similar assistance. In providing such assistance, Franchisor will be reasonably accessible during normal business hours by phone, fax, e-mail, or other means of communication reasonably determined by Franchisor. Franchisor will not be required to spend money for travel for its personnel and shall be entitled to full reimbursement of all expenses, including wages, consultation fees (at the then-current fee charged by the Franchisor), travel, lodging and meals, incurred by Franchisor or Franchisor's employees at the request of or on behalf of Regional Developer. Regional Developer understands and acknowledges that different Regional Developers will require different levels of service and support and that Franchisor makes no warranties or guarantees that Regional Developer will receive the same level of service and support as any other Regional Developer;
- e. Deliver your initial inventory of sales and promotional materials (RD Agreement Sections 7.4 and 12.9).
- f. From time to time, advise and offer general guidance to you by telephone, e-mail, facsimile, newsletters and other methods. Our advice and guidance may relate to authorized services or products, operational methods, accounting procedures, marketing and sales strategies, or other operational and management issues relating to the operation of a RD Business, or operation of any SYNERGY HomeCare Businesses.
- g. At our discretion, make periodic visits to the RD Business for the purposes of consultation, assistance and guidance in various aspects of the operation and management of the SYNERGY HomeCare Business.
- h. Make available to you operations assistance and ongoing training as we deem necessary.
- i. Make available to you changes and additions to the System as generally made available to all franchisees and Regional Developers.

j. Provide to you, at our discretion, advertising and promotional materials including ad-slicks, brochures, fliers and other materials for use in the operation of the RD Business.

8. REGIONAL DEVELOPER'S OBLIGATIONS

8.1 Hiring and Training of Employees of Regional Developer.

Regional Developer shall hire all of Regional Developer's employees, shall be exclusively responsible for the terms of their employment and compensation, and shall implement a training program for employees to ensure their compliance with the requirements of this RD Agreement. The Regional Developer understands and agrees that its employees are not the Franchisor's employees. Specifically, but not by way of exclusion, the Regional Developer is exclusively responsible for the day-to-day performance of any and all employees including, but not be limited to: day-to-day management and oversight; employee discipline; hours worked; scheduling; the payment of taxes; purchasing any workers compensation or other insurance; and following all municipal, state and federal rules, laws and statutes pertaining to the employees.

8.2 Commencement of Business.

Regional Developer must equip the RD Business according to Franchisor's standards and specifications as more fully set forth in the RD Manuals. The typical length of time between the signing of the RD Agreement and the opening of your RD Business is approximately 60 to 75 days; however, unless otherwise agreed to in writing by Franchisor and Regional Developer, Regional Developer shall complete the initial training and commence operation of its RD Business within ninety (90) days from the Effective Date of this RD Agreement. Franchisor will extend the time within which Regional Developer has to commence operations for a reasonable period of time, in the event that factors beyond Regional Developer's reasonable control prevent Regional Developer from meeting this schedule, so long as Regional Developer has made reasonable and continuing efforts to comply and Regional Developer requests in writing an extension of time in which to have its RD Business established prior to the expiration of the initial ninety (90) day period. The obligations of Regional Developer, including Sales Services, Support Services and Site Services, shall begin on the date Regional Developer completes initial training to Franchisor's satisfaction or the date Regional Developer receives written authorization from Franchisor that Regional Developer may begin offering such Sales Services, Support Services and Site Services.

8.3 Computers, Software and other Equipment

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

in writing.

Currently, the Regional Developer's computer hardware and software must operate under the most current edition of the Microsoft Windows Operating System (currently Windows 7) and must be loaded with the most current editions of Microsoft Office Small Business Edition and QuickBooks Professional. The Approved Suppliers for computer hardware are identified in the Operations Manual. We reserve the right to specify other computer hardware or software and to specify other computer-related standards in the future.

Regional Developer must also have a color printer, a fax machine, and copier. The Regional Developer must also own or must purchase a cellular smart phone with email capabilities. This phone can be of any make or model so long as it has such capabilities.

Regional Developer shall also be required to have a minimum of one dedicated telephone line with 24-hour professional answering service or voice mail.

Regional Developer must purchase a license to use other software that we may designate from time to time from an approved vendor to integrate operational functions such as billing, client database management, client/facility and worker management, accounts receivable management, funding source management and payroll, among other things. The software must include an export feature designed to work with QuickBooks.

In addition to the above software, we currently require the Regional Developer to use the CRM Software program. It must be licensed through us or our approved vendor. The CRM Software provides you with computer-based tools to manage prospective franchisee leads from the date of introduction to the date of the award of a franchise agreement and to help you provide the services required to be delivered to the franchisees in your Development Region.

Regional Developer must have access to the internet through a DSL, cable or faster internet connection available in your service area. Regional Developer must have an electronic mail address and must routinely (but no less than on a daily basis) check email and the portion of our web site devoted to franchise owners. In addition, Regional Developer's computer systems shall have the capacity to electronically exchange information, messages, and other data with other computers, by such means (including, but not limited to, the Internet), and using such protocols (*e.g.*, TCP/IP), as Franchisor may reasonably prescribe in the RD Manual or otherwise in writing.

In addition to the license fees for software that may be charged by a software manufacturer, Regional Developer must also arrange for and pay the costs (if any are charged) for software support from the software manufacturer, web-hosting and on-line access to data storage and backups. Such online data storage and backup may be from any vendor. Regional Developer must protect the computer and all software from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by such computer-related problems. Regional Developer must also take reasonable steps to verify that any person or entity upon whom you rely is reasonably protected. This may include establishing firewalls and access code protection.

Regional Developer shall maintain and keep the computer system in good working order. Such maintenance may occur at any time. You may be required to purchase new computer hardware no more often than once every five (5) years. All software must be maintained with such patches as the manufacturers may require from time to time. You may be required to update the software. We have no schedule for this and as such we cannot estimate the cost of such updates. You shall not update, modify, enhance, or upgrade any computer hardware or software without Franchisor's written consent, which shall not be unreasonably withheld.

We have the right at any time to independently access your computer(s) and software without notifying you first. We have the right to and will access all franchisee files, Regional Developer files, and any other files found on the computers, and to will use all such information for any purpose both during and after the expiration or termination of the Franchise Agreement or RD Agreement. If your system is password controlled or has limited access, you must grant us the permission necessary to access the computers. This must be done before you open

8.4 Sales Services.

Regional Developer shall solicit and identify prospective franchisees for SYNERGY HomeCare Businesses to be located within the Development Region.

8.5 Site Services.

Regional Developer shall perform the following Site Services on behalf of Franchisor with respect to Applicants and Franchisees of SYNERGY HomeCare Businesses located in the Development Region:

- a. Assist each Applicant in completing a submittal package (containing such demographic, commercial and other information as Franchisor may reasonably require in the RD Manual) to enable Franchisor to determine the appropriate protected territory for each SYNERGY HomeCare Business an Applicant proposes to establish;
- b. Assist with location selection for each Franchisee's SYNERGY HomeCare Business at which a Franchisee proposes to establish and operate a SYNERGY HomeCare Business;
- c. Provide standards and specifications for the signs, color, décor, equipment and machines of the SYNERGY HomeCare Business as prescribed from time to time by Franchisor;
- d. Submit completed forms and reports to Franchisor as prescribed by Franchisor from time to time, including site selection and pre-opening assistance forms and reports related to leases and construction.

8.6 Pre-Opening and Opening Support Services.

Regional Developer shall perform the following pre-opening and opening Support Services with respect to Franchisees of SYNERGY HomeCare Businesses located in the Development Region:

a. Provide advice to Franchisees regarding Franchisor's standards and specifications for the equipment, supplies and materials used in, and the SYNERGY HomeCare Products and Authorized Third-Party Products offered for sale by, the SYNERGY HomeCare Business, if any, and advice regarding the selection of Franchisor-approved suppliers for the purchasing of such items used in connection with the SYNERGY HomeCare Business, if not purchased from Franchisor or its affiliates;

b. On-site assistance for a combined total of not less than 15 hours in the opening of SYNERGY HomeCare Businesses located in the Development Region; and

c. Provide guidance to Franchisees in implementing advertising and marketing programs, operating and sales procedures, and bookkeeping and accounting programs.

8.7 Ongoing Support Service.

With respect to Franchisees of SYNERGY HomeCare Businesses located in the Development Region, Regional Developer shall perform the following Support Services on behalf of Franchisor:

a. Upon reasonable request of Franchisee, provide consultation by telephone, email or in person regarding the continuing operation and management of the SYNERGY HomeCare Business and advice regarding business services, SYNERGY HomeCare Product quality control, and customer relations issues;

b. Provide on-going updates of information and programs regarding SYNERGY HomeCare Products, business operations in general, the SYNERGY HomeCare Business, and the System, including without limitation, information about special or new services of Franchisor;

c. Provide advice and assistance to Franchisee in connection with the development of and improvements to Franchisee's SYNERGY HomeCare Business;

d. Conduct at least one (1) on-site inspection of each SYNERGY HomeCare Business in the Development Region every month in the manner as required by Franchisor from time to time, said inspections to be verified by written reports in a form acceptable to Franchisor;

e. Provide access to advertising and promotional materials as may be developed by Franchisor from time to time;

f. At Franchisor's written request, establish an advertising cooperative for all SYNERGY HomeCare Businesses located in the Development Region using forms and procedures supplied by Franchisor;

- g. Host, at Regional Developer's cost:
 - i. monthly conference calls with all Franchisees in the Development Region to discuss such matters as sales activities and customer satisfaction;
 - ii. at least quarterly, set up face-to-face meetings of all Franchisee's within the Development Region to discuss, among other things, training, marketing and new programs or products sponsored by Franchisor. Regional Developer may not charge tuition or a fee for such services; and,
 - iii. at least twice each calendar year the Regional Developer must hold a one day regional training meeting at the Regional Developer's office or at such other place that is reasonably accessible to all Franchisees.
- h. Collect from all Franchisees, all financial and operational reports due under each Franchise Agreement including but not limited to any monthly, quarterly, and annual financial statements all of which must be delivered to the Franchisor within ten (10) days of the date that all such reports received by the Regional Developer. In this regard, the Regional Developer will be solely responsible for insuring that each Franchisee complies with all reporting requirements to insure that the Regional Developer can timely deliver such reports and statements to the Franchisor;
 - i. Submit periodic reports to Franchisor on activities in the Development Region, using procedures and forms prescribed by Franchisor;
 - j. Verify that all Franchisees in the Development Regions are current on all fees and other amounts due and payable to Franchisor; .and,
 - k. Verify that all Franchisees in the Development Regions are otherwise in compliance with their Franchise Agreements and the Franchisee Operations Manual.

8.8 Dealings with Franchisees.

Regional Developer acknowledges that it is being delegated certain responsibilities of Franchisor under the Franchise Agreement in the Development Region. The responsibilities to Franchisees are to be performed by Regional Developer as described in this RD Agreement or as set forth in the RD Manual or other reasonable standards and specifications as may be provided by Franchisor from time to time, in Franchisor's sole discretion, and the responsibilities to Franchisees will not materially change during the term of this RD Agreement; except that to the extent that the Franchisor introduces a new service or product to the System, the Regional Developer will have to attend training on the new service or product, and will be expected deliver its obligations identified in this Article 8 to its Franchisees as needed to insure that the Franchisees are able to offer such new services or products.

In providing services to Franchisees of SYNERGY HomeCare Businesses located in the Development Region, Regional Developer shall in all respects comply with the such terms and conditions of any Franchise Agreement or other agreements in effect between Franchisee and Franchisor (as the same may be amended from time to time) as the Franchisor may require the Regional Developer to enforce or comply with. Regional Developer understands, however, that its rights as a Regional Developer are only by virtue of this RD Agreement and that it is not in any manner a party to, third party beneficiary of, or holder of any other right, title or interest in or to any Franchise Agreement. Similarly, no Franchisee is a party to, or a third party beneficiary of this RD Agreement or any other agreement between Franchisor and Regional Developer.

Regional Developer agrees that it may not under any circumstances sell any SYNERGY HomeCare Products (or the products, goods or services of any other vendor whether such vendor is or is not approved by Franchisor) and may not collect any money for any reason from Franchisees without Franchisor's prior written consent, which consent may be granted or withheld for any reason or for no reason at all.

8.9 Regional Developer Inspections.

Regional Developer shall ascertain through field audits, reviews and inspections, that each Franchisee in the Development Region has complied satisfactorily with: (a) all of the terms, covenants, conditions, specifications and procedures of the: (i) Franchise Agreement; and, (ii) the Franchisee's Operations Manual; (b) that the Franchisee is not selling any services or products other than those approved by Franchisor; and, (c) that Franchisee is complying in all respects with Franchisor's requirements with regard to the use of the Marks. After each such inspection, the Regional Developer shall promptly notify Franchisee in writing, with a copy and evaluation report to Franchisor, of any deficiencies; provided, however, Regional Developer understands and acknowledges that its inspections and reports are advisory only and that Franchisor shall have: (a) all of the right to inspect and ascertain compliance of all Franchisees as if this RD Agreement were not in effect; (b) the sole right to send notices of default to Franchisee; (c) the sole right to terminate a Franchise Agreement for failure to cure such defaults (if an opportunity to cure is granted); and (d) the sole right to take any legal action with respect to any default or any violation of a Franchise Agreement.

If Regional Developer believes that any Franchisee in the Development Region has breached a Franchise Agreement with Franchisor, Regional Developer shall document in writing all facts related to the alleged breach and shall request in writing that Franchisor investigate such alleged breach. If, as a result of Franchisor's investigation, Franchisor determines that there is a breach by Franchisee of its Franchise Agreement with Franchisor, Franchisor shall, in its sole discretion, take such action as it deems appropriate.

8.10 Obligations Under the Prime Leases and Subleases.

If, pursuant to section 2.1, Regional Developer has received Franchisor's prior written approval (which approval may be delivered in accordance with Section 19.7) to act as a landlord or sublessor to a Franchisee of a proposed Prime Lease, then upon approval by Franchisor,

Regional Developer may enter into such approved Prime Lease as tenant (subject to Franchisor's right to enter into a master lease with Regional Developer and then sublease with the Franchisee) and thereby lease Premises located in the Development Region for the sole purpose of subleasing the Premises at Regional Developer's cost or assigning Regional Developer's rights under a Prime Lease to a Franchisee for a SYNERGY HomeCare Business. The Regional Developer may sublet the Premises to a Franchisee if the Regional Developer obtains the Franchisor's prior written approval of the proposed Sublease, which approval will not be unreasonably withheld. Alternatively, Regional Developer may assign its rights under a Prime Lease to a Franchisee if Regional Developer obtains Franchisor's prior written approval of the proposed Assignment, which approval will not be unreasonably withheld. If Regional Developer enters into a Prime Lease, a Sublease, an Assignment or some combination thereof, Regional Developer shall be obligated to promptly pay all sums due under such Prime Lease and/or Sublease and/or Assignment, if not paid by the Franchisee, and shall otherwise comply with all terms and conditions of all Prime Leases, Assignments and Subleases executed by Regional Developer.

8.11 Regional Developer Advertising Fee

Regional Developer must pay Franchisor the "Regional Developer Advertising Fee" equal to \$300 per month. Franchisor will collect the first 3 months of this fee (equal to \$900) at the time you pay the IRDF. Franchisor may increase this fee at any time to \$500.

This fee will be used for the delivery of nationwide "Regional Developer Advertising Services". These services include the purchase of prospective franchisee leads (Leads) from internet or other lead services, for search engine optimization of websites that we own and use to solicit Leads, to purchase "pay-per-click" advertising, for public relations relating to the entire franchise system, and for other services that we believe will generate Leads.

Franchisor will control the creative concepts, materials and media used for such Lead generation and Franchisor will determine the placement and allocation of the Regional Developer Advertising Fees. Franchisor may use print, television, radio, Internet or other media for Lead generation advertisement and promotions. Franchisor does not guarantee that any particular Regional Developer will benefit directly or in proportion to its contribution to the Regional Advertising Fee account. Franchisor may use the contributions to meet any cost of, or reimburse it for Franchisor's expenses related to providing the Regional Developer Advertising Services (including the cost of preparing and conducting such campaigns and other public relations activities; developing and/or hosting an Internet web pages; employing advertising agencies to assist therein; conducting market research; and providing similar services to the Regional Developer). We may use in-house marketing services or those of a local or national advertising firm.

Franchisor will maintain the contributions in a separate account from its funds and except as stated above, it will not use them for any of our general operating expenses. The Regional Developer Advertising Services will be used for the direct solicitation of franchise sales.

Any Regional Developer Advertising Services not spent in any year will be carried over to and available for use in the following year. Franchisor may, at its discretion, allow the

Regional Developer Advertising Fees to accumulate in the account or to disburse contributions as necessary. Franchisor intends for the Regional Developer Advertising Fees to be continual and perpetual, but it has the right to suspend (and subsequently reinstate) or terminate it if necessary. Franchisor will not terminate this fund however, until all contributions and earnings have been used for the purpose for which they were collected.

If Franchisor or an Affiliate owns or operates a Development Region as a Regional Developer it will not be required to make similar contributions to the fund as are required of the Regional Developer.

Franchisor will have an unaudited accounting of the Regional Developer Advertising Fee account prepared each year and will provide Regional Developer with a copy if requested. Franchisor may require that the annual accounting be audited by an independent certified public accountant at the expense of the Regional Developer Advertising Fee account.

The Regional Developer Advertising Fee account is not a trust and Franchisor assumes no fiduciary duty in administering the Marketing Fund.

Regional Developer may advertise on the Internet except that it must abide by all rights of the Franchisor to its Marks and System. Franchisor may monitor Regional Developer's internet presence and may require commercially reasonable changes to it. You will make such changes within three (3) days.

8.12 RD Location

The Regional Developer will be required to lease office space in its Development Region. The space may be in a shared office or executive office environment (RD Location). The Regional Developer may also use a "virtual office" system so long as the virtual office has available to you a conference room to use when meeting prospective franchisees, and the franchisees in your Development Region. Except that the premises must be reasonably clean and professional looking, we have no other criteria for it. We will not approve the office and will not review or approve the lease. You must notify us of the RD Location.

9. MARKS

9.1 Ownership and Goodwill of Marks.

Regional Developer acknowledges that its right to use the Marks is derived solely from this RD Agreement (unless such rights are granted under a separate written agreement with Franchisor) and is limited to operating as a Regional Developer pursuant to and in compliance with this RD Agreement. Any unauthorized use of the Marks by Regional Developer shall constitute a breach hereof and an infringement of Franchisor's rights in and to the Marks. Regional Developer acknowledges and agrees that its usage of the Marks and any goodwill established thereby shall inure to Franchisor's exclusive benefit and that this RD Agreement does not confer any goodwill or other interests in the Marks upon Regional Developer.

9.2 Limitations on Use.

Regional Developer shall not use any Mark: (a) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to Regional Developer under this RD Agreement); (b) in connection with unauthorized services or products; (c) as part of any domain name or electronic address maintained on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system; or, (d) in any other manner not expressly authorized in writing by Franchisor. Regional Developer agrees to give such notices of trademark and service mark registration as Franchisor specifies and to use and obtain such fictitious or assumed name registrations as may be required by Franchisor or under applicable law. In addition, Regional Developer shall not attempt to register any words, terms, designs or symbols used or to be used in the operation of the RD Business or any SYNERGY HomeCare Business. Regional Developer further agrees that no service mark other than “SYNERGY HomeCare[®]” or such other Marks as may be specified by Franchisor shall be used in the marketing, promotion or operation of the RD Business.

9.3 License to Use Name.

Regional Developer has the right to use the trade name “SYNERGY HomeCare[®]” in the operation of its RD Business, but none of the words “SYNERGY HomeCare[®]” may be used in the legal name of the entity used to conduct the RD Business. Regional Developer may not register or attempt to register in its own name any trade name using the words “SYNERGY HomeCare[®]”. When this RD Agreement expires or is terminated, Regional Developer must execute any assignment or other documents Franchisor requires to transfer to Franchisor any rights Regional Developer possesses in a trade name utilizing “SYNERGY HomeCare[®]” or any other Mark Franchisor owns.

9.4 Discontinuance of Use of Marks.

If it becomes advisable at any time, in Franchisor’s sole discretion, for Franchisor or Regional Developer to modify or discontinue use of any Mark or use one or more additional or substitute trade or service marks, Regional Developer agrees to comply, at its own expense, with Franchisor’s directions to do so within a reasonable time after receiving notice.

9.5 Notification of Infringements and Claims.

Regional Developer shall promptly, but in not more than three (3) days, notify Franchisor of any apparent infringement of or challenge to Regional Developer’s use of any Mark, or claim by any person of any right in any Mark, and Regional Developer shall not communicate with any person other than Franchisor or its counsel in connection with any such matter. Regional Developer may not settle any claim without Franchisor’s written consent. Franchisor shall have sole discretion to take such action as it deems appropriate and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. Regional Developer agrees to execute any and all instruments and documents, render such

assistance and performs such acts as, in the opinion of Franchisor or Franchisor's counsel, may be necessary or advisable to protect and maintain Franchisor's interests in the Marks.

10. CONFIDENTIAL INFORMATION

10.1 Confidential Information.

Franchisor possesses certain proprietary confidential information consisting of the methods, techniques, formats, Trade Secrets, specifications, procedures, information, systems, methods of business management, sales and promotion techniques and knowledge of the experience in the operation and franchising of SYNERGY HomeCare Businesses (“**Confidential Information**”). Franchisor shall disclose the Confidential Information to Regional Developer in the training program, the RD Manual, and in guidance furnished to Regional Developer during the term hereof. Regional Developer does not and will not at any time acquire any interest in the Confidential Information, other than the licensed right to utilize it in the Development Region in the execution of Regional Developer's duties hereunder during the term of this RD Agreement, and Regional Developer acknowledges that the Confidential Information is proprietary to the Franchisor. Regional Developer is made privy to the Confidential Information solely on the condition that Regional Developer agrees, and Regional Developer, and the RD Parties do hereby agree that Regional Developer and the RD Parties: (a) shall not use the Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Confidential Information during the term of this RD Agreement and after it has expired or been terminated for any reason; (c) shall not make unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information with the understanding that at the minimum, the Regional Developer agrees to maintain strict control over all such information using at least the same level of security that it would use to protect its own confidential and proprietary information and Trade Secrets, but in any case nothing less than insuring that the Confidential Information is kept under lock and key, except when being used.

Regional Developer agrees that Franchisor shall have the perpetual right to use and authorize other SYNERGY HomeCare Business Franchisees and Regional Developers to use, and Regional Developer shall fully and promptly disclose to Franchisor, all ideas, concepts, methods and techniques relating to the development and operation of a SYNERGY HomeCare Business or Regional Developer's activities howsoever conceived or developed by Regional Developer or its employees or the franchised SYNERGY HomeCare Businesses serviced by Regional Developer during the term of this RD Agreement. Regional Developer acknowledges that any such ideas, concepts, methods and techniques shall be the property of Franchisor and Franchisor may utilize or disclose such information to Franchisees or other agents as it determines to be appropriate.

10.2 Non-Disclosure and Non-Competition Agreement.

Franchisor reserves the right to require Regional Developer, any RD Party, and anyone Regional Developer may send to training, to execute a Non-Disclosure and Non-Competition

Agreement in a form attached to this RD Agreement as **Attachment 6**. If the Regional Developer or an RD Party marries or forms a civil union during the term of this RD Agreement, he or she must notify the Franchisor and Franchisor shall then have the right to require such spouse or party to the civil union to sign a Non-Disclosure and Non-Competition Agreement.

10.3 Ownership of Business Records.

Regional Developer acknowledges and agrees that the Franchisor owns all Business Records with respect to customers, suppliers, and other service professionals of, and related to, the franchised RD Business including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, phone numbers, e-mail addresses, franchise marketing records, customer purchase records, and all other records contained in the database, and all other Business Records created and maintained by Regional Developer. Regional Developer further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this RD Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion.

11. EXCLUSIVE RELATIONSHIP

11.1 Exclusive Relationship.

Franchisor has entered into this RD Agreement with Regional Developer on the condition that Regional Developer will deal exclusively with Franchisor insofar as any business defined below as a "Competitive Business". In fact, the Regional Developer acknowledges and agrees that Franchisor would be unable to protect its Confidential Information and would be unable to encourage a free exchange of ideas and information among Regional Developers and Franchisor if Regional Developers were permitted to hold interests in any Competitive Business.

Regional Developer therefore agrees that, during the Initial Term and any Successor Term, the Regional Developer and each RD Party shall not:

- a. Have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business;
- b. Perform services as a regional developer, area developer, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located or operating;
- c. Divert or attempt to divert any business related to, or any customer or account of, the RD Business, Franchisor's business or any other SYNERGY HomeCare Regional Developer's or Franchisees' SYNERGY HomeCare Business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of Franchisor, another Regional Developer, or any Franchisee licensed by Franchisor, to any Competitive Business by any direct inducement or otherwise;

d. Directly or indirectly solicit or employ any person who is employed by Franchisor, another Regional Developer, or a Franchisee.

Notwithstanding the foregoing:

a. Regional Developer shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent five percent (5%) or less of that class of securities issued and outstanding;

b. any SYNERGY HomeCare Businesses in good standing governed by a Franchise Agreement between Regional Developer or its Affiliate and Franchisor shall be excluded from the definition of Competitive Business; and

c. Regional Developer will not be deemed to be operating a Competitive Business if Regional Developer temporarily operates a SYNERGY HomeCare Business of a Franchisee which had either been sublet to a Franchisee under an approved Sublease or had been assigned to a Franchisee under an approved Assignment, for a period of not more than ninety (90) consecutive days following the default by the Franchisee under the terms of its Sublease or Assignment. If Regional Developer operates any SYNERGY HomeCare Business for a period longer than ninety (90) consecutive days, then Franchisor will have the right to require that Regional Developer apply for a Transfer in accordance with the terms of Article 14 and if applicable, sign the Franchisor's then-current form of Franchise Agreement to govern the operation of such SYNERGY HomeCare Business.

12 OPERATING STANDARDS

12.1 Standards of Service.

Regional Developer shall at all times give prompt, courteous and efficient service to SYNERGY HomeCare Business Franchisees in the Development Region. Regional Developer shall, in all dealings with such Franchisees, prospective Franchisees and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Regional Developer must operate in the Development Region only in accordance with this RD Agreement and it may not deviate from these standards, specifications and procedures without Franchisor's written consent which may be granted or denied for any reason or for no reason at all.

12.2 Compliance with Laws and Good Business Practices.

Regional Developer shall secure and maintain in force all required licenses, permits and certificates relating to Regional Developer's activities hereunder and shall operate in full compliance with all applicable laws, ordinances and regulations. Regional Developer acknowledges being advised that many jurisdictions have enacted laws concerning advertising, sale, renewal, termination and continuing relationship between parties to a franchise agreement, including without limitation, laws concerning disclosure requirements. Regional Developer agrees promptly to become aware of, and to comply with, all such laws and legal requirements in

force in the Development Region and to utilize only such forms of FDD that Franchisor has approved for use in the applicable jurisdiction. To this end the Regional Developer will conform with all applicable franchise related laws in its Development Region including, but not limited to the identification, and if applicable, the registration of all sales people. The Regional Developer and not the Franchisor is responsible for compliance with all such laws.

12.3 Accuracy of Information.

Before it markets to, or solicits prospective Franchisees, Regional Developer shall each time take reasonable steps to confirm that the information provided by or prepared by Regional Developer and included in any written materials, agreements and other documents related to the offer or sale of franchises is true, correct and not misleading at the time of such offer or sale, and the offer or sale of such franchise will not at the time be contrary to or in violation of any applicable federal or state law including any such laws relating to franchising. Franchisor shall provide Regional Developer with any changes to its disclosure documents and other agreements on a timely basis, and shall, upon request, provide Regional Developer with confirmation that the information contained in any written materials, agreements or documents being used by the Regional Developer are true, correct and not misleading, except for information specifically relating to disclosures regarding Regional Developer. If the Regional Developer notifies Franchisor of an error in any information in Franchisor's documents, Franchisor shall have a reasonable period of time to attempt to correct any deficiencies, misrepresentations or omissions in such information.

12.4 Notification of Litigation.

Regional Developer shall notify Franchisor in writing within twenty-four (24) hours or such shorter period as the circumstances warrant, of the commencement of any action, suit, arbitration, proceeding or investigation, and of the issuance of any order, writ, injunction, award or decree, by any court, agency or other governmental instrumentality which names Regional Developer (or its Regional Operating Manager), or any RD Party or otherwise concerns the Regional Developer, a RD Party, a RD Business or any Franchisee and the operation of the RD Business, a franchise, or otherwise.

12.5 Ownership and Management of Business and Guaranty.

Regional Developer's Business shall at all times be under the direct, day-to-day, supervision of Regional Developer or a Regional Operating Manager designated by Regional Developer and approved in writing by Franchisor. Regional Developer shall at all time during the term of this RD Agreement own and control the RD Business. Regional Developer represents that the Statement of Ownership, attached to this RD Agreement as **Attachment 2**, is true, complete, and accurate and not misleading. Regional Developer shall promptly provide Franchisor with written notification if the information contained in the Statement of Ownership changes at any time during the term of this RD Agreement and shall comply with the applicable transfer provision contained in Article 14.

If Regional Developer is not an individual, all individuals owning more than a five percent (5%) equity interest in the Regional Developer, as well as the Regional Operating Manager, shall execute the Guaranty and Assumption of Regional Developer's Obligations attached hereto as **Attachment 3** and incorporated herein by this reference.

12.6 Conflicting Interests.

Regional Developer shall at all times faithfully, honestly and diligently perform its obligations hereunder and continuously exert its best efforts to promote, enhance and service SYNERGY HomeCare Businesses in the Development Region. Regional Developer shall not engage in any other business or other activity, directly or indirectly, including operating a SYNERGY HomeCare Business, which requires any significant management responsibility, time commitments, or otherwise may conflict with Regional Developer's obligations hereunder, without the prior written approval of Franchisor, which approval may be withheld by Franchisor in Franchisor's sole discretion.

12.7 Insurance.

Regional Developer shall at all times during the term of this RD Agreement maintain in force, at Regional Developer's sole expense, insurance for the RD Business of the types, in the amounts, and under such terms and conditions as Franchisor may from time to time reasonably prescribe in the RD Manual or otherwise. Such insurance to be obtained will at a minimum be Errors and Omission Insurance with a minimum of \$ 1 million per occurrence limit.

All of the required insurance policies shall name Franchisor as an additional insured, contain a waiver of the insurance company's right of subrogation against Franchisor, and provide that Franchisor will receive thirty (30) days' prior written notice of termination, expiration or cancellation of any such policy.

12.8 Proof of Insurance Coverage.

Regional Developer shall provide proof of insurance to Franchisor prior to commencement of operations of its RD Business. This proof shall include a provision requiring the insurer to inform Franchisor in the event any policies lapse or are cancelled. Franchisor has the right to change the minimum amount of insurance Regional Developer is required to maintain by giving Regional Developer prior reasonable notice. Noncompliance with the insurance provisions set forth herein shall be deemed a breach of this RD Agreement; in the event of any lapse in insurance coverage, in addition to all other remedies, Franchisor shall have the right to demand that Regional Developer cease operations of the RD Business until coverage is reinstated, or, in the alternative, Franchisor may, but is not obligated to, pay any delinquencies in premium payments and charge the same back to Regional Developer.

12.9 Advertising and Promotional Materials.

Regional Developer shall purchase an initial inventory of franchise sales and promotional materials from Franchisor. Thereafter, Regional Developer shall purchase sales and promotional

materials from us or an alternate supplier approved by Franchisor (if applicable). Prior to their use by Regional Developer, samples of all advertising and promotional materials not prepared or previously approved by Franchisor shall be submitted to Franchisor for approval in accordance with Section 8.11.

The Regional Developer acknowledges and understands that certain states require the filing of franchise sales advertising materials with the appropriate state agency within prescribed time frames prior to dissemination to prospective Franchisees. The Regional Developer agrees to fully and timely comply with such filing requirements at Regional Developer's own expense unless such advertising has been previously filed with the state by Franchisor. Franchisor may charge Regional Developer for the costs incurred by Franchisor in printing such materials supplied by Franchisor to Regional Developer at Regional Developer's request, or for expenses incurred by Franchisor to file Regional Developer's proposed advertising material with the appropriate State authority.

12.10 Accounting, Bookkeeping and Records

Regional Developer shall maintain at its RD Business premises in the Development Region all original invoices, receipts, checks, contracts, licenses, acknowledgement of receipt forms and bookkeeping and business records as Franchisor may require from time to time. Such records will include, but not be limited to monthly sales performance reports, monthly profit and loss statements, monthly balance sheets, monthly bank reconciliation reports generated by QuickBooks; and monthly, quarterly and yearly tax reports, tax returns and such other documents as may be more fully described in the Manuals.

12.11 Reports.

Regional Developer shall, as often as required by Franchisor, deliver to Franchisor in such form and in such detail as Franchisor may from time to time specify, written reports, copies, of accounting, bookkeeping, advertising, sales performance, and operational records and such other books and records as may be required by Franchisor. Regional Developer shall, as often as required by Franchisor, deliver to Franchisor the monthly inspection reports of each Franchisee's Business in the Development Region, in such form and in such detail as Franchisor may from time to time specify.

By way of example and not limitation, Regional Developer shall furnish to Franchisor, within seventy-five (75) days after the end of Regional Developer's fiscal year, (or for monthly or quarterly reports then no later than the date more specifically set forth in the Manuals), a balance sheet and profit and loss statement for the RD Business for such year (or monthly or quarterly statement if required by Franchisor, in which case such statements shall also reflect year-to-date information). In addition, upon request of Franchisor, Franchisee shall furnish exact copies of federal and state income, sales and any other tax returns (including all schedules and amendments) and such other forms, records, books and other information as Franchisor may periodically require regarding the RD Business or as may be required by law. If Regional Developer is a business entity, then Franchisor may require Regional Developer's, shareholders, partners, Members, Managing Members and all other principals and holders of equity interests to

supply his or her individual federal and/or state tax returns (including all schedules and amendments) as the same were filed with each governmental authority.

Regional Developer shall maintain all records and reports of the RD Business conducted pursuant to this RD Agreement for at least two (2) years after the date of termination of expiration of this RD Agreement.

If any such documents required by this Section specifically (or this RD Agreement generally) are not timely delivered after written request, the same will be a default of this Agreement and in addition to any other rights that the Franchisor may have the Regional Developer will be required to pay our then-current late fees for reports which now is \$200 per month for each month or any part of a month that such reports are late.

13. INSPECTIONS AND AUDITS

13.1 Inspections and Audits.

To determine whether Regional Developer is complying with this RD Agreement, Franchisor or its designee shall have the right at any time during normal business hours, and with twenty-four (24) hours prior notice to Regional Developer, to enter the premises in which Regional Developer is then keeping its business records and inspect, and conduct an audit of, the RD Business is located and review general operating procedures, records, bookkeeping and accounting records, invoices, payroll records, time cards, check stubs, bank deposits, receipts, sales tax records and returns and other business records and documents of the RD Business. Regional Developer and its employees shall fully cooperate with representatives of Franchisor in making, conducting, supervising or observing any such inspection or audit. Franchisor may confiscate any materials which Franchisor, in its reasonable judgment, determines to be either illegal or in violation of this RD Agreement. Franchisor shall have the right to observe Regional Developer and its employees rendering services, to confer with Regional Developer's employees and customers, and to generally review the business operations for compliance with the standards and procedures set forth in the RD Manual. In any such inspection or audit reveals an understatement of, or failure to report any sales or "Gross Revenue" (as that term is defined in the then-current Franchise Agreement), the same will be deemed to be a breach of this RD Agreement and the Regional Developer will pay all costs associated with the inspection or audit and will pay any royalty or other monies due as a result of such underreported or unreported Gross Revenue.

We may prepare written reports outlining any suggested changes or improvements in the operations of the RD Business and detail any deficiencies that become evident as a result of our visit. You must implement such changes in the manner we describe. A copy of the report will be delivered to you. If we determine that you are not providing services in accordance with this Agreement, we may (but are not required to) service your customers and/or franchisees on your behalf. You must reimburse us if we determine it is necessary to service your customers and/or franchisees

14. TRANSFERS

14.1 Transfers by Franchisor.

The Regional Developer acknowledges that Franchisor maintains a staff to manage and operate the SYNERGY HomeCare Business System and that staff members can change from time to time. Regional Developer represents that it has not signed this RD Agreement in reliance on any shareholder, Developer, officer, or employee remaining with Franchisor in that capacity. Franchisor may change its ownership or form or assign this RD Agreement and any other agreement without restriction at any time without the requirement that it obtain permission from the Regional Developer or any franchisee. Upon such transfer the Franchisor is thereby released from any further liability or obligations to Regional Developer under this or any other agreement.

14.2 Transfers by Regional Developer. Regional Developer agrees that the rights and duties created by this RD Agreement are personal to Regional Developer (or its shareholders, members, managing members, partners or similar holders of its equity if Regional Developer is a business entity other than a sole proprietorship) and that Franchisor has entered into this RD Agreement in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Regional Developer (or its shareholders, members, managing members, partners or similar holders of its equity if Regional Developer is a business entity other than a sole proprietorship). Accordingly, without the prior written consent of Franchisor, neither this RD Agreement (or any interest therein), nor any part of all of the ownership of the Regional Developer may be transferred. Any unauthorized transfer shall constitute a breach of this RD Agreement and be void and of no effect. As used in this RD Agreement, the term “**Transfer**” shall mean and include the voluntary, involuntary, direct or indirect assignment, sale, gift, disposition through divorce or death, or other disposition by Regional Developer (or any of its equity owners) of any interest in: (a) this RD Agreement; (b) the ownership of Regional Developer; or (c) any of the material assets of the RD Business.

14.3 Conditions for Approval of Transfer.

Subject to the Franchisor’s rights under Section 14.3 below, Franchisor may, in its sole discretion, approve a proposed Transfer only if Regional Developer (and its equity owners) is in full compliance with all the terms of this RD Agreement at the time that it applies for such approval.

If the Transfer is of this RD Agreement, the RD Business, or a “**Controlling Interest**” (as defined below) in Regional Developer, or is one of a series of transfers (regardless of the time period over which such transfers occur) which in the aggregate transfer this RD Agreement, any material assets of the RD Business, the RD Business, or a Controlling Interest in Regional Developer, all of the following conditions must be met before or concurrently with the effective date of the Transfer:

a. The “Proposed Transferee” (or its equity owners) must be individuals of good moral character and otherwise meet Franchisor’s then applicable standards for Regional Developers, and must have sufficient business experience, aptitude and financial resources to act as an Regional Developer, qualify as a Regional Developer;

b. The Proposed Transferee and, with its Regional Operating Manager, must have completed Franchisor’s training program to Franchisor’s satisfaction.

c. The Regional Developer must have: (i) paid all amounts owed to Franchisor or its Affiliates and any third party creditors; and, (ii) submitted to Franchisor all required reports and statements;

d. Regional Developer or the Proposed Transferee has paid Franchisor a transfer fee of \$50,000 (Transfer Fee). The Transfer Fee may be reduced to \$25,000 only under the following conditions: (i) the Development Schedule must have been met for each year prior to the date of renewal; and, (ii) franchises operating within the Development Region must have met or exceeded the Minimum Sales Quota as defined in the Franchise Agreement for each such Franchisee.

e. Regional Developer has “Complied” with all provisions of this RD Agreement during the then-current term. “Compliance” shall mean, at a minimum, that Regional Developer has not received any written notification from Franchisor of a breach hereunder more than three (3) times during any twelve (12) month period of any term, regardless of whether such breach was cured by Regional Developer;

f. Regional Developer (and its transferring owners) executes a general release, in form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and their respective shareholders, officers, Developers, employees and agents;

g. The Proposed Transferee signs an express written assumption of Regional Developer’s obligations pursuant to this RD Agreement, or at the option of Franchisor, executes a Regional Developer Agreement in the form then-currently offered by Franchisor the term of which will end on the expiration date of this RD Agreement. **The terms of the then-current Regional Developer Agreement may differ materially from any and all of the terms contained in this RD Agreement, and which shall supersede this RD Agreement in all respects.** If a new Regional Developer Agreement is signed, however, the Proposed Transferee will not be required to pay any additional Initial Regional Developer Fee;

h. Franchisor approves the material terms and conditions of such transfer, including, without limitation, that the price and terms of payment are not so burdensome as to affect adversely the transferee’s business as an Regional Developer of Franchisor;

i. If Regional Developer (and the transferring owners) finances any part of the sale price of the transferred interest, Regional Developer and its owners agree that all obligations of the transferee under any promissory notes, agreements or security interests shall be subordinate to the transferee’s obligations to pay fees, and other amounts due to Franchisor and

its affiliates and otherwise to comply with this RD Agreement. Notwithstanding the foregoing, if the sale price is financed by, and is secured by a document which acknowledges the Regional Developer's right to retake possession of the RD Business upon breach, and if the Regional Developer exercises this right, it will retake possession only as a Regional Operational Manager of the Transferee, and only on a temporary basis. In such an event, the Regional Developer must requalify as a Regional Developer under the then-current requirements of the Franchisor. There is no guaranty that the Franchisor will approve the Regional Developer to retake possession of the RD Business;

j. The Regional Developer, the RD Parties (and the transferring owners of the Regional Developer) execute a non-competition covenant in favor of Franchisor and the transferee with terms and the same as those set forth in Section 16.5;

k. The transferee completes our then-current Regional Developer Training.

For the purposes of this RD Agreement, a person will be deemed to have a "Controlling Interest" in Regional Developer if that person has the right to vote twenty-five percent (25%) or more of the voting securities or other forms of ownership interest of a corporation, partnership, or other form of entity, to receive twenty-five (25%) or more of the net profits of any such entity, or is otherwise able to direct or cause direction of that entity's management or policies.

14.4 Transfer to an Entity

If the Regional Developer is an individual in full compliance with this RD Agreement at the time that it proposes the transfer described in this Section, the Regional Developer may transfer this RD Agreement to an entity controlled by the Regional Developer with Franchisor's prior written approval. The Transfer Fee described in Section 14.3(d) will be waived by Franchisor and all owners of such entity shall sign a Guaranty and Assumption of Regional Developer's Obligations attached hereto as Attachment 3.

14.5 Franchisor's Approval of Transfer and Conditions to Transfer.

a. Franchisor shall approve or disapprove, in writing, of Regional Developer's proposed Transfer within thirty (30) days from the date that written notice of the proposed Transfer was delivered to Franchisor. Written notice shall mean and include all documentation necessary to evaluate the transferee. Regional Developer acknowledges that the Proposed Transferee shall be evaluated for approval by Franchisor based on the same criteria as is currently being used to assess new Regional Developers of Franchisor and that such Proposed Transferee shall be provided, if appropriate, with such disclosures as may be required by state or federal law. Franchisor may review all information regarding the RD Business that Regional Developer gives the Proposed Transferee and give the Proposed Transferee copies of any reports that Regional Developer has given Franchisor or Franchisor has made regarding the RD Business.

b. Prior to, and as a condition of closing, Regional Developer must:

- i. have prepared introduction letters to all Franchisees located within the Development Region and all vendors who supply services to the Regional Developer; and,
- ii. in cooperation with the transferee, contact all hosting companies, email providers, telephone companies, and the like to inform each of the impending transfer. To this end, the transferee and Regional Developer must sign all documents and do all things necessary to insure that each such company or agency has all documentation necessary to make the transfer on the closing.

All letters, documents, and permissions required under this Section 14.5 (b) shall first be reviewed by the Franchisor and must be sent out by the transferee on the day of closing.

c. Beginning on the first business day following the transfer Regional Developer will assist the transferee for a reasonable period of time of no less than fifteen (15) consecutive business days for up to eight (8) business hours each day to transition the RD Business to the transferee. Such assistance will include but not be limited to the personal introduction of the transferee to each Franchisee within the Development Region and the introduction of Regional Developer to all other vendors or other contacts used by the Regional Developer in the operation of the RD Business. After said fifteen (15) business days, the Franchisee shall be available to telephone consultation by the transferee for an additional thirty (30) business days (for up to 3 hours per day) of telephone or email consultation. The terms, covenants and conditions of this Section shall survive the closing of the transfer.

14.6 Death or Disability of Regional Developer

Upon the death or permanent disability of Regional Developer (or an Regional Operating Manager of Regional Developer), the personal representative of such person shall transfer his or her interest in this RD Agreement or such interest in Regional Developer to an approved third party. Such disposition of this RD Agreement or such interest (including, without limitation, transfer by bequest or inheritance) shall be completed within a reasonable time, not to exceed six (6) months from the date of death or permanent disability (unless extended by probate proceedings), and shall be subject to all the terms and conditions applicable to transfers contained in this Section. Failure to transfer the interest in this RD Agreement or such interest in Regional Developer within said period of time shall constitute a breach of this RD Agreement. For purposes hereof, the term “**Permanent Disability**” shall mean a mental or physical disability, impairment or condition that prevents Regional Developer or the Regional Operating Manager from performing the essential functions of the Regional Developer for a period of four (4) or more months.

14.7 Right of First Refusal.

In the event Regional Developer (or, if applicable, an equity owner) wishes to sell, transfer, gift, assign or otherwise dispose of any interest in this RD Agreement, a Controlling Interest in any entity that owns it, or all or a substantial portion of the assets of the RD Business, Regional Developer agrees to grant to Franchisor a thirty (30) day right of first refusal to purchase such rights, interest or assets on either: (1) the same terms and conditions as are

contained in the written offer to purchase submitted to Regional Developer by a bona fide proposed purchaser; or (2) at the same sales price offered, paid over twelve (12) equal monthly installments; however, in either event, the following additional terms and conditions shall apply:

a. Regional Developer shall notify Franchisor of such offer by sending a written notice to Franchisor, enclosing a copy of the written offer signed by the bona fide proposed purchaser;

b. The thirty (30) day right of first refusal period will run concurrently with the period in which Franchisor has to approve or disapprove the proposed transferee;

c. Such right of first refusal arises for each proposed Transfer and any material change in the terms or conditions of the proposed Transfer, even if to the same bona fide proposed purchaser, shall be deemed a separate offer for which a new thirty (30) day right of first refusal shall be given to Franchisor;

d. If the consideration or manner of payment offered by a third party is such that Franchisor may not reasonably be required to furnish the same, then Franchisor may purchase the interest which is proposed to be sold for the reasonable cash equivalent. If the Parties cannot agree within a reasonable time on the cash consideration, an independent appraiser shall be designated by Franchisor, whose determination will be binding upon the Parties. All expenses of the appraiser shall be paid for equally between Franchisor and Regional Developer; and,

e. If Franchisor chooses not to exercise its right of first refusal, Franchisee shall be free to complete the sale, transfer or assignment, subject to compliance with this Article. Absence of a reply to Regional Developer's notice of a proposed sale within the thirty (30) day period is deemed a waiver of such right of first refusal but not a waiver of the required compliance with Sections 14.3 and 14.5.

14.8 Transfers of Prime Lease or Sublease Interest

In the event of a Proposed Transfer, of all or any portion of the Regional Developer's interest in a Prime Lease or a Sublease or an Assignment, the Regional Developer agrees that Article 14 of this RD Agreement will apply to such proposed transfer (other than the Transfer Fee), and agrees to be bound by such provisions with respect to the transfer.

15. TERM AND EXPIRATION

15.1 Term.

The primary term of this RD Agreement is for a period of ten (10) years from the Effective Date, unless sooner terminated as provided herein (Initial Term).

15.2 Renewal.

At the end of the Initial Term, Regional Developer shall have the option to renew its Regional Developer rights for two (2) additional and consecutive ten (10) year terms (each being the “RD Successor Term”), so long as Regional Developer:

a. Has been in Compliance with all provisions of this RD Agreement during the preceding term.

b. Has met its Development Quotas in the preceding term and has agreed on a new Development Quota for the next term in accordance with Section 15.3; and

c. Is not in default or under notification of breach of this RD Agreement at the time it gives notice under Section 15.4;

d. At least sixty (60) days prior to expiration of the original term, executes the form of Regional Developer Agreement then in use by Franchisor; **which agreement may contain terms which are materially different from those in this RD Agreement**; however, the commission percentages and definition of the Development Region will not be altered. If the terms are materially different than prior to requiring the signature on the RD Agreement, Franchisor will first deliver to Regional Developer the then-current copy of the Franchisor’s Franchise Disclosure Document (FDD) and will provide the Regional Developer such minimum time as may be required by state or federal law to review the FDD;

e. Pays the renewal fee of \$50,000 (RD Renewal Fee) . The RD Renewal Fee will be reduced to \$25,000 only under the following conditions: (i) the Development Schedule must have been met for each year prior to the date of renewal; and, (ii) franchises operating within the Development Region must have met or exceeded the Minimum Sales Quota as defined in the Franchise Agreement for each such Franchisee. The RD Renewal Fee is due in one lump sum, is fully earned when paid, and once paid, will not be subject to change for any reason; and,

f. Executes a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, and their respective shareholders, officers, Developers, employees and agents arising out of or relating to this RD Agreement.

15.3. New Development Quota.

In addition to any other requirements for renewal imposed on Regional Developer by Franchisor, in Franchisor’s sole discretion, this RD Agreement may only be renewed if Regional Developer and Franchisor have agreed on a new Development Quota for an additional RD Successor Term at least ninety (90) days prior to expiration of the then-current term.

In the event that Franchisor and Regional Developer are unable to agree on a New Development Quota for a RD Successor Term within the time frame set forth in Section 15.2, the Parties agree to submit the matter to arbitration before and in accordance with the expedited

commercial rules of the American Arbitration Association for the sole purpose of determining a new Development Quota. The decision of the arbitrator shall be non-appealable, conclusive and binding on all Parties and shall be enforceable in any court of competent jurisdiction. The arbitration fee shall be borne equally by Franchisor and Regional Developer. Each Party shall be responsible for any other expenses incurred by that Party in association with such arbitration, including attorney and expert witness fees, notwithstanding provisions of Article 18 to the contrary. The arbitration shall be held in Phoenix, Arizona.

In the event that Regional Developer is not satisfied with the decision of the arbitration, Regional Developer shall have fifteen (15) days from the date that the arbitration decision is rendered to waive its options to renew its Regional Developer rights.

If Regional Developer has notified Franchisor of its intent to renew as provided in Section 15.4, and so long as a demand for arbitration has been filed prior to the expiration of the then-current term and the Parties are diligently pursuing such arbitration, this RD Agreement shall automatically be extended until fifteen (15) days following the date that the arbitration award is rendered in order to permit the Parties to make any final determination in reference to this Section..

15.4 Exercise of Renewal Option.

Regional Developer may exercise its option to renew by giving written notice of such exercise to Franchisor not more than one hundred and eighty (180) days, or less than one hundred and twenty (120) days prior to the expiration of the original term.

15.5 Conditions of Refusal.

Franchisor shall not be obligated to offer Regional Developer the RD Successor Terms upon the expiration of the then-current term if the Regional Developer fails to comply with any of the above conditions of renewal. Upon expiration, the terms of Section 5.7 may apply. In such event, Franchisor shall give Regional Developer notice of expiration, and such notice shall set forth the reasons for such refusal to offer renewal; except that in the event that the Regional Developer fails to execute the then-current Regional Developer Agreement then no other reason is required to be disclosed. Upon the expiration of this RD Agreement, Regional Developer shall comply with all restrictive covenants and all other applicable terms of this RD Agreement.

16. TERMINATION

16.1 By Regional Developer.

After the passage of the first twelve (12) months of operation (to be measured from the date that the Regional Developer first opened for business, Regional Developer may terminate this RD Agreement with ninety (90) days advance written notice to Franchisor (RD Termination Notice) only under the following conditions:

a. after such termination, the Regional Developer will be required to abide by all restrictive covenants found in this RD Agreement as more fully set forth herein including those found in this Article 16;

b. as a part of such termination, the Regional Developer will be required to perform all duties described in Section 16.3 below including the payment of all fees then due with the understanding the payment of such amounts are in addition to the amount required by subsection (c) just below;

c. the Regional Developer will be required to pay as liquidated damages an amount equal to 50% of the then-current IRDF for the Regional Developer's Development Region (Regional Developer Early Termination Fee). If the Franchisor has not set a different IRDF from the one originally paid by the Regional Developer has been set for the Regional Developer's Region, the Franchisor will calculate any possible change to the IRDF using such commercially reasonable terms as it uses to set a similar fee in another development region and will deliver to the Regional Developer a statement of that amount upon which the Regional Developer Early Termination Fee will be based. Liquidated damages are proper under this Section as: (i) the parties intend to liquidate damages; (ii) the amount is a reasonable estimate of the presumed actual damages that the breach caused; (iii) actual damages would be difficult or impossible to determine at the time of the breach; and, (iv) such damages are not a penalty; and,

d. the Regional Developer will be required to sign a general release found at Attachment 5.

e. All payments to the Regional Director will forever cease except for any such fees that were earned on or before the date of termination under this section and which may be more fully described in this RD Agreement.

Upon receipt of the RD Termination Notice, the Franchisor will have the right to terminate the Regional Developer's performance under this RD Agreement at any time during the ninety (90) day period, and such earlier date will be deemed to be the last day of the RD Termination Notice.

16.2 By Franchisor.

a. Franchisor shall have the right to terminate this RD Agreement effective upon delivery of written notice of termination to Regional Developer without any payment to Regional Developer, unless otherwise noted below (subject to any state laws to the contrary, where state law shall prevail) if Regional Developer or any RD Party (or any of its shareholders, members, owners, managers, or partners, or the Regional Operating Manager or an RD Party):

i. Fails to satisfactorily complete the training program as provided in Section 6.1;

ii. Has made any material misrepresentation or omission in its application to be an Regional Developer or in operating as an Regional Developer;

iii. Fails to meet the Development Quota set forth in Attachment 1 and is also in breach of any other term, covenant or condition of this RD Agreement. If, however, the additional breach (other than the failure to meet the Development Quota) has a cure period and if the Regional Developer timely cures such breach but has continued to fail to meet the Development Quota after such cure, the Franchisor's remedy will be as set forth in 16(b) below

iv. Fails to comply with any other provision of this RD Agreement, or any mandatory specification, standard or operating procedure prescribed by Franchisor and does not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to Regional Developer;

v. Surrenders, transfers control of or makes an unauthorized Transfer of this RD Agreement or an Ownership interest in Regional Developer;

vi. Is convicted by a trial court of or pleads no contest to a felony, or to any other crime or offense that is, in the opinion of Franchisor, likely to adversely affect the goodwill associated with the Marks,

vii. Engages in any conduct which may commercially reasonably adversely affect the reputation or goodwill of SYNERGY HomeCare Businesses or the goodwill associated with the Marks;

viii. Is declared bankrupt or insolvent or voluntarily institutes a bankruptcy proceeding under the Bankruptcy Code or is adjudicated bankrupt as a result of an involuntary petition in bankruptcy being filed against it. (This provision may not be enforceable under federal bankruptcy law, 11 U.S.C. §§ 101 et seq.);

ix. Abandons or ceases to operate the RD Business for a period of thirty (30) consecutive days or any shorter period that indicates an intent by Regional Developer to discontinue operation of the RD Business unless precluded from doing so by an event beyond Regional Developer's reasonable control (other than for financial reasons) or abandons any Premises of a SYNERGY HomeCare Business owned by Regional Developer for more than ten (10) consecutive days;

x. Has received three (3) notices of default from Franchisor within a twelve (12) month period and receives a fourth notice of breach within such twelve (12) month period., regardless of whether the defaults were cured by Regional Developer;

xi. Defaults under the terms and conditions of any Prime Lease or Sublease or Assignment and fails, upon request from Franchisor, to assign all or a portion of the Regional Developer's interest in such Prime Lease and any related Sublease or Assignment, to Franchisor, within five (5) business days of the Franchisor's notifying Regional Developer of such request. If the Regional Developer fails to assign all of its interest(s) as requested by Franchisor within

five (5) days of Franchisor's notification, in addition to the termination of this RD Agreement as a result, Franchisor may, but is not obligated to act as Attorney-in-Fact with respect to such assignment and Regional Developer hereby irrevocably appoints the Franchisor to act as its Attorney-in-Fact for such assignment, which appointment is coupled with an interest. In the event that any such leasehold interest is assigned to Franchisor, all funds held by the Regional Developer on behalf of a Franchisee under a Sublease or an Assignment, including but no limited to all security, damage or other deposits, shall be transferred to Franchisor immediately;

xii. Defaults under the terms of any other agreement between Regional Developer and Franchisor, including but not limited to any Franchise Agreement governing the operation of any SYNERGY HomeCare Business, wherever located, which breach is not timely cured if and as permitted under such agreement;

xiii. Fails to comply with applicable requirement under the federal or state franchise laws, including, but not limited to, communicating in written, verbal, or other form to any prospective Franchisee any information or presentation which states or suggests a specific level or range of potential or actual sales, income, gross or net profits, product costs, labor costs, or other operating costs unless that information or presentation is identical to that contained in Franchisor's FDD and other disclosure documents; or

xiv. Fails to pay any amounts due Franchisor or its affiliates (including any fees due under Section 16.8 below), within ten (10) days after receiving notice that such fees or amounts are overdue.

b. If the Regional Developer's sole and only breach of this Agreement is the Regional Developer's failure to meet the Development Quota set forth in Attachment 1, or if the Regional Developer's breach of this Agreement includes both the breach of the Development Quota and the breach of a covenant for which the right to cure is provided and which cure is timely completed, then Franchisor shall have the right in its sole and exclusive discretion to: (1) to reduce the size of the Regional Developer's Development Region to a size that includes only the Franchisees then being serviced by the Regional Developer (Resized Area); (2) the right to eliminate the Development Region altogether; or, (3) the right to fashion another remedy that does not include termination.

After the determination of such remedy: (i) the Regional Developer shall continue to deliver to all Franchisees in the Resized Area the services required under the this RD Agreement and will be paid for such services in accordance with this RD Agreement; (ii) the Regional Developer will sign the general release attached to this RD Agreement; and, (iii) the Franchisor shall have the right to repackage and resell the recaptured area of your former Development Region in any manner Franchisor deems fit under any terms, covenants or conditions that the Franchisor deems appropriate all without interference from, or any claim by the Regional Developer and without having to pay you any other fees or commissions.

16.3 Rights and Obligations of Regional Developer Upon Termination or Expiration.

Upon the expiration or termination of this RD Agreement for any reason, Regional Developer agrees:

a. To pay Franchisor within fifteen (15) days after the effective date of termination or expiration of this RD Agreement, such fees, amounts owed for purchases by Regional Developer from Franchisor or its affiliates, interest due to any of the foregoing and all other amounts owed to Franchisor or its affiliates which are then unpaid including the fees identified in Section 16.8 below;

b. To refrain from, directly or indirectly at any time or in any manner (except with respect to SYNERGY HomeCare Business franchises owned and operated by Regional Developer) identifying itself or any business as a current Regional Developer or authorized agent of Franchisor or its affiliates, use any Mark, any colorable imitation thereof or other indicia of a SYNERGY HomeCare Business in any manner or for any purpose or utilize for any purpose any trade name, trademark or service mark or other commercial symbol that suggests or indicates a connection or association with Franchisor or its affiliates;

c. To immediately deliver to Franchisor all past and present franchise sales leads and records and all contracts, acknowledgments or receipt, and other information and records related to Franchisees of Franchisor in the Development Region;

d. To immediately deliver to Franchisor all business records relating to each franchisee in its Development Region (including all franchise agreements; accounting records; quality control records; and any other record or thing concerning each such franchisee); advertising materials, the RD Manual, the Franchise Operations Manual, all other manuals, forms, FDDs, franchise sales brochures and other materials containing any Mark or otherwise identifying or relating to the sale of service of SYNERGY HomeCare Businesses;

e. To refrain from communicating, in any manner, with Franchisees and other regional developers concerning Franchisor or obligations arising from this RD Agreement or any Franchise Agreement, except as expressly authorized by Franchisor;

f. To take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to Regional Developer's use of any Mark;

g. To notify the telephone company and all telephone directory publishers of the termination or expiration of Regional Developer's right to use any telephone number, any regular, classified or other telephone directory listings associated with any Mark, and any Internet address, and to authorize transfer thereof to Franchisor or its designee. Regional Developer acknowledges that, as between it and Franchisor, Franchisor has the sole rights to and interest in all telephone, telecopy or facsimile machine numbers, directory listings and Internet addresses associated with any Mark. Regional Developer authorizes Franchisor, and hereby irrevocably appoints Franchisor and any of its officers as Regional Developer's Attorney-in-Fact, which appointment is coupled with an interest to direct the telephone company, all telephone directory publishers, and all Internet service providers to transfer any telephone, telecopy or facsimile machine numbers, directory listings and Internet addresses relating to the RD Business

to Franchisor at its direction, should Regional Developer fail or refuse to do so, and the telephone company, all telephone directory publishers, and all Internet service providers may accept such direction or this RD Agreement as conclusive evidence of Franchisor's exclusive rights in such telephone numbers, directory listings, and Internet addresses and Franchisor's authority to direct their transfer. Such appointment is evidenced by Attachment 4; and,

h. Furnish Franchisor, within thirty (30) days after the effective date of termination or expiration, with evidence satisfactory to Franchisor of Regional Developer's compliance with the foregoing obligations.

16.4 Confidential Information at Expiration or Termination.

Regional Developer agrees that, upon the expiration or termination of this RD Agreement for any reason, Regional Developer shall immediately cease to use any Confidential Information disclosed pursuant to this RD Agreement or as a result of its relationship with Franchisor in any business or otherwise (except in connection with the operation of a SYNERGY HomeCare Business pursuant to a Franchise Agreement with Franchisor) and return to Franchisor all copies of the RD Manual, the Franchise Operations Manual, and any other confidential materials which have been loaned to Regional Developer by Franchisor.

16.5 Covenants Not to Compete

a. During the term of this RD Agreement and during any renewal thereof, the Regional Developer and each RD Party (sometimes called the "Bound Parties") agrees that he or she will have no:

i. direct or indirect interest as a disclosed or beneficial owner in a Competitive Business that is within the Development Region or 50 miles of the perimeter Development Region, or within 50 miles of perimeter of any other development region or other territory of a SYNERGY HomeCare Business;

ii. Perform services as a regional developer, area developer, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business that is within the Development Region or 50 miles of the perimeter Development Region, or within 50 miles of perimeter of any other development region or other territory of a SYNERGY HomeCare Business;

iii. Divert or attempt to divert any business related to, or any customer or account of, the RD Business, Franchisor's business or any other SYNERGY HomeCare Regional Developer's or Franchisees' SYNERGY HomeCare Business, by direct inducement or otherwise; or divert or attempt to divert the employment of any employee of Franchisor, another Regional Developer, or any Franchisee licensed by Franchisor, to any Competitive Business by any direct inducement or otherwise;

iv. Directly or indirectly solicit or employ any person who is employed by Franchisor, another Regional Developer, or a Franchisee.

b. Upon termination or expiration of the RD Agreement, the Regional Developer and each Bound Party agrees that, for a period of two (2) years commencing on the effective date of termination or expiration, the Bound Parties will not:

i. Have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business that is within the Development Region or 50 miles of the perimeter Development Region, or within 50 miles of perimeter of any other development region or other territory of a SYNERGY HomeCare Business;

ii. Perform services as a regional developer, area developer, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business that is within the Development Region or 50 miles of the perimeter Development Region, or within 50 miles of perimeter of any other development region or other territory of a SYNERGY HomeCare Business;

iii. Divert or attempt to divert any business related to, or any customer or account of, the RD Business, Franchisor's business or any other SYNERGY HomeCare Regional Developer's or Franchisees' SYNERGY HomeCare Business, by direct inducement or otherwise; or divert or attempt to divert the employment of any employee of Franchisor, another Regional Developer, or any Franchisee licensed by Franchisor, to any Competitive Business by any direct inducement or otherwise;

iv. Directly or indirectly solicit or employ any person who is employed by Franchisor, another Regional Developer, or a Franchisee.

c. The restrictions of this Section shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent five percent (5%) or less of the number of shares of that class of securities issued and outstanding.

d. The covenants found in this Article are intended to be a reasonable restriction on Regional Developer and the RD Parties. The Franchisor, Regional Developer and RD Parties agree that the purpose of these restrictions is to protect all franchisees, regional developers and the entire System from unfair competition and to protect the goodwill, and time and effort spent by Franchisor in the perfection of the Marks, the System, and the Proprietary Information. In fact, the Franchisor would not have shared such information with the Franchisee unless the Franchisee agreed to be bound by the terms of this Article 15.

e. The Regional Developer and each RD Party further agrees that the he or she has skills of a general and specific nature and has other opportunities, or will have other opportunities to use such skills and that the enforcement of these covenants will not unduly deprive the Franchisee of the opportunity to earn a living.

f. For purposes of interpretation of the covenants found in this Article, every location of a Business, every month of time, each mile of distance, the definition of a “Competitive Business”, or any other restriction, shall be subject to amendment. In the event an arbitrator or court of competent jurisdiction interprets a spatial, temporal or other limitation in any of the above restrictive covenants to be overly broad, then it shall adjust the offending limitation, in the most limited manner possible, so as to fashion a reasonably enforceable covenant which upholds the restrictive nature of this Article to the fullest extent of the law.

g. Should any restrictive covenants in this Article be challenged, then any time period that runs as part of the challenged restrictive covenant (the “Time Period”) shall be temporarily tolled as of the date that such challenge was filed with the appropriate judicial or arbitration authority. Thereafter, the Time Period shall start again until a final determination (from which there is no appeal) has been rendered. If the challenge resulted in the continued enforcement of the restrictive covenant, then the Time Period remaining shall begin again to run starting on the first day following the date that the final determination was made.

h. Regional Developer and each RD Party expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Franchise Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants of this Article. Franchisee further agrees that Franchisor shall be entitled to set off against any amounts owed by Franchisor to Franchisee, any loss or damage to Franchisor resulting from Franchisee’s breach of this Article.

16.6 No Further Right to Payment.

Subject to the paragraph next following this paragraph, after the expiration or termination of this RD Agreement for any reason, Franchisor shall have the right to immediately assume control of and manage all franchisees in the Development Region, to stop the payment of all Royalty Commissions from Franchisees in the Development Region and cease paying SYNERGY HomeCare Product Commissions to Regional Developer.

Regional Developer shall have no further right to receive payment of Sales Services Commissions, Royalty Commissions, or SYNERGY HomeCare Product Commissions from Franchisor, except for those Sales Services Commissions, Royalty Commissions, or SYNERGY HomeCare Product Commissions which have been “Fully Earned” by Regional Developer up through the date of such termination or expiration if applicable. For purposes of this RD Agreement, “**Fully Earned Sales Services Commissions**” shall mean commissions due to franchise sales for which all conditions described in Section 5.1 have been met or fulfilled for the purchase of a franchise for a SYNERGY HomeCare Business to be located within the Development Region by Regional Developer. “**Fully Earned Royalty Commissions and SYNERGY HomeCare Product Commissions**” shall mean those Royalty Commissions and SYNERGY HomeCare Product Commissions accrued up through the date of termination or expiration and which are otherwise owed to Regional Developer.

Any Fully Earned Sales Services Commissions, Royalty Commissions or SYNERGY HomeCare Product Commissions due to Regional Developer will be paid by Franchisor in accordance with the provisions of Article 5.

16.7 Continuing Obligations.

All obligations of Franchisor and Regional Developer and the Bound Parties that expressly or by their nature survive the expiration or termination of this RD Agreement shall continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

16.8 Cost of Enforcement and Cost to Send Violation Letter

You must reimburse us for all cost associated in enforcing your performance under this RD Agreement. At a minimum, you must pay us \$250 for each letter which identifies a violation by you of this RD Agreement.

16.9 State and Federal Law.

The parties acknowledge that in the event that the terms of this RD Agreement regarding termination or expiration are inconsistent with applicable state or federal law, such law shall govern Regional Developer's rights regarding termination or expiration of this RD Agreement.

17. RELATIONSHIP OF THE PARTIES

17.1 Relationship of the Parties.

It is understood and agreed by the Parties that this RD Agreement does not create either a fiduciary relationship or a franchise relationship between them, that the Parties are independent contractors and that Franchisor appoints Regional Developer as its independent contractor and agent for a particular purpose and that nothing in this RD Agreement is intended to make either party a general agent, subsidiary, joint venturer, partner, employee or servant of the other for any purpose. As such, the Regional Developer is permitted to set its own hours, hire, fire, pay, and manage its own employees, use such tools and equipment it deems necessary to operate the RD Business (except that it must have certain minimum equipment and computers as stated herein and in the Manuals), use its own vehicles, and otherwise operate its business in any manner it deems appropriate so long as the same falls within the minimum requirements set forth in this RD Agreement.

Regional Developer shall conspicuously identify itself in all dealings with Franchisees, prospective Franchisees, lessors, contractors, suppliers, public officials and others as the owner of its own business under a Regional Developer Agreement with Franchisor, and shall place such other notices of independent ownership required by Franchisor on signs, forms, stationery, advertising and other materials.

17.2 Payment of Third-Party Obligation.

Neither Franchisor nor Regional Developer shall make any express or implied agreements, guaranties or representations, or incur any debt, in the name of or on behalf of the

other or represent that their relationship is other than franchisor and independent agent and independent contractor, and neither Franchisor nor Regional Developer shall be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized hereunder, nor shall Franchisor be obligated for any damages to any person or property directly or indirectly arising out of the operations of Regional Developer's business, unless (and then only to the extent) caused by Franchisor's negligent or willful action or failure to act.

17.3 Delegation.

Regional Developer may delegate its duties hereunder to independent contractors or its employees. The Regional Developer must train and then properly manage such independent contractors and employees. Your employees and independent contractors are not our employees or independent contractors and you are solely and primarily liable for all aspects of such relationships.

17.4 Indemnification.

Regional Developer agrees to indemnify, defend, and reimburse Franchisor, its Affiliates, the Franchisor Parties and their respective members, developers, officers, employees, agents and assignees ("Franchisor Indemnified Parties") for, and hold the Franchisor Indemnified Parties harmless against, any loss, liability, taxes or damages (actual or consequential) and all reasonable costs and expenses of defending any claim brought against any of them or any action in which any of them is named as a party (including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) which any of them may suffer, sustain or incur by reason of, arising from or in connection with any acts, omissions or activities of Regional Developer or any of its employees or independent contractors unless (and then only to the extent) caused by the Franchisor Indemnified Party's negligence. Each Franchisor Indemnified Party shall have the right to defend any such claim against it at Regional Developer's expense and agree to settlements or take any other remedial, corrective or other actions. This indemnity shall continue in full force and effect, subsequent to and notwithstanding the expiration or termination of this RD Agreement.

18. DISPUTES

18.1 Resolution before Arbitration

You and we and both of us acting on behalf of our officers, directors, shareholders, members, managing members and any holder of an equitable interest in any limited liability entity as well as our agents, servants, employees and all others participating with us believe that it is important to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. We agree that the provisions of this Article support these mutual, practical business objectives and, therefore, agree as follows:

a. We each expressly waive all rights to any court proceeding, except as expressly provided below.

b. Any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever including any claim for equitable relief and/or where you are acting as a “private attorney general,” suing pursuant to a statutory claim or otherwise, between or involving us (and/or any affiliates of any party), on whatever theory and/or facts will be processed in the following manner:

1. First, the parties agree to a face-to-face meeting held within 30 days after any party gives written notice to the other;

2. Second, if the issues between the parties cannot be resolved within that time period then the disagreement shall be submitted to non-binding mediation before a neutral mediator from Judicial Arbitration and Mediation Service (JAMS) or its successor (or an organization designated by JAMS or its successor). If JAMS is unable or unwilling to conduct such proceeding(s), or is no longer in operation, and the parties to the dispute cannot agree on an appropriate organization or person to conduct such proceedings(s), then the mediation shall be heard by a single mediator from the American Arbitration Association.

i. The parties shall agree upon the mediator. If the parties cannot agree upon the mediator then the senior most officer, director or manager of the association under which the mediation is to take place shall choose a neutral and disinterested mediator and such choice shall be final and binding upon the parties.

ii. Any mediation will be conducted by a mediator experienced in franchising. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding.

iii. If the mediation does not resolve the matter, then the parties agree that the matter will be submitted to and finally be resolved by binding arbitration.

18.2 Resolution under Arbitration

Arbitration will be held before, and in accordance with the arbitration rules of JAMS or its successor; provided that if such arbitration cannot be heard by this organization, then the arbitration will be conducted before and in accordance with the arbitration rules of JAMS or its successor (or an organization designated by JAMS or its successor). If JAMS is no longer in business or cannot conduct such proceeding(s), and the parties cannot agree on an appropriate alternative, then the arbitration shall be heard by a single arbitrator from the American Arbitration Association.

a. The parties shall agree upon the single arbitrator. If the parties cannot agree upon the arbitrator then the senior most officer, director or manager of the association under which the arbitration is to take place shall choose a neutral and disinterested arbitrator and such choice shall be final and binding upon the parties.

- b. The arbitrator must be experienced in franchising.
- c. Any party may be represented by counsel and may, with permission of the arbitrator, bring persons appropriate to the proceeding.
- d. The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding, and may be entered in any court having jurisdiction.
- e. The arbitrator's award will be in writing. On request by any party to the arbitration, the arbitrator will provide a reasoned opinion with findings of fact and conclusions of law and the party so requesting will pay the arbitrator's fees and costs connected therewith.
- f. There will be no right to appeal the final award

18.3 Confidentiality.

The parties to any meeting/mediation/arbitration will sign confidentiality agreements, excepting only public disclosures and filings as are required by law.

18.4 Choice of Forum, Venue and Jurisdiction of Arbitration

Any meeting/mediation/arbitration will be conducted exclusively at a neutral location that is within 15 miles of the then-current location of our headquarters (currently Gilbert, Arizona); provided that if any court determines that this provision is unenforceable for any reason, mediation/arbitration (and any appeal) will be conducted at a location determined by the mediator/arbitrator.

The Arbitrator in any proceeding under this Article will apply all applicable laws and equity permitted under the laws of the state in which the headquarters of the Franchisor is then located.

Jurisdiction, venue, choice-of-forum, and applicable law will be that of the state in which our then-current headquarters is located, and at a location that is within 15 miles of our then-current headquarters.

The arbitrator will decide any factual, procedural, or legal questions relating in any way to the dispute between the parties including, but not limited to: any decision as to whether this Article, is applicable and enforceable as against the parties; subject matter; timeliness; scope; remedies; unconscionability; and any alleged fraud in the inducement.

The arbitrator may issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other equitable and/or interim/final relief.

Each party consents to the enforcement of such orders, injunctions, etc. by any court having jurisdiction.

The arbitrator will have subpoena powers limited only by the laws of the state in which the main office of the Franchisor is located.

18.5 Discovery, other Procedural Matters, Fees and Costs

The arbitrator will also have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which the main office of the Franchisor is located.

The parties to the dispute will have the same discovery rights as are available in civil actions under the laws of the state in which the main office of the Franchisor is then located.

Each participant must submit or file any claim which would constitute a “compulsory counter-claim” (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such compulsory counter-claim that is not submitted or filed in such proceeding will be forever barred.

All other procedural matters will be determined by applying the statutory, common laws and rules of procedure that control a court of competent jurisdiction in which the main office of the Franchisor is then located.

In addition to any other remedy, the arbitrator will have the right to award the “Prevailing Party” his, her or its costs, fees, reasonable attorney’s fees, expert witness fees and the like which that party expended in the preparation for and the prosecution of the case at arbitration.

For the purposes of this RD Agreement in general and this Article 18 specifically, the “Prevailing Party” shall be deemed to be that party which has obtained the greatest net judgment in terms of money or money equivalent. If money or money equivalent has not been awarded, then the Prevailing Party shall be that party which has prevailed on a majority of the material issues decided. The “net judgment” is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator shall award the above fees to the party that it deems has prevailed over the other party using reasonable business and arbitrator’s judgment.

18.6 Disputes Not Subject to the Mediation/Arbitration Process

Claims or disputes relating primarily to the validity of the Marks and/or to any intellectual property licensed to you and/or the covenants not to compete shall be subject to court proceedings in a court of competent jurisdiction; except that the parties shall first attempt a face-to-face meeting and mediation in accordance with the above procedures before bringing such action. Notwithstanding the foregoing, only the portion of any claim or dispute relating

primarily to the validity of the Marks and/or any intellectual property and/or the covenants not to compete licensed under this RD Agreement will be subject to court action.

18.7 The Intentions of the Parties

We mutually agree, have expressly had a meeting of the minds, and expressly intend that notwithstanding any contrary provisions of state or other law, and/or any statements in the mandated franchise disclosure document required by a state as a condition to registration or for some other purpose:

a. all issues and disputes relating to arbitrability of issues (including whether or not any particular claim, the limitation of damages, venue, choice of laws, shortened periods in which to bring claims, jurisdiction or the interpretation or enforcement of any of the dispute-resolution-related provisions of this RD Agreement) will be decided by the arbitrator;

b. all provisions of this RD Agreement (including the language of this Article) will be fully enforced, including, but not limited to, those relating to arbitration, waiver of jury trial, limitation of damages, venue, choice of laws and shortened periods in which to bring claims;

c. the parties intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this RD Agreement will be enforced according to its terms;

d. except as expressly provided in this RD Agreement, each party knowingly waives all rights to a court trial and, instead, select arbitration as the sole means to resolve disputes understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence, that appeal is generally less available and that the fees and costs associated with mediation and/or arbitration may be substantially greater than in civil litigation;

e. the terms of this RD Agreement (including but not limited to this Article) will control with respect to any matters of choice of law; and,

f. notwithstanding the fact that a party to this RD Agreement is or may become a party to a court action or special proceeding with a third party or otherwise, and whether or not such pending court action or special proceeding: (i) may include issues of law, fact or otherwise arising out of the same transaction or series of related transactions as any arbitration between or involving the parties to this RD Agreement; (ii) involves a possibility of conflicting rulings on common issues of law, fact or otherwise; and (iii) such pending court action or special proceeding may involve a third party who cannot be compelled to arbitrate, the terms, covenants and conditions of this RD Agreement and any dispute between the parties to this RD Agreement will be enforced according to the terms found herein including the obligation to perform under this Article.

18.8 Mutual Waivers; Injunction Excepted

We each agree that each is choosing arbitration over resorting to litigation in court.

We each agree that each specifically recognize that each has the right to a trial by jury in a court and, being advised of the same, each hereby waives such right.

We each understand and agree that he, she or it specifically agrees that any matters concerning the relationship between us shall be done on an individual basis and shall not be brought as a class action, or with multiple unrelated regional developers (whether as a result of attempted consolidation, joinder or otherwise).

It is agreed that the limitations of this subsection are prudent from a business standpoint because: (a) the mediation and arbitration procedures contemplated by this RD Agreement function most effectively on an individual case basis; (b) there are significant factors present in each individual regional developer's situation which should be respected; and, (c) class-wide or multiple plaintiff disputes do not foster quick, amicable and economic dispute resolutions.

Notwithstanding the above provision for a face-to-face meeting, mediation and arbitration, we each shall have the right in the proper case to obtain injunctive relief from a court of competent jurisdiction. We each agree that the other may obtain such injunctive relief, after posting a bond or bonds totaling no more than \$500; except as set forth in Sections 6.1 and 15.7 above, which require no posting of bonds. In event of the entry of such injunctive relief, the sole remedy of the enjoined party shall be to seek the dissolution of such injunctive relief, if warranted and after a hearing; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived. Further, to the fullest extent possible, the parties shall hold the face-to-face meeting, the mediation, and arbitration, prior to or during the prosecution of the injunction.

Each party agrees that it has the right to seek damages that are in addition to the actual monetary loss that can be proven which would include, but not be limited to, such damages as consequential, exemplary and punitive damages. Being advised of the same, we each waive such damages that may be in addition to any actual monetary damages suffered. This waiver does not affect, and will not limit in any manner, the damages that we can seek under the indemnification clause found above.

18.9 One Year Limitation of Action

Except for an alleged violation of the Marks (which may be brought at any time), no arbitration, action or suit (whether by way of claim, counter-claim, cross-complaint, raised as an affirmative defense, offset or otherwise) between us will be permitted, whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this RD Agreement, or any other claim of any type, unless such party commences such arbitration proceeding, action or suit before the expiration of one (1) year from the date on which the facts giving rise to the cause of action comes to the attention of, or using reasonable diligence should have come to the attention of, such party. The one (1) year period will begin to run, and

will not be tolled, merely because the claiming party was unaware of legal theories, statutes, regulations or case law upon which the claim might be based.

Notwithstanding the foregoing, if any federal or state law provides for a shorter limitation period than is described in this Article, then such shorter period will govern.

This subsection will not apply to issues of indemnification above and such actions under the indemnification covenant may be brought within the period provided by any limitation-of-action statute under the laws of the state in which the main office of the Franchisor is then located.

initials

initials

18.10 Survival of Obligations

Each provision of this Article 18, will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, rescission or finding of unenforceability of this RD Agreement (or any part of it) for any reason.

19. ADDITIONAL PROVISIONS

19.1 Entire Agreement - Merger

This RD Agreement, including all attachments, exhibits and addenda, contains the entire agreement between all parties hereto and supersedes any and all prior oral, written, express or implied agreements concerning the subject matter hereof. All prior negotiations, understandings, agreements, oral or written, and representations are merged into this Franchise Agreement.

The Regional Developer agrees and understands that Franchisor will not be liable or obligated for any oral representations or commitments made prior to the execution hereof or for claims of negligent or fraudulent misrepresentation based on any such oral representations or commitments.

The Franchisor does not authorize and will not be bound by any representation of any nature other than those expressed in this RD Agreement. The Regional Developer and all Bound Parties further acknowledge that no representations have been made to it or them regarding projected sales volumes, market potential, revenues, profits of the RD Business, or operational assistance other than as stated in this RD Agreement or in any disclosure document provided by us to you or representatives.

Nothing in this RD Agreement or in any related agreement is intended to disclaim any representations in the franchise disclosure document.

19.2 Invalidity.

If any provision of this RD Agreement is held invalid by any tribunal in a final decision from which no appeal is or can be taken, such provision shall be deemed modified to eliminate the invalid element of the provision and, as so modified, such provision shall be deemed part of this RD Agreement as though originally included. The remaining provisions of this RD Agreement shall not be affected by such modifications.

19.3 Modifications.

Regional Developer acknowledges that Franchisor may unilaterally modify or update its standards, specifications, and operating and marketing techniques, and may add new services to the Franchise Agreements or the RD Agreement through updates to the Franchisee Operations Manuals or RD Manuals, under any conditions and to the extent in which Franchisor deems necessary to protect, promote, or improve the Marks and the quality of the System. Except as described here, this Agreement may only be modified in writing which must be signed and dated by the Franchisor and Regional Developer.

19.4 Delegation

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

19.5. No Third Party Beneficiaries

All obligations of the Franchisor under this RD Agreement are solely and exclusively for the benefit of the Regional Developer, and no other party is entitled to rely on, enforce, benefit from, be deemed to be a third-party beneficiary, or otherwise obtain relief either directly or by subrogation.

19.6 No Waiver.

No waiver of any condition or covenant contained in this RD Agreement or failure to exercise a right or remedy by Regional Developer or Franchisor shall be considered to imply or constitute a further waiver by Franchisor or Regional Developer of the same or any other condition, covenant, right, or remedy.

19.7 Notices and Written Approvals.

When in this RD Agreement, Franchisor is required to provide “written approval” to the Regional Developer for any purpose, such written approval may be delivered by letter, email, fax, or other electronic method.

All notices other than written approvals required to be given under this RD Agreement shall be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, to addresses set forth in the first paragraph of this RD Agreement, or, with respect to notices to Regional Developer, to the address of the RD Business as listed in Franchisor's business records, or at such other addresses as Franchisor or Regional Developer may designate from time to time, and shall be deemed delivered on the date shown on the return receipt (or if refused or not deliverable, then the first date that delivery was attempted) or in the courier's records as the date of delivery,

19.8 Survival of Provisions and Independent Covenants

Any provisions that by its language extend beyond termination or expiration of this RD Agreement shall continue in full force and effect subsequent to and notwithstanding the termination or expiration of this RD Agreement.

The Parties further agree that each covenant herein shall be construed to be independent of any other covenant or provision of this RD Agreement.

19.9 Force Majeure

Except for monetary obligations hereunder which are due regardless of the language of this section 18.10, or as otherwise specifically provided in this Franchise Agreement, if either Party shall be delayed or hindered in or prevented from the performance of any act required under this RD Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this RD Agreement through no fault of such party, then performance of such act shall be excused for the period of the delay, but in no event to exceed ninety (90) days from the date that performance was to be delivered.

19.10 Acknowledgement

BEFORE SIGNING THIS RD AGREEMENT, REGIONAL DEVELOPER SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL. REGIONAL DEVELOPER ACKNOWLEDGES THAT:

a. THE SUCCESS OF THE RD BUSINESS VENTURE INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON REGIONAL DEVELOPER'S ABILITY AS AN INDEPENDENT BUSINESS PERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE RD BUSINESS, AND

b. NO ASSURANCE OR WARRANTY, EXPRESS OR IMPLIED, HAS BEEN GIVEN AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE EARNINGS LIKELY TO BE ACHIEVED, AND

c. NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS DOCUMENT, AND IN ANY FDD SUPPLIED TO REGIONAL DEVELOPER IS BINDING ON FRANCHISOR IN CONNECTION WITH THE SUBJECT MATTER OF THIS RD AGREEMENT.

Regional Developer will also sign the “Closing Acknowledgement found at Attachment 7.

19.11 Recitals, Convenience and State Amendments

The Recitals are made part of this RD Agreement. The headings are for the convenience only of the reader and are not intended to be inclusive or exclusive of any term, covenant, or condition.

19.12 Drafting, Counterparts and Signatures

This RD Agreement was drafted as are result of negotiations between all Parties hereto and after review and consideration by each Party. Therefore, any vague or conflicting term, covenant, or condition shall not be interpreted against the Party that drafted it.

This RD Agreement may be signed in any number of counterparts, and when signed and dated by all Parties, shall be considered one original signed agreement.

Faxed signatures shall be deemed sufficient.

IN WITNESS WHEREOF, the Parties hereto have executed, sealed and delivered this RD Agreement in counterparts on the date first mentioned above.

FRANCHISOR:

REGIONAL DEVELOPER:

**SYNERGY HOMECARE
FRANCHISING, LLC**

By: _____
Name: _____
Its: _____
Date: _____

By: _____
Name: _____
Its: _____
Date: _____

**INDIVIDUAL REGIONAL
DEVELOPERS**

Individually

Print name

Date: _____

Individually

Print name

Date:

**ATTACHMENT 1
RIDER
TO REGIONAL DEVELOPER AGREEMENT
BETWEEN SYNERGY HOMECARE FRANCHISING, LLC AND**

Dated: _____

1. *Development Region.* The Development Region referred to in Section 1.1 of the Agreement shall be:

- a. Geographic Region: _____
- b. Total Population: _____
- c. Initial Regional Developer Fee: _____

2. *Commissions on SYNERGY HomeCare Products.* The SYNERGY HomeCare Product Commission rate shall be in accordance with Fee Schedule published by Franchisor from time-to-time for all SYNERGY HomeCare Products purchased and paid for by Franchisees in the Development Region.

3. *Development Quotas.* Regional Developer shall satisfy the following cumulative Development Quotas by the last day of each Sales Year during the term of the RD Agreement:

Year	Date Sales Year Ends	SYNERGY HomeCare Businesses Sold in the Development Region	SYNERGY HomeCare Businesses Open and Operating in the Development Region

FRANCHISOR:

**SYNERGY HOMECARE
FRANCHISING, LLC**

By: _____
Name: _____
Its: _____
Date: _____

REGIONAL DEVELOPER:

By: _____
Name: _____
its: _____
Date: _____

**INDIVIDUAL REGIONAL
DEVELOPERS**

Individually

Print name

Date:

Individually

Print name

Date:

**ATTACHMENT 2
TO REGIONAL DEVELOPER AGREEMENT
STATEMENT OF OWNERSHIP**

Regional Developer: _____

Trade Name (if different from above): _____

Form of Ownership
(Check One)

Individual Partnership Corporation Limited Liability Co. Other (explain)

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and Developer, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a Limited Liability Company, give the state and date of formation, the name and address of the manager, list the names and addresses of every member and the percentage of membership interest held by each member.

Regional Developer acknowledges that this Statement of Ownership applies to the SYNERGY HomeCare RD Business authorized under the Regional Developer Agreement. Use additional sheets if necessary. Any and all changes to the above information must be reported to the Franchisor in writing.

REGIONAL DEVELOPER

by: _____
its: _____

INDIVIDUAL DEVELOPERS

_____ Individually

_____ Print name

Date: _____

_____ Individually

_____ Print name

Date: _____

**ATTACHMENT 3
TO
REGIONAL DEVELOPER AGREEMENT**

**GUARANTY AND ASSUMPTION OF
REGIONAL DEVELOPER'S OBLIGATIONS**

This Guaranty of Regional Developer's Obligations (Guaranty) is entered into this _____ day of _____, 20__ by and between, SYNERGY HomeCare Franchising, LLC, (Franchisor), _____ (Regional Developer) and _____, whose address is, _____ and _____, whose address is _____ (and _____ and _____ herein jointly and severally known as Guarantor(s)).

RECITALS

WHEREAS, Regional Developer signed a Regional Developer Agreement with Franchisor on the ____ day of _____, 20__ (RD Agreement);

WHEREAS, as an inducement to the Franchisor for granting the RD Agreement, the Guarantor(s) agreed to fully guaranty the performance of Regional Developer under the RD Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants found herein and for other good and valuable consideration, which consideration is deemed to be adequate by all parties, each of the undersigned hereby personally and unconditionally agree to the following:

COVENANTS

1. Guarantor(s) guarantee to Franchisor and its successors and assigns, for the term of the RD Agreement, and thereafter as provided in the RD Agreement, including any amendments thereto or renewals thereof, that the Regional Developer shall timely pay any amount required by the RD Agreement, and shall perform each and every undertaking, agreement and covenant set forth in the RD Agreement and any schedules, addenda or exhibits attached thereto as each may be amended or renewed.

2. Guarantor(s) further agrees to be personally bound by each and every term of the RD Agreement, as amended or renewed, and agree to be personally liable for the breach of, and if permitted, the cure, of each and every breach of any term, covenant or condition of the RD Agreement.

3. As part of the inducement given to Franchisor by the Guarantor(s) to permit the Regional Developer to enter into the RD Agreement, the Guarantor(s) further agree to waive the following:

- a. acceptance and notice of acceptance of the foregoing undertaking;
- b. notice of demand for payment of any indebtedness or notice of any nonperformance of any obligations hereby guaranteed;
- c. protest and notice of default with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;
- d. any right Guarantor may have to require that any action be first brought against Regional Developer or any other person or entity as a condition of liability; and
- e. any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

4. Guarantor(s) further consent and agree that:

- a. Guarantor(s) direct and immediate liability under this guaranty shall be joint and several;
- b. Guarantor(s) shall render any payment or performance required under the RD Agreement upon demand of Franchisor if Regional Developer fails or refuses punctually to do so;
- c. Guarantor(s) performance shall not be contingent or conditioned upon pursuit of any remedies against Regional Developer or any other person;
- d. Guarantor(s) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence (including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims), which Franchisor may from time to time grant to Regional Developer or to any other person, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the RD Agreement, including renewals thereof;

IN WITNESS WHEREOF, each of the undersigned has affixed his, her or its signature as of the date first found above.

FRANCHISOR:

REGIONAL DEVELOPER:

**SYNERGY HOMECARE
FRANCHISING, LLC**

By: _____
 Name: _____
 its: _____
 Date: _____

By: _____
 Name: _____
 its: _____
 Date: _____

INDIVIDUAL REGIONAL DEVELOPERS

_____ Individually

_____ Print name

_____ Individually

_____ Print name

GUARANTORS

_____ Individually

_____ Print name

_____ Individually

_____ Print name

STATE OF _____)
)ss.
COUNTY OF _____)

The above Guaranty was acknowledged before me this ___ day of _____, 20___, by _____ as the _____ of SYNERGY HomeCare Franchising, LLC.

_____ Notary Public

My Commission expires on: _____

STATE OF _____)
)ss.
COUNTY OF _____)

The above Guaranty was acknowledged before me this ___ day of _____, 20___ by _____ as the _____ of _____, Regional Developer.

Notary Public

My Commission expires on: _____

STATE OF _____)
)ss.
COUNTY OF _____)

The above Guaranty was acknowledged before me this _____ day of _____, 20____
by _____ personally as the Guarantor.

Notary Public

My Commission expires on: _____

STATE OF _____)
)ss.
COUNTY OF _____)

The above Guaranty was acknowledged before me this _____ day of _____, 20____,
by _____ personally as the Guarantor.

Notary Public

My Commission expires on: _____

**ATTACHMENT 4
TO SYNERGY HOMECARE FRANCHISING, LLC
REGIONAL DEVELOPER AGREEMENT**

**COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS,
TELEPHONE LISTINGS, AND INTERNET ADDRESSES**

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS, TELEPHONE LISTINGS, AND INTERNET ADDRESSES

This Collateral Assignment of Contact and Electronic Information (Agreement) is made this ___ day of _____, 20____, by and between SYNERGY HomeCare Franchising, LLC (Franchisor) and _____ (Regional Developer).

RECITALS

WHEREAS, on _____, 20____, Franchisor and Regional Developer executed a "RD Agreement" pursuant to the terms of which Regional Developer obtained a franchise from Franchisor to operate a Business at the Franchised Location.

WHEREAS, as part of the RD Agreement, the Regional Developer agreed that upon termination of the RD Agreement, that the Franchisor would have the right, title and interest in and to all contact and electronic information relating to the Regional Developer's Business;

WHEREAS, in order to insure that the Franchisor will have such rights, the parties have agreed to enter into this Agreement;

WHEREAS, any capitalized term not defined herein will have the meaning set forth in the RD Agreement;

NOW THEREFORE, for and in consideration of the covenants found in the RD Agreement and for other good and valuable consideration the adequacy of which is admitted by all parties hereto, it is agreed as follows:

COVENANTS

1. Regional Developer acknowledges that, as between Regional Developer and the Franchisor, the Franchisor has the sole rights to and interest in all telephone, telecopy or facsimile machine numbers, directory listings, URL's web page identifiers, email addresses, social network addresses (including Twitter and Face Book) that are associated with any Mark.

2. Regional Developer authorizes Franchisor, and hereby appoints Franchisor and any of its officers as Regional Developer's attorney-in-fact, to direct the telephone company, all telephone directory publishers, any electronic transfer agency, any URL or webpage host, and any other electronic business, company, transfer agent, host, webmaster, and the like to transfer to the Franchisor all telephone, facsimile machine numbers, and directory listings, and all electronic listings, web pages, social network pages or identities (including twitter and Face Book), URL's, email addresses and the like that relate to the SYNERGY HomeCare Business. Should Regional Developer fail or refuse to do so, any party named herein may accept such direction under this Agreement as conclusive of Franchisor's exclusive rights in and to such information, site, URL, electronic media, telephone numbers, directory listings and the like and Franchisor's authority to direct their transfer.

3. This Agreement is only effective at such time as the RD Agreement is terminated for any reason and then only if the Regional Developer fails or refuses to make the necessary assignments as contemplated by this Agreement.

4. The Recitals are incorporated into this Agreement by this reference.

In Witness Whereof, the parties hereto have executed and delivered this Agreement as of the day and year first written above.

FRANCHISOR:

REGIONAL DEVELOPER:

**SYNERGY HOMECARE
FRANCHISING, LLC**

By: _____
Name: _____
its: _____
Date: _____

By: _____
Name: _____
its: _____
Date: _____

INDIVIDUAL REGIONAL DEVELOPERS

Individually

Print name

Individually

Print name

**ATTACHMENT 5
TOTO SYNERGY HOMECARE FRANCHISING, LLC
REGIONAL DEVELOPER AGREEMENT**

GENERAL RELEASE

GENERAL RELEASE

This General Release (Release) is made this ____ day of _____, 20__, by and between, SYNERGY HomeCare Franchising, LLC (Franchisor), _____ (Regional Developer), and the Regional Developer on behalf of the Regional Developer Parties.

RECITALS

WHEREAS, Franchisor and Regional Developer entered into that certain regional developer agreement dated _____ (RD Agreement);

WHEREAS, pursuant to the Agreement, Regional Developer was permitted to open and operate a Franchised Location at _____ (hereinafter the "Business");

WHEREAS, Regional Developer desires to terminate the RD Agreement;

WHEREAS, as a material inducement to the Franchisor approving the same and taking such action, the Regional Developer has agreed to provide this Release;

WHEREAS, all capitalized terms not defined herein shall have the meaning set forth in the RD Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants found herein, for that consideration stated below, and for other good and valuable consideration the adequacy of which is admitted by all parties hereto, it is agreed as follows:

COVENANTS

1. The Recitals are incorporated herein by this reference.

2. Regional Developer for and on behalf of itself, himself or herself, its officers, directors, shareholders and employees, and on behalf of any parent corporation or subsidiary, business entity, successor, assignee and their officers, directors, shareholders and employees, and the Regional Developer Parties, for itself, himself or herself, and on behalf of itself, its officers, directors, shareholders and employees, and on behalf of any parent corporation or subsidiary, business entity, successor, assignee and their officers, directors, shareholders and employees and for and in consideration of: the Franchisor granting to the Regional Developer the right to terminate the RD Agreement and for other good and valuable consideration all of which is deemed adequate by all parties hereto, does (or do) hereby release, forever forgive and discharge Franchisor, its officers, directors, shareholders and employees, from any: equitable or legal claim; cause of action; complaint; direct, indirect or consequential damages; judgment; award; injury, or any other right or action (Claim) which relates in any way to: (i) the delivery of the Franchise Disclosure Document (FDD) to Regional Developer; (ii) the performance or failure of performance of Franchisor under the RD Agreement up to and including the date of this Release; and (iii) the performance or the failure to perform of Franchisor under any other agreement,

covenant or document by and between the parties from the beginning of time to the date of this Release.

3. The Release shall be interpreted in accordance with the laws of the state in which the offices of the Franchisor are found as of the date that this Release was signed and shall be enforceable in accordance with the requirements found in the applicable sections of the Agreement which are incorporated herein as if fully set forth.

4. Regional Developer and the Regional Developer Parties each deliver this Release with the intent that Franchisor rely upon the same. The Franchisor and the Regional Developer Parties each expressly states that the grant by the Franchisor to the Regional Developer of the right described in paragraph 1 above, was made in contemplation of not only known damages and the consequences thereof but also in contemplation of the possibility that the Regional Developer and/or the Regional Developer Parties may or will sustain future damages presently unknown to them but which accrued on or before the date of this Release.

5. If any mandatory provisions of the governing state law limit or prohibit the use of this Release, or which in any manner impose different rights or obligations as are found herein, then such mandatory provisions of state law shall be deemed incorporated in the RD Agreement and this Release by reference, and shall prevail over any inconsistent terms in this Release. If no such law exists, or if such law exists but permits the Regional Developer to agree to abide by the terms of this Release, then the Regional Developer shall agree to abide by the terms of this Release. Nothing in this Release or in any related agreement that you sign with us is intended to disclaim any representations in the franchise disclosure document.

6. The Regional Developer and the Regional Developer Parties fully realize that each may have sustained unknown and unforeseen losses, costs, expenses, damages, liabilities, claims and business losses, and the consequences thereof, which may be at this time, heretofore and hereafter unknown, unrecognized and not contemplated by them. By executing this Release, the Regional Developer and the Regional Developer Parties fully intend to release the Franchisor from any and all liability for any and all such unknown and unforeseen losses, expenses, damages, costs, liabilities, business losses, and the consequences thereof, not known, recognized nor contemplated at any time by them up to the date of this Release.

7. Each Party expressly assumes: (i) any and all risks that the facts and law may be, or become, different from the facts and law as known to, or believed to be by them as of the date of this Release; and, (ii) the risk that the settlement underlying the execution of this Release was made on the basis of mistakes or mistake, mutual or unilateral, and forever waive any right to assert that this Release was the result of a mistake of any kind, waiving all claims based upon the doctrine of mistake.

8. Notwithstanding anything herein to the contrary, nothing in this Release or in any related agreement that you sign with us is intended to disclaim any representations in the franchise disclosure document.

DONE AS OF THE DATE FIRST FOUND ABOVE.

FRANCHISOR:

**SYNERGY HOMECARE
FRANCHISING, LLC**

By: _____
Name: _____
its: _____
Date: _____

REGIONAL DEVELOPER:

By: _____
Name: _____
its: _____
Date: _____

INDIVIDUAL REGIONAL DEVELOPERS

Individually

Print name

Individually

Print name

**ATTACHMENT 6
TOTO SYNERGY HOMECARE FRANCHISING, LLC
REGIONAL DEVELOPER AGREEMENT**

**NON-DISCLOSURE AND
NON-COMPETITION AGREEMENT**

NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

This Non-Disclosure and Non-Competition Agreement (“**Agreement**”) is made and entered into the ____ day of _____, 20__ by and between **SYNERGY HOMECARE FRANCHISING, LLC**, an Arizona limited liability company (“**Franchisor**”), _____ (**Regional Developer**) and _____ (**Regional Developer Affiliate**), an individual residing at _____.

RECITALS

WHEREAS, the Franchisor is engaged in the business of selling franchises for businesses that provide non-medical in-home personal assistance, including but not limited to, in-home care and companionship, medication reminders, and other personal services to seniors, the convalescing, disabled persons and others who need help with daily living activities (“**Franchise Business**”).

WHEREAS, the Franchisor is also engaged in granting to certain qualified individuals or entities the right to operate as a Regional Developer (Regional Developer Business);

WHEREAS, The Franchise Business and the Regional Developer Business are operated under the Franchisor’s trademark “SYNERGY HOMECARE” and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively “**Marks**”);

WHEREAS, the Franchisor has developed methods for establishing, operating and promoting Regional Developer Businesses pursuant to the Franchisor’s distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, “Trade Secrets” (as that term is defined by the Arizona Trade Secrets Act (or similar statutes), operating procedures, Marks and information and know-how of the Franchisor (“**Confidential Information**”) and such Confidential Information as may be further developed from time to time by the Franchisor;

WHEREAS, the Franchisor and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of non-medical in-home personal assistance, including but not limited to, in-home care and companionship, medication reminders, and other personal services to seniors, the convalescing, disabled persons and others who need help with daily living activities which the Franchisor and its affiliates provide, which goodwill and reputation have been and will continue to be of major benefit to the Franchisor;

WHEREAS, the Franchisor and Regional Developer signed that certain “Regional Developer Agreement” on or about _____;

WHEREAS, Regional Developer Affiliate desires to become involved with the Franchisor and the Regional Developer in the capacity of an officer, partner, director, agent, employee, or beneficial owner of the Regional Developer, or is an immediate family member (including any spouse or the other member of a civil union) of a principal owning Regional

Developer, and will become privileged as to certain Confidential Information, and Regional Developer Affiliate may or may not have signed the Regional Developer Agreement or the guaranty of the Regional Developer's obligations; and

WHEREAS, Regional Developer Affiliate and the Franchisor have reached an understanding with regard to non-disclosure by Regional Developer Affiliate of Confidential Information and with respect to non-competition by Regional Developer Affiliate with the Franchisor, with other Regional Developers, and with other franchisees of the Franchisor. Regional Developer Affiliate agrees to the terms of this Agreement as partial consideration for the Franchisor's willingness to allow Regional Developer Affiliate to engage in a business relationship with Franchisor, the Regional Developer or a franchisee of the Franchisor using the Franchisor's Confidential Information.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Regional Developer Affiliate and the Franchisor, intending legally to be bound, agree as follows:

COVENANTS

1. Regional Developer Affiliate and the Franchisor acknowledge that the Confidential Information which is developed and utilized in connection with the operation of Regional Developer is unique, exclusive property and a trade secret of the Franchisor. Regional Developer Affiliate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to the Franchisor. Regional Developer Affiliate further acknowledges that the Franchisor has expended a great amount of effort and money in obtaining and developing the Confidential Information, that the Franchisor has taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

2. Regional Developer Affiliate acknowledges and agrees that the Confidential Information as used in this Agreement, includes, without limitation, formulas, lists of customers, supplier information, Trade Secrets, proprietary processes, operations, marketing, any and all information contained in the Franchisor's RD Manual and Franchise Operations Manuals, written instructional guides, CD Rom, or other communications from the Franchisor, which may be changed or supplemented from time to time, and any information of whatever nature that gives the Franchisor and its affiliates an opportunity to obtain an advantage over its competitors that do not have access to, know or use such lists, written materials, formulas or information. Regional Developer Affiliate also agrees that the value of the Confidential Information is derived not only from the time, effort and money which went into its compilation, but from the usage of the same by all regional Developers and franchisees of the Franchisor using the Marks and System. Regional Developer Affiliate therefore agrees that other than the use of the Confidential Information by the Regional Developer Affiliate during his or her work with the Regional Developer, the Regional Developer Affiliate and any member of Regional Developer Affiliate's immediate family, will during the term of RD Agreement refrain from:

a. having any direct or indirect controlling interest as a disclosed or beneficial owner in a “Competitive Business”. For purposes of this Agreement, a Competitive Business shall mean a business operating or granting franchises or licenses to others to operate, a business deriving more than ten percent (10%) of its gross receipts from providing non-medical in-home personal assistance, including but not limited to, in-home care and companionship, medication reminders, and other personal services to seniors, the convalescing, disabled persons and others who need help with daily living activities;

b. performing services as a regional developer, area developer, partner, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; or

c. divert or attempt to divert any business related to, or any customer or account of the Regional Developer Business, the Franchisor’s business, the business of any affiliate of the Franchisor or any franchisee’s business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of Company or another regional Developer or franchisee licensed by Company, to any Competitive Business by any direct inducement or otherwise.

3. Regional Developer Affiliate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Franchisor, the Regional Developer Business, or the Franchise Business, any of the Confidential Information of the Franchisor or its affiliates.

4. Upon termination or expiration of this Agreement for any reason, Regional Developer Affiliate agrees that, for a period of two (2) years commencing on the effective date of termination or expiration, the Regional Developer Affiliate will not (through any immediate family member of Regional Developer Affiliate or its owners or otherwise):

a. Have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business that is within the Development Region or 50 miles of the perimeter Development Region, or within 50 miles of perimeter of any other development region or other territory of a Franchised Business;

b. Perform services as a regional developer, area developer, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business that is within the Development Region or 50 miles of the perimeter Development Region, or within 50 miles of perimeter of any other development region or other territory of an RD or Franchised Business;

c. Divert or attempt to divert any business related to, or any customer or account of, the RD Business, Franchisor’s business or any other SYNERGY HomeCare Regional Developer’s or Franchisees’ Franchised RD Business, by direct inducement or otherwise; or divert or attempt to divert the employment of any employee of Franchisor, another Regional

Developer, or any Franchisee licensed by Franchisor, to any Competitive Business by any direct inducement or otherwise;

d. Directly or indirectly solicit or employ any person who is employed by Franchisor, another Regional Developer, or a Franchisee.

The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding or to the extent Regional Developer Affiliate continues to operate one or more Synergy Businesses pursuant to one or more separate Franchise Agreements for so long as that Franchise Agreements remain. Regional Developer Affiliate expressly acknowledges that he or she possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive him or her of his or her personal goodwill or ability to earn a living.

5. Regional Developer Affiliate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, the Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which the Franchisor may be entitled. Regional Developer Affiliate agrees that the Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling \$500 or more, but upon due notice, and Regional Developer Affiliate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Regional Developer Affiliate.

6. Regional Developer Affiliate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and that any violation of this Agreement would cause substantial and irreparable injury to Company, and that Company would not have entered into a business relationship with Regional Developer Affiliate or this Agreement without receiving Regional Developer Affiliate's unrestricted promise to preserve the confidentiality of the Confidential Information. In any litigation concerning the entry of any requested injunction against Regional Developer Affiliate, Regional Developer Affiliate, for value, voluntarily waives such defenses as Regional Developer Affiliate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "prior breach" on the part of the Franchisor; it being specifically understood and agreed between the Parties that no action or lack of action on the part of the Franchisor will entitle or permit the Regional Developer Affiliate to disclose any such Confidential Information in any circumstances.

7. The waiver by Regional Developer Affiliate or the Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

8. This Agreement shall be binding upon and inure to the benefit of Regional Developer Affiliate and the Franchisor and their respective heirs, executors, representatives, successors and assigns.

9. This Agreement contains the entire agreement of Regional Developer Affiliate and the Franchisor relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

10. This instrument shall be governed by and construed under the laws of the state of Arizona.

11. In the event of a breach or threatened breach by Regional Developer Affiliate of this Agreement, Regional Developer Affiliate hereby irrevocably submits to the jurisdiction of the state and federal courts of Arizona, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Maricopa County, Arizona. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Arizona. Notwithstanding the foregoing, in the event that the laws of the state where the Regional Developer Affiliate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

12. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

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

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date first above written.

REGIONAL DEVELOPER

REGIONAL DEVELOPER AFFILIATE:

by: _____
its: _____
date: _____

date: _____

SYNERGY HOMECARE

FRANCHISING, LLC,

by: _____

name: _____

its: _____

date: _____

**ATTACHMENT 7
TOTO SYNERGY HOMECARE FRANCHISING, LLC
REGIONAL DEVELOPER AGREEMENT**

CLOSING ACKNOWLEDGEMENT

CLOSING ACKNOWLEDGEMENT

Regional Developer's Name: _____
Address: _____
Telephone: _____
Today's Date: _____

PLEASE RESPOND TO EACH PARAGRAPH. IN RESPONDING, PLEASE STATE WHETHER THE STATEMENT IS TRUE OR FALSE AND PROVIDE ANY OTHER INFORMATION THAT YOU IS IMPORTANT TO YOU

1. I had an opportunity to review the Regional Developer Agreement (RD Agreement) and all of its attachments and addenda and understand the terms, conditions, and obligations of these agreements.

True False

_____ initials

2. I had an opportunity to seek professional advice regarding the RD Agreement and all matters concerning the purchase of the license.

True False

_____ initials

3. Except as specifically written in the RD Agreement, no promises, agreements, contracts, commitments, representations, understandings, "side deals" or otherwise have been made to or with me with respect to any matter, including, but not limited to, any representations or promises regarding advertising (television or otherwise), marketing, site location, operational assistance or other services.

True False

_____ initials

4. Even if promises, agreements, contracts, commitments, representations, understandings, "side deals" or otherwise have been made to or with me with respect to any matter, including, but not limited to, any representations or promises regarding advertising (television or otherwise), marketing, site location, operational assistance or other services, I have not relied in any way on any such promises, agreements, contracts, commitments, representations, understanding or "side deals" when making my decision to purchase this franchise.

True False

initials

5. No oral, written, visual claim, representation, promise, agreement, contract, commitment, representation, understanding or otherwise was made which contradict or are inconsistent with the terms of the RD Agreement.

True False

initials

6. Even if an oral, written, visual claim, representation, promise, agreement, contract, commitment, representation, understanding or otherwise which contradicts or is inconsistent with the Agreement was made to me, I have not relied in any way on any such matter when making the decision in reference to the RD Agreement.

True False

initials

7. I have made my own independent determination that I have adequate working capital to develop, open, and operate as a Regional Developer.

True False

initials

8. I understand that my investment involves substantial business risks and that there is no guarantee that it will be profitable.

True False

initials

9. I acknowledge that the success of my business in large part upon my ability as an independent business person and my active participation in the day to day operation of the business.

True False

initials

I have completed this Closing Acknowledgement and have disclosed any information that is contrary to any printed statement or have provided any other information that I deem to be important.

Done this _____ day of _____, 20__

**SYNERGY HOMECARE
FRANCHISING, LLC**

by: _____
name: _____
its: _____

REGIONAL DEVELOPER

by: _____
name: _____
its: _____

INDIVIDUAL REGIONAL DEVELOPERS

Individually

Print name

Individually

Print name

**ATTACHMENT 8
TO SYNERGY HOMECARE FRANCHISING, LLC
REGIONAL DEVELOPER AGREEMENT**

STATE AMENDMENTS

AMENDMENTS TO THE REGIONAL DEVELOPER AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF CALIFORNIA

This AMENDMENT TO the Regional Developer Agreement, agreed to this ___ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Regional Developer Agreement as follows:

1. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-3516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Regional Developer Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- The California Franchise Relations Act provides rights to Regional Developer concerning termination or nonrenewal of the Regional Developer Agreement, which may supersede provisions in the Regional Developer Agreement. .
- The section of the the Regional Developer Agreement which terminates the Regional Developer Agreement upon the bankruptcy of the Regional Developer, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- The Section of of the Regional Developer Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law.
- The Regional Developer Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law.
- The Regional Developer Agreement requires application of the laws of a state other than California. This provision might not be enforceable under California law.
- The of the Regional Developer Agreement requires binding arbitration. The arbitration will occur at the forum indicated in the Regional Developer Agreement, with the costs being borne by the non-prevailing party. Prospective Regional Developers are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Regional Developer Agreement restricting venue to a forum outside of the State of California.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the California Investment Law and/or the California Franchise Relations Act are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Regional Developer Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:
By: _____
Title: _____

Regional Developer: _____
By: _____
Title: _____

**AMENDMENT TO THE REGIONAL DEVELOPER AGREEMENT
SYNERGY HOMECARE FRANCHISING, LLC**

FOR THE STATE OF HAWAII

This AMENDMENT TO the Regional Developer Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Regional Developer Agreement as follows:

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E et seq., the Regional Developer Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- The Hawaii Franchise Investment Law provides rights to Regional Developer concerning non-renewal, termination and transfer of the Regional Developer Agreement. If the Agreement contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- Regional Developer is required to sign a general release as a condition of renewal and transfer of the franchise; such release will exclude claims arising under the Hawaii Franchise Investment Law.
- Any term of the the Regional Developer Agreement, which terminates the Regional Developer Agreement upon the bankruptcy of the Regional Developer, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independent of this Addendum. To the extent this Addendum will be deemed to be inconsistent with any terms or conditions of said Regional Developer Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Regional Developer : _____

By: _____

By: _____

Title: _____

Title: _____

AMENDMENT TO THE REGIONAL DEVELOPER AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF ILLINOIS

This AMENDMENT TO the Regional Developer Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Regional Developer Agreement as follows:

1. In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Regional Developer Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- The Regional Developer Agreement is amended to add:

The conditions under which the Regional Developer Agreement can be terminated and Regional Developer’s rights upon non-renewal, as well as the application by which Regional Developer must bring any claims, may be governed by the Illinois Franchise Disclosure Act, 815 ILCS 705/19 and 705/20.

- The Regional Developer Agreement is amended to add:

No action for liability under the Illinois Franchise Disclosure Act will be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after Regional Developer becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to Regional Developer of a written notice disclosing the violation, whichever will first expire.

- The Regional Developer Agreement is amended to add:

The Regional Developer Agreement will be governed by Illinois Law. Jurisdiction and venue for court litigations will be in Illinois. Any provision the Regional Developer Agreement that designates jurisdiction or venue in a forum outside the State is void, provided that a Regional Developer Agreement may provide for arbitration in a forum outside of Illinois.

- The Regional Developer Agreement is amended to include a 14 calendar day minimum disclosure period prior to the signing of a binding agreement or any payment to the Franchisor.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Regional Developer Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Regional Developer:

By: _____

By: _____

Title: _____

Title: _____

**AMENDMENT TO THE REGIONAL DEVELOPER AGREEMENT
SYNERGY HOMECARE FRANCHISING, LLC**

FOR THE STATE OF INDIANA

This Addendum the Regional Developer Agreement, agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Regional Developer Agreement as follows:

1. In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2.2.7 and the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Regional Developer Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- The Regional Developer Agreement cannot not provide for a prospective general release of claims against Franchisor that may be subject to the Indiana Deceptive Franchise Practices Law or the Indiana Franchise Disclosure Law.
- The Regional Developer Agreement is amended to prohibit unlawful unilateral termination of a franchise unless there is a material violation the Regional Developer Agreement and termination is not in bad faith.
- The Regional Developer Agreement is amended subject to Indiana Code 23-2-2.7-1(9) to provide that post-term non-competitor covenants will have a geographical limitation of the territory granted to Regional Developer.
- Regional Developer will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Regional Developers reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Regional Developer in the manner required by Franchisor.
- In the event of a conflict of law, the Indiana Franchise Disclosure Law, IC 23-2-2.5, and the Indiana Deceptive Franchise Practices Law will prevail.
- The Regional Developer Agreement is amended to provide that Regional Developer may commence litigation in Indiana for any cause of action under Indiana law.
- The Regional Developer Agreement is amended to provide that arbitration between Franchisor and Regional Developer will be conducted in Indiana or a site mutually agreed upon.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Indiana Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum will be deemed to be inconsistent with any terms or conditions of said Regional Developer Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Regional Developer: _____

By: _____

By: _____

Title: _____

Title: _____

AMENDMENT TO THE REGIONAL DEVELOPER AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF MARYLAND

This Addendum the Regional Developer Agreement to the Regional Developer Agreement, agreed to this ____ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Regional Developer Agreement as follows:

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201-14-233, the Regional Developer Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- General release that may be required to be signed as a condition of renewal, termination and transfer of the franchise will exclude claims arising under the Maryland Franchise Registration and Disclosure Law.
- Any section of the Regional Developer Agreement which terminates the Regional Developer Agreement upon the bankruptcy of the Regional Developer, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Any section of the Regional Developer Agreement requires that the franchise be governed by the laws of the State of Arizona; however, in the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, the laws of the State of Maryland will prevail.
- The Regional Developer Agreement requires litigation or arbitration to be conducted in the State of Arizona; the requirement will not limit any rights Regional Developer may have under the Maryland Franchise Registration and Disclosure Law to bring suit in the State of Maryland.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

2. Each provision of this Addendum will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Regional Developer Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Regional Developer: _____

By: _____

By: _____

Title: _____

Title: _____

AMENDMENT TO THE REGIONAL DEVELOPER AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF MICHIGAN

This Amendment to the Regional Developer Agreement is agreed to this ____ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____ to amend and revise said Regional Developer Agreement as follows:

1. In recognition of the requirements of the Michigan Franchise Investment Law, MCL §§445.1501-445.1546, the Regional Developer Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- The Regional Developer Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Regional Developer Agreement; this covenant may not be enforceable under Michigan law.

2. Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the Michigan Franchise Investment Law are met independent of this Amendment. To the extent this addendum is deemed to be inconsistent with any terms or conditions of said Regional Developer Agreement or exhibits or attachments thereto, the terms of this addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Regional Developer: _____

By: _____

By: _____

Title: _____

Title: _____

AMENDMENT TO THE REGIONAL DEVELOPER AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF MINNESOTA

This AMENDMENT TO the Regional Developer Agreement , agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises the Regional Developer Agreement as follows:

1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Regional Developer Agreement agree as follows:

- The Regional Developer Agreement is amended to add that with respect to matters governed by Minnesota Law, Franchisor will comply with the Minnesota Franchise Law which requires, except in certain specified cases, that Regional Developer be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.
- Any general release will not provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a Regional Developer to assent to a general release.
- Franchisor will reimburse you for any costs incurred by Regional Developer in the defense of Regional Developer’s right to use the Marks, so long as Regional Developer was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
- Regional Developer Agreement is amended to state that any claim concerning the Franchised Business or this Agreement or any related agreement will be barred unless an action for a claim is commenced within three (3) years from the date on which Regional Developer or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.
- Any covenant in the Regional Developer Agreement that seeks to limit damages is deleted in its entirety.
- Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Offering Circular or Regional Developer Agreement can abrogate or reduce any of Regional Developer’s rights as provided for in Minnesota Statutes, Chapter 80C, or Regional Developer’s rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Regional Developer Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Regional Developer: _____

By: _____

By: _____

Title: _____

Title: _____

AMENDMENT TO THE REGIONAL DEVELOPER AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF NEW YORK

This AMENDMENT TO the Regional Developer Agreement , agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Regional Developer Agreement as follows:

1. In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§ 680 through 695, the Regional Developer Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- Sections 4.2.12, 8.3, and 18.2.4 require Regional Developer to sign a general release as a condition of renewal, termination and transfer of the franchise; such release will exclude claims arising under the General Business Laws.
- Under the Regional Developer Agreement, Franchisor will not transfer and assign its rights and obligations unless the transferee will be able to perform the Franchisor’s obligations, in Franchisor’s good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.
- Regional Developer will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Regional Developer’s reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Regional Developer in the manner required by Franchisor.
- The Regional Developer Agreement requires that the franchise be governed by the laws of the state the Franchisor’s principal business is then located, such a requirement will not be considered a waiver of any right conferred upon the Regional Developer by Article 33 of the General Business Laws.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the New York Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Regional Developer Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Regional Developer:_____

By: _____

By:_____

Title:_____

Title:_____

AMENDMENT TO THE REGIONAL DEVELOPER AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF NORTH DAKOTA

This AMENDMENT TO the Regional Developer Agreement, agreed to this ___ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Regional Developer Agreement as follows:

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et seq.* Such provisions in the Agreement are hereby amended as follows:

- The execution of a general release upon renewal, termination or transfer will be inapplicable to franchises operating under the North Dakota Franchise Investment Law to the extent that such a release excludes claims arising under the North Dakota Franchise Investment Law.
- Section 7 The Regional Developer Agreement is amended to add that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.
- Covenants not to compete upon termination or expiration the Regional Developer Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- In the event of a conflict of laws, North Dakota Law will prevail.
- Any action may be brought in the appropriate state or federal court in North Dakota.
- The statute of limitations under North Dakota Law will apply.
- Any covenant limiting damages and any covenant that seeks to require the waiver of a jury trial are deleted in their entirety.
- Any arbitration involving a regional developer agreement purchased in North Dakota must be held either in a location mutually agreed upon prior to the arbitration, or if the parties cannot agree on a location, the arbitrator will determine the location.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Regional Developer Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Regional Developer: _____

By: _____

By: _____

Title: _____

Title: _____

AMENDMENT TO THE REGIONAL DEVELOPER AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF RHODE ISLAND

This Addendum the Regional Developer Agreement , agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Regional Developer Agreement as follows:

1. In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, the Regional Developer Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- Any general release signed by Regional Developer as a condition of renewal, termination and transfer of the franchise will exclude claims arising under The Rhode Island Franchise Investment Act.
- Restricting jurisdiction or venue to a forum outside the state of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Rhode Island Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of the Regional Developer Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Regional Developer : _____

By: _____

By: _____

Title: _____

Title: _____

AMENDMENT TO THE REGIONAL DEVELOPER AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF VIRGINIA

This AMENDMENT TO the Regional Developer Agreement, agreed to this ___ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____

Franchisor and Regional Developer amend and revise the Regional Developer Agreement as follows:

- Any covenant that terminates the Regional Developer Agreement upon the bankruptcy, of the Regional Developer may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for SYNERGY HomeCare Franchising, LLC for use in the Commonwealth of Virginia is amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Regional Developer Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

- The third sentence of the third paragraph of the FTC Cover Page is amended to state:

“You must receive this disclosure document at least 14 days before you sign a binding agreement or make any payment in connection with the franchise sale or grant.”

- The first sentence of the second paragraph of both Receipt Pages is amended to state:

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

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

SYNERGY HOMECARE FRANCHISING, LLC:

Regional Developer: _____

By: _____

By: _____

Title: _____

Title: _____

AMENDMENT TO THE REGIONAL DEVELOPER AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF WASHINGTON

This AMENDMENT TO the Regional Developer Agreement , agreed to this ___ day of _____, 20___, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Regional Developer Agreement as follows:

1. In recognition of the requirements of the Washington Franchise Investment Protection Act, Washington Rev. Code §§19.100.010 – 19.100.940, the Regional Developer Agreement for SYNERGY HOMECARE FRANCHISING, LLC is amended as follows:

- The Washington Franchise Investment Protection Act provides rights to Regional Developer concerning non-renewal and termination the Regional Developer Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act will control.
- Any general release required to be signed by Regional Developer as a condition of renewal, termination and transfer of the Regional Developer Agreement will exclude claims arising under the Washington Franchise Investment Protection Act.
- The Regional Developer Agreement requires that the franchise be governed by the laws of the State of Arizona; such a requirement may be unenforceable in the event of a conflict with the Washington Franchise Investment Protection Act. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
- The Regional Developer Agreement requires litigation or arbitration to be conducted in the State of Arizona; the requirement will not limit any rights Regional Developer may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.
- Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act (such as a right to a jury trial), may not be enforceable.
- Transfer fees are collectable to the extent that they reflect the Franchisor’s reasonable estimated or actual costs in effecting a transfer.

2. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Regional Developer Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Regional Developer: _____

By: _____

By: _____

Title: _____

Title: _____

AMENDMENT TO THE REGIONAL DEVELOPER AGREEMENT

SYNERGY HOMECARE FRANCHISING, LLC

FOR THE STATE OF WISCONSIN

This AMENDMENT TO the Regional Developer Agreement, agreed to this ___ day of _____, 20____, between SYNERGY HOMECARE FRANCHISING, LLC and _____, amends and revises said Regional Developer Agreement as follows:

1. The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07 will supersede any conflicting terms of the Regional Developer Agreement.

2. This provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum is deemed to be inconsistent with any terms or conditions of said Regional Developer Agreement or exhibits or attachments thereto, the terms of this Addendum will govern.

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

SYNERGY HOMECARE FRANCHISING, LLC:

Regional Developer:_____

By: _____

By: _____

Title: _____

Title: _____



EXHIBIT D

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REGIONAL DEVELOPER OPERATIONS AND SALES
MANUAL**

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EXHIBIT E

FINANCIAL STATEMENTS

Hammond Travers & Tuttle P.C.

Certified Public Accountants

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Susan K. Lingle, C.P.A.
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INDEPENDENT AUDITORS' REPORT

To the Member
Synergy HomeCare Franchising, LLC
Gilbert, Arizona

We have audited the accompanying balance sheets of Synergy HomeCare Franchising, LLC (an Arizona limited liability company) as of December 31, 2011 and 2010, and the related statements of income and member's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Synergy HomeCare Franchising, LLC as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Hammond, Travers & Tuttle P.C.
April 5, 2012

SYNERGY HOMECARE FRANCHISING, LLC
BALANCE SHEETS
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash	\$1,455,858	\$ 464,051
Cash held for national marketing fund	981,653	444,514
Franchisee royalties receivable	345,185	135,889
Prepaid expenses	18,989	1,774
Due from related party	4,000	--
Other	<u>9,878</u>	<u>6,604</u>
TOTAL CURRENT ASSETS	2,815,563	1,052,832
PROPERTY AND EQUIPMENT		
Leasehold improvements	218,307	218,307
Office furniture and equipment	<u>83,111</u>	<u>69,880</u>
	301,418	288,187
Less accumulated depreciation and amortization	<u>(206,331)</u>	<u>(170,361)</u>
	95,087	117,826
OTHER ASSETS		
Deposits	<u>800</u>	<u>800</u>
TOTAL ASSETS	<u>\$2,911,450</u>	<u>\$1,171,458</u>
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
National marketing fund	\$1,234,311	\$ 473,729
Accounts payable	61,247	25,696
Due to member	2,665	28,062
Accrued wages	41,936	21,063
Accrued and withheld payroll taxes	4,817	3,837
Current portion of capital lease	<u>3,095</u>	<u>--</u>
TOTAL CURRENT LIABILITIES	1,348,071	552,387
LONG - TERM LIABILITIES		
Capital lease, net of current portion	5,607	--
MEMBER'S EQUITY	<u>1,557,772</u>	<u>619,071</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$2,911,450</u>	<u>\$1,171,458</u>

The accompanying notes are an integral part of these statements.

SYNERGY HOMECARE FRANCHISING, LLC
 STATEMENTS OF INCOME AND MEMBER'S EQUITY
 Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
REVENUE		
Initial franchise fees	\$3,539,059	\$1,799,500
Royalty fees	2,591,249	1,879,920
Other income	<u>82,405</u>	<u>32,815</u>
TOTAL REVENUE	6,212,713	3,712,235
COST OF SALES		
Regional developer fees and royalties	257,672	113,367
Broker fees	1,105,691	664,500
Sales commissions	<u>125,129</u>	<u>40,060</u>
	<u>1,488,492</u>	<u>817,927</u>
GROSS PROFIT	4,724,221	2,894,308
GENERAL AND ADMINISTRATIVE EXPENSES		
Employee wages, payroll taxes and benefits	955,633	804,482
Meetings and conferences	152,406	33,020
Franchise development costs	58,229	--
Legal and accounting	65,957	89,523
Office expenses	57,196	77,629
Occupancy	53,894	150,656
Bad debt expense	--	107,808
Telephone	28,829	26,743
Marketing	28,943	35,128
Franchise start-up costs	17,205	34,047
Travel and entertainment	42,050	42,269
Web page	27,168	40,466
Insurance	20,469	24,654
Depreciation and amortization	36,527	55,982
Software maintenance fees	25,650	31,730
Dues and subscriptions	11,798	9,873
Registration fees	4,450	8,150
Miscellaneous	<u>23,892</u>	<u>15,847</u>
	<u>1,610,296</u>	<u>1,588,007</u>
INCOME FROM OPERATIONS	3,113,925	1,306,301
INTEREST INCOME	<u>20</u>	<u>1,324</u>
NET INCOME	3,113,945	1,307,625
MEMBER'S EQUITY, BEGINNING OF YEAR	619,071	776,614
MEMBER'S DISTRIBUTIONS	<u>(2,175,244)</u>	<u>(1,465,168)</u>
MEMBER'S EQUITY, END OF YEAR	<u>\$1,557,772</u>	<u>\$ 619,071</u>

The accompanying notes are an integral part of these statements.

SYNERGY HOMECARE FRANCHISING, LLC
 STATEMENTS OF CASH FLOWS
 Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from regional developers and franchisees	\$6,063,989	\$3,692,478
Cash paid for normal operating expenses	(2,862,260)	(2,192,575)
Interest received	20	1,324
Interest paid	<u>(215)</u>	<u>(1,618)</u>
Net cash provided by operating activities	3,201,534	1,499,609
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(7,248)	(13,266)
Advance to related party	<u>(4,000)</u>	<u>--</u>
Net cash used in investing activities	(11,248)	(13,266)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to member	(2,172,091)	(1,465,168)
Repayment to member	(25,397)	28,062
Proceeds from line of credit	2,600	(41,200)
Repayment on line of credit	(2,600)	--
Repayment on capital lease	<u>(991)</u>	<u>--</u>
Net cash used in financing activities	<u>(2,198,479)</u>	<u>(1,478,306)</u>
NET INCREASE IN CASH	991,807	8,037
CASH AT BEGINNING OF YEAR	<u>464,051</u>	<u>456,014</u>
CASH AT END OF YEAR	<u>\$1,455,858</u>	<u>\$ 464,051</u>

SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

In August, 2011, the Company entered into a capital lease for a copier totaling \$9,692.

Company assets totaling \$3,153 were purchased by the member in year 2011, and are included in member's distributions.

The accompanying notes are an integral part of these statements.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Synergy HomeCare Franchising, LLC, (the "Company"), was organized as an Arizona limited liability company on December 19, 2003, for the purpose of franchising under the trade name "Synergy HomeCare" non-medical in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medication reminders, medical and social appointment scheduling and management, organizational and bill paying assistance, housecleaning services and light home maintenance to seniors and assistance to others who need help with daily living activities. The Company sells its franchises throughout the United States of America. The franchising of non-medical in-home personal assistance is regulated by the Federal Trade Commission and various state authorities.

Cash

For purposes of the statement of cash flows, the Company considers cash in checking and money market accounts as cash.

Franchise Royalties Receivables

As a condition of the franchise, franchisees are required to make weekly royalty payments representing 5 percent of franchise sales. The Company extends credit to franchisees for the payment of these royalties. Accounts past due 90 days at December 31, 2011, totaled \$27,622. There were no accounts past due 90 days at December 31, 2010. Management believes that all receivables at December 31, 2011 and 2010, are collectible and has provided no allowance for doubtful accounts. If accounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment is stated at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets. Useful lives range from five to ten years. Accelerated methods are used for tax purposes.

Depreciation and amortization totaled \$36,527 and \$55,982 for the years ended December 31, 2011 and 2010, respectively.

Income Taxes

The Company member has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code. Under these provisions, the Company does not pay Federal and Arizona corporate income taxes on its taxable income. Instead, the member is liable for individual Federal and Arizona taxes on the Company's taxable income.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Marketing

Marketing costs are expensed as incurred. Marketing expenses for the year ended December 31, 2011 and 2010, totaled \$28,943 and \$35,128, respectively.

Franchise Fee Revenue

The Company's policy is to recognize as revenue the initial franchise fee and the initial regional developer fee when the fee is received. The Company's policy is to recognize continuing royalty fees which are based upon franchise sales in the week that related sales occurred.

NOTE B – CONCENTRATION OF CREDIT RISK

The Company deposits the majority of its cash in noninterest bearing accounts at a FDIC insured financial institution. Therefore, all funds are fully insured.

NOTE C – LINE OF CREDIT NOTE PAYABLE

The Company has a \$200,000 unsecured line of credit with Bank of America which automatically renews annually. The interest rate is 7.25%. There were no borrowings as of December 31, 2011 or 2010.

NOTE D – NATIONAL MARKETING FUND

The franchisees pay, in addition to the 5% royalty fee, a marketing fee of 2% of gross sales which is used for local, regional and national marketing and advertising of services offered by the businesses owned by the franchisees and to increase brand awareness. The Company maintains an agency relationship under which the marketing funds collected are segregated and used for the specified purposes. In year 2011 and 2010, the Company paid \$12,000 and \$18,000, respectively, to a party related by common ownership for website maintenance fees. The Company records the marketing fees collected as a liability against which the specified costs are charged.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE E – CAPITAL LEASE OBLIGATION

The Company leases a copier under a three year capital lease agreement effective August 18, 2011. The cost of capitalized leased equipment totaled \$9,692 at December 31, 2011. Amortization for the equipment during year 2011 totaled \$323, and is included in amounts recorded as depreciation and amortization expense. In addition, accumulated amortization at December 31, 2011, totaled \$323. Interest expense on the capital lease obligation totaled \$193 for the year 2011.

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2011.

Total minimum lease payments	\$9,467
Less: interest imputed at 6.225%	<u>765</u>
Present value of minimum lease payments	8,702
Current portion	<u>3,095</u>
Long - term portion	<u>\$5,607</u>

NOTE F – OPERATING LEASES

The Company leases two office spaces in the same complex in Gilbert, Arizona from a party related by common ownership. In year 2010, the lease amount on these spaces totaled \$120,000. The two leases were renegotiated and combined into one lease for an annual rent of \$38,400 effective January 1, 2011.

Future minimum lease payments are as follows for the years ending December 31:

2012	\$ 38,400
2013	38,400
2014	<u>38,400</u>
	<u>\$115,200</u>

NOTE G – RELATED PARTY TRANSACTIONS

The Company leases office space and a condo from a party related by common ownership. Rent paid to the related party totaled \$38,400 and \$127,800 in years 2011 and 2010, respectively.

The Company also pays web software maintenance fees to a party related by common ownership which totaled \$25,650 in year 2011 and \$31,730 in year 2010.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE H – RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	<u>2011</u>	<u>2010</u>
Net income	\$3,113,945	\$1,307,625
Adjustments to reconcile net income to net cash provided by operation activities:		
Depreciation and amortization	36,527	55,982
Bad debt expense	--	107,809
Increase in franchisee royalties receivable	(148,724)	(19,757)
Decrease (increase) in prepaid expenses	(17,215)	49,194
(Decrease) increase in national marketing fund	168,686	(7,098)
Increase in accrued wages	15,826	4,858
Increase in accounts payable	35,479	4,318
Increase in accrued and withheld payroll taxes	284	959
Increase in other current assets	<u>(3,274)</u>	<u>(4,281)</u>
	<u>\$3,201,534</u>	<u>\$1,499,609</u>

NOTE I – ECONOMIC DEPENDENCY

The Company received 11% of its royalty fees from one franchisee in year 2010.

NOTE J – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 5, 2012, which is the date the financial statements were available to be issued.

Hammond Travers & Tuttle P.C.

Certified Public Accountants

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Jason J. Ashley, C.P.A.

INDEPENDENT AUDITORS' REPORT

To the Member
Synergy HomeCare Franchising, LLC
Gilbert, Arizona

We have audited the accompanying balance sheets of Synergy HomeCare Franchising, LLC (an Arizona limited liability company) as of December 31, 2010 and 2009, and the related statements of income and member's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Synergy HomeCare Franchising, LLC as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Hammond, Travers & Tuttle, P.C.

March 26, 2011

SYNERGY HOMECARE FRANCHISING, LLC
BALANCE SHEETS
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 464,051	\$ 456,014
Cash held for national marketing fund	444,514	136,346
Franchisee royalties receivables	135,889	108,267
Current portion of regional developer note receivable	--	90,950
Prepaid expenses	1,774	50,968
Other	<u>6,604</u>	<u>9,437</u>
TOTAL CURRENT ASSETS	1,052,832	851,982
PROPERTY AND EQUIPMENT		
Leasehold improvements	218,307	210,412
Office furniture and equipment	<u>69,880</u>	<u>64,509</u>
	288,187	274,921
Less accumulated depreciation and amortization	<u>(170,361)</u>	<u>(114,378)</u>
	117,826	160,543
OTHER ASSETS		
Regional developer note receivable	--	9,744
Deposits	<u>800</u>	<u>800</u>
	<u>800</u>	<u>10,544</u>
TOTAL ASSETS	<u>\$1,171,458</u>	<u>\$1,023,069</u>
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
National marketing fund	\$ 473,729	\$ 162,286
Accounts payable	25,696	20,580
Due to member	28,062	--
Accrued wages	21,063	19,197
Accrued and withheld payroll taxes	3,837	3,192
Line of credit	<u>--</u>	<u>41,200</u>
TOTAL CURRENT LIABILITIES	552,387	246,455
MEMBER'S EQUITY	<u>619,071</u>	<u>776,614</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$1,171,458</u>	<u>\$1,023,069</u>

The accompanying notes are an integral part of these statements.

SYNERGY HOMECARE FRANCHISING, LLC
 STATEMENTS OF INCOME AND MEMBER'S EQUITY
 Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
REVENUE		
Franchise fees	\$1,799,500	\$2,560,857
Royalty fees	1,879,920	1,062,868
Other income	<u>32,815</u>	<u>15,190</u>
TOTAL REVENUE	3,712,235	3,638,915
COST OF SALES		
Regional developer fees and royalties	113,367	64,612
Broker fees	<u>664,500</u>	<u>1,010,000</u>
	<u>777,867</u>	<u>1,074,612</u>
GROSS PROFIT	2,934,368	2,564,303
GENERAL AND ADMINISTRATIVE EXPENSES		
Employee wages, payroll taxes and benefits	844,542	734,188
Legal and accounting	89,523	36,827
Office expenses	77,629	74,142
Occupancy	150,656	140,516
Bad debt expense	107,808	--
Telephone	26,743	32,184
Marketing	35,128	24,143
Franchise start-up costs	34,047	49,122
Travel and entertainment	42,269	22,172
Web page	40,466	36,695
Insurance	24,654	18,294
Depreciation and amortization	55,982	41,555
Meeting and conferences	33,020	22,731
Software maintenance fees	31,730	2,660
Dues and subscriptions	9,873	9,550
Registration fees	8,150	3,225
Miscellaneous	<u>15,847</u>	<u>14,916</u>
	<u>1,628,067</u>	<u>1,262,920</u>
INCOME FROM OPERATIONS	1,306,301	1,301,383
INTEREST INCOME	<u>1,324</u>	<u>10,770</u>
NET INCOME	1,307,625	1,312,153
MEMBER'S EQUITY, BEGINNING OF YEAR	776,614	639,376
MEMBER'S DISTRIBUTIONS	<u>(1,465,168)</u>	<u>(1,174,915)</u>
MEMBER'S EQUITY, END OF YEAR	<u>\$ 619,071</u>	<u>\$ 776,614</u>

The accompanying notes are an integral part of these statements.

SYNERGY HOMECARE FRANCHISING, LLC
STATEMENT OF CASH FLOWS
Years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from regional developers and franchisees	\$3,692,478	\$3,587,303
Cash paid for normal operating expenses	(2,192,575)	(2,337,504)
Interest received	1,324	3,090
Interest paid	<u>(1,618)</u>	<u>(840)</u>
Net cash provided by operating activities	1,499,609	1,252,049
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(13,266)	(117,287)
Note receivable repayment	<u>--</u>	<u>31,081</u>
Net cash used in investing activities	(13,266)	(86,206)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to member	(1,465,168)	(1,174,915)
Advance from member	28,062	--
Proceeds from line of credit	<u>(41,200)</u>	<u>41,200</u>
Net cash used in financing activities	<u>(1,478,306)</u>	<u>(1,133,715)</u>
NET INCREASE IN CASH	8,037	32,128
CASH AT BEGINNING OF YEAR	<u>456,014</u>	<u>423,886</u>
CASH AT END OF YEAR	<u>\$ 464,051</u>	<u>\$ 456,014</u>

The accompanying notes are an integral part of these statements.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Synergy HomeCare Franchising, LLC, (the "Company"), was organized as an Arizona limited liability company on December 19, 2003, for the purpose of franchising under the trade name "Synergy HomeCare" non-medical in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medication reminders, medical and social appointment scheduling and management, organizational and bill paying assistance, housecleaning services and light home maintenance to seniors and assistance to others who need help with daily living activities. The Company sells its franchises throughout the United States of America. The franchising of non-medical in-home personal assistance is regulated by the Federal Trade Commission and various state authorities.

Cash

For purposes of the statement of cash flows, the Company considers cash in checking and money market accounts as cash.

Franchise Royalties Receivables

As a condition of the franchise, franchisees are required to make weekly royalty payments representing 5 percent of franchise sales. The Company extends credit to franchisees for the payment of these royalties. There were no accounts past due 90 days at December 31, 2010 and 2009. Management believes that all receivables at December 31, 2010 and 2009, are collectible and has provided no allowance for doubtful accounts. If accounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment is stated at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets. Useful lives range from five to ten years. Accelerated methods are used for tax purposes.

Depreciation and amortization totaled \$55,982 and \$41,555 for the years ended December 31, 2010 and 2009, respectively.

Income Taxes

The Company member has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code. Under these provisions, the Company does not pay Federal and Arizona corporate income taxes on its taxable income. Instead, the member is liable for individual Federal and Arizona taxes on the Company's taxable income.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Marketing

Marketing costs are expensed as incurred. Marketing expenses for the year ended December 31, 2010 and 2009, totaled \$35,128 and \$24,143, respectively.

Franchise Fee Revenue

The Company's policy is to recognize as revenue the initial franchise fee and the initial regional developer fee when the fee is received. The Company's policy is to recognize continuing royalty fees which are based upon franchise sales in the week that related sales occurred.

NOTE B – CONCENTRATION OF CREDIT RISK

The Company deposits the majority of its cash in noninterest bearing accounts at a FDIC insured financial institution. Therefore, all funds are fully insured.

NOTE C – LINE OF CREDIT NOTE PAYABLE

The Company has a \$200,000 unsecured line of credit with Bank of America which automatically renews annually. The interest rate is 7.25%. There were no borrowings as of December 31, 2010. There was a borrowing against the line of credit of \$41,200 as of December 31, 2009 which was repaid January 20, 2010.

NOTE D – NATIONAL MARKETING FUND

The franchisees pay, in addition to the 5% royalty fee, a marketing fee of 2% of gross sales which is used for local, regional and national marketing and advertising of services offered by the businesses owned by the franchisees and to increase brand awareness. The Company maintains an agency relationship under which the marketing funds collected are segregated and used for the specified purposes. The Company records the marketing fees collected as a liability against which the specified costs are charged.

SYNERGY HOMECARE FRANCHISING, LLC
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010 and 2009

NOTE E – OPERATING LEASES

The Company leases office space in Gilbert, Arizona, for \$60,000 a year from a related party effective January 1, 2006. The five year operating lease expired December 31, 2010. The Company continues to lease this space on a month to month basis for \$60,000 a year. Effective November 1, 2008, the Company began leasing a second office space in the same complex from the related party for \$60,000 a year. The five year operating lease expires October 31, 2013.

Future minimum lease payments are as follows for the years ending December 31:

2011	\$ 60,000
2012	60,000
2013	<u>50,000</u>
	<u>\$170,000</u>

NOTE F – RELATED PARTY TRANSACTIONS

The Company leases office space and a condo from a party related by common ownership. Rent paid to the related party totaled \$127,800 and \$121,950 in years 2010 and 2009, respectively.

The Company also pays web software maintenance fees to a party related by common ownership which totaled \$49,730 in year 2010 and \$20,660 in year 2009.

NOTE G – RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	<u>2010</u>	<u>2009</u>
Net income	\$1,307,625	\$1,312,153
Adjustments to reconcile net income to net cash provided by operation activities:		
Depreciation and amortization	55,982	41,555
Bad debt expense	107,809	--
Increase in regional developer note receivable	--	(7,680)
Increase in franchisee royalties receivable	(19,757)	(43,952)
Decrease (increase) in prepaid expenses	49,194	(41,755)
(Decrease) increase in national marketing fund	(7,098)	13,932
Increase in accrued wages	4,858	5,291
Decrease in deposits	--	982
(Decrease) increase in accounts payable	4,318	(18,686)
Decrease in franchise deposit	--	(5,000)
Increase in accrued and withheld payroll taxes	959	3,131
Decrease (increase) in other current assets	<u>(4,281)</u>	<u>(7,922)</u>
	<u>\$1,499,609</u>	<u>\$1,252,049</u>

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE H – ECONOMIC DEPENDENCY

The Company received 11% of its royalty fees from one franchisee in year 2010.

The Company received 36% of its royalty fees from two franchisees in year 2009.

NOTE I – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 26, 2011, which is the date the financial statements were available to be issued.

Hammond
Travers & Tuttle P.C.
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INDEPENDENT AUDITORS' REPORT

To the Member
Synergy HomeCare Franchising, LLC
Gilbert, Arizona

We have audited the accompanying balance sheets of Synergy HomeCare Franchising, LLC (an Arizona limited liability company) as of December 31, 2009 and 2008, and the related statements of income and member's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Synergy HomeCare Franchising, LLC as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Hammond, Travers & Tuttle, P.C.
March 24, 2010

SYNERGY HOMECARE FRANCHISING, LLC
BALANCE SHEETS
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 456,014	\$423,886
Cash held for national marketing fund	136,346	112,010
Franchisee royalties receivables	108,267	46,750
Current portion of franchisee note receivable	--	31,081
Current portion of regional developer note receivable	90,950	42,680
Prepaid expenses	50,968	9,213
Deposits	800	1,782
Other	<u>9,437</u>	<u>1,515</u>
TOTAL CURRENT ASSETS	852,782	668,917
PROPERTY AND EQUIPMENT		
Leasehold improvements	210,412	114,580
Office furniture and equipment	<u>64,509</u>	<u>43,054</u>
	274,921	157,634
Less accumulated depreciation and amortization	<u>(114,378)</u>	<u>(72,823)</u>
	160,543	84,811
OTHER ASSETS		
Regional developer note receivable	<u>9,744</u>	<u>50,334</u>
TOTAL ASSETS	<u>\$1,023,069</u>	<u>\$804,062</u>
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
National marketing fund	\$ 162,286	\$100,046
Accounts payable	20,580	41,299
Deposit on franchise	--	5,000
Accrued wages	19,197	17,850
Accrued and withheld payroll taxes	3,192	491
Line of credit	<u>41,200</u>	<u>--</u>
TOTAL CURRENT LIABILITIES	246,455	164,686
MEMBER'S EQUITY	<u>776,614</u>	<u>639,376</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$1,023,069</u>	<u>\$804,062</u>

SYNERGY HOMECARE FRANCHISING, LLC
 STATEMENTS OF INCOME AND MEMBER'S EQUITY
 Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
REVENUE		
Franchise fees	\$2,560,857	\$1,483,166
Royalty fees	1,062,868	721,283
Other income	<u>12,530</u>	<u>4,961</u>
TOTAL REVENUE	3,636,255	2,209,410
COST OF SALES		
Regional developer fees and royalties	64,612	78,847
Broker fees	1,010,000	470,000
Sales consulting fees	<u>--</u>	<u>28,886</u>
	<u>1,074,612</u>	<u>577,733</u>
GROSS PROFIT	2,561,643	1,631,677
GENERAL AND ADMINISTRATIVE EXPENSES		
Employee wages, payroll taxes and benefits	734,188	472,798
Legal and accounting	36,827	27,614
Office expenses	74,142	30,660
Occupancy	140,516	73,925
Telephone	32,184	20,843
Marketing	24,143	62,207
Franchise start-up costs	49,122	23,887
Travel and entertainment	22,172	39,882
Web page	36,695	--
Insurance	18,294	9,491
Depreciation and amortization	41,555	26,302
Meeting and conferences	22,731	--
Dues and subscriptions	9,550	8,267
Registration fees	3,225	3,288
Miscellaneous	<u>14,916</u>	<u>9,504</u>
	<u>1,260,260</u>	<u>808,668</u>
INCOME FROM OPERATIONS	1,301,383	823,009
INTEREST INCOME	<u>10,770</u>	<u>15,074</u>
NET INCOME	1,312,153	838,083
MEMBER'S EQUITY, BEGINNING OF YEAR	639,376	368,593
MEMBER'S DISTRIBUTIONS	<u>(1,174,915)</u>	<u>(567,300)</u>
MEMBER'S EQUITY, END OF YEAR	<u>\$ 776,614</u>	<u>\$ 639,376</u>

SYNERGY HOMECARE FRANCHISING, LLC
STATEMENT OF CASH FLOWS
Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from regional developers and franchisees	\$3,587,303	\$2,233,241
Cash paid for normal operating expenses	(2,337,504)	(1,342,472)
Interest received	3,090	7,394
Interest paid	<u>(840)</u>	<u>(2,836)</u>
Net cash provided by operating activities	1,252,049	895,327
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(117,287)	(23,541)
Note receivable repayment	<u>31,081</u>	<u>33,919</u>
Net cash provided by (used in) investing activities	(86,206)	10,378
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to member	(1,174,915)	(567,300)
Proceeds from line of credit	<u>41,200</u>	<u>--</u>
Net cash used in financing activities	<u>(1,133,715)</u>	<u>(567,300)</u>
NET INCREASE IN CASH	32,128	338,405
CASH AT BEGINNING OF YEAR	<u>423,886</u>	<u>85,481</u>
CASH AT END OF YEAR	<u>\$ 456,014</u>	<u>\$ 423,886</u>

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Synergy HomeCare Franchising, LLC, (the "Company"), was organized as an Arizona limited liability company on December 19, 2003, for the purpose of franchising under the trade name "Synergy HomeCare" non-medical in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medication reminders, medical and social appointment scheduling and management, organizational and bill paying assistance, housecleaning services and light home maintenance to seniors and assistance to others who need help with daily living activities. The Company sells its franchises throughout the United States of America. The franchising of non-medical in-home personal assistance is regulated by the Federal Trade Commission and various state authorities.

Cash

For purposes of the statement of cash flows, the Company considers cash in checking and money market accounts as cash.

Franchise Royalties Receivables

As a condition of the franchise, franchisees are required to make weekly royalty payments representing 5 percent of franchise sales. The Company extends credit to franchisees for the payment of these royalties. There were no accounts past due 90 days at December 31, 2009 and 2008. Management believes that all receivables at December 31, 2009 and 2008, are collectible and has provided no allowance for doubtful accounts. If accounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment is stated at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets. Useful lives range from five to ten years. Accelerated methods are used for tax purposes.

Depreciation and amortization totaled \$41,555 and \$26,302 for the years ended December 31, 2009 and 2008, respectively.

Income Taxes

The Company member has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code. Under these provisions, the Company does not pay Federal and Arizona corporate income taxes on its taxable income. Instead, the member is liable for individual Federal and Arizona taxes on the Company's taxable income.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Marketing

Marketing costs are expensed as incurred. Marketing expenses for the year ended December 31, 2009 and 2008, totaled \$24,143 and \$62,207, respectively.

Franchise Fee Revenue

The Company's policy is to recognize as revenue the initial franchise fee and the initial regional developer fee when the fee is received. The Company's policy is to recognize continuing royalty fees which are based upon franchise sales in the week that related sales occurred.

NOTE B – CONCENTRATION OF CREDIT RISK

The Company deposits cash in a financial institution subject to FDIC coverage. In the normal course of operations, account balances in the financial institution exceed the \$250,000 limit of FDIC coverage. The Company has experienced no losses on cash deposited with the financial institution. As of December 31, 2009 and 2008, the Company's bank balances exceeded federally insured limits by \$356,377 and \$290,292, respectively.

NOTE C - FRANCHISEE NOTE RECEIVABLE

Franchisee note receivable consists of a note received from the sale of a franchise. The payment terms of the note are monthly payments of \$2,939.77 beginning January 1, 2008, bearing 8% interest, with the balance to be repaid in full on or before December 1, 2009. The note was repaid in June, 2009.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE D – REGIONAL DEVELOPER NOTE RECEIVABLE

In August, 2007, the Company received a note for the sale of the rights to develop franchises in a geographical region. The note of \$144,000 bears no interest and is to be repaid by applying the commissions earned by the regional developer for each franchise sold by the regional developer. Under the terms of the agreement, the regional developer must sell and open a minimum number of franchises each fiscal year ending March 31 as stated in the agreement. If the minimums are not met the Company has the right to terminate the agreement and reclaim the geographical region for resale. In the absence of an interest rate stated in the agreement, the Company has imputed interest using an interest rate of 9%. The effect of that imputed interest is reflected as a reduction of value of the note as shown on the balance sheet.

The note balance was \$100,694 and \$93,014 at December 31, 2009 and 2008, respectively. The balance at December 31, 2009 and 2008, includes accrued interest of \$15,360 and 7,680, respectively.

NOTE E – LINE OF CREDIT NOTE PAYABLE

The Company has a \$200,000 unsecured line of credit with Bank of America which automatically renews annually. The interest rate is 7.25%. There was a borrowing against the line of credit of \$41,200 as of December 31, 2009 which was repaid January 20, 2010. There were no borrowings as of December 31, 2008.

NOTE F – NATIONAL MARKETING FUND

The franchisees pay, in addition to the 5% royalty fee, a marketing fee of 2% of gross sales which is used for local, regional and national marketing and advertising of services offered by the businesses owned by the franchisees and to increase brand awareness. The Company maintains an agency relationship under which the marketing funds collected are segregated and used for the specified purposes. The Company records the marketing fees collected as a liability against which the specified costs are charged.

NOTE G – OPERATING LEASES

The Company leases office space in Gilbert, Arizona, for \$60,000 a year from a related party effective January 1, 2006. The five year operating lease expires December 31, 2010. Effective November 1, 2008, the Company began leasing a second office space in the same complex from the related party for \$60,000 a year. The five year operating lease expires October 31, 2013.

SYNERGY HOMECARE FRANCHISING, LLC
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2009 and 2008

NOTE G – OPERATING LEASES (continued)

Future minimum lease payments are as follows for the years ending December 31:

2010	\$120,000
2011	120,000
2012	60,000
2013	<u>50,000</u>
	<u>\$350,000</u>

NOTE H – RELATED PARTY TRANSACTIONS

The Company leases office space and a condo from a party related by common ownership. Rent paid to the related party totaled \$121,950 and \$70,000 in years 2009 and 2008, respectively.

The Company also pays web software maintenance fees to a party related by common ownership which totaled \$20,660 in year 2009. There were no maintenance fees paid in year 2008.

NOTE I – RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	<u>2009</u>	<u>2008</u>
Net income	\$1,312,153	\$838,083
Adjustments to reconcile net income to net cash provided by operation activities:		
Depreciation and amortization	41,555	26,302
Increase in regional developer note receivable	(7,680)	(7,680)
Decrease (increase) in franchisee royalties receivable	(43,952)	18,831
Decrease in prepaid expenses	(41,755)	(7,183)
Change in national marketing fund	13,932	2,084
Increase in accrued wages	5,291	11,084
Decrease (increase) in deposits	982	(275)
(Decrease) increase in accounts payable	(18,686)	12,128
(Decrease) increase in franchise deposit	(5,000)	5,000
Increase (decrease) in accrued and withheld payroll taxes	3,131	(7,168)
Decrease (increase) in other current assets	<u>(7,922)</u>	<u>4,121</u>
	<u>\$1,252,049</u>	<u>\$895,327</u>

NOTE J - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 24, 2010, which is the date the financial statements were available to be issued.

Hammond Travers & Tuttle P.C.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Member
Synergy HomeCare Franchising, LLC
Gilbert, Arizona

We have audited the accompanying balance sheets of Synergy HomeCare Franchising, LLC (an Arizona limited liability company) as of December 31, 2008 and 2007, and the related statements of income and member's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Synergy HomeCare Franchising, LLC as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Hammond, Travers & Tuttle, P.C.

March 25, 2009

SYNERGY HOMECARE FRANCHISING, LLC
BALANCE SHEETS
December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT ASSETS		
Cash	\$423,886	\$ 85,481
Cash held for national marketing fund	112,010	--
Franchisee royalties receivables	46,750	51,781
National marketing fund advances receivable	--	24,910
Current portion of franchisee note receivable	31,081	31,205
Current portion of regional developer note receivable	42,680	--
Prepaid expenses	9,213	2,030
Deposits	1,782	--
Other	<u>1,515</u>	<u>5,636</u>
TOTAL CURRENT ASSETS	668,917	201,043
PROPERTY AND EQUIPMENT		
Leasehold improvements	114,580	110,321
Office furniture and equipment	<u>43,054</u>	<u>23,772</u>
	157,634	134,093
Less accumulated depreciation and amortization	<u>(72,823)</u>	<u>(46,521)</u>
	84,811	87,572
OTHER ASSETS		
Franchisee note receivable, net of current portion	--	33,795
Regional developer note receivable	50,334	85,334
Deposits	<u>--</u>	<u>1,507</u>
	<u>50,334</u>	<u>120,636</u>
TOTAL ASSETS	<u>\$804,062</u>	<u>\$409,251</u>
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
National marketing fund	\$100,046	\$ --
Accounts payable	41,299	26,233
Deposit on franchise	5,000	--
Accrued wages	17,850	6,766
Accrued and withheld payroll taxes	<u>491</u>	<u>7,659</u>
TOTAL CURRENT LIABILITIES	164,686	40,658
MEMBER'S EQUITY	<u>639,376</u>	<u>368,593</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$804,062</u>	<u>\$409,251</u>

The accompanying notes are an integral part of these statements.

SYNERGY HOMECARE FRANCHISING, LLC
 STATEMENTS OF INCOME AND MEMBER'S EQUITY
 Years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
REVENUE		
Franchise fees	\$1,483,166	\$ 641,092
Royalty fees	721,283	405,842
Other income	<u>4,961</u>	<u>8,399</u>
TOTAL REVENUE	2,209,410	1,055,333
COST OF SALES		
Regional developer fees and royalties	78,847	46,603
Broker fees	470,000	36,279
Sales consulting fees	<u>28,886</u>	<u>12,998</u>
	<u>577,733</u>	<u>95,880</u>
GROSS PROFIT	1,631,677	959,453
GENERAL AND ADMINISTRATIVE EXPENSES		
Employee wages, payroll taxes and benefits	472,798	323,147
Legal and accounting	27,614	38,107
Office expenses	30,660	23,228
Occupancy	73,925	66,095
Telephone	20,843	16,441
Marketing	62,207	36,953
Franchise start-up costs	23,887	11,725
Travel and entertainment	39,882	19,762
Insurance	9,491	13,190
Depreciation and amortization	26,302	24,640
Dues and subscriptions	8,267	7,032
Registration fees	3,288	5,400
Miscellaneous	<u>9,504</u>	<u>7,563</u>
	<u>808,668</u>	<u>593,283</u>
INCOME FROM OPERATIONS	823,009	366,170
INTEREST INCOME	<u>15,074</u>	<u>8,147</u>
NET INCOME	838,083	374,317
MEMBER'S EQUITY, BEGINNING OF YEAR	368,593	480,935
MEMBER'S DISTRIBUTIONS	<u>(567,300)</u>	<u>(486,659)</u>
MEMBER'S EQUITY, END OF YEAR	<u>\$ 639,376</u>	<u>\$ 368,593</u>

The accompanying notes are an integral part of these statements.

SYNERGY HOMECARE FRANCHISING, LLC
STATEMENT OF CASH FLOWS
Years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from regional developers and franchisees	\$2,233,241	\$1,021,289
Cash paid for normal operating expenses	(1,342,472)	(639,955)
Cash received from others	--	4,399
Interest received	7,394	9,180
Interest paid	<u>(2,836)</u>	<u>--</u>
Net cash provided by operating activities	895,327	394,913
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(23,541)	(6,613)
Note receivable repayment	<u>33,919</u>	<u>--</u>
Net cash provided by (used in) investing activities	10,378	(6,613)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to member	<u>(567,300)</u>	<u>(486,659)</u>
Net cash used in financing activities	<u>(567,300)</u>	<u>(486,659)</u>
NET INCREASE (DECREASE) IN CASH	338,405	(98,359)
CASH AT BEGINNING OF YEAR	<u>85,481</u>	<u>183,840</u>
CASH AT END OF YEAR	<u>\$ 423,886</u>	<u>\$ 85,481</u>

The accompanying notes are an integral part of these statements.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Synergy HomeCare Franchising, LLC, (the "Company"), was organized as an Arizona limited liability company on December 19, 2003, for the purpose of franchising under the trade name "Synergy HomeCare" non-medical in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medication reminders, medical and social appointment scheduling and management, organizational and bill paying assistance, housecleaning services and light home maintenance to seniors and assistance to others who need help with daily living activities. The Company sells its franchises throughout the United States of America. The franchising of non-medical in-home personal assistance is regulated by the Federal Trade Commission and various state authorities.

Cash

For purposes of the statement of cash flows, the Company considers cash in checking and money market accounts as cash.

Franchise Royalties Receivables

As a condition of the franchise, franchisees are required to make weekly royalty payments representing 5 percent of franchise sales. The Company extends credit to franchisees for the payment of these royalties. There were no accounts past due 90 days at December 31, 2008 and 2007. Management believes that all receivables at December 31, 2008 and 2007, are collectible and has provided no allowance for doubtful accounts. If accounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment is stated at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets. Useful lives range from five to ten years. Accelerated methods are used for tax purposes.

Depreciation and amortization totaled \$26,302 and \$24,640 for the years ended December 31, 2008 and 2007, respectively.

Income Taxes

The Company member has elected to be taxed under the provisions of subchapter S of the Internal Revenue Code. Under these provisions, the Company does not pay Federal and Arizona corporate income taxes on its taxable income. Instead, the member is liable for individual Federal and Arizona taxes on the Company's taxable income.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Marketing

Marketing costs are expensed as incurred. Marketing expenses for the year ended December 31, 2008 and 2007, totaled \$62,207 and \$36,953, respectively.

Franchise Fee Revenue

The Company's policy is to recognize as revenue the initial franchise fee and the initial regional developer fee when the fee is received. The Company's policy is to recognize continuing royalty fees which are based upon franchise sales in the week that related sales occurred.

NOTE B – CONCENTRATION OF CREDIT RISK

The Company deposits cash in a financial institution subject to FDIC coverage. In the normal course of operations, account balances in the financial institution exceed the \$250,000 limit of FDIC coverage. The Company has experienced no losses on cash deposited with the financial institution. As of December 31, 2008, the Company's bank balance exceeded federally insured limits by \$290,292. Prior to October 3, 2008, the FDIC coverage was \$100,000. As of December 31, 2007, the Company's bank balance exceeded federally insured limits by \$86,245.

NOTE C - FRANCHISEE NOTE RECEIVABLE

Franchisee note receivable consists of a note received from the sale of a franchise. The payment terms of the note are monthly payments of \$2,939.77 beginning January 1, 2008, bearing 8% interest, with the balance to be repaid in full on or before December 1, 2009. The balance of franchisee note receivable totaled \$31,081 and \$65,000 as of December 31, 2008 and 2007, respectively.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE D – REGIONAL DEVELOPER NOTE RECEIVABLE

In August, 2007, the Company received a note for the sale of the rights to develop franchises in a geographical region. The note of \$144,000 bears no interest and is to be repaid by applying the commissions earned by the regional developer for each franchise sold by the regional developer. Under the terms of the agreement, the regional developer must sell and open a minimum number of franchises each fiscal year ending March 31 as stated in the agreement. If the minimums are not met the Company has the right to terminate the agreement and reclaim the geographical region for resale. In the absence of an interest rate stated in the agreement, the Company has imputed interest using an interest rate of 9%. The effect of that imputed interest is reflected as a reduction of value of the note as shown on the balance sheet.

The note balance was \$93,014 and \$85,334 at December 31, 2008 and 2007, respectively. The balance at December 31, 2008 includes accrued interest of \$17,680.

NOTE E – LINE OF CREDIT NOTE PAYABLE

The Company has a \$50,000 unsecured line of credit with Bank of America which automatically renews annually. The interest rate is 3.9%. There were no borrowings against the line of credit as of December 31, 2008 or 2007.

NOTE F – NATIONAL MARKETING FUND

The franchisees pay, in addition to the 5% royalty fee, a marketing fee of 2% of gross sales which is used for local, regional and national marketing and advertising of services offered by the businesses owned by the franchisees and to increase brand awareness. The Company maintains an agency relationship under which the marketing funds collected are segregated and used for the specified purposes. The Company records the marketing fees collected as a liability against which the specified costs are charged. In 2007, however, the marketing costs exceeded the collections from the franchisees therefore the Company advanced funds totaling \$24,910 to cover the costs and the advancement is shown as a receivable on the financial statements of the Company.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE G – OPERATING LEASES

The Company leases office space in Gilbert, Arizona, for \$60,000 a year from a related party effective January 1, 2006. The five year operating lease expires December 31, 2010. Effective November 1, 2008, the Company began leasing a second office space in the same complex from the related party for \$60,000 a year. The five year operating lease expires October 31, 2013.

Future minimum lease payments are as follows for the years ending December 31:

2009	\$120,000
2010	120,000
2011	120,000
2012	60,000
2013	<u>50,000</u>
	<u>\$470,000</u>

NOTE H – RELATED PARTY TRANSACTIONS

The Company leases office space from the member who owns 100% of the limited liability company. Rent paid to the related party totaled \$70,000 and \$60,000 in years 2008 and 2007, respectively.

NOTE I – RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	<u>2008</u>	<u>2007</u>
Net income	\$838,083	\$374,317
Adjustments to reconcile net income to net cash provided by operation activities:		
Depreciation and amortization	26,302	24,640
Increase in regional developer note receivable	(7,680)	(85,334)
Decrease (increase) in franchisee royalties receivable	18,831	(30,311)
(Increase) decrease in prepaid expenses	(7,183)	4,399
Change in national marketing fund	2,084	14,657
Decrease in interest receivable	--	1,033
Increase in accrued wages	11,084	3,398
Decrease in franchisee note receivable	--	90,000
Increase in deposits	(275)	(1,507)
Increase in accounts payable	12,128	6,526
Increase in franchise deposit	5,000	--
Decrease in accrued and withheld payroll taxes	(7,168)	(1,269)
Decrease (increase) in other current assets	<u>4,121</u>	<u>(5,636)</u>
	<u>\$895,327</u>	<u>\$394,913</u>



EXHIBIT F

LIST OF TERMINATED FRANCHISEES

EXHIBIT F TO THE DISCLOSURE DOCUMENT

LIST OF TERMINATED FRANCHISEES

Except for the following, there are no franchisees who have had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the application date.

Full Name	Business Address	City, State	Business Phone
<u>California</u>			
Stacy & Rob Hall	888 Thousand Oaks Blvd	Thousand Oaks, CA 91360	(805) 208-8512
Daniel Levy	72960 Fred Warung Dr, Ste 20	Palm Desert, CA 92260	(760) 568-6374
Pauline Sanders (Terminated)	400 Estudillo Ave, Ste 206	San Leandro, CA 94577	(540) 352-6000
<u>Illinois</u>			
Daniel Levy	233 E. Erie St, Ste 407	Chicago, IL 60661	(312) 642-4100
<u>Kentucky</u>			
Mitch & Suzie Tobin	21700 Townepark Way, Ste 323	Louisville, KY 40243	(502) 244-4187
<u>Maryland</u>			
James Leigh	2141 Industrial Pkwy, Ste 107	Silver Spring, MD 20904	(2410) 494-2273
<u>Tennessee</u>			
Keith Gunder	412B Golden Bear Ct, Ste 210	Murfreesboro, TN 37128	(615) 898-0500
<u>Texas</u>			
Carlos Perlasca (Terminated)	7362 Remcon Cir.	El Paso, TX 79901	(915) 850-6919



EXHIBIT G

FRANCHISEE DISCLOSURE QUESTIONNAIRE

EXHIBIT G TO DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, SYNERGY HOMECARE FRANCHISING, LLC and you are preparing to enter into a Franchise Agreement for the operation of a Franchised Business. In this Franchisee Disclosure Questionnaire, SYNERGY HOMECARE FRANCHISING, LLC will be referred to as “we” or “us.” The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the SYNERGY HOMECARE FRANCHISING, LLC Franchise Agreement and each exhibit, addendum and schedule attached to it?
Yes ____ No ____
2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?
Yes ____ No ____

If “No”, what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

3. Have you received and personally reviewed our Disclosure Document we provided to you?
Yes ____ No ____
4. Do you understand all of the information contained in the Disclosure Document?
Yes ____ No ____

If “No”, what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

5. Have you discussed the benefits and risks of operating a Synergy HomeCare Business with an attorney, accountant or other professional advisor?

Yes ___ No ___

. If no, do you understand those risks without the need to seek advice from an attorney, accountant or other professional advisor?

Yes ___ No ___

6. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes ___ No ___

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Synergy HomeCare Business that we or our franchisees operate?

Yes ___ No ___

8. Has any employee or other person speaking on our behalf made any statement or promise concerning a Synergy HomeCare Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ___ No ___

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Synergy HomeCare Business?

Yes ___ No ___

10. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?
Yes ____ No ____

11. If you answered "Yes" to question 10, have you relied on that information to make your decision to buy this Franchise?
Yes ____ No ____

12. If you have answered "Yes" to any of questions seven (7) through twelve (12), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of such questions, please leave the following lines blank.

13. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and us?
Yes ____ No ____

You understand that your answers are important to us and that we will rely on them.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

Name of Franchisee/Applicant

Date: _____, 20____

Signature

Name and Title of Person Signing



EXHIBIT H

MULTI-STATE ADDENDA

**ADDENDUM TO THE
SYNERGY HOMECARE FRANCHISING, LLC
UNIFORM FRANCHISE DISCLOSURE DOCUMENT**

FOR THE STATE OF CALIFORNIA

1. The State Cover Page is amended to add the following statement:
 - THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
2. ITEM 3 of the Disclosure Document is amended to add the following:
 - Neither we nor any person listed in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in that association or exchange.
3. ITEM 17 of the Disclosure Document is amended to add the following:
 - The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
 - The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
 - The Franchise Agreement contains a covenant not to compete that extends beyond the term of the agreement. This provision might not be enforceable under California Law.
 - The Franchise Agreement's California addendum contains a liquidated damages clause. Under California Law, certain liquidated damages clauses are unenforceable.
 - The Franchise Agreement requires litigation to be conducted in a court located in the State of Arizona. This provision might not be enforceable for any cause of action arising under California Law.
 - The Franchise Agreement requires application of the laws of the State of Arizona. This provision might not be enforceable under California Law.
 - The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in ITEM 17 with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

- The following URL address is for the franchisor's website:
www.synergyhomecare.com

FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT www.corp.ca.gov.

FOR THE STATE OF HAWAII

1. The following list reflects the status of our franchise registrations in the states that have franchise registration and/or disclosure laws:

- This registration is currently effective in the following states. California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.
- This proposed registration is on file with or will shortly be on file with the following States:

NONE

- There are no states which have refused, by order or otherwise, to register these franchises.
- There are no states that have revoked or suspended the right to offer these franchises.
- There are no states in which the proposed registration has been withdrawn.

2. The Franchise Agreement has been amended as follows:

- The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 4.2, 16 and 18 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- Sections 4.2.12, 8.3 and 18.2.3 of the Franchise Agreement require franchisee to sign a general release as a condition of renewal and transfer of the franchise; such release shall exclude claims arising under the Hawaii Franchise Investment Law.
- Section 16.2.1.10 of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

3. The Receipt Pages are amended to add the following:

- THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.
- THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY

CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

- THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

FOR THE STATE OF ILLINOIS

- For choice of law purposes, and for the interpretation and construction of the Franchise Agreement, the Illinois Franchise Disclosure Act, 815 ILCS 705 governs.
- No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the Franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.
- Illinois law governs the Franchise Agreement (without regard to conflict of laws), and jurisdiction and venue for court litigation shall be in Illinois.
- Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void, provided that a Franchise Agreement may provide for arbitration in a forum outside of Illinois.

(c) of the Disclosure Document is amended to add the following:

- The conditions under which a franchise can be terminated and your rights upon non-renewal may be affected by the Illinois Franchise Disclosure Act of 1987.
- The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.

FOR THE STATE OF INDIANA

1. ITEM 8 of the Disclosure Document is amended to add the following:
 - Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for and transmitted by the franchisee.
2. ITEMS 6 and 9 of the Disclosure Document are amended to add the following:
 - The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products which were required by franchisor, if such procedures or products were utilized by franchisee in the manner required by franchisor.
3. ITEM 17 of the Disclosure Document is amended to add the following:
 - Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
 - Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.
 - ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to franchisee.
 - ITEM 17(u) is amended to provide that arbitration between a franchisee and franchisor will be conducted in Indiana or a site mutually agreed upon.
 - ITEM 17(v) is amended to provide that franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.
 - ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action which arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

FOR THE STATE OF MARYLAND

(d) of the Disclosure Document is amended to add the following:

- Under the Maryland Franchise Registrations and Disclosure Law, Md. Code Ann. Bus. Reg. §14-201 et seq., no general release shall be required as a condition of renewal, termination and/or transfer which is intended to exclude claims under the Maryland Franchise Registration and Disclosure Law.
- Any litigation between franchisee and franchisor may be instituted in any court of competent jurisdiction, including a court in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- In the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

FOR THE STATE OF MICHIGAN

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

- A prohibition of the right of a Franchisee to join an association of Franchisees.
- A requirement that a Franchisee assent to a release, assignment, novation, waiver or estoppel that 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.
- 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.
- 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 that 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: (a) the term of the franchise is less than 5 years, and (b) 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.
- 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.
- 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 or litigation, to conduct arbitration or litigation at a location outside this state.
- A provision that permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. The 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:
 - The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

- The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- 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.
- 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 and has failed to cure the breach in the manner provided in subdivision (C).
- 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 a provision has been made for providing the required contractual services.

3. 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.

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

5. Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attention: Franchise Bureau
Law Building
Lansing, MI 48913
(517) 373-3800

FOR THE STATE OF MINNESOTA:

1. ITEM 13 of the Disclosure Document is amended as follows:
 - As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. ITEM 17 of the Disclosure Document is amended as follows:
 - With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.
 - ITEM 17 does not provide for a prospective general release of claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
 - Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

FOR THE STATE OF NEW YORK

1. All references made in this Franchise Disclosure Document to a “Disclosure Document” shall be replaced with the term “Offering Prospectus” as used under New York Law.

2. The UFDD Cover Page is amended as follows:

- **REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, 120 BROADWAY, NEW YORK, NEW YORK 10271-0332. INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION.**
- **THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE IN THIS PROSPECTUS.**

3. ITEM 3 is amended by the addition of the following language:

- Neither franchisor nor any person identified in ITEM 2 has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against them alleging a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion; misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. In addition, neither franchisor nor any person identified in ITEM 2 has any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- Neither franchisor nor any person identified in ITEM 2 has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding involving violation of any franchise law, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- Neither franchisor nor any affiliate or person identified in ITEM 2 is subject to any injunctive or restrictive order or decree relating to the franchises, or any Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, as a result of a concluded or pending action or proceeding brought by a public agency.

4. ITEM 4 is amended to state that:

- Neither the franchisor, nor its predecessor, officers or general partner of the franchisor has, during the ten (10) year period immediately before the date of the Disclosure Document, has: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; (c) was a principal officer of any company or a general partner in any partnership that either filed as a debtor (or had filed against it) a petition to start action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the Bankruptcy Code during or within one (1) year after the officer or general partner of the franchisor held this position in the company or partnership.
5. ITEM 5 of the Disclosure Document is amended to add the following:
- The Franchise Fee will be used to defray our costs in obtaining and screening franchisees, providing training, training materials and assisting in opening the Franchised Business for business.
6. ITEMS 6 and 11 of the Disclosure Document are amended to add the following:
- The franchisee will not be required to indemnify franchisor for any liability imposed on franchisor as a result of franchisee's reliance upon or use of procedures or products which were required by franchisor, if such procedures or products were utilized by franchisee in the manner required by franchisor.
7. ITEM 17 of the Disclosure Document is amended to add the following:
- No general release shall be required as a condition of renewal, termination and/or transfer which is intended to exclude claims arising under the New York General Business Law, Article 3, Sections 687.4 and 687.5.
 - ITEM 17(d) is amended to provide that you may terminate the Agreement on any grounds available by law.
 - ITEM 17(j) is amended to state, that no assignment will be made except to an assignee who, in the good faith judgment of franchisor, is able to assume our obligations under the Agreement.
 - ITEM 17(w) is amended to state that New York Law governs any cause of action that arises under the New York General Business Law, Article 33, Section 680-695.
8. Franchisor represents that this Disclosure Document does not knowingly omit anything or contain any untrue statements of a material fact.

FOR THE STATE OF NORTH DAKOTA

1. ITEM 5 of the Disclosure Document is amended by the addition of the following language to the original language:

- Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If we elect to cancel this Agreement, we will be entitled to a reasonable fee for our evaluation of you and the related preparatory work we performed and expenses we actually incurred.

2. ITEM 17 of the Disclosure Document is amended to add the following:

- No general release shall be required as a condition of renewal, termination and/or transfer which is intended to exclude claims arising under North Dakota Law.
- In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.
- The Franchise Agreement shall be amended to state that the statute of limitations under North Dakota Law will apply.
- ITEMS 17(i) and 17(q) are amended to state that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- ITEMS 17(i) and Section 17.7 of the Franchise Agreement require you to consent to liquidated damages and/or termination penalties. These provisions are not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.
- ITEM 17(v) is amended to state that a provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
- ITEM 17(w) is amended to state in the event of a conflict of laws, North Dakota Law will control.

FOR THE STATE OF RHODE ISLAND

Item 17 of the Disclosure Document is amended to add the following:

- The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-1 through 34 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.
- Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

FOR THE STATE OF VIRGINIA

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

Additional Disclosure. The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

The third sentence of the third paragraph of the FTC Cover Page is amended to state:

“You must receive this disclosure document at least 14 days before you sign a binding agreement or make any payment in connection with the franchise sale or grant.”

The first sentence of the second paragraph of both Receipt Pages is amended to state:

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

FOR THE STATE OF WASHINGTON

Item 17 of the Disclosure Document is amended to add the following:

- In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
- A general release or waiver of rights executed by a franchisee will not include rights under the Washington Franchise Investment Protection Act.
- Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.
- Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
- The Franchise Agreement requires any litigation or arbitration to be conducted in a state other than Washington; the requirement shall not limit any rights franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.

FOR THE STATE OF WISCONSIN

Item 17 of the Disclosure Document is amended to add the following:

- The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.



EXHIBIT I

**LIST OF TRADEMARK-SPECIFIC FRANCHISEE
ORGANIZATIONS**

List of Trademark-Specific Franchisee Organizations

The following are the names, addresses, telephone numbers, email addresses, and Web addresses (to the extent known) of each trademark-specific franchisee organization that has been created, sponsored, or endorsed by us, and the relationship between the organization and us:

NONE

The following independent franchisee organizations have asked to be included in this Disclosure Document:

NONE



EXHIBIT J

RECEIPTS

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Maryland, New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.**

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate respective agents identified on **Exhibit A**.

The franchisor is Synergy HomeCare Franchising, LLC, located at 1757 E. Baseline Road, Bldg. 6, Suite 124, Gilbert, AZ 85234. Its telephone number is (480) 659-7771.

Issuance Date: April 3, 2012

The name, principal business address and telephone number of each franchise seller for this offering is: _____

We authorize the respective agents identified on Exhibit A to receive service of process for us in the particular state

I received a disclosure document dated April 3, 2012 that included the following Exhibits:

- A. LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS
- B. LIST OF FRANCHISEES AND REGIONAL DEVELOPERS
- C. FRANCHISE AGREEMENT
- C-1 REGIONAL DEVELOPMENT AGREEMENT
- D. TABLE OF CONTENTS OF OPERATIONS MANUAL
- D-1 TABLE OF CONTENTS FOR REGIONAL DEVELOPMENT MANUAL
- E. FINANCIAL STATEMENTS
- F. LIST OF TERMINATED FRANCHISEES
- G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- H. MULTI-STATE ADDENDA
- I. LIST OF TRADEMARK-SPECIFIC FRANCHISEE ORGANIZATIONS
- J. RECEIPT

Date	Signature	Printed Name
Date	Signature	Printed Name

Please retain this copy for your records.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Maryland, New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.**

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate respective agents identified on **Exhibit A**.

The franchisor is Synergy HomeCare Franchising, LLC, located at 1757 E. Baseline Road, Bldg. 6, Suite 124, Gilbert, AZ 85234. Its telephone number is (480) 659-7771.

Issuance Date: April 3, 2012

The name, principal business address and telephone number of each franchise seller for this offering is: _____

We authorize the respective agents identified on Exhibit A to receive service of process for us in the particular state

I received a disclosure document dated April 3, 2012 that included the following Exhibits:

- A. LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS
- B. LIST OF FRANCHISEES AND REGIONAL DEVELOPERS
- C. FRANCHISE AGREEMENT
- C-1 REGIONAL DEVELOPMENT AGREEMENT
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- G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- H. MULTI-STATE ADDENDA
- I. LIST OF TRADEMARK-SPECIFIC FRANCHISEE ORGANIZATIONS
- J. RECEIPT

Date	Signature	Printed Name

Date	Signature	Printed Name

You may return the signed receipt either by signing, dating, and mailing it to Synergy HomeCare Franchising, LLC at 1757 E. Baseline Road, Bldg. 6, Suite 124, Gilbert, AZ 85234 or by faxing a copy of the signed and dated receipt to Synergy at (480) 659-7713.