

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, transportation and 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 ranges from \$59,025 to \$156,700 which includes between \$46,225 and \$81,225 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. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

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

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

ISSUANCE DATE: May 1, 2013

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 REQUIRES 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 STATES 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 FOR STATE-SPECIFIC PROVISIONS.

3. YOU, AS A FRANCHISEE, 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:

State	Effective Date	State	Effective Date
California	May 21, 2013	North Dakota	September 4, 2013
Illinois	May 1, 2013	Rhode Island	May 6, 2013
Indiana	May 1, 2013	South Dakota	May 1, 2013
Maryland	May 16, 2013	Virginia	August 7, 2013
Michigan	May 1, 2013	Washington	April 30, 2013
Minnesota	May 2, 2013	Wisconsin	May 1, 2013
New York	May 28, 2013		

In the states listed below, the effective date (and issuance date) of this disclosure document is May 1, 2013.

Alabama	Kentucky	North Carolina
Alaska	Louisiana	Ohio
Arizona	Maine	Oklahoma
Arkansas	Massachusetts	Oregon
Colorado	Mississippi	Pennsylvania
Connecticut	Missouri	South Carolina
Delaware	Montana	Tennessee
District of Columbia	Nebraska	Texas
Florida	Nevada	Utah
Georgia	New Hampshire	Vermont
Idaho	New Jersey	West Virginia
Iowa	New Mexico	Wyoming
Kansas		

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

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

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Law Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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EXHIBITS

- A. List of State Administrators and State Agents for Service of Process
- B. List of Franchisees
- C. Franchise Agreement
- D. Table of Contents of Confidential Operations Manual
- E. Financial Statements
- F. List of Terminated Franchisees
- G. Franchisee Disclosure Questionnaire
- H. Multi-State Addenda
- I. Receipts

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 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 previously entered into “Regional Development Agreements” (each an “RD Agreement”) with certain “Regional Developers” (each a “Regional Developer”), to act as an independent contractor in a stated geographic area (Development Region) to help us find qualified prospective franchisees. We ceased offering Regional Development Agreements in April 2013. If your Franchised Business is located in a Development Region site of an existing Regional Developer, that Regional Developer will support and provides services to you in the form of: helping you find a site for the Synergy HomeCare Business; providing some or all of training offered to you and providing some or all of the post-opening services identified. See Item 11. We will, subject to some conditions, share certain fees with the Regional Developer including initial franchise fees.

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 and from December 15, 2010 through April 2013 in those states that so permitted. We do not offer and have not previously offered franchises 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

Our parent company is Boom Brands LLC (“Boom Brands”). Boom Brands was formed in Arizona, in September 2012. Boom Brands shares our principal business address.

Elite Backgrounds LLC is our affiliate and was formed in Arizona, in February 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 DMV, sex offender, drug screening 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 formed in Arizona, in October 2010 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.

Rafi, LLC d/b/a Tourian Autos is another affiliate was formed in Arizona, in October 2008 and is located at located at 75 W. Baseline Road, Suite 52, Gilbert, Arizona 85233 (Autos Affiliate). This affiliate offers and sells branded vehicles to Synergy HomeCare franchisees and Araya Clean franchisees (although Synergy HomeCare franchisees are not required to purchase any vehicle in connection with the establishment of their Business). It does not operate a business that is similar to the one being offered here. Autos Affiliate does not offer and has not previously offered franchises in this or in any other line of business.

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

Other than as described above, we have no parent, predecessor or affiliates required to be disclosed.

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, and you will likely face competition from these 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.

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: 2007 for the Elite Affiliate and 2010 for the Clean Affiliate and he has been the Founder and CEO of Boom Brands since March 2013.

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 and Boom Brands since March 2013.

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 and Boom Brands since March 2013.

Executive Vice President: Richard Basch

Richard Basch has been our Executive Vice President since April 2013 and was our Vice President of Franchise Operations from May 2012 to April 2013. Before joining us, Mr. Basch was Vice President - Franchise Automotive for Sears Holdings Corporation located in Chicago, Illinois from April 2011 to May 2012, and the President of Cottman Transmission and Total Auto Care from December based in Horsham, Pennsylvania from December 2009 to April 2011. From December 2007 to November 2009, Mr. Basch served as the Vice President of Franchise Operations for Pump It Up Management in Tempe, Arizona.

Vice President of Marketing: Dallas Bennewitz

Dallas Bennewitz is our Vice President of Marketing and has been since August 2011. Prior to joining us, Mr. Bennewitz worked as the Chief Marketing Officer for Data Doctors Franchise Systems, Inc., located in Tempe, Arizona, from November 2010 through January 2011. Also, he was the Chief Marketing Officer of Massage Envy Franchising, LLC, located in Scottsdale, Arizona, from September 2006 through November 2010.

Regional Developer and Pre-Opening Business Consultant: Kitty Vradenburg

Kitty Vradenburg is a Regional Developer and our Pre-Opening Business Consultant and has been with us since April 2009. Prior to joining us, Ms. Vradenburg worked for Inamax Medical Staffing in Phoenix, Arizona from January 2008 to April 2009.

Financial Controller Jacqueline Shirif

Jacqueline Shirif is our Controller and has held this position since June 2012. Ms. Shirif has also been the Controller for our Clean Affiliate since June 2012 and for Boom Brands since September 2012. From 2004 until March 2013, Ms. Shirif also acted as CFO and co-owner for Creative Healthcare Services, Inc. and three affiliated corporations doing business as Sunrise Health and Hospice in Mesa, AZ.

Franchise Developer: Tim O’Sullivan

Tim O’Sullivan is our Franchise Developer and has been since he joined SYNERGY HomeCare in July 2012. He also has been the Franchise Developer for our Clean Affiliate since July 2012 and Boom Brands since March 2013. Mr. O’Sullivan was an Executive Franchise Developer for The Little Gym International located in Scottsdale, AZ from May 2002 to January 2010 and its Director of Sales from January 2010 to January 2012.

ITEM 3 **LITIGATION**

No litigation is required to be disclosed in this Item.

ITEM 4 **BANKRUPTCY**

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

ITEM 5 **INITIAL FEES**

As a franchisee, you must pay an initial “Franchise Fee” when you sign the Franchise Agreement. The Franchise Fee is \$45,000 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 an 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 \$35,000 for the additional Protected Territory. 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.

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.

When you sign the Franchise Agreement, you must pay us \$1,000 as the Grand Opening Advertising Fee and the first 3 months of the Franchisee Technology Fee (currently \$225). (Item 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
Marketing Fund Contribution	2% of Gross Sales	Weekly	We reserve the right to reduce or suspend the Marketing Fund Contributions. We may also require Marketing Fund Contributions to be used in Cooperative Advertising.
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. We may require Local Advertising expenditures to be used in Cooperative Advertising.
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	Payable to us and collected only if the Franchisee fails to spend the Minimum Local Advertising Requirement and we are forced to collect it. This fee may increase at any time as our costs to supply the services (including our administrative costs) change. There is not limit on the amount that this fee may be. The fee will never be less than \$250 per month.
Technology Fee	Our then current fee which currently is \$75 per month	Same as Royalty Fee	Payable to us. We may increase this fee at any time upon 30 days' written notice. (See Item 11). There is no limit on the amount that this fee may be, but it will not be less than \$75 per month.
Software Fees	Currently \$150 per month	Monthly	You must pay us or our designated supplier the then-current fees for access to the scheduling software or related software you must use. This fee may change at any time.
Computer Maintenance and	Approximately \$150 and \$1,500 for maintenance and	As required	You must maintain and keep the computer system in good working order.

Type of Fee	Amount	Due Date	Remarks
Updates	approximately \$500 and \$2,000 to replace computer		Such maintenance may occur at any time.
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. The updating is deliverable by an approved vendor (Item 11)
Audit Expenses	Cost of audit	Upon demand	Audit costs payable only if the audit shows an understatement in amounts due of at least 3%.
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.
Supplier or Product Approval	All reasonable costs of evaluation, including our employee time billed, currently estimated to be \$500 per product or supplier	Time of evaluation	Applies to new suppliers or products you wish to use or purchase that we have not previously approved. Our costs will include employee time and any experts needed to evaluate the supplier or product.
Expansion Fee	\$45,000 for the first Additional Protected Territory and \$35,500 for a subsequent 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. Franchisee will pay this Expansion Fee
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.
Transfer Fee	The greater of \$22,500, or 50% of our then-current Franchise Fee.	Greater of \$11,250 or 50% of the transfer fee due when you notify us that you intend to sell your Franchised Business and the balance at the time of transfer	Does not apply to a controlled entity. The transfer fee deposit is not refundable and due for each transfer request. You will be informed of the then-current Franchise Fee at the time the transfer is approved.
Public Offering Fee	\$5,000 or any greater amount necessary to reimburse us for our	10 days following invoice date	This covers our cost in reviewing the proposed offering of your securities. You will be informed of the Public

Type of Fee	Amount	Due Date	Remarks
	reasonable costs and expenses to review the proposed offering		Offering Fee at the time the review has been completed by us.
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.
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. Currently, \$500 per day plus applicable expenses for travel, lodging and meals.	Time of service	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.
Additional Operation Assistance	Market rates plus our expenses, not to exceed a reasonable amount based on the training required. Currently, \$500 per day plus applicable expenses for travel, lodging and meals.	Time of service	You pay for additional assistance if you request it.
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).
System Modifications	This amount will vary depending upon the type of modification made	As required	We cannot estimate the minimum or maximum amount of the cost for such modification because we have no set schedule for any such modifications. If we decide to modify the System by requiring new equipment, fixtures, software, trademarks, etc., you must make the modifications at your expense. We may periodically make modification and there is no limit on the number of modifications that we may make during the term of the Franchise Agreement. We will provide you with 60 days 'prior written notice of a modification.
Cost of Enforcement	All costs including attorneys' fees	Upon demand	You must reimburse us for all costs in related to your default and termination and enforcing obligations under the Franchise Agreement
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.

Type of Fee	Amount	Due Date	Remarks
Franchisor's Investigative Fee	Then current fee (now \$120 an hour) plus attorney's fees and costs	Upon demand	Incurred if the Franchisee services clients in another franchisee's territory without permission and is given notice.
Violation Fees	\$2,500 for each client serviced in the territory of another franchisee without permission	Upon demand	If franchisee services a client in the territory of another franchisee without permission. 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. 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.

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.

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	\$45,000 to \$80,000	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

Type of Expenditure	Amount (Low – High)	Method of Payment	When Due	To Whom Payment Is To Be Made
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
Technology Fee ⁸	\$225 to \$900	As Arranged	Upon Signing Franchise Agreement	US
Insurance and Bonds ⁹	\$2,500 to 10,000	As Arranged	Before Beginning Operations	Third Parties
Signage ¹⁰	\$100 to 1,000	As Arranged	Before Beginning Operations	Third Parties
Office Equipment & Supplies ¹¹	\$750 to 3,000	As Arranged	Before Beginning Operations	Third Parties
Grand Opening Advertising Fee ¹²	\$1,000	As Arranged	Upon Signing Franchise Agreement	Us
Training ¹³	\$1,000 to 2,500	As Arranged	Before Beginning Business	Third Parties
Licenses & Permits ¹⁴	\$0 to 10,000	As Arranged	Before Beginning Business	Licensing Authority
Legal & Accounting ¹⁵	\$500 to 3,000	As Arranged	Before Beginning Business	Attorneys and Accountants
Dues & Subscriptions ¹⁶	\$0 to 500	As Arranged	Before Beginning Business	Third Parties
Additional Funds – 3 Months ¹⁷	\$4,000 to 30,000	As Arranged	As Necessary	You Determine
TOTAL¹⁸	\$59,025 to \$156,700			

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 5. 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 5 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 scheduling software from us or our approved vendor. Currently, you will sign a scheduling software license agreement with the approved vendor but pay us all applicable fees. We will pay the initial start up license fee and training fee for you to use the scheduling software. You must pay us the monthly usage fee for the scheduling software. The monthly 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. See Item 11 for a description of the computers and printers you must purchase.

(8) Technology Fee: You will pay us the first 3 months of the Franchisee Technology Fee for the Franchisee Technology Services that are more fully described in Item 11. The Technology Fee is currently \$75 per month. We may increase this fee at any time upon 30 days' written notice to you. There is no limit in the Franchise Agreement as to the amount of this fee, but it will not be less than \$75 per month.

(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 (or the equivalent), 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 at time of payment of Franchise Fee. 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 use the services of 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 nearly 6 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 Business according to our standards and specifications. All signs, equipment, and other items used in the operation of the Franchised 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. 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 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 (currently estimated to be \$500 per item, service or supplier). We will decide and notify you in writing 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 are the only supplier of services connected with the Grand Opening Advertising Fee (Item 11), and the Franchisee Technology Fee (Items 6, 7, and 11). Our Affiliate, Elite Background, is a supplier of background checks, but it is not the only Approved Supplier of background checks. Some of our officers own an interest in us and our Affiliates. None of our officers owns an interest in any other supplier.

Computer Hardware and Proprietary Software

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.

You are required to use software and related technology that we own or that is owned by our affiliate or a third party, and to pay us the Technology Fee (Items 6 and 11).

Insurance and Bonds

At your expense you must purchase and maintain in effect during the term of the Franchise Agreement for each Franchised Business you operate: (i) “all risk” property insurance with fire, vandalism and malicious mischief coverage on all assets of the Franchised Business for full replacement value; (ii) workers’ compensation and other insurance to meet statutory requirements and employer liability coverage with minimum coverage of at least \$100,000; (iii) comprehensive general liability insurance with minimum coverage of at least \$1,000,000 per occurrence; (iv) professional liability insurance with minimum coverage of at least \$1,000,000 per occurrence; (v) business interruption insurance; (vi) automobile liability insurance (if you use any vehicles in operating the Franchised Business) with a combined single limit of at least \$1,000,000; (vii) employment practice liability insurance; (viii) indemnity insurance to cover your indemnification in the Franchise Agreement; and (ix) other insurance as we designate to provide coverage for services and products you offer in reasonable amounts.

You must also procure and maintain a fidelity or dishonesty bond in a minimum amount of at least \$25,000 with coverage for you and us, or with higher minimum terms and coverage which we may specify.

If state law requires higher insurance or bond limits, you must purchase and maintain at least the minimum required by state law. Also, lenders and lessors may require you to purchase and maintain insurance or bonds. Your insurance policies must name us as an additional insured and/or loss payee and contain a waiver of subrogation rights against us. 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 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, 2012 we received approximately \$71,288.98 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 \$5,460,833. In addition, our affiliate, Elite Background received \$81,623 of revenue as a result of franchisee purchases. We may derive revenue from future arrangements with suppliers based on franchisee purchases.

We estimate that approximately 65% to 80% of your expenditures for leases and purchases in establishing your Franchised 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 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 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	Items 7 and 11
b.	Pre-opening purchases/leases	Sections 5 and 15	Item 8
c.	Site development and other pre-opening requirements	Sections 5 and 8	Item 6, 7 and 11
d.	Initial and ongoing training	Section 8	Item 11
e.	Opening	Sections 5 and 11	Item 11
f.	Fees	Sections 3, 5, 8, 10, 11, 12, 13, 15, 18, 21 and 22	Items 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	Sections 6, 7, 9, 11, 12, 13 and 15	Item 11
h.	Trademarks and proprietary information	Sections 6, 7 and 9	Items 13 and 14
i.	Restrictions on products/services offered	Sections 5, 6, 9 and 13	Items 11 and 16
j.	Warranty and customer service requirements	Section 13	Items 11 and 16
k.	Territorial development and sales quotas	Sections 2, 4 and 16	Item 12
l.	Ongoing product/service purchases	Section 13	Item 8
m.	Maintenance, appearance and remodeling requirements	Sections 10 and 13	Item 11
n.	Insurance	Section 15	Items 7 and 8
o.	Advertising	Sections 3 and 11	Items 6, 7 and 11

Obligation		Section in the Franchise Agreement	Disclosure Document Item
p.	Indemnification	Section 21	Item 6
q.	Owner's participation/management/staffing	Section 13	Items 11 and 15
r.	Records and reports	Sections 3 and 12	Item 11
s.	Inspections and audits	Sections 12 and 13	Item 6
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

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 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

Before you open the Franchised Business, we will:

1. 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.

2. 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.

3. 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.

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

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

6. Loan to you one copy (whether printed, on computer disk or locked pdf) 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.

7. Deliver to you the Franchisee Technology Services (Franchise Agreement, Section 3.4)

B. ASSISTANCE DURING THE OPERATION

After the opening of the Franchised Business, we will:

1. From time to time, advise and offer general guidance to you by telephone, e-mail, facsimile, newsletters and other methods. (Franchise Agreement, Section 14.1)

2. At our discretion, we may 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, will notify you in writing or orally that we prepared a report, and you may request a copy from us. If no written report is prepared, we will discuss our findings with you orally. (Franchise Agreement, Section 14.2)

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

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

5. 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)

6. Provide the Franchisee Technology Services (Franchise Agreement, Section 3.4).

C. ADVERTISING AND PROMOTION

You will continuously promote the Franchised Business. Every month, you will spend the greater of \$300 or at least 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 Operations 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 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 Local 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 Marketing 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 Marketing 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 meet the costs of, or reimburse us for our expenses related to, the general promotion of the Marks and the System, including 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 or site and other forms of electronic media and advertising activities; research; employing advertising, public relations and other third party agencies to assist us; and providing promotional brochures and other marketing materials to franchisees and the advertising cooperatives), as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in the administration of the Marketing Fund. 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, including the actual costs of salaries and fringe benefits paid to our employees engaged in 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 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 in a format we determine and we will provide you with a copy of the most recent year's accounting 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 2012, we spent the Marketing Fund contributions as follows: Production – 56%; Media Placement – 28%; Administration – 16%.

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. Upon the affirmative vote of two thirds (2/3) of the members of an established Cooperative Advertising program for your particular region, you must pay (and we may, but we are not obligated to, collect from you on the Cooperative Advertising program's behalf) contributions to the Cooperative Advertising program in the amount approved by such affirmative vote, even if the contributions required exceed the Minimum Local Advertising Requirement (Franchise Agreement, Section 11.2).

You will pay us at time of payment of Franchise Fee the Grand Opening Advertising Fee (Item 7). This fee will be spent by us during the first 3 months of operation of the Franchised Business on local advertisement and promotion of your initial opening, including the solicitation of referral sources ("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 directories as 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).

D. COMPUTER SYSTEM

You must 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). 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 Manuals or otherwise in writing.

Currently, your computer hardware and software must operate under the latest version Microsoft Windows Operating System, 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.

We reserve the right to provide you with access to a phone number that you must use in your Business that we own. You also must have a color printer, a fax machine and copier.

Franchisee will be required to use our “Franchisee Technology Services” for which you will pay the Technology Fee (Items 6 and 7). The Franchisee Technology Services may include access to the SYNERGY dashboard and extranet, email addresses, and other technology services used to support and promote the SYNERGY system, SYNERGY franchisees and SYNERGY HomeCare Businesses. The Technology Fee will also be used for maintenance of the Franchisee Technology Services. The Technology Fee is currently \$75 per month. We may change the Technology Fee at any time upon notice.

In addition, you must purchase and use the software we require, including our designated scheduling software. Currently, you must pay us \$150 per month for access to the scheduling software. We may change the fee for access to the scheduling software as the fee the designed vendor charges us changes.

If you are in default under the Franchise Agreement, we may prohibit or limit your access to the Franchisee Technology Services or the scheduling software.

Franchisee must have access to the internet through a DSL, cable or faster internet connection available in your service area. Franchisee 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.

The cost of the computer hardware and software for the Franchisee is estimated to range between \$2,250 to 4,500.

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, including establishing firewalls and access code protection and protecting passwords.

The computer system must be maintained to insure good working order. Such maintenance may occur at any time. Such maintenance could costs 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, 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. 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

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 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

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)

G. TRAINING PROGRAM

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
The Synergy Culture & Support Team Overview	1.5	0	Our Headquarters or other location we designate
–A Day in the Life of a Synergy Franchisee	1.5	0	Our Headquarters or other location we designate
Working Lunch	1.0	0	Our Headquarters or other location we designate
Building your Caregiver Bench	4.0	0	Our Headquarters or other location we designate
Recap of Day 1	.5	0	Our Headquarters or other location we designate
The Sales Process: Basic Industry Terminology; Territory Analysis; Sales	3.5	0	Our Headquarters or other location we designate
Working Lunch	1.0	0	Our Headquarters or other location we designate
The Sales Plan	2.0	0	Our Headquarters or other location we designate
Recording Data in eRSP (CRM)	1.0	0	Our Headquarters or other location we designate
The Sales Process Role Play	1.0	0	Our Headquarters or other location we designate
Recap o Day 2	.5	0	Our Headquarters or other location we designate

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Marketing/Advertising	3.5	0	Our Headquarters or other location we designate
Lunch	1.0	0	Our Headquarters or other location we designate
Digital Resources	1.0	0	Our Headquarters or other location we designate
Hard-Copy Resources	1.0	0	Our Headquarters or other location we designate
Filling the Sales Funnel	2.0	0	Our Headquarters or other location we designate
Recap of Day 3	.5	0	Our Headquarters or other location we designate
The Phones Are Ringing – Yay! Now What?	3.5	0	Our Headquarters or other location we designate
Lunch	1.00	0	Our Headquarters or other location we designate
Conducting the Home Assessment	3.0	0	Our Headquarters or other location we designate
Role Play	1.0	0	Our Headquarters or other location we designate
Recap of Day 4	.5	0	Our Headquarters or other location we designate
Financial Management	3.5	0	Our Headquarters or other location we designate
Lunch	1.0	0	Our Headquarters or other location we designate
Time Management – Becoming the CEO of Your Business	1.0	0	Our Headquarters or other location we designate
The Franchisee Referral Program	.5	0	Our Headquarters or other location we designate
Putting It All Together	2.0	0	Our Headquarters or other location we designate

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Graduation Ceremony	.5	0	Our Headquarters or other location we designate
Total	45.0	0	

Heather Ballard, Richard Basch, Dallas Bennewitz, David Manbeck, Jacqueline Shirif, and Kitty Vradenburg will provide training. Ms. Ballard has worked in the non-medical home care industry since 2004 and has been with us since 2013. Mr. Basch is our Vice President of Franchise Operations and has been with us since 2012. Mr. Bennewitz is our Vice President of Marketing and has been with us since 2011. Mr. Manbeck has worked in the home-health, hospice and non-medical home care industry since 1997 and has been with us since 2010. Ms. Shirif has been our Controller and the Controller for our Clean Affiliate since 2012 and will provide training in accounting. She has been in the accounting industry since approximately 2004. Ms. Vradenburg worked in the home-health and non-medical home-care businesses as a marketer and salesperson since 2000, is our Pre-Opening Business Consultant and has been with us since 2009.

All instructors will provide training in various aspects of client operations and business management.

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, 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).

ITEM 12 **TERRITORY**

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. If that third party provider make an unintentional error in determining the Protected Territory, we may modify the Protected Territory. 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 of the Franchise Agreement, 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.

Your Protected Territory is exclusive and 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 Monthly Sales Quota”) or are in breach of any other terms of the Franchise Agreement.

In order to maintain exclusivity of your Protected Territory, you must achieve and maintain the minimum levels of Monthly Gross Sales (the “**Minimum Monthly Sales Quota**”) set forth below for each Protected Territory each month during the following Years of Operation:

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

“Year of Operation” will be defined by a 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 12th calendar month after that date. At the end of each Year of Operation we will evaluate if you have satisfied the Minimum Monthly Sales Quota each month during the Year of Operation. If you have failed to satisfy the Minimum Monthly Sales Quota, we have the right to reduce the size or eliminate the Protected Territory, fashion some other remedy, or terminate the Franchise Agreement, as we determine to be appropriate.

For any Successor Franchise Agreement, the Minimum Monthly Sales Quota for each Year of Operation for each Protected Territory will be the greater of \$40,000 or the our then-current Minimum Monthly Sales Quota for Successor Franchise Agreements.

All Gross Sales from clients located outside of the Protected Territory (but for which you have our permission to service) will not be credited towards satisfying the Minimum Monthly 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 3.1 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 \$45,000 for the first additional Protected Territory and \$35,000 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 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 Monthly Sales Quota for each Year of Operation for each such Protected Territory;
- c. you provide us with a written request that it wishes to expand into a third territory;
- d. you have 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. “Referring Agencies” 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.

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.

ITEM 13
TRADEMARKS

You must operate the Franchised Business under the name “Synergy HomeCare.” You may also use any other current or future Mark to operate the Franchised 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. 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 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

Mark	Filing Date	Registration Number	Registration Date
Synergy HomeCare (standard character mark)	July 16, 2004	3066796	March 7, 2006
Synergy HomeCare (standard character mark)	October 25, 2010	4147375	May 22, 2012

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 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.

You will not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your Franchised 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 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 have no obligation to indemnify you or reimburse you for your expenses incurred in connection with any litigation or proceeding in connection with your use of the Mark.

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.

You must use the Marks as the sole trade identification of the Franchised 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.

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 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. 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 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.

All ideas, concepts, techniques or materials concerning the Franchised 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**

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. We must approve the 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 11, 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 Franchise 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.

ITEM 16 **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

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, transportation services, care management, 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. You will be required to participate in test marketing no more than 1 time every 3 years. You will not be required to make any payments to us for test marketing and if any good are to be purchased, they will be sold to you at our cost. Any costs associated with test marketing will not apply to the Minimum Local Advertising Requirement.

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 Monthly 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 16.3	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	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%; fails on 2 or more occasions to breach any term of the agreement, 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 Monthly 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.

Provision	Section in the Franchise Agreement	Summary
i. Your obligations on termination/non-renewal	Section 17.1	If the Franchise Agreement is terminated or we do not 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 \$22,500 or 50% of our then-current Franchise Fee, 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 Business, the transferee's

Provision	Section in the Franchise Agreement	Summary
		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 17.4	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 the Protected Territory, within 35 miles of the Protected Territory, or within the protected territory of 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 22.8	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.

Provision	Section in the Franchise Agreement	Summary
t. Integration/merger clause	Section 22.7	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 23.7 and 23.8	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.).

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 62 Synergy HomeCare Businesses that have been in operation for 3 years or more as of December 31, 2012, for the period from January 1, 2012 to December 31, 2012. As of December 31, 2012, there were 126 Synergy HomeCare Businesses in operation. The remaining 64 Synergy HomeCare Businesses were not included in the information below because the Synergy HomeCare Businesses had not been in operation for 3 years or more as of December 31, 2012 or closed during the 2012 calendar year. “Average Annual Gross Sales” was calculated by taking the total Gross Sales (as defined in Note 1 of Item 6) reported by each franchisee during the 2012 calendar year and dividing it by the 62 Synergy HomeCare Businesses.

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.

Number of Years in Operation	Number of Synergy HomeCare Businesses	Average Gross Sales(4)	Number (and percentage) who Met or Exceeded Average Gross Sales	Median Gross Sales	Maximum Gross Sales	Minimum Gross Sales
Over 7 years(1)	3	\$3,038,126	1 (33%)	\$3,017,683	\$4,097,202	\$1,999,495
4 to 7 years(2)	11	\$1,175,946	3 (27%)	\$976,158	\$3,052,477	\$452,583
3 to 4 years(3)	48	\$638,822	19 (40%)	\$449,697	\$1,742,098	\$96,333

- (1) These Synergy HomeCare Businesses opened between January 1, 2005 and December 31, 2015
- (2) These Synergy HomeCare Businesses opened between January 1, 2006 and December 31, 2007.
- (3) These Synergy HomeCare Businesses opened between January 1, 2008 and December 31, 2009.
- (4) Gross Sales has the meaning described in Item 6.

The information described above is based on Synergy HomeCare Businesses open and operating for at least 3 years and do not include information based on Synergy HomeCare Businesses that have been operating for less than 3 years.

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.

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.

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

Written substantiation of the data used in preparing this Statement will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future revenue and/or income, you should report it to the franchisor's management by contacting Peter Tourian, Synergy HomeCare Franchising, LLC at 1757 E. Baseline Road, Bldg. 6, Suite 124, Gilbert, Arizona, 85233, (480) 659-7771, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1**
Systemwide Outlet Summary
For Years 2010-2012

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchisees	2010	95	115	+20
	2011	115	128	+13
	2012	128	133	+5
Company-Owned	2010	0	0	0
	2011	0	0	0
	2012	0	0	0
Total Outlets	2010	95	115	+20
	2011	119	128	+13
	2012	128	133	+5

Table No. 2
Transfers of Franchised Outlets
For Years For Years 2010-2012

State	Year	Number of Transfers
Alabama	2010	0
	2011	1
	2012	0
California	2010	0
	2011	0
	2012	2
Colorado	2010	0
	2011	0
	2012	1
Connecticut	2010	0
	2011	1
	2012	0
Georgia	2010	0
	2011	0
	2012	1

State	Year	Number of Transfers
Illinois	2010	0
	2011	2
	2012	0
Missouri	2010	0
	2011	1
	2012	0
Montana	2010	0
	2011	1
	2012	0
North Carolina	2010	0
	2011	0
	2012	1
Ohio	2010	0
	2011	0
	2012	1
South Dakota	2010	0
	2011	1
	2012	0
Totals	2010	0
	2011	7
	2012	6

Table No. 3
Status of Franchised Outlets
For Years For Years 2010-2012

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	2010	1	1	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	1	3
Arizona	2010	6	0	1	0	0	0	5
	2011	5	0	0	0	0	0	5
	2012	5	1	0	0	0	0	6
Arkansas	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
California	2010	12	5	0	0	0	0	17
	2011	17	3	1	0	0	2	17
	2012	17	4	0	0	0	2	19
Colorado	2010	3	0	1	0	0	1	1
	2011	1	1	0	0	0	0	3
	2012	3	1	0	0	0	0	4
Connecticut	2010	3	0	0	0	0	1	2
	2011	2	1	0	0	0	0	4
	2012	4	1	0	0	0	0	5

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
Delaware	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	1	0	0	0	0	1
District of Columbia	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Florida	2010	3	1	0	0	0	1	3
	2011	3	2	0	0	0	0	5
	2012	5	0	0	0	0	0	5
Georgia	2010	6	0	0	0	0	0	6
	2011	6	0	0	0	0	0	6
	2012	6	1	0	0	0	0	7
Hawaii	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Idaho	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Illinois	2010	5	2	0	0	0	0	7
	2011	7	0	0	0	0	1	6
	2012	6	2	0	0	0	0	8
Indiana	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Kansas	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Kentucky	2010	1	0	0	0	0	0	1
	2011	1	1	0	0	0	1	1
	2012	1	0	0	0	0	0	1
Maryland	2010	4	0	0	0	0	0	4
	2011	4	0	0	0	0	1	3
	2012	3	0	0	0	0	0	3
Massachusetts	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Michigan	2010	4	2	0	0	0	0	6
	2011	6	0	0	0	0	0	6
	2012	6	0	0	0	0	1	5
Minnesota	2010	3	2	0	0	0	0	5
	2011	5	0	0	0	0	0	5
	2012	5	0	0	0	0	0	5

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
Mississippi	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	1	0
Missouri	2010	4	1	0	0	0	0	5
	2011	5	0	0	0	0	0	5
	2012	5	0	0	0	0	1	4
Montana	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
New Jersey	2010	10	0	0	0	0	0	10
	2011	10	2	0	0	0	0	12
	2012	12	0	2	0	0	2	8
New Mexico	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
New York	2010	0	0	0	0	0	0	1
	2011	0	1	0	0	0	0	1
	2012	1	1	0	0	0	0	2
North Carolina	2010	1	2	0	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	0	0	0	0	0	3
Ohio	2010	2	2	0	0	0	0	4
	2011	4	1	0	0	0	0	5
	2012	5	0	0	0	0	0	5
Oklahoma	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Oregon	2010	1	0	0	0	0	1	0
	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Pennsylvania	2010	2	1	0	0	0	0	3
	2011	3	1	0	0	0	0	4
	2012	4	1	0	0	0	0	5
South Carolina	2010	1	0	0	0	0	0	1
	2011	1	1	0	0	0	0	2
	2012	2	0	0	0	0	0	2
South Dakota	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
Tennessee	2010	0	1	0	0	0	0	1
	2011	1	0	0	0	0	1	0
	2012	0	0	0	0	0	0	0

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
Texas	2010	6	2	0	0	0	0	8
	2011	8	4	0	0	0	0	12
	2012	12	1	0	0	0	1	12
Utah	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
	2012	0	1	0	0	0	0	1
Virginia	2010	3	0	0	0	0	1	2
	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	1	1
Washington	2010	3	1	0	0	0	0	4
	2011	4	0	0	0	0	0	4
	2012	4	1	0	0	0	0	5
Wisconsin	2010	2	1	0	0	0	0	3
	2011	3	0	0	0	0	0	3
	2012	3	1	0	0	0	0	4
Wyoming	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
Total	2010	95	27	2	0	0	5	115
	2011	115	21	2	0	0	6	128
	2012	128	17	2	0	0	10	133

Table No. 4
Status of Company-Owned Outlets
For Years For Years 2010-2012

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	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0

Table No. 5
Projected Franchise 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		1	
Arizona		1	
Arkansas		1	
California		4	
Colorado		1	
Connecticut		2	
Delaware		1	
Florida		2	
District of Columbia		1	
Georgia		1	
Idaho		1	
Illinois		1	
Indiana		1	
Iowa		1	
Kansas		1	
Kentucky		1	
Maine		1	
Maryland		1	
Massachusetts		1	
Michigan		1	
Minnesota		1	
Mississippi		1	
Missouri		1	
Nebraska		1	
Nevada		1	
New Hampshire		1	
New Jersey		2	
New York		2	
North Carolina		1	
Ohio		2	
Oklahoma		1	
Oregon		1	
Pennsylvania		2	
Rhode Island		1	
South Carolina		1	
Tennessee		2	
Texas		3	
Utah		1	
Virginia		1	
Washington		1	

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
West Virginia		1	
Wisconsin		1	
Wyoming		1	
Totals		55	

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.

There are no required Trademark-Specific Franchisee Organizations required to be disclosed in this Item 20.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit E are our audited financial statements for our fiscal years ending December 31, 2010, December 31, 2011, and December 31, 2012. Also attached as Exhibit E are our unaudited financial statements as of March 31, 2013.

ITEM 22
CONTRACTS

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

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 Directory Listing Assignment is attached to the Franchise Agreement as Exhibit G.

The Synergy HomeCare 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	ADDRESS
California	Commissioner of Corporations Department of Corporations	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 500 St. Paul, MN 55101-2198
New York (State Administrator)	New York State Department of Law Bureau of Investor Protection and Securities	120 Broadway, 23rd Floor New York, NY 10271
New York (Agent)	Secretary of State of the State of New York	41 State Street, Second Floor Albany, NY 12231
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Securities	445 East Capitol Avenue Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 345 W. Washington Ave., 4th Floor Madison, WI 53703



EXHIBIT B

LIST OF FRANCHISEES

EXHIBIT B TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES AS OF DECEMBER 31, 2012

As of December 31, 2012, 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
<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	4050 E. Greenway Rd, Ste 2	Phoenix, AZ 85032	(480) 947-1234
Rob Dunn	10728 E 38th Street	Yuma, AZ, 85365	(803)-530-5777
<u>Arkansas</u>			
Ross Carter			
<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	2335 W Foothill Blvd, Ste 10	Upland, CA 91786	(909) 908-2545
Tommy Yamamoto	4320 Stevens Creek Blvd, Ste 123	San Jose, CA 95129	(408) 247-0913
David Blue	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	2236 Encinitas Blvd, Ste D	San Diego, CA 92024	(760) 634-0476
Ernie & Betty Madsen	7305 Morro Rd, Ste 201	Atascadero, CA 93244	(805) 462-1300
Nia Garcia	2760 E Spring St., Ste 204	Long Beach, CA 90806	(562) 426-9100
Raghu Yadavalli	2685 Marine Way, Ste 1220	Mountain View, CA 94043	(650) 938-2273
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
John Han	2233 Santa Clara Ave Ste 8	Alameda, CA 94501	(510) 924-8529
Alice Yip	2330 Westwood Blvd, Ste 105	Los Angeles, CA 90064	(925) 298-7711
Duke Chadsey	3720 Oceanic Way Ste 208	Oceanside, CA 92056	(760) 295-5575
Curtis & Joyce Hanz	1260 N. Hancock St, Ste 104-A	Anaheim Hills, CA 92807	(714) 706-1613
Christine Sorgman	2007-B Opportunity Drive, Ste 13	Roseville, CA 95678	(916) 899-5925
Rosa & Malcolm Griffin	3200 Fourth Ave, Ste 205	San Diego, CA 92103	(619) 542-0337
<u>Colorado</u>			
Tom Yetzer	4105 E. Florida, Suite 103	Denver, CO 80222	(303) 756-9322
Ryan Gunderson	357 McCaslin Blvd, Ste 200	Louisville, CO 80027	(720) 263-6060
Greg Rodolph	333 Perry St, Ste 309	Castle Rock, CO 80104	(303) 953-9924
<u>Connecticut</u>			
Caleena and Manish Namdev	76 Progress Dr, Ste 235L	Stamford, CT 06902	(203) 661-6969
Jim Crossett	36 Mill Plain Rd, Ste 208	Danbury, CT 06811	(914) 747-3098
Bob Fiorito	1253 Berlin Turnpike	Berlin, CT 06037	(860) 266-2666
Jay Kiley	2228 Black Rock Turnpike, Ste 310	Fairfield, CT 06825	(203) 923-8866

Delaware

Mark Rodi 1521 Concord Pike, Ste 301 Wilmington, DE 19803 (303) 504-4867

District of Columbia

Chonita Tillmon 1155 F St. NW, Ste 1050 Washington, DC 20036 (202) 558-7706

Florida

Lucia & Jorge Robelo 9830 SW 77th Ave, Ste 145 Miami, FL 33156 (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
Ann Perez 201 W. Ocean Ave. #3982 Lantana, FL 33465 (561) 899-0980
Dale Dalbey 141 Mack Bayou Loop, Ste 303 Santa Rosa Beach, FL 32459 (850) 622-1094

Georgia

Stacy Korosec & Sue McCormick 11380 Southbridge Pkwy, Ste 225 Alpharetta, GA 30078 (770) 777-4781
Dan Armstead 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 619 East College Ave, Ste C-2 Decatur, GA 30030 (404) 270-9032
Dan Armstead 650 Henderson Drive, Ste 434 Cartersville, GA 30120 (770) 881-7052
Joel Bagley 2078 Teron Trace, Ste 250 Dacula, GA 30019 (770) 783-2323
Kimberly Peterson 189 Dew Mist Lane Acworth, GA 30101 (404) 542-8882

Hawaii

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

Idaho

Mike Smith 1243 E Iron Eagle Dr Ste 130-A Eagle, ID 83616 (208) 906-3725

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Wyoming

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† Some franchisees operate their Synergy HomeCare Businesses through a corporation or limited liability company



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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- C. GUARANTY AND ASSUMPTION OF OBLIGATIONS
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- F. STANDARD FORM OF GENERAL RELEASE
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- H. ELECTRONIC FUNDS TRANSFER AUTHORIZATION
- I. MULTI-STATE ADDENDA

“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), transportation services, internet-based services or products, care management 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 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 that Franchisor approves who has primary responsibility for managing the day-to-day affairs of the Franchised Business;

“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 3.1;

“Franchised Business” means the SYNERGY 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 a maximum of 30 days after Franchisee completes Initial Training, as set forth in Section 8.1;

“Gross Sales” means the aggregate of all sales 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. For the purposes of calculating Gross Sales, the sale is made at the earlier of delivery of the service or product, or receipt of invoice;

“Incapacity” means the inability of Franchisee (if Franchisee 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 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 3.3;

“Marketing Fund Contribution” has the meaning given to such term in Section 3.33;

“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 1 geographic area that Franchisor has approved by designation in the 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 Territories” are the protected territories described on Exhibit B. Each protected territory is referred to as a “Protected Territory” and all Protected Territories are referred to collectively as the “Protected Territories”;

“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 Franchisor’s determination on a given matter will prevail even in cases where other alternatives are also reasonable so long as Franchisor is 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 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; and customer satisfaction. Franchisor will not be required to consider the Franchisee’s or any other franchisee’s particular economic or other circumstances when exercising its Reasonable Business Judgment. Reasonable Business Decisions will not affect all franchisees equally, and some may be benefited while others will not.

“Referring Agencies” 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 which the Franchisor has awarded a “Development Region” which may include Franchisee’s Protected Territories. The Regional Developer is not the Franchisor. Only the Franchisor will sign the Franchise Agreement with the Franchisee.

“Royalty Fee” has the meaning given to such term in Section 3.2;

“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 1 SYNERGY HomeCare Business using the System and Marks in the Protected Territories.

In the event that a Regional Developer's Development Region includes Franchisee's SYNERGY HomeCare Business, it will provide services to Franchisee, 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 Franchisor. Franchisee must accept such services as though they were delivered directly by Franchisor, and Franchisee must abide by any other requirements made of Franchisee by the Regional Developer so long as they are within the scope of this Agreement.

Franchisee will be notified by Franchisor at the time Franchisee signs this Agreement if Franchisee's Protected Territories are covered by a Regional Developer. In such an event, certain services provided to Franchisee 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 Franchisee's Protected Territories, Franchisee will be notified by Franchisor and will be given further information concerning the Regional Developer and the services that it will provide to Franchisee. At any time that Franchisee's Protected Territories are covered by a Regional Developer, Franchisee 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 Franchisee. 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 Territories and Minimum Monthly 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 Monthly Sales Quota), license, own or operate any other SYNERGY HomeCare Business within the Protected Territories. If the Protected Territories are determined by zip codes and the geographic area included within any zip code on the boundary of Franchisee's Protected Territory changes after the Effective Date, then the Protected Territories 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 exclusivity of Franchisee’s Protected Territory, Franchisee must achieve and maintain the minimum levels of Monthly Gross Sales (the “**Minimum Monthly Sales Quota**”) set forth below for each Protected Territory each month during the following Years of Operation:

Year of Operation	Minimum Monthly Gross Sales
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 a twelve month period that commences on the first day of the first full calendar month after Franchisee’s Grand Opening and ends on the last day of the twelfth calendar month thereafter. At the end of each Year of Operation Franchisor will evaluate if Franchisee has satisfied the Minimum Monthly Sales Quota each month during the Year of Operation. If Franchisee has failed to satisfy the Minimum Monthly Sales Quota, Franchisor has the right to reduce the size or eliminate the Protected Territories, fashion some other remedy, or terminate Franchisee’s Agreement, as Franchisor determines to be appropriate.

For any Successor Franchise Agreement, the Minimum Monthly Sales Quota for each Year of Operation for each Protected Territory will be the greater of \$40,000 or the Franchisor’s then-current Minimum Monthly Sales Quota for Successor Franchise Agreements.

All Gross Sales from clients located outside of the Protected Territories (but for which Franchisee has Franchisor’s permission to service) will not be credited towards satisfying the Minimum Monthly Sales Quota.

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 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 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 30 days after the end of the Waiting Period, then the approval will be rescinded and Franchisee will have to reapply for permission.

Franchisee may be considered for more than 1 Additional Protected Territory only under the following conditions:

- a. Franchisee has been operating the current Protected Territories for at least 1 year;

b. Franchisee has met or exceeded the Minimum Monthly Sales Quota for each Year of Operation of each such Protected Territories;

c. Franchisee provides Franchisor with a written request that Franchisee wishes to expand into an Additional Protected Territory;

d. Franchisee has the commercially reasonable financial ability to expand into an Additional Protected 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 Franchisee will be permitted to own more than 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 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 within the protected territory of another franchisee, Franchisee must, no later than 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 Franchisee permission. If Franchisee is granted permission then Franchisee may service the client so long as Franchisee is able to perform the services for the client according to the standards described in the Manual. If Franchisee is not granted permission, Franchisee may not service such client. If Franchisee nonetheless services such client or if Franchisee fails to provide written notification to the franchisee in whose protected territory the client is located but instead services such client, Franchisee will be in violation of this Franchise Agreement. Within 10 days of receiving written notice of such violation, Franchisee must: (i) turn over within 24 hours the service work for the clients; and (ii) may be required to pay to Franchisor a \$2,500 fee for each client serviced in another franchisee's territory. 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 Franchisor's 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) and, if applicable, any attorney's fees and costs incurred by the Franchisor during the course of such investigation.

Franchisee has the right to perform services for clients whose principal residence is outside of its Protected Territories so long as: (a) such clients' principal residence is not inside the protected territory of any other SYNERGY HomeCare Business; (b) the Franchised Business is able to perform services for such client according to the standards set forth in the Manual; and (c) the amount of Gross Sales generated from such services does not exceed 25% of Franchisee's aggregate Gross Sales for the Franchised Business in any month of operation. Except as part of any Cooperative Advertising program implemented pursuant to Section 2.4, Franchisee will not advertise in any media whose primary circulation does not include or overlap with Franchisee's Protected Territories without the prior written approval of Franchisor. None of the Gross Sales generated from services for clients whose

principal business residence is outside of its Protected Territories will be credited toward its Minimum Monthly Sales Quota.

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 Territories, 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 Territories 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 Territories 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 Territories 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, whether inside or outside the Protected Territories; 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/resource-center/sanctions/Programs/Documents/terror.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 into 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. Franchise Fee

Upon execution of this Agreement, Franchisee will pay a fee (“**Franchise Fee**”) by certified check or wire transfer to Franchisor equal to the amount described in Exhibit B. 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 also includes payment for the initial license fee and training cost for Franchisor's approved scheduling software.

If after the Franchise Agreement has been signed, Franchisee desires to purchase Additional Protected Territories and Franchisor has approved Franchisee's request to purchase Additional Protected Territories pursuant to Section 2.4 and this Section 3.1 (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 \$45,000 for the first Additional Protected Territory and \$35,000 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 1 Protected Territory.

3.2. 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 5% of Gross Sales for the week ending at the close of business the previous Sunday. Each weekly Royalty Fee payment will be paid through electronic transfer as set forth in Section 3.6. 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. Franchisor may change the date and manner in which the Royalty Fee is paid to Franchisor upon notice to Franchisee.

3.3. 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 2% of Gross Sales for the week ending at the close of business the previous Sunday (“**Marketing Fund Contribution**”) or such lesser amount as Franchisor may 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.

3.4. Franchisee Technology Services; Technology Fee

Franchisee must pay Franchisor the then-current technology fee (“**Technology Fee**”) for the Franchisee Technology Services. The Technology Fee will be made at the same time and in the same manner as Royalty Fee payments. The “**Franchisee Technology Services**” may include access to the SYNERGY dashboard and extranet, email addresses, and other technology services used to support and promote the SYNERGY system, SYNERGY franchisees and SYNERGY HomeCare Businesses. The Technology Fee will also be used for maintenance of the Franchisee Technology Services.

At our option, you must use the telephone number and email address that we provide in the operation of your Business and no other telephone number or email address. You acknowledge that we own and have the right to control the telephone number and email address used in the Franchised Business.

3.5. 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.

3.6. Electronic Payment of all Fees and Costs

All Royalty Fees, Marketing Fund Contributions, Cooperative Advertising contributions, Technology Fees, amounts due for purchases by Franchisee from Franchisor and any other amounts due to Franchisor must 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 makes any modifications to such 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.

If Franchisee does not provide Franchisor with the information Franchisor requires to determine Gross Sales, Franchisor has the right to estimate the Gross Sales for the missing period and collect from Franchisee’s account an amount equal to the Royalty Fees and Marketing Fund Contributions that would be due based on such estimation. In making Franchisor’s estimate, Franchisor may consider prior Gross Sales reports that Franchisor received from Franchisee, any system-wide averages and other pertinent information available to Franchisee.

3.7. Interest

All Royalty Fees, Marketing Fund Contributions, Technology Fees, amounts due for purchases by Franchisee from Franchisor and other amounts that are not received by Franchisor within 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, Technology Fees, amounts due for purchases by Franchisee from Franchisor or any other amounts due Franchisor, including reasonable accounting and legal fees.

3.8. 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 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 5 successive periods (each a “Successor Term”) of 5 years each, such that the total term of the Franchise will not exceed 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 and Franchisee’s owners 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 (or the equivalent) 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 Monthly 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 Monthly 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 agreement 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 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 in writing. The Franchised Business's office must be in Franchisee's Protected Territories. 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 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:

5.2.1 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;

5.2.2 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 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 90 days after the Effective Date. In connection with the development of the Approved Location, Franchisee will:

5.3.1 obtain all signage, 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;

5.3.2 purchase and install all equipment, signage, 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

5.3.3 obtain a high-speed Internet connection solely dedicated to the Franchised Business.

5.3.4 at Franchisor's option, use the telephone number that Franchisor designates and owns in the Franchised Business.

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 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 Franchisor's 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 if 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, in the opinion of Franchisor's counsel, may be 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. Discontinuance of Use

Franchisor has the right to modify or discontinue use of any of the Marks, and/or use 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 will 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.

6.5. Right to Inspect

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

6.6. 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 considered Gross Sales 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 cease 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 cease 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 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 Protected Territories, within 35 miles

of the Protected Territories, or within another franchisee's, Franchisor's or its affiliate's protected 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 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). 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 30 days of being created by or for Franchisee or 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 may 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 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 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 may 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, 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 may 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 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 new Designated Manager and such 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 Franchisee or 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. Franchisee is responsible for all travel costs, living expenses and employees' salaries incurred in connection with the Designated Manager's attendance at such training. Franchisee must attend the Annual Franchise Meeting ("AFM"). An attendance fee of \$250 per person is required to attend the AFM, and Franchisee must pay such amount at least 30 days prior to attending the AFM. A maximum of three (3) people per Franchised Business can attend the AFM, unless otherwise authorized by Franchisor in writing. Franchisee is responsible for all travel costs, living expenses and employees' salaries incurred in connection with attendance at the AFM. If Franchisee or its Designated Manager fails to attend any mandatory ongoing training program or the AFM, Franchisor has the right to charge Franchisee a fee of \$1,500, which is due and payable on demand, for each mandatory ongoing training program or AFM 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 a 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 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 has the right to require Franchisee to use certain computer software that is now owned by Franchisor, its affiliate or a third party or that is purchased or licensed by Franchisor from Franchisor's affiliate or a third party. Franchisor reserves the right to suspend, modify or terminate Franchisee's use of such software at any time if Franchisee is in breach of this Agreement. Franchisee must pay Franchisor, its affiliate or a third party all applicable fees for use of the software. Franchisee's right to use any such software will terminate or expire on the date this

Agreement terminates or expires. Any fees for Franchisee's use of required software are in addition to the Technology Fee.

11. MARKETING AND PROMOTIONAL ACTIVITIES

11.1. Grand Opening Advertising

Franchisee will pay to Franchisor, at the same time as payment of the Franchise Fee, \$1,000 (Grand Opening Advertising Fee). This fee will be spent by Franchisor during the first 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"). Franchisor may use any media available including print, radio, and internet. Franchisor may use in-house marketing services or a local or national advertising firm. Franchisor will maintain Franchisee's 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 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 Franchisee, Franchisor will supply Franchisee with an unaudited statement in a spreadsheet format (or such other format as Franchisor may deem reasonable) showing the expenditures made with Franchisee's 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 2% of the previous month's Gross Sales on advertising, promotions and public relations within the Protected Territories ("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 Franchisor prescribes, an accounting of local advertising expenditures at such times, and for such reporting periods, as Franchisor may specify from time to time. If Franchisee does not spend at least the Minimum Local Advertising Requirement on a monthly basis; then, within 30 days after such time as Franchisor specifies, 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 Franchisee's Protected Territories to place the advertising for Franchisee.

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 30 days from the date all requested material is received by Franchisor. If Franchisor does not approve submitted materials within 30 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 14.1, 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 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 2% of each week's Gross Sales. Franchisor will notify Franchisee at least 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, the general promotion of the Marks and the System, including 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 or site and other forms of electronic media and advertising activities; research; employing advertising, public relations and other third party agencies to assist Franchisor therein; and providing promotional brochures and other marketing materials to franchisees and the advertising cooperatives), as well as accounting expenses and the actual costs of salaries and fringe benefits paid to Franchisor's employees engaged in the administration of the Marketing Fund. Franchisor will determine the methods of advertising, media employed and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs.

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. The Marketing Fund is not a trust or escrow account, and Franchisor has no fiduciary obligations regarding the Marketing Fund.

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.

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 agree to be bound by the council's decisions. Upon the affirmative vote of 2/3 of the members of an established Cooperative Advertising program, the Franchisee must pay (and the Franchisor may, but is not obligated to, collect from Franchisee on the Cooperative Advertising program's behalf) contributions to the Cooperative Advertising program in the amount approved by such affirmative vote, even if the required contributions exceed the Minimum Local Advertising Requirement.

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, denied or revoked 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. Directory Advertising

Franchisee must list and advertise the telephone number(s) for the Franchised Business in all online and print directories we require. Franchisee must place such advertisements 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 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. Reports

Franchisee must provide us with all reports that we require related to the Franchised Business in the format we require, including reports related to Gross Sales or income statements.

12.3. Financial Statements and Tax Returns

Franchisee will supply to Franchisor on or before the 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 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 (GAAP) 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 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 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. In addition, Franchisor will have full access to any third party software or systems purchased and/or implemented by Franchisee relating to the ownership and operation of the Franchised Business. Franchisee agrees to provide Franchisor with any passwords and other data to allow Franchisor to access Franchisee's computer at any time.

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 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 30 days) after receiving the required information whether Franchisee may purchase or lease such services or items or from such supplier. Approval of any supplier may be conditioned upon 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 to the 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 any and all purchases 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, conducting client and Referring Agencies' surveys, and inspecting 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 related 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 35 hours per week, excluding vacation, sick leave and similar absences. Franchisee will promptly hire a substitute or replacement Designated Manager we approve 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 and the Designated Manager must not engage in any business or other activities that will conflict with their 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 24 hours per day, 7 days per week, 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 at the Federal, state and local levels. 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 5 days after such commencement or issuance. Franchisee will deliver to Franchisor not more than 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 the highest standards of quality and service with regard to the operation of the Franchised Business. Franchisee will, at all times, provide 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. 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 as stated in the Manual. Uniforms and/or related identification items, if required, must be purchased from an Approved Supplier, in accordance with Section 13.1. If Franchisee desires to utilize any uniform, dress code products and/or related identification items that have not been approved, Franchisee will seek approval for the third party supplier as an Approved Supplier in accordance with Section 13.1.

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 challenges 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 providing no less than 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 be available, the failure will be deemed to 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 from time to time 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, digital images, 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 60 days after the Effective Date or 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 \$100,000 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 \$1,000,000 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 \$1,000,000 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 \$1,000,000 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 0; 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 (or its equivalent) in a principal amount of not less than \$25,000. 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, change the types of coverage 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 required 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 0. 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 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 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 90 days. If the breach cannot reasonably be cured in such 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 makes 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 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 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 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 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 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 30 days or longer (unless superseding 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 has not been dismissed within 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 2 or more separate occasions within any period of 12 consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Marketing Fund Contribution, Technology Fee, or Cooperative Advertising program 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 2 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 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 5 days of receiving notice of Franchisee's failure to pay any amounts due to Franchisor;

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

16.3.3 within 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.

Upon providing notice of termination to Franchisee under this Section 16.3, Franchisor and any of its affiliates at their option may suspend all services provided to Franchisee under this Agreement, and reinstate such services only upon Franchisee's curing of the default or failure, including restricting or blocking Franchisee's access to the Franchisee Technology Services or the designated software.

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 Franchisee's failure to cure any event of default within the time period specified above, or if no cure is provided, Franchisor 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 Franchisor 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 Royalty Fees (reduced to present value the calculation of which will be determined by the Franchisor's certified public accountant or other 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 Franchisor as a result of Franchisee's 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 Franchisee 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) Franchisee's failure to meet or perform Franchisee's obligations upon termination or expiration of this Franchise Agreement.

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

16.5.5. If Franchisee: operates the Business after transfer, repurchase, termination or expiration; uses any of the Marks or any aspect of the System; violates 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), Franchisor's remedies will include, but will not be limited to, recovery of the greater of: (a) all profits earned by Franchisee in the operation of the business using Franchisor's Marks or System after such Transfer, Assignment, repurchase, termination, or expiration; and/or (b) all Royalty Fees, 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, Franchisee agrees that, in the event Franchisee continues to operate or subsequently begin to operate 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 in the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's exclusive rights in and to the Marks and the System, and Franchisee further agrees 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 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 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, Technology Fees 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 arising out of or related to Franchisee's default of this Agreement or the exercise of Franchisor's right to terminate this Agreement pursuant to Section 16 or incurred by Franchisor subsequent to the termination or expiration of the Franchise in obtaining injunctive or other remedy or 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 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 the greater of \$11,250 or 50% of Franchisor's then current transfer fee for each transfer request.

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 its 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 \$22,500 or 50% of Franchisor's then-current Franchise Fee, less the deposit paid pursuant to Section 18.2.2.2, plus any applicable broker or sales service commissions that Franchisor incurs;

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 30 consecutive business days for at least 5 business hours each day to transition the Franchised Business to the transferee. After said 30 business days, the Franchisee shall be available to telephone consultation by the transferee for an additional 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 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 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 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 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 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 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.

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.

21.2. 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 or any other franchisee 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 \$1,000.

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) at the time delivered by electronic mail to the email address that Franchisor designates for use in the Business; (c) 2 business days after being sent via guaranteed overnight delivery by a commercial courier service; or (3) 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 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

22.4. Cost of Enforcement or Defense

If Franchisee breaches this Agreement, and Franchisor takes any action as a result of Franchisee's breach, Franchisor will be entitled to reimbursement of its costs, including accounting and attorneys' fees in connection with such breach. The attorneys' fees and costs that Franchisor is entitled to shall include, but not be limited to, any such fees and costs that Franchisor incurs in issuing a notice of default.

All reasonable and necessary costs and expenses, including attorneys' fees, incurred by Franchisor or Franchisee in enforcing any provisions of this Agreement, or in defending against any claims made against one by the other with respect to this Agreement, whether through injunctive relief or otherwise, will be paid to the prevailing party in such action by the other party.

22.5. Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of 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 an amendment to this Agreement that may be required by Franchisee's 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 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

All Parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement. This waiver is done voluntarily and knowingly, and with the opportunity to review this provision with an attorney.

23.7. Mediation

Except as otherwise stated in this Section 23.7, the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of disputes between franchisors and franchisees, agreed upon by the parties. If the parties do not agree upon a mediator or mediation services organization within 15 days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association pursuant to its rules governing mediation, at Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within 90 days after conferring with the mediator, either party may submit such claim, controversy or dispute to arbitration under Section 23.8 below. Franchisor may bring an action under the applicable provisions of this Section 23 without first submitting the action to mediation under this Section 23.7 if the action relates to the ownership of any of Franchisor's Marks, the unauthorized use or disclosure of Franchisor's Confidential Information, covenants against competition, money due Franchisor or its affiliates, or claims arising from or related to termination of this Agreement for violations of health or safety regulations

23.8. 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 Franchisor or its affiliates, 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 on an individual basis 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 7 days prior to the date on which this Agreement was executed and that it has received, at least 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 and 21:

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

FRANCHISE FEE/PROTECTED TERRITORY

A. Franchise Fee. Franchisee will pay Franchisor a Franchise Fee equal to \$ _____.

B. Protected Territories. The Protected Territories are as follows:

1. First Protected Territory: _____

2. Second Protected Territory: _____

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

Franchisee acknowledges and agrees that if a third party provider generates the Protected Territory on Franchisor's behalf and that provider makes an unintentional error in assigning zip codes or other boundaries, Franchisor may reasonably alter the Protected Territory to correct such error.

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-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), transportation services, internet based services or products, care management 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.

"Protected Territory" means the protected territory described in the SYNERGY HomeCare franchise agreement for the SYNERGY HomeCare franchise 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.

"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 Franchisee's association with Franchisor 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 Protected Territory, the area within 35 miles from the border of the Protected Territory or any protected territory of another SYNERGY HomeCare franchisee or Franchisor or its affiliates.

"*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 Franchisee's 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 Franchisee's duties for Franchisee within the scope of Franchisee's 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 Franchisee's 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 a 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 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: _____

EXHIBIT G TO THE FRANCHISE AGREEMENT

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)

(If requested, 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 0 of the Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in Section 0, 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 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 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 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 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: _____



EXHIBIT D

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FINANCIAL STATEMENTS

Hammond Travers & Tuttle P.C.

Certified Public Accountants

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Scottsdale, AZ 85250
480.998.2755
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Member of

American Institute of
Certified Public Accountants

Arizona Society of
Certified Public Accountants

Jerry L. Tuttle, C.P.A.
Paul G. Sharpe, C.P.A.
Constance L. Walsh, C.P.A.

Robert E. Travers, C.P.A.
Susan K. Lingle, C.P.A.
Jason J. Ashley, C.P.A.

INDEPENDENT AUDITORS' REPORT

To the Member
Synergy HomeCare Franchising, LLC
Gilbert, Arizona

We have audited the accompanying financial statements of Synergy HomeCare Franchising, LLC (an Arizona limited liability company) which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of income and member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Hammond, Travers & Tuttle, P.C.

HAMMOND, TRAVERS AND TUTTLE, PC
Scottsdale, Arizona

April 25, 2013

SYNERGY HOMECARE FRANCHISING, LLC
BALANCE SHEETS
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 991,882	\$1,455,858
Cash held for national marketing fund	1,780,719	981,653
Franchise royalties receivables	198,401	245,383
Prepaid expenses	78,813	18,989
Due from related party	14,000	4,000
Other	<u>10,344</u>	<u>9,878</u>
TOTAL CURRENT ASSETS	3,074,159	2,715,761
PROPERTY AND EQUIPMENT		
Leasehold improvements	218,307	218,307
Office furniture and equipment	<u>106,398</u>	<u>83,111</u>
	324,705	301,418
Less accumulated depreciation and amortization	<u>(242,899)</u>	<u>(206,331)</u>
	81,806	95,087
OTHER ASSETS		
Deposits	<u>800</u>	<u>800</u>
TOTAL ASSETS	<u>\$3,156,765</u>	<u>\$2,811,648</u>
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
National marketing fund	\$1,494,959	\$1,134,509
Accounts payable	268,749	61,247
Due to member	1,668	2,665
Accrued wages	49,625	41,936
Accrued and withheld payroll taxes	6,297	4,817
Current portion of capital lease	<u>3,294</u>	<u>3,095</u>
TOTAL CURRENT LIABILITIES	1,824,592	1,248,269
LONG - TERM LIABILITIES		
Capital lease, net of current portion	2,313	5,607
MEMBER'S EQUITY	<u>1,329,860</u>	<u>1,557,772</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$3,156,765</u>	<u>\$2,811,648</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, 2012 and 2011

	<u>2012</u>	<u>2011</u>
REVENUE		
Initial franchise fees	\$2,153,151	\$3,539,059
Royalty fees	3,150,222	2,591,249
Other income	<u>167,480</u>	<u>82,405</u>
TOTAL REVENUE	5,470,853	6,212,713
COST OF SALES		
Regional developer fees and royalties	758,919	257,672
Broker fees	683,705	1,105,691
Sales commissions	<u>32,015</u>	<u>125,129</u>
	<u>1,474,639</u>	<u>1,488,492</u>
GROSS PROFIT	3,996,214	4,724,221
GENERAL AND ADMINISTRATIVE EXPENSES		
Employee wages, payroll taxes and benefits	1,033,584	955,633
Meetings and conferences	209,525	152,406
Franchise development costs	162,000	58,229
Legal and accounting	72,084	65,957
Office expenses	57,854	57,196
Occupancy	60,915	53,894
Telephone	24,907	28,829
Marketing	4,282	28,943
Franchise start-up costs	13,815	17,205
Travel and entertainment	43,972	42,050
Web page	37,446	27,168
Insurance	32,671	20,469
Depreciation and amortization	36,568	36,527
Software maintenance fees	--	25,650
Dues and subscriptions	19,841	11,798
Registration fees	6,100	4,450
Miscellaneous	<u>23,352</u>	<u>23,502</u>
	<u>1,838,916</u>	<u>1,609,906</u>
INCOME FROM OPERATIONS	2,157,298	3,114,315
OTHER INCOME (EXPENSES)		
Interest income	--	20
Bad debts	(32,632)	(190)
Charitable contributions	<u>(28,022)</u>	<u>(200)</u>
	<u>(60,654)</u>	<u>(370)</u>
NET INCOME	2,096,644	3,113,945
MEMBER'S EQUITY, BEGINNING OF YEAR	1,557,772	619,071
MEMBER'S DISTRIBUTIONS	<u>(2,324,556)</u>	<u>(2,175,244)</u>
MEMBER'S EQUITY, END OF YEAR	<u>\$1,329,860</u>	<u>\$1,557,772</u>

The accompanying notes are an integral part of these statements.

SYNERGY HOMECARE FRANCHISING, LLC
 STATEMENTS OF CASH FLOWS
 Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from regional developers and franchisees	\$5,483,138	\$6,063,989
Cash paid for normal operating expenses	(3,594,628)	(2,862,260)
Interest received	--	20
Interest paid	<u>(551)</u>	<u>(215)</u>
Net cash provided by operating activities	1,887,959	3,201,534
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(23,287)	(7,248)
Advance to related party	<u>--</u>	<u>(4,000)</u>
Net cash used in investing activities	(23,287)	(11,248)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to member	(2,324,556)	(2,172,091)
Repayment to member	(997)	(25,397)
Proceeds from line of credit	27,600	2,600
Repayment on line of credit	(27,600)	(2,600)
Repayment on capital lease	<u>(3,095)</u>	<u>(991)</u>
Net cash used in financing activities	<u>(2,328,648)</u>	<u>(2,198,479)</u>
NET INCREASE (DECREASE) IN CASH	(463,976)	991,807
CASH AT BEGINNING OF YEAR	<u>1,455,858</u>	<u>464,051</u>
CASH AT END OF YEAR	<u>\$ 991,882</u>	<u>\$1,455,858</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, 2012 and 2011

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.

Fair Value Measurement

The Company's financial instruments consist primarily of cash, franchise royalties receivables and accounts payable.

The carrying amount of cash, franchise royalties receivables and accounts payable approximate their fair value due to the short-term nature of such instruments.

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, 2012, totaled \$9,677. Accounts past due 90 days at December 31, 2011, totaled \$27,622. Management believes that all receivables at December 31, 2012 and 2011, 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 \$36,568 and \$36,527 for the years ended December 31, 2012 and 2011, respectively.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

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.

Uncertain tax positions

The Company has adopted FASB ASC 740-10-25, *Accounting for Uncertainty in Income Taxes*. The Company will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by the taxing authority. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Company's evaluation on December 31, 2012 revealed no uncertain tax positions that would have a material impact on the financial statements. The 2009 through 2011 tax years remain subject to examination by the IRS and 2008 through 2011 tax years remain subject to examination by the Arizona Department of Revenue. The Company does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

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, 2012 and 2011, totaled \$4,282 and \$28,943, respectively.

Franchise Fee Revenue

The Company's policy is to recognize as revenue the initial franchise fee and the initial regional developer fee upon receipt of funds since there is no refund policy and the Company has fulfilled the majority of its obligation when the contract is signed and full payment 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.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE B – CONCENTRATION OF CREDIT RISK

The Company deposits 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, 2012 or 2011. Interest paid on the line of credit totaled \$97 and \$21 for years 2012 and 2011, respectively.

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 maintained in a separate bank account and are used for the specified purposes. This account is shown as “Cash held for national marketing fund” on the balance sheets and totaled \$1,780,719 and \$981,653 as of December 31, 2012 and 2011, respectively. The Company records the marketing fees collected as a liability against which the specified costs are charged. As of December 31, 2012 and 2011, this liability totaled \$1,494,959 and \$1,134,509, respectively. A cash balance and liability difference exists at year end due to the transfers that did not occur until the following year.

In year 2011, the Company paid \$12,000 to a party related by common ownership for website maintenance fees.

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, 2012 and 2011. Amortization for the equipment during years 2012 and 2011 totaled \$969 and \$323, respectively, and is included in amounts recorded as depreciation and amortization expense. In addition, accumulated amortization at December 31, 2012 and 2011, totaled \$1,292 and \$323, respectively. Interest expense on the capital lease obligation totaled \$454 and \$193 for the years 2012 and 2011, respectively.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE E – CAPITAL LEASE OBLIGATION (continued)

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, 2012.

Total minimum lease payments	\$5,917
Less: interest imputed at 6.225%	<u>310</u>
Present value of minimum lease payments	5,607
Current portion	<u>3,294</u>
Long - term portion	<u>\$2,313</u>

NOTE F – OPERATING LEASES

The Company entered into a four year lease for two office spaces in an office complex in Gilbert, Arizona from a party related by common ownership effective January 1, 2011 with an annual rent of \$38,400.

Future minimum lease payments are as follows for the years ending December 31:

2013	\$38,400
2014	<u>38,400</u>
	<u>\$76,800</u>

NOTE G – COMMITMENTS

In November 2012, the Company entered into a three year commitment to purchase territory mapping services. The Company paid \$24,000 upon signing the contract which is reflected in prepaid expenses as of December 31, 2012. The Company is obligated to an additional \$24,000 in years 2013 and 2014.

NOTE H – RELATED PARTY TRANSACTIONS

The Company leases office space from a party related by common ownership. Rent paid to the related party totaled \$38,400 in years 2012 and 2011, respectively.

The Company also paid web software maintenance fees to a party related by common ownership which totaled \$25,650 in year 2011.

Other income reported in year 2012 includes \$10,000 for accounting services provided to a company related by common ownership. This amount is also reflected in the “due from related party” balance on the balance sheet as of December 31, 2012.

SYNERGY HOMECARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE H – RELATED PARTY TRANSACTIONS (continued)

The remaining \$4,000 reflected in “due from related party” is from year 2011 advancements made to the related company.

NOTE I – RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	<u>2012</u>	<u>2011</u>
Net income	\$2,096,644	\$3,113,945
Adjustments to reconcile net income to net cash provided by operation activities:		
Depreciation and amortization	36,568	36,527
Bad debt expense	24,697	--
Decrease (increase) in franchisee royalties receivable	30,610	(148,724)
Increase in prepaid expenses	(59,824)	(17,215)
Increase in due from related party	(10,000)	--
(Decrease) increase in national marketing fund	(297,887)	168,686
Increase in accrued wages	7,689	15,826
Increase in accounts payable	66,773	35,479
Increase in accrued and withheld payroll taxes	1,480	284
Increase in other current assets	<u>(8,791)</u>	<u>(3,274)</u>
	<u>\$1,887,959</u>	<u>\$3,201,534</u>

NOTE J – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 25, 2013, 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, 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.

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

Synergy Homecare Franchising, LLC
UNAUDITED Balance Sheet
As of March 31, 2013

	31-Mar-13
ASSETS	
Current Assets	
Checking/Savings	\$ 1,411,751
Cash	\$ 427
Cash held for national marketing fund	\$ 1,639,119
Accounts receivable	\$ 40,082
Prepaid expenses	\$ 37,973
Due from related party	
Other	\$ (1,529,577)
Total Current Assets	\$ 1,598,974
PROPERTY AND EQUIPMENT	
Leasehold improvements	\$ 218,307
Office furniture and equipment	\$ 88,577
	\$ 306,884
Less accumulated depreciation and amortization	\$ (206,331)
	\$ 100,553
OTHER ASSETS	
Deposits	\$ 800
TOTAL ASSETS	\$ 1,700,327
LIABILITIES AND MEMBER'S EQUITY	
National marketing fund	\$ 112,445
Accounts payable	\$ 32,740
Accrued and withheld payroll taxes	\$ 4,881
	\$ 150,066
TOTAL CURRENT LIABILITIES	\$ 150,066
Long Term Liabilities	
Capital lease, net portion of current	\$ 8,702
Bank of America LOC	\$ 148,500
Total Long Term Liabilities	\$ 157,202
Total Liabilities	\$ 307,268
MEMBER'S EQUITY	\$ 1,393,059
TOTAL LIABILITIES & EQUITY	\$ 1,700,327

Synergy Homecare Franchising, LLC
UNAUDITED Profit & Loss
January through March 2013

	TOTAL
REVENUE	
Initial Franchise Fees	\$ 144,000
Royalty Revenue	\$ 892,987
Other Income	\$ 26,135
TOTAL REVENUE	\$ 1,063,122
 COST OF SALES	
Regional developer fees and royalties	\$ 160,310
Broker fees	\$ -
Sales Commissions	\$ 5,140
	\$ 165,450
GROSS PROFIT	\$ 897,672
 GENERAL AND ADMINISTRATIVE EXPENSES	
Employee wages, payroll taxes and benefits	\$ 276,052
Meetings and conferences	\$ 5,183
Franchise development costs	\$ 56,623
Legal and accounting	\$ 1,558
Office expenses	\$ 29,268
Occupancy	\$ 2,539
Telephone	\$ 6,794
Marketing	\$ 4,967
Franchise start-up costs	\$ 4,900
Travel and entertainment	\$ 20,346
Web page	\$ 474
Insurance	\$ 5,837
Dues and Subscriptions	\$ 1,394
Registration Fees	\$ -
Miscellaneous	\$ 31,679
	\$ 447,616
INCOME FROM OPERATIONS	\$ 450,055
NET INCOME	\$ 450,055
MEMBER'S EQUITY, BEGINNING OF YEAR	\$ 1,329,860
MEMBER'S CONTRIBUTIONS	\$ 63,199
MEMBER'S EQUITY, END OF PERIOD	\$ 1,393,059



EXHIBIT F

LIST OF TERMINATED FRANCHISEES

EXHIBIT F TO THE DISCLOSURE DOCUMENT

LIST OF TERMINATED AND TRANSFERRED 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, who have not communicated with us within 10 weeks of the application date, or who have transferred their business.

Full Name	City, State	Business Phone
<u>Alabama</u>		
Scott & Laura Binder	Huntsville, AL	(256) 425-0061
<u>California</u>		
Glenn Mark (Transfer)	Dublin, CA	(925) 551-0998
Yan Qu	Folsom, CA	(916) 351-0794
Kim Robinson (Transfer)	Long Beach, CA	(562) 426-9100
Glenn & Janet Callaway	Rocklin, CA	(916) 789-9920
<u>Colorado</u>		
Betsi Brimer(Transfer)	Denver, CO	(303) 756-9322
<u>Georgia</u>		
Jeff Kelly(Transfer)	Snellville, GA	(678) 682-9121
<u>Michigan</u>		
Darryl & Sandra Ellison	Plymouth, MI	(734) 446-5855
<u>Mississippi</u>		
Mitch Clemmer	Flowood, MS	(601) 992-2323
<u>Missouri</u>		
Ben & Shelley Gordon	Lee's Summit, MO	(816) 795-7797
<u>New Jersey</u>		
Mark Tse	Warren, NJ	(908) 834-8242
Bill Schumm	Phillipsburg, NJ	(908) 387-9595
John Finn & Joel Lucchese	Shrewsbury, NJ	(732) 530-7766
Andrea Nemeth	Woodland Park, NJ	(973) 653-2170
<u>North Carolina</u>		
Sarah and Brent Weldy(Transfer)	Charlotte, NC	(704) 897-0496
<u>Ohio</u>		
John Wayne and Dave Casto (Transfer)	Cincinnati, OH	(513)-417-7226
<u>Texas</u>		
Scott Herron	Flower Mount, TX	(972) 691-8139
<u>Virginia</u>		
Sameer Farah	Fairfax, VA	(703) 349-0846



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 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 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 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. Item 3 is amended by the addition of the following language:

- Other than as disclosed in Item 3, 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.
- Other than as disclosed in Item 3, 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.
- Other than as disclosed in Item 3, 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 compliant 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.

3. Item 4 is amended to state that:

- Other than as disclosed in Item 4, 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.

4. 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.

5. 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.
6. 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.

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 statement is added to Item 8 under the title “Insurance and Bonds”

We may specify a bond amount that is greater than \$25,000 if applicable law requires it or if we determine a higher amount should be obtained to provide adequate coverage under the circumstances.

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.

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.



EXHIBIT I

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 Synergy HomeCare Franchising, LLC offers you a franchise, Synergy HomeCare Franchising, LLC 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 its affiliate in connection with the proposed franchise sale. Iowa, New York and Rhode Island require that Synergy HomeCare Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Synergy HomeCare Franchising, LLC gives 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 Synergy HomeCare Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade 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: May 1, 2013

The name, principal business address and telephone number of each franchise seller for this offering is: _____

Synergy HomeCare Franchising, LLC authorizes the respective agents identified on Exhibit A to receive service of process for us in the particular state.

I received a disclosure document dated May 1, 2013 that included the following Exhibits:

- A. LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS
- B. LIST OF FRANCHISEES
- C. FRANCHISE AGREEMENT
- D. TABLE OF CONTENTS OF OPERATIONS MANUAL
- E. FINANCIAL STATEMENTS
- F. LIST OF TERMINATED FRANCHISEES
- G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- H. MULTI-STATE ADDENDA
- I. 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 Synergy HomeCare Franchising, LLC offers you a franchise, Synergy HomeCare Franchising, LLC 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 its affiliate in connection with the proposed franchise sale. Iowa, New York and Rhode Island require that Synergy HomeCare Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Synergy HomeCare Franchising, LLC gives 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.

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- G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
- H. MULTI-STATE ADDENDA
- I. 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.