

FRANCHISE DISCLOSURE DOCUMENT



H.H. FRANCHISING SYSTEMS, INC.
(an Ohio corporation)
10700 Montgomery Road, Suite 300
Cincinnati, Ohio 45242
Tel: (513) 563-8339
Email: Legal@HomeHelpers.cc
<http://www.HomeHelpers.cc>

We offer two separate but complementary franchises. A Home Helpers franchise provides senior care services such as home care, home maker, personal care aide assistance, and companion care services. Some franchisees also offer skilled medical services and some become Medicare certified. A Direct Link franchise provides personal emergency response, medication management, and vital signs monitoring products and services.

The total investment necessary to begin operation of a Home Helpers franchised business that offers the minimum required services (home care, home maker, personal care aide assistance, and companion care services) is from \$64,500 to \$104,900. This includes \$45,500 to \$51,500 that must be paid to the franchisor or an affiliate (depending on whether we finance a portion of the initial franchise fee). The total additional investment necessary to offer optional skilled medical services is \$35,000 to \$50,000 and the total additional investment to become Medicare certified (also optional) is \$57,000 to \$64,000, none of which is paid to the franchisor or an affiliate.

The total investment necessary to begin operation of a Direct Link franchised business is from \$38,500 to \$58,900. This includes \$19,500 that must be paid to the franchisor or an affiliate.

If you purchase a Home Helpers franchised business and a Direct Link franchised business at the same time, the total investment necessary to begin operation will range from \$66,500 to \$125,800. This includes \$45,500 to \$64,400 that must be paid to the franchisor or an affiliate.

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

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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance date of this Franchise Disclosure Document: April 15, 2014

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 B 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:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION IN OHIO. 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 OHIO THAN IN YOUR OWN STATE. THIS PROVISION MAY NOT BE ENFORCEABLE UNDER YOUR STATE'S LAW.

THE FRANCHISE AGREEMENT STATES THAT OHIO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

IF WE FINANCE A PORTION OF THE INITIAL FRANCHISE FEE, YOUR SPOUSE MUST SIGN A GUARANTY MAKING HIM OR HER JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE AGREEMENT, THUS PLACING THE SPOUSE'S PERSONAL ASSETS AT RISK.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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.

Effective Date: See the state registration information on the following page

HOME HELPERS AND DIRECT LINK STATE REGISTRATIONS

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, Utah, Virginia, Washington, and Wisconsin.

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

California	April 17, 2014
Hawaii	April 18, 2014
Florida	October 16, 2014
Illinois	March 31, 2014
Indiana	June 8, 2014
Maryland	May 2, 2014
Michigan	October 30, 2013
Minnesota	April 8, 2014
New York	April 16, 2014
North Dakota	April 25, 2014
Rhode Island	April 8, 2014
South Dakota	April 9, 2014
Utah	April 7, 2014
Virginia	May 28, 2014
Washington	May 5, 2014
Wisconsin	April 2, 2014

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Exhibits

A Agents for Service of Process	L Power of Attorney
B List of State Administrators	M Option to Purchase Agreement
C Financial Statements	N Disclaimer of Representations
D Franchisee List	O Table of Contents of Operations Manual
E Franchisees Who Have Left the System	P Assignment Agreement
F Home Helpers Franchise Agreement	Q EFT Authorization
G Direct Link Franchise Agreement	R Disclosure Questionnaire
H Additional Territory Rider	S State-Specific Additional Disclosures/Riders
I Installment Note	T Promissory Note
J Personal Guaranty	U Form of General Release
K Restrictive Covenant Agreement	V Business Associate Agreement
	W Deposit Remittance Form

ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

In order to make this disclosure document easier to understand, “HHFS” or “we” means the franchisor, H.H. Franchising Systems, Inc. The terms “HHFS” and “we” do not include H.H. Franchising Systems, Inc.’s officers, directors, or shareholders. “You” means the person, corporation, partnership, or other entity that buys the franchise. If the franchise is purchased by a corporation, partnership, limited liability company, or other entity, certain provisions of the franchise agreement will also apply to the owners and will be noted.

HHFS is an Ohio corporation that was incorporated on May 30, 1997. Our principal business address is 10700 Montgomery Road, Suite 300, Cincinnati, Ohio, 45242. We do business in the United States under our name, H.H. FRANCHISING SYSTEMS, INC., and under our trade names, HOME HELPERS and DIRECT LINK. We also do business in Canada under the trade name CARING HEARTS. Our agents for service of process are listed in Exhibit A. We do not have any parents or predecessors.

HHFS offers two separate but complementary franchises: Home Helpers and Direct Link. A Home Helpers franchise offers senior care services such as home care, homemaker, personal care aide assistance, companion care, and skilled medical services. A Direct Link franchise offers personal emergency response, medication management, and vital signs monitoring products and services. Both franchises market their products and services to the same potential customers and through the same media. Each franchise is explained in more detail below. You may purchase either franchise separately or both franchises at the same time.

Home Helpers Franchise. HHFS offers franchises to operate home care, homemaker, personal care aide assistance, companion care, and skilled medical service businesses under the trade name HOME HELPERS¹. At a minimum, you will offer non-medical services, including “homemaker” services, such as light housekeeping, meal preparation, running errands, grocery shopping, reading, companionship and general assistance. You may also offer “personal care aide” and/or “home care aide” services, if, prior to providing these services, you satisfy all applicable federal, state and local laws and requirements for doing so, you maintain insurance that provides coverage for such services, and provide proof of compliance with these terms to Franchisor. “Personal care aide” (sometimes known as “attendant care”) services typically involve “hands-on” assistance with a client’s daily personal dependency needs when they choose to have assistance, such as helping them bathe (in a shower or tub), shave, fix their hair, or brush their teeth. “Home care aide” (sometimes known as a “home health aide”) services typically include feeding, bed, baths, reading and/or recording vital signs, and similar services, usually under the direction and guidance of a licensed health professional, when the client is unable to provide such care to themselves due to mental and/or physical impairments. However, these terms may not be used or may have different meanings in your state. You may also offer skilled medical services (e.g. “home health care”) with our approval if, prior to offering those services, you provide proof to us that you: (1) are qualified and comply with all federal, state and local laws including state and federal health care industry standards, local health care regulations, various licensing standards and other requirements that may apply; and (2) have the proper insurance that provides coverage for the skilled medical services offered. You will provide these services primarily to the elderly, to individuals recuperating from injuries or illnesses or those facing life-long challenges, and to expectant and new mothers and their families. You may market your services through newspaper advertising targeted to potential consumers of your services, and through personal solicitation of referral sources such as nursing homes, in-home nursing services, hospitals, physicians, and

¹ In Canada, HHFS offers franchises substantially identical to Home Helpers franchises under the trade name CARING HEARTS.

certain retail businesses. You will compete with other services similar to Home Helpers in the same geographic area, including those that may be franchised by other national franchise companies.

We will train you to operate your Home Helpers franchise. Some states have licensing, certification, or registration requirements applicable to some or all of the services you will be providing as a Home Helpers franchisee. You may be required to pay a fee to the state agency responsible for enforcing these requirements. We are presently aware that the following states have statutes that may require a license for some or all of the non-medical and personal care services you will be providing: Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Oregon, Rhode Island, Tennessee, Texas, Utah, Virginia, and Washington. These statutes may require a minimum level of education or related work experience, and/or the payment of a fee in order to obtain the license. There may be other states with licensing, certification, or registration requirements. The difficulty, cost, and procedures for obtaining these licenses and certifications vary greatly from state to state. If you provide skilled medical services, you will also be required to satisfy other state licensing and/or certification requirements and you may be required to be certified as a skilled nursing agency or home health agency. Many states also have specific record keeping or other requirements for service providers who receive payments from Medicare, Medicaid, or private health insurance. Some states may also require a Certificate of Need. Some states have imposed a moratorium on the issuance of home healthcare licenses. You must provide us with proof of your compliance with all applicable licensing requirements.

Various federal laws prohibit certain arrangements and activities relating to services or items that are reimbursable by Medicare and Medicaid. These laws may apply to you if (a) you provide services to a facility that receives Medicaid or Medicare funds, regardless of whether the services you are providing to clients are covered by Medicare or Medicaid, or (b) you provide services to a Medicaid-waiver client.

The federal “Anti-Kickback Act” prohibits the offer, payment, solicitation, or receipt of compensation for either (a) referring Medicare or state health program patients or patient care opportunities, or (b) for recommending, arranging for, purchasing, leasing, or ordering items or services that are covered by Medicare or a state health program. Violation of the Anti-Kickback Act is a felony and carries the possibility of imprisonment and/or a fine. Some states have enacted laws that prohibit payment for referrals or other types of “kickbacks.”

You will be responsible for investigating and complying with any such laws that may apply in your territory. You will also be responsible for complying with employment, privacy, workers’ compensation, insurance, corporate, tax, and similar laws and regulations, as well as any federal, state, or local laws of a more general nature, which may affect the operation of your franchised business. You should thoroughly investigate all of these laws and requirements before purchasing a franchise.

Changes to existing federal and state laws and new laws and regulations may increase your cost of doing business. You should be aware of any changes to the laws applicable to your state and your business. Although we have resources available as a reference to you and provide non-legal guidance and assistance to you, you are solely responsible for investigating, understanding, and complying with all laws, regulations, and requirements applicable to your business.

Direct Link Franchise. We also offer franchises that offer personal emergency response systems (“PERS”), medication management, and vital signs monitoring product and services under the trade

name DIRECT LINK. The PERS will alert emergency medical personnel and/or the customer's relatives or neighbors to respond to a call for assistance. If a customer is injured in a fall at home, for example, he or she can activate a personal alert activator button, which causes a tabletop console unit automatically to call the monitoring service. Through a speaker and a microphone in the tabletop console unit, the monitoring service can then communicate with the customer and notify the appropriate emergency medical service for assistance. Your customer does not have to purchase or rent the PERS—you will provide a tabletop console unit and personal alert activator button as part of the monitoring service. You will offer your services primarily to the same potential customers as Home Helpers franchisees—the elderly and individuals who are physically infirm due to injury or illness—and market your products and services through the same media as Home Helpers franchisees—newspaper and direct mail advertising targeted to the consumer, and personal solicitation of certain referral sources such as hospitals, physicians, nursing homes, home nursing and respite services, and certain retail businesses. You will compete with other businesses offering personal emergency response services and products in the same geographic area, including those that may be franchised by other national franchise companies.

We will train you to operate your Direct Link franchise. Some states have licensing, certification, or registration requirements applicable to the services you will be providing as a Direct Link franchisee. You may be required to pay a fee to the state agency responsible for enforcing these requirements. We are presently aware that the State of Texas requires a license for some or all of the services you will be providing. There may be other states with statutes that require licensing, certification, or registration. These statutes may require a minimum level of education or related work experience, and/or the payment of a fee in order to obtain the license. You will be responsible for investigating and complying with any such laws that may apply in your territory. You will also be responsible for complying with employment, workers' compensation, insurance, corporate, tax, and similar laws and regulations, as well as any federal, state, or local laws of a more general nature that may affect the operation of your franchised business. You should thoroughly investigate all of these laws before purchasing a Direct Link franchise.

Affiliates. The following companies are, or have previously been, affiliates of ours:

1. Direct Link Emergency Monitoring, Inc. ("DLEM") offered Direct Link franchises from January to December 1999. From January 2000 through December 2003, DLEM offered personal emergency response products and services through exclusive dealers. As of December 31, 2003, DLEM had 3 franchises and 88 dealers. In January 2004, HHFS purchased substantially all of DLEM's business assets, including DLEM's rights to the DIRECT LINK trademark. DLEM was dissolved in 2005.

2. G.C. Franchising Systems, Inc. ("Growth Coach") offers franchises under the name THE GROWTH COACH to provide business and sales coaching, business management, and consulting services to business owners, managers and executives, and self-employed professionals. Growth Coach has offered franchises of this type since December 2002. Growth Coach franchisees help their clients develop or enhance effective business habits, management and organizational skills, business strategies, action plans, and sales techniques, and provide project management assistance to selected clients. Growth Coach franchisees market their services through newspaper and direct mail advertising targeted to potential consumers of their services, and through personal solicitation of referral sources such as bankers, attorneys, accountants, consulting firms, and other business professionals. As of December 31, 2013, Growth Coach had 105 franchises. Growth Coach does not offer franchises in any other business and has never conducted a business of the type to be operated by a Home Helpers or Direct Link franchisee. Growth Coach's principal business address is 10700 Montgomery Road, Suite 300, Cincinnati, Ohio, 45242.

3. F.C. Franchising Systems, Inc. ("Fresh Coat") offers franchises to operate painting businesses under the trade name FRESH COAT. Fresh Coat has offered franchises of this type since January 2005. Fresh Coat franchisees offer painting and wallpapering services to the general public, particularly homeowners, through direct mail advertising and through referral sources such as real estate agents. As of December 31, 2013, Fresh Coat had 96 franchises. Fresh Coat does not offer franchises in any other business and has never conducted a business of the type to be operated by a Home Helpers or Direct Link franchisee. Fresh Coat's principal business address is 10700 Montgomery Road, Suite 300, Cincinnati, Ohio, 45242.

C.T. Franchising Systems, Inc. ("Caring Transitions") offers franchises in the business of senior moving management, organizing and conducting sales of estate assets, personal belongings, and household goods under the trade name CARING TRANSITIONS. Caring Transitions has offered franchises of this type since July 2006. As of December 31, 2013, Caring Transitions had 133 franchises. Caring Transitions does not offer franchises in any other business and has never conducted a business of the type to be operated by a Home Helpers or Direct Link franchisee. Caring Transitions' principal business address is 10700 Montgomery Road, Suite 300, Cincinnati, Ohio, 45242.

T.B. Franchising Systems, Inc. ("TruBlue") offers franchises to operate a residential maintenance, lawn care, house cleaning, and repair business under the trade name TRUBLUE. TruBlue has offered franchises of this type since June 2011. As of December 31, 2013, TruBlue had 14 franchises. TruBlue does not offer franchises in any other business and has never conducted a business of the type to be operated by a Home Helpers or Direct Link franchisee. TruBlue's principal business address is 10700 Montgomery Road, Suite 300, Cincinnati, Ohio 45242.

HHFS was formed to sell and support non-medical personal care service franchises and expanded its scope to include skilled medical services. We have offered Home Helpers franchises since August 1997, and we have offered Direct Link franchises since April 2004. We have never operated any franchises. Except as disclosed above, we have never offered franchises in any other business or engaged in other business activities. Except as disclosed above, HHFS does not have any parents, predecessors, or affiliates that offer franchises or products or services to franchisees.

ITEM 2. BUSINESS EXPERIENCE

Chief Executive Officer, Director: Gary D. Green

Mr. Green has been the Chief Executive Officer and a member of the Board of Directors of HHFS since its organization in May 1997. He has also been the Chief Executive Officer/Chairman and a member of the board of directors of HHFS' affiliates, Growth Coach, Fresh Coat, Caring Transitions, and TruBlue since their organizations in December 2002, January 2005, June 2006, and May 2011 respectively, and of T.D. Franchising Systems, Inc. from May 2008 through December 2009. Since May 1994, he has also served as President and a member of the Board of Directors of Strategic Franchising Systems, Inc., a business-consulting firm in Cincinnati, Ohio.

President: Emma R. Dickison

Ms. Dickison is our President and has been with us since October 2007. Ms. Dickison was previously with Sylvan Learning, Inc. from May 2004 to October 2007, where she served as Vice President of Franchise Services, supporting over 1000 franchise locations. Ms. Dickison is a Certified Senior Advisor® and a Certified Franchise Executive.

Vice President of Franchise Services: Cheryl L. Hammons

Ms. Hammons is a Certified Senior Advisor® and oversees the Training and Franchise Services Departments. Ms. Hammons joined HHFS as the Manager of Training in 2008. In that role, she enhanced the depth of the training curriculum for new and existing owners by creating Home Helpers University, Sales Excellence Training, and a wide selection of franchise training tools and webinars.

Vice President of Marketing & Brand Development: Greg Woryk

Mr. Woryk has been Vice President of Marketing & Brand Development for HHFS since September 2012. From November 2010 through August 2011, Mr. Woryk was Chief Marketing Officer of Norman-Spencer Agency in Centerville, Ohio. From October 2007 through May 2010, he was Vice President of Marketing for Instant Tax Service in Dayton, Ohio.

Chief Financial Officer, Treasurer: Keith Tilley

Mr. Tilley has been the Chief Financial Officer of HHFS since June 2006. He was the Chief Financial Officer of HHFS' affiliates, Growth Coach, Fresh Coat and Caring Transitions, from June 2006 through February 2011, of TruBlue from May 2011 through December 2012, and of T.D. Franchising Systems, Inc. from May 2008 through December 31, 2009. Mr. Tilley is an affiliated member with the Ohio Society of CPAs.

General Counsel, Secretary: Jeff Siehl

Mr. Siehl has been General Counsel and Secretary of HHFS since September 2007. He has also been the General Counsel and Secretary of HHFS' affiliates Growth Coach, Fresh Coat and Caring Transitions since September 2007, of TruBlue since May 2011, and of T.D. Franchising Systems, Inc. from May 2008 through December 2009. From July 2002 to September 2007, Mr. Siehl practiced law in the litigation department of the law firm Squire, Sanders & Dempsey, L.L.P. in Cincinnati, Ohio.

Executive Vice President: Barry Nelson

Mr. Nelson has been Executive Vice President of HHFS and its affiliates Growth Coach, Fresh Coat, and Caring Transitions since November 2009, and was the Secretary and General Counsel of HHFS from May 1997 to December 2006. He has been the President of HHFS' affiliate TruBlue since June 2012. From January 2002 through June 2010, he was General Counsel of The HomeTeam Inspection Service, Inc., the franchisor of HOMETEAM® home inspection franchises, and H.D. Franchising Systems, LLC, the franchisor of HOUSE DOCTORS® handyman franchises, both of which are located in Milford, Ohio. Mr. Nelson also maintained a private law practice in Milford, Ohio from January 1998 through June 2010.

Vice President of Clinical Care and Licensure: Pamela Harden

Ms. Harden has been Vice President of Clinical Care and Licensure for HHFS since November 2013. From September 2012 through October 2013, she was Director of Nursing for VNA Healthtrends in Cincinnati, Ohio. From June 2012 through September 2012, she was Clinical Manager for Pinnacle Senior Care in Cincinnati, Ohio. From January 2008 through May 2012, Ms. Harden was Director of Nursing for Personal Touch Homecare in Lawrenceburg, Indiana.

Vice President of Franchise Development: Wes Sattler

Mr. Sattler has been Vice President of Franchise Development for HHFS and its affiliates Growth Coach, Fresh Coat, Caring Transitions, and TruBlue since July 2013. From January 2011 through July 2013, he was a franchise sales consultant and then Director of Franchise Development for HHFS' affiliate Fresh Coat. From January 2006 through December 2010, Mr. Sattler was Director of Franchise Sales for MRINetwork, Inc. in Philadelphia, Pennsylvania.

ITEM 3. LITIGATION

Other than the following actions, there is no litigation that must be disclosed in this Item:

H.H. Franchising Systems, Inc. v. Sharon M. Muenster and Platinum Care, Inc. (Hamilton Cty. Ohio Common Pleas Ct., Nov. 3, 2010), Case No. A1010070. HHFS sued a franchisee, Platinum Care, Inc., and its owner, Sharon Muenster, to recover unpaid royalties and creative marketing fees. In May 2011, HHFS was awarded a default judgment on the issue of defendants' liability. The court issued a Judgment Entry awarding HHFS \$358,204 in December 2012.

H.H. Franchising Systems, Inc. v. Aronson, et al. (S.D. Ohio Sept. 18, 2012), Case No. 1:12-cv-708. HHFS sued a former franchisee, Redi to Help, LLC, and its owner, Dori Aronson, to recover unpaid royalties and national branding fees, to enforce the noncompetition covenants of the franchise agreement, and for trademark infringement and for misappropriation of trade secrets, claiming damages in excess of \$100,000. The defendants filed a counterclaim alleging breach of the franchise agreement, fraud, and misrepresentation. HHFS has filed a response denying all of the counterclaims. The case is in the discovery stage.

H.H. Franchising Systems, Inc. v. Klaitz, et al. (S.D. Ohio Sept. 18, 2012), Case No. 1:12-cv-709. HHFS sued a franchisee, Shore Help, LLC, and its owner, Drew Klaitz, for breach of contract, to recover unpaid royalties and national branding fees, to obtain an accounting, and for trademark infringement, claiming damages in excess of \$100,000. The defendants filed a counterclaim alleging breach of the franchise agreement, fraud, and misrepresentation. HHFS has filed a response denying all of the counterclaims. The case is in the discovery stage.

H.H. Franchising Systems, Inc. v. Eisenmenger, et al. (Hamilton Cty. Ohio Common Pleas Ct., Oct. 9, 2010), Case No. A1306803. HHFS sued a former franchisee to recover unpaid royalties and national branding fees. The case is in the discovery stage.

H.H. Franchising Systems, Inc. v. Personal Angels, et al. (Lancaster Cty. Pa. 2013) (removed to (E.D. Pa. 2013) 5:14-cv-201) and *Spence, et al. v. H.H. Franchising Systems, Inc.* (S.D. Ohio Jan. 8, 2014), Case No. 14-cv-23. HHFS sued a former franchisee in Pennsylvania for breach of contract. The former franchisee then filed an action in Ohio alleging breach of the franchise agreement, fraud, and unfair competition. The parties agreed to consolidate the cases in Ohio. HHFS has filed a response denying the plaintiffs' claims. The case is in the discovery stage.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Home Helpers Franchise. You must pay an initial franchise fee² when you sign the franchise agreement. The amount of the franchise fee depends upon the population of your territory and whether HHFS or Stock Yards Bank & Trust Company (see Item 10) finance a portion of the franchise fee and the population of your territory. The franchise fee for a territory with a population of up to 175,000 is \$44,900 if you pay cash and \$50,900 if we or Stock Yards Bank & Trust Company finance a portion of it.

You can reserve a specific territory for up to 30 days by paying a \$5,000 deposit and sending us a Deposit Remittance Form (a copy of the Deposit Remittance Form is attached to this disclosure document as Exhibit W). If we receive your deposit and signed Deposit Remittance Form for a Home Helpers franchise by the close of business of the 16th day after you receive a copy of this disclosure document and pay a minimum of \$2,000.00 towards the Direct Link equipment at the time of executing the Home Helpers Franchise Agreement, we will give you a Direct Link franchise without charging a Direct Link franchise fee.

Except as otherwise described in this Item, if the population of your territory exceeds 175,000, you must pay an additional \$500 for all or part of every 1,000 people over 175,000. For example, for a territory with a population of 201,000, the total franchise fee would be \$57,900 [\$44,900 + (26 x \$500)]. We do not offer financing for any of the initial franchise fees if you purchase more than one franchise.

We presently offer the following discount programs:

You can receive up to \$15,000 of additional territory at no extra charge and reimbursement of up to \$350 if you incur air travel expenses (or up to \$500 for two) while visiting our corporate headquarters. To be eligible for this additional territory bonus and air travel reimbursement, we must receive your deposit and signed Deposit Remittance Form by the close of business of the 16th day after you receive a copy of this disclosure document. We may modify this policy at any time.

After you purchase your first franchise, you may be eligible for a 10% discount on the then-current initial franchise fee for each additional franchise that you purchase. To be eligible for this discount, you must pay the entire franchise fee at the time you sign the franchise agreement for the initial franchise and for each additional franchise. We may cancel or modify this discount policy at any time.

We are a member of the International Franchise Association and participate in the IFA's Veterans Transition Franchise Initiative ("VetFran Program"), which encourages franchise ownership by offering financial incentives to honorably discharged veterans of the U.S. Armed Forces. We offer a \$2,000.00 discount on the initial franchise fee to veterans who meet our requirements and those of the VetFran program.

As a special allowance for franchisees that operated a business that provides the same services as a Home Helpers business prior to joining our franchise system, we may agree, based on purely subjective criteria, to discount the initial franchise fee by up to 10% for each year that you were in business and profitable, up to a total reduction of 30%. To be eligible for this discount, you must establish to our satisfaction that you profitably operated a pre-existing business by submitting tax returns, balance sheets, income statements, and any other financial documentation that we may

² All dollar figures are in U.S. currency.

require. If you qualify for this discount we may, in our sole discretion, finance all but \$5,000 of the initial franchise fee. We reserve the right to modify or cancel this policy at any time.

You may receive only one discount on the purchase of any given franchise. We currently intend to impose each initial franchise fee uniformly except as stated otherwise in this Item 5.

Direct Link Franchise. You must pay an initial franchise fee when you sign the franchise agreement, unless you concurrently purchase a Home Helpers franchise and pay a minimum of \$2,000.00 towards the purchase of Direct Link equipment. The franchise fee for a Direct Link territory with a population of up to 175,000 is \$18,900. If the population of your territory exceeds 175,000, you must pay an additional \$500 for all or part of every 1,000 people over 175,000. We do not offer financing for the initial franchise fee for a Direct Link franchise.

If we receive your deposit and signed Deposit Remittance Form for a Home Helpers franchise by the close of business of the 16th day after you receive a copy of this disclosure document and pay a minimum of \$2,000.00 towards the Direct Link equipment at the time of executing the Home Helpers Franchise Agreement, we will give you a Direct Link franchise without charging a Direct Link franchise fee.

You will pay us a technology fee of \$600 to reimburse us for software that we will make available for your use during the term of the franchise agreement. We reserve the right to require you to purchase from our National Branding Fund up to \$1,000 in pre-opening marketing materials and advertising to promote the business, but do not presently do so.

You can reserve a specific territory for up to 30 days before you sign the franchise agreement by paying a \$5,000 deposit and sending us a signed Deposit Remittance Form. If we receive your deposit and signed Deposit Remittance Form for a Home Helpers franchise by the close of business of the 16th day after you receive a copy of this disclosure document and pay a minimum of \$2,000.00 towards the Direct Link equipment at the time of executing the Home Helpers Franchise Agreement, you will receive, at no extra charge, up to an additional \$15,000 of joint territory. Prior to opening your Direct Link franchise, you will be required to purchase monitoring units and programming units (which are used to program the monitoring units with the telephone number of the monitoring service and the customer identification number). The cost of this initial purchase will be \$2,000. You must purchase the monitoring units from HHFS or a designated vendor. HHFS may, in its sole discretion, require you to purchase the monitoring units exclusively from one or more designated vendors in order to maintain Franchisor's quality standards or to take advantage of price discounts, benefits, or other sales incentives.

The deposit and the initial franchise fee for a Home Helpers and/or Direct Link franchise are non-refundable and fully earned upon receipt by us.

Your franchise agreement does not give you any option, right of first refusal, or similar right to acquire additional franchises.

ITEM 6. OTHER FEES

OTHER FEES
Table 6-1
Home Helpers Franchise

<i>Type of Fee</i>	<i>Amount</i>	<i>Due Date</i>	<i>Remarks</i>
Royalty fee – Note 1	6% down to 3% of Gross Revenues; \$300 monthly minimum for 1st 2 years; \$1,800 monthly minimum after 1st 2 years	Payable by the fifth day of each month	Paid on Gross Revenues for the preceding month; the actual rate you pay will depend upon your annual Gross Revenues (see Table 6-2 below for the specific rates) – Note 2
National branding fee – Note 5	2% of Gross Revenues; \$350 monthly minimum – Note 3	Payable by the fifth day of each month	Paid on Gross Revenues for the preceding month
Local Cooperative Advertising	Up to 3% of your Gross Revenues unless a majority of the cooperative members agree on a higher contribution – Note 4	Monthly	If an advertising cooperative is established or operating in your area, you must contribute
Transfer Fee – Note 1	The greater of either \$10,000 or 3% of the purchase price, plus legal/administrative costs, which presently total \$2,500 per franchise	Prior to consummation of transfer	Payable when you sell your franchise to, among other things, cover the expenses of training the franchise purchaser; no Transfer Fee is payable for transfers to a company you form for the convenience of ownership.
Electronic Copies of Marketing Materials	\$350 for electronic copies of marketing materials	Upon order by you	There is a charge for electronic copies of marketing materials in order to reimburse the national branding fund for creative costs and expenses
Formation of business entity	Variable	Within 90 days after signing the franchise agreement	If you sign the franchise agreement individually, then you must form a business entity (such as a corporation) and assign your individual rights in the franchise to the business entity
Technology/Software License Fee – Note 11	\$1,350 to 1,500 per year	On demand	There is a charge to cover the cost of technology/proprietary software that you are required to use
Late Fee – Note 6	Greater of \$50 or 10% of payment	On demand	You must pay a late fee on any payment that we receive more than 5 days late
Interest – Note 7	18% – Note 8	On demand	In addition to the late fee above, any payments more than 30 days late accrue interest at the rate of 18% per year
Client Refunds – Note 9	Amount of expense advanced plus 18% interest	On demand	Payable if we determine that your client is entitled to a refund
Audit Fee – Note 1	Cost of audit plus 18% interest on underpayment – Note 8	On demand	Payable only if audit is prompted by your failure to maintain or submit records or audit shows an understatement of 3% or more for any week
Sales/Use Taxes – Note 10	Variable	Payable with your royalty or national branding fee payments	You must pay any state or local sales or use tax that may be assessed on the royalties, advertising fees, or other fees you pay to HHFS
Reimbursement – Note 1	Amount of expense advanced plus 18% interest	On demand	You must reimburse us if we pay your expenses when you fail to so do, such as rent, taxes, client refunds, or other liabilities.

<i>Type of Fee</i>	<i>Amount</i>	<i>Due Date</i>	<i>Remarks</i>
Legal Expenses – Note 1	Amount of expense advanced plus 18% interest	On demand	You must pay any legal expenses we incur, including attorney fees, to enforce your franchise agreement.
Indemnification – Note 1	Amount of expense advanced plus 18% interest	On demand	You must reimburse us if we are held liable for claims arising from your business

Notes to Table 6-1:

1. Imposed by and payable to HHFS. All fees are non-refundable. We currently intend to impose all fees uniformly except as otherwise stated in this Item 6.
2. “Gross Revenues” means all income (recognized on an accrual basis), whether cash or credit (and regardless of collection in the case of credit), less all refunds and discounts to customers and any sales or excise taxes.
3. If you own a Home Helpers franchise you do not have to pay a separate National Branding Fee for a corresponding Direct Link franchise.
4. Either HHFS or the advertising cooperative will determine the amount of your monthly cooperative advertising contribution, but it cannot exceed 3% of your Gross Revenues unless a majority of the cooperative members agree on a higher contribution. Your cooperative contribution will not be credited toward your national branding fee. Each member of an advertising cooperative will have one vote for each franchise they own. Each franchised business operated by HHFS or an affiliate of HHFS, if any, in an area in which an advertising cooperative has been established will contribute to the cooperative on the same basis as other members of that cooperative. As of the date of this disclosure document, we have not established any advertising cooperatives.
5. Payable to the HHFS national branding fund. HHFS may, in its sole discretion, modify initial Minimum Royalty and/or national branding fund payment obligations if federal, state or local regulations or statutes cause a delay in the issuance of any necessary licensures.
6. Late fees on royalty payments are payable to HHFS. Late fees on national branding fee payments are payable to the national branding fund.
7. Interest on royalty payments is payable to HHFS. Interest on national branding fee payments is payable to the national branding fund.
8. Interest accrues from the date payment was due.
9. Refunds are payable to the client, but you must reimburse HHFS within 10 days if we issue a refund on your behalf.
10. The royalties, national branding fees, or other fees you pay to HHFS may be entirely or partially subject to state or local sales or use tax, depending upon the law in your state. If we are required to pay these taxes in your state, you must add the tax to your royalty or national branding fee payment.
11. There is an initial annual charge totaling between \$1,350 and \$1,500 to cover the cost of required proprietary software programs to be used for scheduling, billing, data management

reporting purposes. Of this amount, \$600 will be paid to us to reimburse us for software that we license or otherwise make available to you during the term of the franchise agreement. Between \$750 and \$900, depending on the supplier's requirements, will be paid by you to a third party supplier. The annual charge may, in our discretion, be divided into monthly payments. If you enter the system during the course of the year, then you may pay a pro-rata amount for the remainder of the year. The cost of the required software is subject to change.

TABLE 6-2
Home Helpers Royalty

Benchmark Amount	Royalty Rate
First \$500,000 of Annual Gross Revenues	6%
Next \$500,000 of Annual Gross Revenues	5%
Next \$2,000,000 of Annual Gross Revenues	4%
Next \$2,000,000 of Annual Gross Revenues	3½%
Over \$5,000,000 of Annual Gross Revenues	3%

Caution: The figures listed in Table 6-2 above are not to be construed as projections or estimates of actual or potential earnings, sales, or revenues. HHFS makes no representations regarding the likelihood that you will achieve the revenue figures listed in the above table.

As an incentive for you to fully develop the franchised business and your territory, you may apply for a reduced royalty rate if your annual Gross Revenues exceed certain benchmarks that we have established. You will only be entitled to a reduced royalty rate if you are in good standing. The royalty rate is based upon your level of total Gross Revenues in each calendar year as listed in Table 6.2 above.

The royalty rate at the beginning of each calendar year will be 6%. When you reach a new Gross Revenues benchmark, you can ask for a royalty rate adjustment. The request must be submitted to us in writing within three months after the end of the calendar month in which you attained the applicable benchmark (the "application period"). If you are in good standing when we receive the request and are otherwise entitled to an adjustment, then the royalty rate adjustment will be effective beginning in the next calendar month after the month in which your Gross Revenues reached the applicable benchmark. All royalty rate adjustments will expire at the end of each calendar year. If you are not in good standing when we receive the request or you are otherwise not entitled to an adjustment, we will notify you in writing of the specific reasons for refusing the request. If the adjustment was refused because you are not in good standing, but you return to good standing and satisfy us of that before the end of the application period, then we will approve the royalty rate adjustment to be effective beginning in the next calendar month after the month in which you returned to good standing. If you don't request an adjustment within the application period or, after submitting a request, you are not in and fail to return to good standing, then the royalty rate adjustment for that benchmark will be forfeit for the rest of that calendar year. If you cease to be in good standing at any time after being approved for a royalty rate adjustment, then the royalty rate adjustment will be forfeit and you must resume paying a royalty rate of 6%.

OTHER FEES
Table 6-3
Direct Link Franchise

<i>Name of Fee</i>	<i>Amount</i>	<i>Due Date</i>	<i>Remarks</i>
National Branding Fee – Note 1	2% of Gross Revenues; \$350 monthly minimum – Note 3	5th day of each month	
Transfer Fee – Note 3	The greater of either \$10,000 or 3% of purchase price, plus legal and administrative expenses	Prior to consummation of transfer	Payable when you sell your franchise to, among other things, cover the expenses of training the franchise purchaser; no Transfer Fee is payable for transfers to a company you form for the convenience of ownership.
Formation of business entity	Variable	Within 90 days after signing the franchise agreement	If you sign the franchise agreement individually, then you must form a business entity (such as a corporation) and assign your individual rights in the franchise to the business entity
Late Fee – Note 4	Greater of \$50 or 10% of payment	On demand	You must pay a late fee on any payment that we receive more than 5 days late
Interest – Note 5	18% – Note 7	On demand	In addition to the late fee above, any payments more than 30 days late accrue interest at the rate of 18% per year
Technology/Software License Fee – Note 9	\$1,350 to 1,500 per year	Prior to commencement of business	There is a charge to cover the cost of technology/proprietary software that we license or make available to you during the term of the Franchise Agreement
Client Refunds – Note 7	Amount of expense advanced plus 18% interest	On demand	Payable if we determine that your client is entitled to a refund
Audit Fee – Note 3	Cost of audit plus 18% interest on under-payment – Note 6	On demand	Payable only if audit is prompted by your failure to maintain or submit records or audit shows an understatement of at least 3% for any week
Sales/Use Taxes – Note 8	Variable	Payable with your national branding fee payments	You must pay any state or local sales or use tax that may be assessed on the advertising fees, or other fees you pay to HHFS
Reimbursement – Note 3	Amount of expense advanced plus 18% interest	On demand	You must reimburse us if we pay your expenses when you fail to so do, such as rent, taxes, client refunds, or other liabilities.
Legal Expenses – Note 3	Amount of expense advanced plus 18% interest	On demand	You must pay any legal expenses we incur, including attorney fees, to enforce your franchise agreement.
Indemnification – Note 3	Amount of expense advanced plus 18% interest	On demand	You must reimburse us if we are held liable for claims arising from your business
Monitoring Units – Note 10	Currently between \$150 to \$245 per unit	When you purchase a unit	You must purchase monitoring units to provide personal emergency response services
Monitoring Services – Note 11	Currently between \$11 to \$21 per month per unit	Monthly	You must purchase monitoring services for each monitoring unit placed with a client.

Notes to Table 6-3:

1. Payable to the national branding fund.

2. The national branding fee is 2% of Gross Revenues per month or \$350 per month, whichever is greater.
3. Imposed by and payable to HHFS. All fees are non-refundable.
4. Late fees on national branding fee payments are payable to the national branding fund. Late fees on all other payments are payable to HHFS.
5. Interest on national branding fee payments is payable to the national branding fund. Interest on all other payments is payable to HHFS.
6. Interest accrues from the date payment was due.
7. Refunds are payable to the client, but you must reimburse HHFS within 10 days if we issue a refund on your behalf.
8. The national branding or other fees you pay to HHFS may be entirely or partially subject to state or local sales or use tax, depending upon the law in your state. If we are required to pay these taxes in your state, you must add the tax to your national branding fee or other payment.
9. There is an annual charge totaling between \$1,350 and \$1,500 to cover the cost of required proprietary software programs to be used for scheduling, billing, data management reporting purposes. Of this amount, \$600 will be paid to us to reimburse us for software that we license or otherwise make available to you during the term of the franchise agreement. The annual charge may, in our discretion, be divided into monthly payments. If you enter the system during the course of the year, then you may pay a pro-rata amount for the remainder of the year. The cost of the required software is subject to change. Between \$750 and \$900, depending on the supplier's requirements, will be paid by you to a third party supplier.

To provide personal emergency response services (PERS) you must purchase PERS monitoring units. The units currently cost between \$150 to \$245 per unit, depending on the model of the unit.

You must purchase monitoring services for each monitoring unit placed with a client. The cost of monitoring services currently ranges from \$11 to \$21 per month for each unit, depending on whether the unit provides GPS and geo-fencing cell services.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

For a Home Helpers Franchise:

<i>Type of Expenditure</i>	<i>Amount</i>	<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
Initial Franchise Fee	\$44,900 to 50,900	See Note 1	Upon signing of franchise agreement	HHFS
Furniture and Equipment	\$500 to 1,000	As Incurred	Prior to commencement of business	Suppliers
Computer System (See Note 2)	\$2,000 to 4,000	As Incurred	Prior to commencement of business	Suppliers
Travel & living expenses while training (See Note 3)	\$750 to 1,500	As Incurred	Prior to or at time of training	Hotel, airline, restaurants, employees
Initial Rent, Telephone, Bank and Other Deposits (See Note 4)	\$0 to 2,000	As Incurred	Prior to commencement of business	Suppliers
Additional Funds - 3 months (See Note 5)	\$10,000 to 20,000	As Incurred	As expenses are incurred	Employees, taxing authorities, suppliers, etc.

<i>Type of Expenditure</i>	<i>Amount</i>	<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
Pre-Opening Promotion (See Note 12)	\$3,000 to 4,000	As Incurred	1-2 months before opening	Suppliers
Technology/Software licensing fee	\$1,350 to 1,500	As Incurred	Prior to commencement of business	Suppliers and HHFS
Licensing Fee (See Note 11)	\$0 to 15,000	As Incurred	As Incurred	State Licensing Authority
Monthly Office Rental Payment (See Note 6)	\$0 to 1,000	Monthly	Depends on lease terms	Landlord
Insurance (See Note 7)	\$2,000 to 4,000	(See Note 7)	Prior to effective date of policy	Insurance Company
Total (See Note 8)	\$64,500 to 104,900			

For a Direct Link Franchise:

<i>Type of Expenditure</i>	<i>Amount</i>	<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
Initial Franchise Fee	\$18,900 (See Note 9)	Lump Sum	Upon signing of franchise agreement	HHFS
Monitoring Equipment (See Note 10)	\$2,000	Lump Sum	Prior to commencement of business	HHFS
Other Equipment & Furniture	\$500 to 1,000	As Incurred	Prior to commencement of business	Suppliers
Computer System (See Note 2)	\$1,000 to 3,000	As Incurred	Prior to commencement of business	Suppliers
Travel & living expenses while training (See Note 3)	\$750 to 1,500	As Incurred	Prior to or at time of training	Hotel, airline, restaurants, employees
Initial Rent, Telephone, Bank and Other Deposits (See Note 4)	\$0 to 2,000	As Incurred	Prior to commencement of business	Suppliers
Additional Funds – 3 months (See Note 5)	\$10,000 to 20,000	As Incurred	As expenses are incurred	Employees, taxing authorities, suppliers, etc.
Pre-Opening Promotion (See Note 12)	\$3,000 to 4,000	As Incurred	1-2 months before opening	Suppliers
Technology/Software licensing fee	\$1,350 to 1,500	As incurred	Prior to commencement of business	Suppliers and HHFS
Monthly Office Rental Payment (See Note 6)	\$0 to 1,000	Monthly	Depends on lease terms	Landlord
Insurance (See Note 7)	\$1,000 to 4,000	(See Note 7)	Prior to effective date of policy	Insurance Company
Total (See Note 8)	\$38,500 to 58,900			

For Both Home Helpers and Direct Link Franchises:

<i>Type of Expenditure</i>	<i>Amount</i>	<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
Initial Franchise Fee	\$44,900 to 69,800	See Notes 1 and 9	Upon signing of franchise agreement	HHFS
Monitoring Equipment (See Note 10)	\$2,000	Lump Sum	Prior to commencement of business	HHFS
Other Equipment & Furniture	\$500 to 1,000	As Incurred	Prior to commencement of business	Suppliers

<i>Type of Expenditure</i>	<i>Amount</i>	<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
Computer System (See Note 2)	\$2,000 to 4,000	As Incurred	Prior to commencement of business	Suppliers
Travel & living expenses while training (See Note 3)	\$750 to 1,500	As Incurred	Prior to or at time of training	Hotel, airline, restaurants, employees
Initial Rent, Telephone, Bank & Other Deposits (See Note 4)	\$0 to 2,000	As Incurred	Prior to commencement of business	Suppliers
Additional Funds – 3 months (See Note 5)	\$10,000 to 20,000	As Incurred	As expenses are incurred	Employees, taxing authorities, suppliers, etc.
Pre-Opening Promotion (See Note 12)	\$3,000 to 4,000	As Incurred	1-2 months before opening	National branding fund and/or various suppliers
Technology/Software licensing fee	\$1,350 to 1,500	As Incurred	Prior to commencement of business	Suppliers and HHFS
Licensing Fee (See Note 11)	\$0 to \$15,000	As Incurred	As Incurred	State Licensing Authority
Monthly Office Rental Payment (See Note 6)	\$0 to 1,000	Monthly	Depends on lease terms	Landlord
Insurance (See Note 7)	\$2,000 to 4,000	(See Note 7)	Prior to effective date of policy	Insurance Company
Total (See Note 8)	\$66,500 to 125,800			

Additional Investment For Skilled Medical Services: In addition to the non-medical services a Home Helpers franchise is required to offer, you may also offer skilled medical services (e.g. “home health care”) with our approval if, before offering those services, you provide proof to us that you: (1) are qualified and comply with all federal, state and local laws including state and federal health care industry standards, local health care regulations, various licensing standards and other requirements that may apply; and (2) have the proper insurance that provides coverage for the medical services offered. Most franchisees will not offer skilled medical services until the franchised business has become firmly established. The cost to obtain a medical services or home health agency license will vary greatly from state to state. We estimate that the additional investment to add skilled medical services will be between \$35,000 and \$50,000 as noted in the table below.

<i>Type of Expenditure</i>	<i>Amount</i>	<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
Professional Fees	\$500 to \$1,000	As Incurred	As expenses are incurred	Attorney, accountant
Director of Clinical Services	\$30,000 to \$37,500	As Incurred	As expenses are incurred	Your employee
Additional Computers	\$-0- to \$1,500	Lump Sum	As expenses are incurred	Supplier
Additional Furniture and Equipment	\$-0- to \$2,500	As Incurred	As expenses are incurred	Supplier
Medical Supplies Inventory	\$1,500 to \$2,500	As Incurred	As expenses are incurred	Supplier
Marketing Materials	\$1,500 to \$2,500	As Incurred	As expenses are incurred	National branding fund and/or various suppliers
Licensing Fee	\$500 to \$1,500	Lump Sum	Before you begin offering medical services	State Licensing Authority
Insurance	\$1,000	Lump Sum	Before effective date of coverage	Insurance company

<i>Type of Expenditure</i>	<i>Amount</i>	<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
Total (See Note 8)	\$35,000 to \$50,000			

Additional Investment For Medicare Certification:

Medicare is a federally-funded health care program available to U.S. residents who meet certain qualifications. The program provides coverage for hospital stays, doctors' appointments, prescriptions, and home health care. To receive these benefits, however, Medicare recipients must get health care from an approved clinic or physician. Providers, in turn, must apply to become Medicare-certified to treat Medicare recipients. A franchisee will not become Medicare-certified until the franchised business offers skilled medical care. We estimate that the additional investment to become Medicare-certified will be between \$57,000 and \$64,000 as noted in the table below.

<i>Type of Expenditure</i>	<i>Amount</i>	<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
Consultant	\$20,000	Lump Sum	At beginning of Medicare certification process	Consultant
Medical Software	\$2,500	Monthly	Depends on terms of software license	Software vendor
Medical Personnel	\$25,000 to \$30,000	As Incurred	As expenses are incurred	Your employees
On-site Survey	\$3,000 to \$4,000	Lump Sum	At time of survey	Accrediting Organization
Miscellaneous Labor Costs	\$6,500 to \$7,500	As Incurred	As expenses are incurred	Your employees
Total (See Note 8)	\$57,000 to \$64,000			

Notes to Tables:

1. The amount of the initial franchise fee for a Home Helpers franchise depends upon whether we or Stock Yards Bank & Trust Company finances a portion of it and the population of your territory. The franchise fee for a territory with a population of up to 175,000 is \$44,900 if you pay cash and \$50,900 if we finance a portion of it. If the population of your territory exceeds 175,000, you must pay an additional \$500 for all or part of every 1,000 people over 175,000. HHFS or Stock Yards Bank & Trust Company may finance up to \$20,000 of the franchise fee. The initial franchise fee and its method of payment are discussed in more detail in Item 5 above. Financing options are discussed in Item 10 below.

2. The cost of the computer equipment and software you will need to operate your franchise will depend upon the manufacturer, the operating features, whether the equipment is new or used, and whether you purchase, rent or lease it.

3. We do not charge an additional fee for the initial training, but you must pay the expenses of travel, lodging, food, wages, and workers' compensation for you and your employees during the training program. These expenses will range from \$750 to \$1,500, depending upon the distance and method of travel and the availability and quality of your hotel accommodations and living expenses during the training program.

4. Your telephone service provider will typically require a normally refundable deposit for commercial service. You are required to have a separate business telephone line for your

franchise and either an employee to answer your line or a live answering service at all times during regular business hours. Some states also require a deposit for workers' compensation coverage.

5. You should have approximately \$10,000 to \$20,000 of additional funds for such items as payroll expenses, advertising, initial supplies, operating expenses, and similar items during the initial phase of your business, approximately 3 months. In formulating the amount required for additional funds, we relied upon our experience in franchising home care businesses since 1997, and that of our affiliate, DLEM, in franchising personal emergency response businesses since 1999. These figures are estimates and HHFS cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how closely you follow our methods and procedures; effectiveness of advertising; your management skill, experience and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; competition; and the sales level reached during this initial phase. You may also incur expenses for business license fees, legal fees, accounting fees, and local permits and operating authorizations necessary to start your business, which may vary considerably from one area to another. If you choose to become Medicare-certified, then you should have \$100,000 to \$200,000 of operating funds available after Medicare application approval; half of these funds may be borrowed, but half must be readily available.

6. The terms of your lease will depend on the size, location, condition, and desirability of the premises. You will probably be required to pay a normally refundable security deposit, which is reflected in the above chart. We recommend that you operate your franchise from your home if permitted to do so by state and local law. If you elect to provide personal care or companion care services, then some states may require an out-of-home office. As of the date of this disclosure document, we are aware that the state of Florida requires an out-of-home office if you provide personal care services, and the states of Maine, Oklahoma, Rhode Island, and Virginia require an out-of-home office if you provide either personal care or companion care services. You are responsible for investigating and complying with any such laws that may apply in your territory.

7. You must obtain and maintain the types and amounts of insurance coverage described in Item 8 under the heading "Insurance." We must be named as an additional insured on these policies. We estimate that the average total annual cost for the required insurance coverage will be between \$2,000 and \$4,000. The premium is typically due prior to the effective date of the coverage unless your insurance company offers monthly or quarterly payment terms. Insurance costs will vary depending upon the location and size of your office, the number of employees and other factors, and may change from time to time due to changes in insurance rates. You must also maintain workers' compensation coverage and any other insurance that may be required by law in your territory.

8. The total figures listed in the above charts do not include compensation for your time or labor. Neither do the total figures take into account any finance charges, interest, debt service, or other costs that you may incur to finance all or any portion of your investment. In addition to the initial investment itemized in the above charts, you must have additional monies available, whether in cash or through a line of credit, or have other assets that you can liquidate or against which you can borrow, to cover your personal living expenses and any operating losses sustained during the initial phase of the business. You may need a vehicle for each employee, but it is anticipated that you and your employees will use their own vehicles. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

9. The initial franchise fee for a Direct Link franchise with a territory population of up to 175,000 is \$18,900. If the population of your territory exceeds 175,000, then you must pay an additional \$500 for all or part of every 1,000 people over 175,000. If we receive your deposit and signed Deposit Remittance Form for a Home Helpers franchise by the close of business of the 16th day after you receive a copy of this disclosure document, we will, with the payment of \$2,000 for the equipment

described in paragraph 10, give you a Direct Link franchise without charging a separate franchise fee.

10. You must purchase a minimum amount of monitoring units and programming units (which is used to program the monitoring units with the telephone number of the monitoring service and customer identification numbers), medication dispensers, and vital sign monitoring equipment before you open your Direct Link franchise. The cost of this required minimum purchase is \$2,000. You may customize the initial purchase, but we recommend that the purchase includes 7 monitoring units, 1 programming unit, and 2 medication dispensers.

11. Certain states require a license for some of the services that you may provide. You should investigate licensure requirements for the state in which you will operate and the licensure fees, if any, that may be required.

12. Before you open your Home Helpers or Direct Link franchise, you will need to purchase marketing materials and advertising to promote the business. These pre-opening promotion expenses will range from \$3,000 to \$4,000, depending upon the size of your market, the marketing techniques you use, and the cost of advertising in your market. No part of the pre-opening promotion expenses will be refundable. The amount of your pre-opening promotion expenses will be the same if a Home Helpers franchise and Direct Link franchise are opened together. You will purchase the advertising from various media, primarily direct mail companies, located in your market. You may purchase marketing materials, such as brochures, mailers and promotional items bearing our logo and service mark, from our national branding fund, or you may purchase them from any approved supplier.

13. All expenditures are non-refundable unless specifically noted otherwise.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Materials Bearing Our Marks. Your marketing and promotional materials, business cards, and business stationery must comply with specifications for content, size, typeface, color, and paper stock. These specifications are contained in the operations manual. You must purchase these items from any approved supplier, which are listed in the operations manual.

You may also purchase certain marketing materials, apparel, and specialty items bearing our service marks and logo from the HHFS National Branding Fund. The National Branding Fund currently makes these items available to our franchisees exclusively through a fulfillment company named Prograde/Horak LLC. For a fee, Prograde/Horak offers our franchisees Web-based procurement services to order marketing and promotional items and PERS equipment online. The National Branding Fund derives revenue from the sale of marketing materials to franchisees. During the one-year period ending on December 31, 2013, \$3,057, or about .35%, of the National Branding Fund's total revenues of \$881,028 was derived from the sale of marketing materials to franchisees. Except as disclosed in this Item, neither HHFS nor any affiliate of HHFS will derive revenue from your purchased marketing materials.

We formulate our specifications and standards based on input from our management, operations personnel, and franchisees. We make modifications to our specifications and standards according to operational needs and risk and opportunity assessments. The specifications and standards are issued to you through our training program, operations manual, and our intranet Web site.

Insurance. Before opening the franchised business, you must obtain, and maintain at all times during the term of your franchise agreement, the following insurance coverages:

All-Risk Insurance on all furniture, fixtures, equipment, supplies and other property used in the operation of the franchised business, for their full replacement cost.

Commercial General Liability Insurance on an occurrence basis covering claims for bodily and personal injury, death, property damage, product liability, and contractual liability with a minimum per occurrence limit of \$2,000,000 and a minimum general aggregate limit of \$4,000,000.

Professional Liability Insurance on an occurrence basis with a minimum per occurrence limit of \$2,000,000 and a minimum general aggregate limit of \$4,000,000 per policy year.

Automobile Liability Insurance covering owned, hired, and non-owned vehicles with a minimum combined single limit for each accident of \$1,000,000.

Workers' Compensation Insurance that complies with the statutory requirements of the state in which the franchised business is located and Employers' Liability Insurance with a minimum limit of \$100,000 or, if greater, the statutory minimum limit if required by state law.

Employment Practices Liability Insurance with a \$500,000 minimum limit covering defense costs and damage for claims of sexual harassment, discrimination, and wrongful termination, with a third-party endorsement to respond to client allegations of similar wrongful acts.

A first-party and third-party Fidelity Bond (or Employee Dishonesty Insurance) with a minimum limit of \$25,000 per incident. The policy must not contain a Conviction Clause.

All insurance policies must name HHFS as an additional insured, and no policy may have a deductible greater than \$1,000. You cannot open your franchise for business until you have obtained all the required insurance coverages. If you fail to obtain and maintain this insurance coverage, we have the right to obtain it on your behalf and to charge you for the cost plus interest. You must also maintain any other insurance that may be required by your landlord or by law in your territory. You may purchase your insurance from any approved supplier, which are listed in the operations manual. We have the right to reasonably increase the required minimum insurance coverage, decrease the deductible, or require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. We must give you at least 30 days notice.

We estimate that the cost of the marketing materials, advertising, and insurance premiums purchased in accordance with the specifications described above will represent approximately 5 to 10% of your overall purchases in operating a Home Helpers and/or Direct Link franchise. Except as disclosed above, neither HHFS nor any affiliate of HHFS will derive revenue from these purchases.

Computer System. To operate your Home Helpers and/or Direct Link franchise, you must obtain and use the computer hardware and software complying with specifications that we periodically establish, including hardware components, dedicated telephone lines, modems, printers, and other computer-related accessories and peripheral equipment (the "Computer System"). The specifications for the computer system are contained in the operations manual and listed in Item 11 of this disclosure document. You may purchase the computer system from any approved supplier, which are listed in the operations manual. You are required to use certain software programs for scheduling and billing purposes. Presently we lease the required software and you are required to reimburse us for the cost of the lease. We estimate that the cost of the required computer equipment and software purchases will range from approximately 7½% to 22% of your initial investment, depending upon the amount of your other start-up expenses. Except as disclosed in this Item 8, neither HHFS nor any of our affiliates will derive revenue from your required computer purchases.

Direct Link Equipment and Monitoring Services. Prior to opening your Direct Link franchise, you will be required to purchase monitoring units and programming units (which are used to program the monitoring units with the telephone number of the monitoring service and the customer identification number), medication dispensers, and vital sign monitoring equipment in the value of at least \$2,000. This initial equipment package will be purchased from HHFS. All additional purchases of PERS equipment, medication dispenser, and vital sign monitoring equipment will be purchased from a designated supplier.

All receiver/base units must be programmed to call the same toll-free telephone number assigned by HHFS. The cost of the PERS equipment will be a capital investment that you will depreciate over the useful life of each unit. We estimate that the cost of the initial equipment that you are required to purchase before you open your Direct Link franchise will represent from 11% to 12% of your initial investment. Depreciation expense for the equipment will represent approximately 18% of your monthly operating expenses.

You must purchase monitoring services for your Direct Link franchise only from HHFS, an affiliate of HHFS, or a supplier that we designate. The cost of monitoring services currently ranges from \$11 to \$21 a month for each unit, depending on whether the unit provides GPS and geo-fencing cell services. This will represent approximately 20% of the monthly operating expenses of your Direct Link franchise. HHFS may subcontract the monitoring service to a third party, and has the right to change the subcontractor that it uses for monitoring service or provide the service in-house.

We currently make the Direct Link equipment available to our franchisees through Valued Relationships, Inc. During the one-year period ending on December 31, 2013, we received \$53,160, or about .68% of our total revenue, from the rental of Direct Link equipment to franchisees, and \$485,025, or about 6.2% of our total revenue, from the sale of monitoring services to franchisees. Except as disclosed above, neither HHFS nor any affiliate of HHFS will derive revenue from your required purchases.

Suppliers. The operations manual contains a list of approved suppliers for the marketing materials, business cards, business stationery, equipment, and services you will need to operate the franchised business. Other suppliers may be approved by sending us a written request for approval by certified mail, return receipt requested, along with a sample of the supplier's product. If we are satisfied with the quality of the product and the supplier's financial condition and ability to satisfy your requirements, we will notify you of our approval or disapproval within 30 days after we receive all the necessary information. We do not charge a fee for approving suppliers. We may revoke approval of any approved supplier at any time if the quality of the product and the supplier's financial condition and ability to satisfy your requirements do not continue to meet our satisfaction. Other than the National Branding Fund, neither HHFS nor its affiliates are currently approved suppliers, and no officer of HHFS has an ownership interest in any approved supplier.

We estimate the cost of the items you must purchase or lease in compliance with our specifications and standards will be approximately 7½ percent to 22 percent of your total purchases in connection with the establishment and in the operation of your franchise business, depending on the amount of your other start-up expenses.

Some suppliers pay fees for sponsorships or display space at our annual convention. These fees defray our costs for the convention, but there are no specific restrictions on their use. In calendar year 2013, we received \$15,000 from suppliers for sponsorships or display space at our annual convention, representing less than 1% of our annual revenue of \$7,795,349.

Except as disclosed above, we have not established specifications for the equipment and supplies necessary to operate your Home Helpers and/or Direct Link franchise, although we do provide you with a list of suggested equipment and supplies. Except as disclosed above, we do not offer or sell equipment or supplies to franchisees.

We do not provide material benefits to a franchisee based upon the franchisee's use of designated or approved sources. There are no purchasing or distribution cooperatives, although we have the right to require you to participate with us or with other franchisees when purchasing certain products or services to be sold or used in the franchised business. Except as described above, we have not negotiated any purchase arrangements with suppliers for the benefit of franchisees. In the future, we may negotiate alliance programs or purchase arrangements with suppliers for the benefit of HHFS and the franchise system. Among other things, we may receive rebates, price adjustments, or discounts on products or services sold to you by approved suppliers. We may, in our discretion, either pass through to the National Branding Fund all or some portion of the funds we receive as a direct result of products or services you purchase from approved suppliers, retain the funds, use the funds to help pay for periodic franchisee conferences, or, if a franchisee is in compliance with all agreements with us, provide rebates to franchisees pro rata based on their purchases from approved suppliers. Except for a local cooperative advertising fee, there are no minimum advertising expenditures you are required to make.

ITEM 9. FRANCHISEE'S OBLIGATIONS

The following table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

<i>Obligation</i>	<i>Section in Home Helpers Agreement</i>	<i>Section in Direct Link Agreement</i>	<i>Item in Disclosure Document</i>
a. Site selection and acquisition/lease	Article 3	Article 3	11
b. Pre-opening purchases/leases	Not Applicable	Not Applicable	5, 7 & 8
c. Site development and other pre-opening requirements	Not Applicable	Not Applicable	Not Applicable
d. Initial and ongoing training	7.1	7.1	11
e. Opening	Not Applicable	Not Applicable	Not Applicable
f. Fees	Articles 4 & 5	Articles 4 & 5	5 & 6
g. Compliance with standards and policies/Operating Manual	Articles 7 & 9	Articles 7 & 9	8, 11 & 16
h. Trademarks and Proprietary information	Articles 8, 9 & 10	Articles 8, 9 & 10	13
i. Restrictions on products/services offered	7.3	7.3	16
j. Warranty and customer service requirements	7.12	7.14 & 17.3	6
k. Territorial development and sales quotas	1.7	7.8	12 & 17
l. Ongoing product/service purchases	7.5	7.5 & 7.18	8
m. Maintenance, appearance and remodeling requirements	Not Applicable	Not Applicable	Not Applicable
n. Insurance	7.9	7.11	7
o. Advertising	Article 11	Article 11	8 & 11

<i>Obligation</i>	<i>Section in Home Helpers Agreement</i>	<i>Section in Direct Link Agreement</i>	<i>Item in Disclosure Document</i>
p. Indemnification	7.9 & 7.13; Article 17	7.11, 7.15 & 17.2	17
q. Owner's participation/management/staffing	7.6 & 15.1	7.7 & 15.1	17
r. Records/reports	7.8 & 7.15	7.10 & 7.17	17
s. Inspections/audits	7.8	7.10	6 & 17
t. Transfer	Article 12	Article 12	17
u. Renewal	2.2	2.2	17
v. Post-termination obligations	Article 14	Article 14	17
w. Non-competition covenants	15.2 & 15.3	15.2 & 15.3	17
x. Dispute resolution	Article 16	Article 16	17

ITEM 10. FINANCING

Initial Franchise Fee. Stock Yards Bank & Trust Company (SYBTC) will finance up to \$20,000 of the initial franchise fee for a Home Helpers franchise if we secure it with an equivalent amount on deposit in an account with SYBTC (the "Collateral Account"). We will secure your loan with SYBTC only if you meet our credit standards and you satisfy us that after diligent efforts you have been unable to obtain financing from other sources. If you finance the initial franchise fee with SYBTC, you must sign a promissory note for the amount you borrow (a sample of SYBTC's promissory note is attached to this disclosure document as Exhibit T). The note will be payable in 60 equal monthly installments. The amount of each payment will depend upon the amount you finance. For example, if you finance the maximum amount (\$20,000), the monthly payment will be \$396.86. Your first payment will be due 30 days after SYBTC disburses the money. The note will bear interest at the annual rate of 7% on the outstanding balance. You must pay SYBTC's attorney fees and court costs if a collection action is necessary. You waive your rights to presentment for payment and notice before a collection action may be started against you, and you waive your right to a jury trial. You must pay a late charge of 5% of the unpaid portion of the payment or \$30, whichever is greater, on any payment that is more than 10 days late. Each individual franchisee will be required to sign the note, and each owner of a franchisee that is a corporation, partnership, or limited liability company will be required to personally guarantee the note. Up to 10% of the note principal may be prepaid each year without penalty. If you prepay more than 10% in the 1st year, you will be required to pay a prepayment penalty of 5% of the amount prepaid; in the 2nd year the prepayment penalty will be 4% of the amount prepaid; in the 3rd year the prepayment penalty will be 3% of the amount prepaid; in the 4th year the prepayment penalty will be 2% of the amount prepaid; and in the 5th year the prepayment penalty will be 1% of the amount prepaid. If you default on the note, the annual interest rate will be increased to 12% and SYBTC will have the right to declare the entire unpaid amount immediately due. If SYBTC takes the money in our Collateral Account upon your default, you must immediately reimburse us for the entire amount or we will have the right to terminate your franchise. Because we are securing your loan, the initial franchise fee is \$50,900 if you finance it with SYBTC. Under federal regulations, the difference between that price and the cash price (\$6,000 or \$1,200 per year over the 5-year term of your note) is considered a "finance charge" that you pay us. We are not affiliated with SYBTC and we do not receive any benefits from SYBTC in exchange for financing the purchase of a Home Helpers franchise.

In rare circumstances, we may directly finance up to \$20,000 of the initial franchise fee for one franchise, if we determine that your previous employment and business experience and other

factors will make you an extraordinary Home Helpers franchise, you meet our credit standards, and you satisfy us that after diligent efforts you have been unable to obtain financing through any other sources, including SYBTC. The actual amount we will finance and the repayment period will depend upon your previous employment and business experience; your credit history; the amount, source and character of your assets, debts, and income; and any other factors that may affect your creditworthiness. The repayment period will range up to 60 months. When you sign the franchise agreement, you must sign an installment note for the amount we agree to finance (a sample of the installment note is attached to this disclosure document as Exhibit I) and pay the balance of the initial franchise fee. The installment note will be payable in equal monthly installments. The amount of each payment will depend upon the amount financed and the repayment period. For example, if you financed the maximum amount (\$20,000) over 60 months, the monthly payment would not exceed \$425.00. The first installment will be due on the first day of the month immediately following the first full month in which you complete the initial training program. The installment note will bear simple interest at the rate of 10% per year on the outstanding balance. The initial franchise fee is \$50,900 if we finance it. Under federal regulations, the difference between that price and the cash price (\$6,000 or \$1,200 per year over the 5-year term of your note) is considered a “finance charge.” The only security we require is a personal guaranty of the installment note by you and your spouse or by all the owners of a franchisee that is a corporation, partnership or limited liability company (a sample of the guaranty is attached to this disclosure document as Exhibit H). The installment note may be prepaid without penalty. If you do not pay the installment note on time, or if you breach the franchise agreement, HHFS can call the loan and demand immediate payment of the entire outstanding balance. We also have the right to terminate your franchise if you do not make your payments on time. You must pay our attorney’s fees and court costs if a collection action is necessary. You waive your rights to presentment for payment and notice before a collection action may be started against you. You must pay a \$50.00 late charge on any payment that is more than 5 days late.

Except as disclosed above, we do not offer financing that requires you to confess judgment or waive a defense against us, do not arrange financing from other sources, and do not receive direct or indirect payments to place financing. Commercial paper from franchisees has not been and is not sold or assigned to anyone, and we have no plans to do so as of the date of this disclosure document. HHFS does not guarantee your obligations to third parties.

Direct Link Equipment. You must purchase the PERS equipment, medication dispensers, and vital sign monitoring equipment used in the operation of your Direct Link franchise from us, our affiliate, or from a supplier that we designate. We do not provide financing to purchase the Direct Link equipment.

We do not offer financing for purchases of multiple Home Helpers franchises—if you purchase more than one Home Helpers franchise, you must pay the initial franchise fee for each franchise in full before you begin the initial training program. We do not offer financing for a Direct Link franchise. Except as disclosed above, we do not offer financing that requires you to confess judgment or waive a defense against us. We do not arrange financing from other sources or receive direct or indirect payments to place financing. Commercial paper from franchisees has not been and is not sold or assigned to anyone, and we have no plans to do so as of the date of this disclosure document. We do not guarantee your obligations to third parties.

ITEM 11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Before you open your business, we will:

(1) Approve or disapprove the boundaries that you submit for your franchise territory. Your territory must be a single, undivided geographic area created by postal ZIP Code(s) according to Franchisor's mapping system in place at the time of executing the Franchise Agreement. A map approved by HHFS showing the border of your territory shall be provided to you. The border of your territory on the approved map is the final determination of your territory should the U.S. Postal Service alter the boundary or number of the ZIP Code(s) assigned to you. We may re-define the boundaries of your territory to correspond as nearly as possible to your original territory as defined on the territorial map approved by HHFS. Our decision on this matter will be final.

(2) Provide written specifications and a list of suppliers for all equipment, products, services, and supplies necessary to operate your franchise. You may purchase certain marketing and promotional materials from the HHFS National Branding Fund, and you must purchase all of your initial PERS equipment and monitoring services from HHFS.

(3) Provide you with access (via our intranet and Web sites) to a number of digital advertisements, layouts and images for use in various media, and a set of templates for business cards and stationery.

(4) Loan you one copy of our operations manual, which contains mandatory and suggested specifications, standards, and procedures. The manual is confidential and remains our property. You will receive a copy of the manual when you begin the initial training program. We may, at our election, provide the manual in a digital format in addition to or instead of a paper copy. We have the right to modify the manual from time to time, but the modification cannot alter your fundamental status and rights under the franchise agreement. As of the date of issuance of this disclosure document, the total number of pages in the Home Helpers manual is 281 (consisting of 128 pages for Operations, 57 pages for Administration, and 96 pages for Marketing and Sales), and the total number of pages in the Direct Link manual is 301 (consisting of 128 pages for Operations, 57 pages for Administration, and 96 pages for Marketing and Sales, and 20 pages for Direct Link equipment and services). The tables of contents of both manuals are attached to this disclosure document as Exhibit O.

(5) Provide you with 1 copy of the forms you will use to report your sales, order supplies, and otherwise communicate with us. You may purchase additional copies from any approved supplier or use photocopies of the originals. We may, at our election, provide the forms in a digital format.

(6) Provide Direct Link franchisees with round-the-clock monitoring services at such rates as we may establish from time to time.

(7) Provide Direct Link franchisees with adequate supplies of PERS equipment at such prices as we may establish from time to time.

(8) Provide an initial training program for up to 2 people, one of which must be the person responsible for the general oversight and management of the franchised business.

During the operation of the franchised business, we will:

(1) Provide you with assistance via telephone, electronic mail, office visits, and Web-based programs to the extent we deem necessary.

(2) Provide you with such other materials, information and assistance as we may deem necessary.

(3) Provide Direct Link franchisees with round-the-clock monitoring services at such rates as we may establish from time to time.

(4) Provide Direct Link franchisees with adequate supplies of PERS equipment at such prices as we may establish from time to time.

Computer Hardware and Software. You must obtain and use the computer hardware and software complying with specifications that we periodically establish, including hardware components, dedicated telephone lines, modems, printers, and other computer-related accessories and peripheral equipment (the "Computer System"). You will need to establish a standard e-mail account that is capable of receiving and sending attached files of 3 MB in size along with a high speed Internet connection via a commercial Internet Service Provider for purposes of accessing our franchisee intranet site and communicating with us and other franchisees via electronic-mail. The Computer System may store some data and information about your clients, finances, and operations based on information you input. We estimate that the cost for the required Computer System will range from \$2,000.00 to \$3,000.00. The Computer System currently includes a laptop computer and data management software and peripherals.

The minimum hardware specifications are as follows:

- Intel Core 2 Duo® processor, 2.5 GHz or higher
- A laptop computer
- 2 GB RAM
- 160 GB hard drive with at least 60 GB of free disk space
- CD or DVD writer/burner and DVD-RW (for data back-up)
- Keyboard and a mouse or other pointing device supported by Windows®
- 56 kbps Hayes-compatible modem (if needed)
- 10/100 Network Card for high-speed connection to the Internet
- 17" color or LCD monitor capable of 1024x768 or higher resolution
- 300 dpi laser printer

The minimum software specifications are as follows:

- Microsoft® Windows XP Professional SP3, Vista Professional, or Windows 7 Professional operating system
- Microsoft Office 2007 Small Business Edition or higher
- ACT!® 2008 (a contact management database application) or higher (if you have a Direct Link Franchise only)
- Intuit QuickBooks® Pro 2010 (a bookkeeping application) or higher
- Back-up software - Nero CD/DVD Burning Software (or other compatible software)
- HomeTrak (scheduling and billing application)
- FranConnect (a data management reporting program)
- Anti-Virus software such as McAfee Anti-Virus, Symantec Anti-Virus, or Avast Anti-Virus, that is updated on a regular basis with a yearly renewable subscription that scans all fixed and removable disk drives, email, and anti-phishing activity
- Windows Defender (anti-spyware program available for free from Microsoft)

We have the right to require you to provide us with independent access to your computer system via the Internet for any information relating to the business. There are no other contractual limits on our right to access the information and data stored on your computer system, but we do not have access to the Computer System without your acknowledgement and without you providing access to us. We may modify this policy after providing you 30 days notice. You are contractually required to upgrade or update your Computer System if we require it during the term of the franchise. There are no contractual limitations on the frequency or cost of any update or upgrade. We are not obligated to provide or assist you in obtaining the computer system, although we will provide you with the name of one or more vendors from whom you may purchase the equipment.

We recommend that you obtain local Information Technology (“IT”) support for the operation and continued maintenance of the hardware, software and network configurations to support the franchised business. We estimate the annual cost for this recommended IT support will range from \$250 to \$1,000. This estimate may vary depending on your specific IT needs, knowledge, and local market conditions. Franchisor is not required to establish, maintain, and/or troubleshoot any issues with your computer hardware or software.

Franchisee Meetings. We may hold regional and/or national meetings with our support personnel and franchisees to discuss sales techniques, service procedures, personnel issues, and marketing methods, and to introduce new management tools, marketing programs, and promotional items. We do not presently require attendance at these meetings, but we have the right to do so. We may charge reasonable registration fees for these meetings. Currently, the attendance fee for the national meeting is approximately \$200 per person. If attendance at these meetings is required, we reserve the right to charge the registration fee even if the required attendee does not attend. All expenses, including travel and lodging, are your responsibility.

Office Visits. We may visit your office from time to time in order to provide additional operational support. Presently we do not charge you a fee for such office visits, but we have the right to require you to reimburse us for the cost of our travel to your office and for related expenses.

Web Site. We maintain a Web site to promote our franchisees’ services and the sale of our franchises and to provide contact information for Home Helpers and Direct Link locations. We will include your franchise contact information on a separate page on our Web site paid for by the National Branding Fund, and you are required to keep your contact information current at all times. You may not establish your own Web site, Web page, blog, listing, banner, URL, advertisement, or any other service or link on or with the Internet (including social networking Web sites or services such as Facebook, Twitter, etc.), World Wide Web, Internet service providers, electronic mail services, communication providers, search engines or other similar services using our service marks or otherwise in connection with the franchised business. We will provide you with one e-mail address containing our domain name, which you are required to use for all electronic communications with us and for the franchised business.

National Branding Fund. We make certain marketing materials and promotional services available to you through a national branding fund (the “National Branding Fund”). Some of the services include a periodic publication for your customers, the development of new marketing programs, and other periodic drawings for services or promotional items. The marketing materials available for purchase from the National Branding Fund include all brochures, forms, and mailers used in our marketing program and promotional items bearing our logos and service marks.

You are required to pay a National Branding Fee of 2% of monthly Gross Revenues or \$350.00 per month, whichever is greater, to the National Branding Fund. We have the right to increase the amount of the National Branding Fee at any time. Any increase in the National Branding Fee will

be effective 30 days after you receive notice of the increase. All National Branding Fees are maintained in a separate bank account and may only be spent on advertising, promotion and marketing of the services provided by Home Helpers and Direct Link franchises, the development of new advertising, promotional and marketing materials for the Home Helpers and Direct Link systems, the solicitation of National Accounts, employment of marketing personnel, and administrative costs associated with the maintenance of the National Branding Fund. Our current policy is to use the National Branding Fund for the development of new advertising, promotional and marketing materials and to advertise the services provided by franchisees in certain print media. We have the right to change this policy at any time and use the National Branding Fund to place advertising in national, regional or local media (including broadcast, print, or other media). We are reimbursed for any overhead, postage or labor provided to the National Branding Fund. Each location owned by HHFS, if any, will contribute to the National Branding Fund on the same basis as you.

The National Branding Fund is administered by our accounting personnel. You may obtain an unaudited annual financial statement of the National Branding Fund by submitting a written request to our corporate office after March 1 of each year. You may obtain an accounting of National Branding Fund expenditures by sending a written request to our corporate office. We do not presently have the National Branding Fund audited by an independent certified public accountant, but have the right to do so at the National Branding Fund's expense. During the one-year period ending on December 31, 2013, the National Branding Fund had total receipts of \$881,029 and total expenses of \$818,973, of which 1.2% was spent for marketing materials, 42.8% for promotional programs, 26.8% for Web-based programs, 8.7% for national and regional meetings, 0.3% for postage, and 20.2% for administration.

The National Branding Fund is not and will not be an asset of HHFS. The National Branding Fund is not a "trust", and HHFS will have no fiduciary duty to you or any other franchisee in connection with the management of the National Branding Fund. The National Branding Fees are not refundable or transferable under any circumstances, even upon the expiration, termination or transfer of your franchise. HHFS is not required to spend any amount on advertising in your territory or to ensure that you benefit directly or pro rata from the National Branding Fees you pay. We are not required to spend equal or pro rata amounts on Home Helpers and Direct Link brands or franchises. Except as disclosed above, neither HHFS nor any affiliate of HHFS receives any payment from the National Branding Fund. The National Branding Fund is a joint fund to benefit both the Home Helpers and Direct Link franchise systems.

No portion of the Fund is used for advertising that is principally a solicitation for the sale of franchises. If any of the National Branding Fees are not spent in the fiscal year in which they accrue, expenditures made from the National Branding Fund in the following year(s) will be made first out of accumulated earnings from previous years (if any), next out of earnings in the current year, and finally from contributions.

Advertising. Your franchise agreement does not restrict or mandate the amount of advertising you may conduct or the media in which any advertising may be placed. We will provide you with access (via our intranet Web site) to a number of digital advertisements, layouts and images for use in various media, but you are free to use your own advertising material so long as we approve it first. If you wish to use an advertisement that we have not provided and that has not been previously approved, you must submit it to us by certified mail, return receipt requested, for approval. You will typically be notified of whether the advertisement is acceptable within 30 days after we receive it. The approval of advertising will be made on a case-by-case basis using purely subjective criteria. All of your advertising in any medium must be conducted in a dignified manner, be completely accurate and truthful, conform to standards and requirements listed in the operations

manual and to all applicable laws and regulations regarding consumer advertising, and contain a notice that your franchise is independently owned and operated. Any advertisement that you develop for your franchise automatically becomes our property, and we may use it or provide it to our other franchisees for their use without compensating you. There is no advertising council composed of franchisees that advises HHFS on advertising policies or other matters.

Advertising Cooperatives. We may establish, change, dissolve, or merge local or regional marketing and advertising cooperatives in geographical areas with two or more Home Helpers franchises. Advertising cooperatives may be established for areas covered by advertising media relevant to particular geographic markets, Metropolitan or Micropolitan Statistical Areas, or our advertising strategies, in our discretion. If we establish an advertising cooperative in an area, each franchise within the cooperative area must join and contribute to the cooperative each month. Your cooperative contribution will not be credited toward your national branding fee. Either we or the cooperative will determine the amount of your monthly contribution, but it cannot exceed 3% of your Gross Revenues unless a majority of the cooperative members agree on a higher contribution. The members of each cooperative will be responsible for its administration, subject to our approval. Each member of an advertising cooperative will have one vote per franchise. Each cooperative will operate from written governing documents and must prepare monthly financial statements, all of which will be available for its members' review. Each location owned by HHFS, if any, in an area in which an advertising cooperative has been established will contribute to the cooperative on the same basis as other members of that cooperative. As of the date of this disclosure document, we have not established any advertising cooperatives, although our franchisees have established cooperatives in the Chicago, Denver, and Philadelphia markets.

Location of Franchised Business. You will operate the franchised business from at least one office site. We do not select or approve a site, or provide you with assistance in selecting a site, for your office. You may operate your franchise from an office in your home, provided that doing so will not violate any zoning or building code or other laws. You may also operate your franchise from rented office space. Your office must be located in your territory unless your office is in your home and you live outside your territory, in which case you may not use your home address on your business cards or stationery or in any advertisements (including online and "help-wanted" ads)—you must maintain and use a business address in your territory and the telephone number for your franchise must be listed under that address. We do not impose any other restrictions upon the location of your office. Your office should be near the more densely populated areas of your territory and convenient to major thoroughfares. You may not relocate the franchised business without our approval. Whether or not we would allow relocation depends on the circumstances at the time and what is in the systems' best interests, based on our business judgment. Any relocation, if approved, would be at your sole cost.

Length of Time to Open Franchise. Franchisees typically begin operating their franchises 2 to 6 months after signing the franchise agreement. The factors that affect this time are the availability and timing of your financing, your previous employment commitments, your ability to complete our training program, hire and train personnel, comply with any applicable state licensing requirements, and schedule your initial marketing campaign. You must open your franchise within 90 days after you complete the initial training program or we have the right to terminate your franchise without refunding any fees you have paid.

Training. If this is your first Home Helpers or Direct Link franchise, then, before you open your franchised business, we will train up to 2 people to operate a Home Helpers and/or Direct Link franchise. All of the initial training is conducted at our corporate headquarters in Cincinnati, Ohio, by or under the supervision of our President, Emma Dickison and our Vice President of Franchise Services, Cheryl Hammons. Ms. Dickison has been supervising the training and supporting our

franchisees since October 2007, and Ms. Hammons has been doing so since 2008. We do not employ a separate staff whose sole function is to train franchisees. The training is conducted by our employees with various administrative and operational responsibilities. We may change trainers at any time. We do not charge an additional fee for the training, but you are responsible for paying the costs of travel, lodging, food, and compensation for you and your employees during the training program. The initial training program is mandatory—you, or the person designated as responsible for the general oversight and management of the franchised business, must begin the training program within 90 days after you sign the franchise agreement and complete it to our satisfaction, or we have the right to terminate your franchise without refunding any fees you have paid. Training programs are typically scheduled on a monthly basis subject to demand. At the present time, we do not provide or require you to attend additional training programs after your successful completion of the initial training program, but we reserve the right to require additional training and to charge you a reasonable fee for it. The current agenda of our initial training program is listed below:

Training Programs Home Helpers

<i>Subject</i>	<i>Classroom Training Hours</i>	<i>On-the-Job Training Hours</i>	<i>Location</i>
Pre-Training	4	0	Cincinnati, Ohio
Orientation	3.5	0	Cincinnati, Ohio
Business Planning	4	0	Cincinnati, Ohio
Client Services	1.75	0	Cincinnati, Ohio
Human Resource Management	4	0	Cincinnati, Ohio
Referral Source/Consultation Exercise	4	0	Cincinnati, Ohio
Financial Management	2	0	Cincinnati, Ohio
Database Management	1	0	Cincinnati, Ohio
Marketing & Promotion	7.75	0	Cincinnati, Ohio
Pre-Opening	1	0	Cincinnati, Ohio
Support/Q & A	3.25	0	Cincinnati, Ohio
Post-Training	6	0	Cincinnati, Ohio

Direct Link

<i>Subject</i>	<i>Classroom Training Hours</i>	<i>On-the-Job Training Hours</i>	<i>Location</i>
Orientation	3.5	0	Cincinnati, Ohio
Financial Management	2	0	Cincinnati, Ohio
Pre-Opening	1	0	Cincinnati, Ohio
Capability Overview	1.5	0	Cincinnati, Ohio
Client Services	3	0	Cincinnati, Ohio
Referral Source/Consultation Exercise	4	0	Cincinnati, Ohio

<i>Subject</i>	<i>Classroom Training Hours</i>	<i>On-the-Job Training Hours</i>	<i>Location</i>
Equipment Set-up	1.25	0	Cincinnati, Ohio
Marketing & Promotion	4	0	Cincinnati, Ohio
Sales Process	2.5	0	Cincinnati, Ohio
Support/Q & A	3.25	0	Cincinnati, Ohio
Business Planning	2	0	Cincinnati, Ohio

Home Helpers and Direct Link Combined

<i>Subject</i>	<i>Classroom Training Hours</i>	<i>On-the-Job Training Hours</i>	<i>Location</i>
Pre-Training	4	0	Cincinnati, Ohio
Orientation	3.5	0	Cincinnati, Ohio
Financial Management	2	0	Cincinnati, Ohio
Business Planning	4	0	Cincinnati, Ohio
Client Services	1.75	0	Cincinnati, Ohio
Human Resource Management	4	0	Cincinnati, Ohio
Referral Source/Consultation Exercise	4	0	Cincinnati, Ohio
Database Management	2	0	Cincinnati, Ohio
Marketing & Promotion	9.25	0	Cincinnati, Ohio
Pre-Opening	1	0	Cincinnati, Ohio
Support/Q & A	3.25	0	Cincinnati, Ohio
Post-Training	6	0	Cincinnati, Ohio
Capability Overview	1.75	0	Cincinnati, Ohio

The instructional materials for our training programs include the Operations Manual, handouts, HomeTrak Software, QuickBooks® Software, ACT® Software, and Intranet and Internet sites. We reserve the right to extend the hours of the training program and to make additional training available to you.

Promotions. We may, in our sole discretion, periodically offer certain promotions to prospective franchisees. Such promotions may vary in nature and may include, by way of example and without limitation, partial reimbursement for expenses and marketing materials. All such promotions will be made available to all prospective franchisees that receive a franchise disclosure document within a certain defined time period. A prospective franchisee must pay for the franchise in full without financing in order to benefit from a promotion.

Referral Fee. If you refer a prospective franchisee to us who is not already in our sales system, then we will provide you a referral fee of \$2,500.00 if that person purchases a franchise from us or from one of our affiliates. You are entitled to the referral fee when payment in full is received for the initial franchise fee from the person that you refer to us. We may cancel or modify this referral policy at any time.

ITEM 12. TERRITORY

We will grant you an exclusive territory comprised of Postal ZIP Code(s) according to our mapping system in place at the time of executing the Franchise Agreement. A map of your territory approved by us and a list of the territorial ZIP Code(s) shall be attached to your Franchise Agreement and the border of your territory on the approved map is the final determination of your territory should your ZIP Code(s) be moved, altered or eliminated by the U.S. Postal Service. If the U.S. Postal Service moves, alters, or eliminates the ZIP Code(s) assigned to you, Franchisor may re-define the boundaries of your territory to correspond as nearly as possible to the territorial border defined in your map approved by Franchisor. Our decision on this matter will be final. For both Home Helpers and Direct Link franchises, you maintain the rights to your territory even if the population increases.

The territory you will receive for the base initial franchise fee will contain a population of up to 175,000. If the population of your territory exceeds 175,000, you must pay an additional \$500 for all or part of every 1,000 people over 175,000. There is no maximum limit on the population of your territory. The population will be determined using extrapolated U.S. Census figures, MelissaData.com demographic data, and Microsoft® MapPoint®³ business mapping software, or another comparable mapping system designated by us. You may operate from more than one location subject to our approval. If you purchase a Direct Link franchise at the same time or after you purchase a Home Helpers franchise, the territory for your Direct Link franchise must, if possible, be identical to the territory for your Home Helpers franchise. However, if identical territories for both a Home Helpers franchise and a Direct Link franchise are not available, then Franchisor, in its discretion, may approve a joint territory so that the territory for both franchises shall be as close to identical as possible. It is possible that some part or all of your territory may have previously been owned by a former franchisee. If you submit a written request to us by certified mail, return receipt requested, then we will notify you whether or not a former franchisee previously owned the exact boundaries of your territory.

You do not have the right to operate your franchise in another franchisee's territory or anywhere outside your protected territory, but we may, in our business judgment, permit you to do so in the circumstances described below. If we permit you to solicit or accept clients outside your territory, then you may use any commercially reasonable channel of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing method to obtain and service clients outside your territory.

You may not operate your franchise in another franchisee's territory, except for National Accounts and for referral sources (such as local chapters of the National Council on Aging, hospitals, medical offices, and similar organizations) that will be shared by all franchisees in a market, and except for the situations described below in this Item 12. We will identify the shared referral sources in each market on a case-by-case basis. "Operate your franchise in another franchisee's territory" means advertising (including signage), soliciting, offering, providing, or selling services in another franchisee's territory. The exclusivity of your territory begins once you complete our initial training program and become fully operational.

The exclusivity of your territory does not extend to clients that we identify as National Accounts. A "National Account" is any account established with (1) any government body that provides funds for or administers a program that provides funds for or administers any services in two or more

³ MapPoint® is a registered trademark of Microsoft Corporation or its subsidiaries in the United States and other countries.

territories or (2) any entity that has a member, subsidiary, affiliate, or policy holder that provides funds for or administers any services in two or more territories. Other franchisees may service National Accounts at or from locations in your territory. With our prior written consent, you may service National Accounts at or from locations in another franchisee's territory, if that franchisee's franchise agreement allows it. The franchise agreements of some of the earlier franchisees do not permit other franchisees to provide products and services at or from locations in their territory, even for National Accounts. We have the exclusive right to identify clients or potential clients as National Accounts, to service National Accounts, and to award the right to service National Accounts to any franchisee, in our sole and absolute discretion.

Beginning in its third year of operation, your franchised business will be required to meet a "Performance Standard" of at least \$30,000 in Gross Revenues each month. There is no Performance Standard during your first 2 years of operation. If you fail to meet the Performance Standard for any 6-consecutive-month period, you will be in default under your franchise agreement and we will have the right to suspend the exclusivity of your territory and permit other Home Helpers franchisees to operate in your territory, and, unless you cure the default, terminate your franchise. You can cure the default only by providing us, within 30 days after our request, with a detailed business plan showing us how you propose to meet your Performance Standard within 6 months or less. If we think your plan is achievable, we will give you time to meet your Performance Standard as proposed in your plan. If you don't submit a business plan within the 30-day period, or if we don't think the plan is achievable, or if you still fail to achieve the Performance Standard after we approve your plan, then you will have failed to cure your default and we will be entitled to terminate your franchise without any additional opportunity cure the default.

If you do not provide skilled medical services (e.g. "home health care") by the beginning of the third year after the effective date of your franchise agreement, then we may, in our discretion, permit Home Helpers franchisees that do provide skilled medical services to provide skilled medical services in your territory. If such other franchisee provides skilled medical services to a client that also requires non-medical senior care services, then that franchisee may provide these services to that client.

Although we are not obligated required to do so under the franchise agreement, we may permit you to operate your franchise in areas outside your territory that are not part of another franchisee's territory. We may, in our discretion, allow you to continue serving existing clients located in areas outside your territory after such area later becomes part of another franchisee's territory, but you must stop soliciting and serving new clients in any such area. In addition, we may permit you to operate in the territory of a franchisee that has been provided written notification of a default under the franchise agreement and who has not cured the default within 30 days. In this event, the exclusivity of the defaulting franchisee's territory could, in our discretion, be suspended until the default is cured. Except as otherwise stated, you do not acquire any rights to any areas outside your territory, and you must immediately stop operating outside your territory upon notification from us.

Except as described above in this Item 12, there are no other circumstances that would permit us to modify your territorial rights.

HHFS may not operate or grant another Home Helpers franchise within your Home Helpers franchise territory, but nothing prohibits us from operating or granting other franchises under a different service mark or trade name within your territory. These franchises may offer some of the same services offered by Home Helpers franchises so long as they are not "substantially similar" to a Home Helpers franchise. For example, if you do not purchase a Direct Link franchise, nothing prohibits HHFS from operating or granting a Direct Link franchise in your Home Helpers territory,

so long as the Direct Link franchise does not operate under the HOME HELPERS service mark or trade name.

HHFS may not operate or grant another Direct Link franchise within your Direct Link franchise territory, but nothing prohibits us from operating or granting other franchises under a different service mark or trade name within your territory. These franchises may offer some of the same services offered by Direct Link franchises so long as they are not “substantially similar” to a Direct Link franchise. For example, if you do not purchase a Home Helpers franchise, nothing prohibits HHFS from operating or granting a Home Helpers franchise in your Direct Link territory, so long as the Home Helpers franchise does not operate under the DIRECT LINK service mark or trade name.

We have an affiliate, T.B. Franchising Systems, Inc. (“TBFS”) that offers franchises to operate businesses that provide home maintenance and repair, lawn care, and maid services under the trade name TRUBLUE HOUSE CARE. Some of the services offered by a TruBlue franchise—maid services—are similar to some of the services you will offer as a Home Helpers franchise—light housekeeping services. However, TruBlue franchises are not permitted to offer companion care, personal care, or skilled medical services. The exclusivity of your territory does not extend to TruBlue franchises; they may solicit and accept clients in your territory, and you may solicit and accept clients in their territories. Because Home Helpers and TruBlue franchises offer different bundles of services, we do not anticipate that there will be any conflict between Home Helpers and TruBlue franchises over clients. Presently there is one TruBlue outlet owned by TBFS, located at 10700 Montgomery Road, Suite 300, Cincinnati, Ohio 45242. There are no plans for TBFS to own any other TruBlue outlets. HHFS and TBFS share offices and training facilities, but each company has a separate president and will maintain separate personnel to train and support its franchisees.

We reserve the right to provide direct to consumer personal emergency response, medication management, and vital signs monitoring products and services under a trade name other than Direct Link. We do not otherwise reserve the right to provide competing services or to use any alternative distribution, including the Internet, within your territory, under our principal trademarks or different trademarks. We will not otherwise solicit or accept orders inside your territory.

Except as disclosed in this Item 12, there are no other restrictions on soliciting or accepting clients outside your territory and you may use any commercially reasonable channel of distribution, such as the Internet, telemarketing, or other direct marketing, method to obtain and service clients outside your territory.

You can reserve a specific territory for up to 30 days before you sign the franchise agreement by paying a \$5,000 deposit and sending us a signed Deposit Remittance Form. The deposit will be applied toward your initial franchise fee. If we receive your deposit and signed Deposit Remittance Form for a Home Helpers franchise by the close of business of the 16th day after you receive a copy of this disclosure document, we will increase the population of your territory by an additional \$15,000 of territory (30,000 additional population) at no additional cost to you. If we receive your deposit and signed Deposit Remittance Form by the end of business of the 16th day after you receive a copy of this disclosure document and pay at least \$2,000.00 towards the purchase of Direct Link equipment at the time of executing the Home Helpers Franchise Agreement, we will give you a Direct Link franchise without charging a separate franchise fee.

Direct Link franchisees must place at least 12 monitoring units in service and earning revenue in the first year, and the number of monitoring units in service and earning revenue at the end of each year must increase by 12 units every year, or we have the right to terminate your Direct Link franchise.

Your franchise agreement does not give you any option, right of first refusal, or similar right to acquire additional franchises.

If you sell your franchise at a future date, then we may modify the size of the territory at the time of transfer so that it will be consistent with the size of franchise territories offered in our then-current disclosure document. Except as disclosed in this Item 12, we may not modify your territorial rights without your consent.

ITEM 13. TRADEMARKS

If you purchase a Home Helpers franchise, we will grant you the right to operate a home care aide, personal care aide assistance, companion care, and skilled medical services franchise under the trade name HOME HELPERS and to use the service mark HOME HELPERS® to identify the services offered by the franchise. You may also use the service mark MAKING LIFE EASIER®, our Home Helpers logo (which is depicted on the cover of this disclosure document), and other service marks we may adopt in the future. You may use no other name or service mark without our approval.

If you purchase a Direct Link franchise, we will grant you the right to operate a personal emergency response franchise under the trade name DIRECT LINK and to use the service mark DIRECT LINK® to identify the services offered by the franchise. You may also use the Direct Link logo (which is depicted on the cover of this disclosure document), and other service marks we may adopt in the future. You may use no other name or service mark without our approval.

We have registered the following marks on the Principal Register of the U.S. Patent and Trademark Office (the "Trademark Office"):

<i>Registration Number</i>	<i>Description of Mark</i>	<i>Registration Date</i>
4,028,631	HOME HELPERS	September 20, 2011
4,028,326	HOME HELPERS logo	September 20, 2011
4,105,354	MAKING LIFE EASIER	February 28, 2012
3,933,329	CARING HEARTS	March 22, 2011

We have also registered the HOME HELPERS mark on the Supplemental Register of the U.S. Patent and Trademark Office (Trademark Office) on November 3, 1998 (Reg. No. 2,202,376). The registration was renewed on September 13, 2008.

DLEM registered the DIRECT LINK mark on the Supplemental Register of the Trademark Office on June 6, 2000 (Reg. No. 2,356,367). In January 2004, we purchased all of DLEM's rights to the DIRECT LINK mark and registration, and the assignment was recorded with the Trademark Office on January 12, 2005. The registration was renewed on September 17, 2009. Because we do not have a Principal Register federal registration for this trademark, the mark does not have as many legal benefits and rights as a federally registered trademark on the Principal Register. If our right to use this trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits have been filed in connection with the registrations described in this Item. We will renew our trademarks as necessary to preserve our registrations.

We have not registered the Direct Link logo depicted on the cover of this disclosure document with any state or with the Trademark Office, although we claim common law rights to use this mark.

HHFS registered the service mark CARING HEARTS with the Canadian Intellectual Property Office (“CIPO”) on June 29, 2010 (Registration No. TMA770886). HHFS registered the service mark DIRECT LINK with CIPO on April 4, 2013 (Registration No. TMA847557).

You must follow our rules when you use these marks. You cannot use a name or mark as part of your corporate name. You cannot use a name or mark with modifying words, designs or symbols other than those that we license to you. You cannot use a name or mark on or as part of any Web site, domain name, URL, Web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or other similar services without our written consent. You cannot register a name or mark as a service mark, trademark, or Internet domain name. You may not use any of the marks in connection with the sale of an unauthorized product or service or in a manner not authorized by HHFS. You must not use, in advertising or any other form of promotion, any of our trademarks or commercial symbols without the appropriate notices that we or the law may require, including, ®, SM, or other trademark notice.

Except as disclosed above, there are no effective determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of this state or any court, no pending infringement, opposition or cancellation, nor any pending material litigation involving our marks that are material to a Home Helpers or Direct Link franchise.

You must notify us immediately when you learn about any infringement of or challenge to your use of our marks. We will take whatever action we think appropriate. We are not required to defend you against a claim against your use of our marks or indemnify you for your liability or expenses arising from your defense of such a claim. We, at our option, will control any proceedings or litigation arising from or relating to our trademarks.

You must modify or discontinue your use of a mark and adopt any new or replacement marks at your expense if we modify or discontinue a mark or adopt a new or replacement mark. We are not required to reimburse you for your costs if you do. You must not directly or indirectly contest our right to our service marks, trade secrets, or business techniques that are part of our business.

We are aware of the following third-party uses of our marks. Any franchisees in or around these geographic areas could be materially affected by these infringing uses:

1. A company named Active At Home Helpers operates a senior care business at 3450 Fifth Street, Fargo, North Dakota 58078. We believe that this use infringes upon our rights in our HOME HELPERS mark and that our rights are superior so as to enable us to prevent this use of the name.
2. A company named Compassionate Care Home Helpers operates a senior care business at 1109 Carr Street, New Castle, Pennsylvania 16101. We believe that this use infringes upon our rights in our HOME HELPERS mark and that our rights are superior so as to enable us to prevent this use of the name.
3. A company named Agape Home Helpers operates a senior care business at 232 Poplar Heights Drive, Grayson, Kentucky 41143. We believe that this use infringes upon our rights in our HOME HELPERS mark and that our rights are superior so as to enable us to prevent this use of the name.

4. A company named Home Helpers Homecare operates a senior care business at 2845 NE Loop 286, Paris, Texas 75460. We believe that this use infringes upon our rights in our HOME HELPERS mark and that our rights are superior so as to enable us to prevent this use of the name.

Except as disclosed above, we have no actual knowledge of any infringing uses that could materially affect your use of our marks. No agreements limit our right to use or license the use of our marks within the United States. We believe that there may be other businesses offering similar services and using the names HOME HELPERS or DIRECT LINK whose use predates our or DLEM's first use of the names. If so, HHFS and its franchisees may not be able to use the name HOME HELPERS in the market areas of other homemaker, home care, or personal care businesses that are using the name HOME HELPERS or similar names, or be able to use the name DIRECT LINK in the market areas of other personal emergency response businesses that are using the name DIRECT LINK or similar names.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchises.

We have not obtained any copyright registrations, but claim common law copyrights in our operations manuals (which contain proprietary information), marketing materials, and any other original or proprietary works developed by HHFS. All such materials will bear copyright notices. All rights and interests in such materials will be retained by HHFS. You must not use, in advertising or any other form of promotion, any of our copyrighted materials, trademarks, or commercial symbols without the appropriate notices that we or the law may require, including © or other copyright registration notice.

There are no agreements currently in effect that significantly limit our rights to use or license the use of the copyrights in any manner material to the franchise. There are no effective determinations of the U.S. Copyright Office, no pending infringement, opposition or cancellation, nor any pending material litigation involving any of the items or information in which we claim copyrights that are material to a Home Helpers or Direct Link franchise.

We have developed distinctive systems for the operation of home care aide and personal emergency response businesses. Our systems include pricing methods, management techniques, proposals and management forms/formats, specifications, procedures, knowledge, and expertise in the operation of the businesses, much of which is not commonly known to the public or to our competitors, gives us an advantage over competitors who do not know or use it, and that we have identified or may identify as proprietary and confidential information. We will disclose proprietary and confidential information to you in the operations manual, during ongoing training seminars, and in guidance furnished to you during the term of your franchise agreement.

You will not acquire any interest in any proprietary and confidential information we may communicate to you, other than the right to utilize it in the operation of your franchised business during the term of your franchise agreement. The information is disclosed to you solely on the condition that you (1) will not use it in any other business or capacity; (2) will maintain the absolute confidentiality of the information during and after the term of your franchise agreement; (3) will not make unauthorized copies of any portion of the operations manual or any other written communication from us; and (4) will adopt and implement all reasonable procedures we may require to prevent unauthorized use or disclosure of the information, including restrictions on disclosure of the information to employees of the franchised business and the use of nondisclosure and noncompetition clauses in employment agreements.

You must notify us immediately when you learn about any infringement of or challenge to your use of our copyrighted materials. We will take whatever action we think appropriate. We are not required to defend you against a claim against your use of our copyrighted materials or indemnify you for your liability or expenses arising from your defense of such a claim. We are not obligated to protect any of our copyrights. You must discontinue your use, at your expense, of any item or information in which we claim a copyright if any party demonstrates to our satisfaction a superior right to the use of the item or information. We are not required to reimburse you for your costs if you do. You must not directly or indirectly contest our right to any item or information in which we claim a copyright.

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

We do not require that you personally supervise the franchised business, although we recommend that you do so. The franchised business must be directly supervised “on-premises” by a manager who has been approved by us and has successfully completed our training program. The manager need not have an ownership interest in a franchisee that is a corporation, partnership, limited liability company, or other entity. The manager must sign a written agreement to maintain the confidentiality of any confidential information about HHFS or your business that may be disclosed to him or her and a non-competition agreement enforceable in your jurisdiction.

You may not compete with, or own an interest in, any business that competes with, your franchise anywhere during the term of your franchise agreement, or in or within 15 miles of your franchise territory or any other franchisee’s territory for 2 years after the expiration or termination of your franchise agreement. You may not solicit any “shared referral sources” (wherever located) for 2 years after the expiration or termination of your franchise agreement. Unless you own a Direct Link franchise, you may not promote, offer or sell any personal emergency response, medication management, and vital signs monitoring products or services anywhere during the term of your Home Helpers franchise agreement. Unless you own a Home Helpers franchise, you may not promote, offer, or sell any senior care services (including home care, home maker, personal care aide assistance, companion care, and skilled medical services) anywhere during the term of your Direct Link franchise agreement. If the franchisee is a corporation, partnership, limited liability company, or other entity, the restrictions in this paragraph also apply to all of the owners of the franchisee. If the franchisee is a corporation, partnership, limited liability company, or other entity, all of its owners must sign a written agreement to maintain the confidentiality of any confidential information about HHFS or your business that may be disclosed to them, and a written agreement (a sample of this agreement is attached to this disclosure document as Exhibit J) personally guaranteeing all of the franchisee’s obligations under the franchise agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

There are no restrictions on the goods or services you may offer for sale, except as described below in this Item 16.

You may use no other name or trademark for your franchised business other than HOME HELPERS (for Home Helpers franchises) or DIRECT LINK (for Direct Link franchises) without our prior written approval.

You may not use the premises on which the franchised business is located for any purpose other than the operation of the franchised business and the sale of authorized products and services (this restriction does not apply if you operate the franchised business from your home).

You are required to offer and sell only those products and services that we have authorized. You are prohibited from offering any other products or services without our approval. You must offer all products and services that we designate as required for all franchisees. For Home Helpers franchisees, the required products and services are non-medical personal assistance, “personal care” services, and companionship care (“homemaker” services). For Direct Link franchisees, the required products and services are personal emergency response systems and related monitoring services. We have the right to designate some services as optional for franchisees. For example, a Home Helpers franchisee may offer “personal care aide” services, “home care aide” services, or, with prior approval from us, skilled medical services, if they meet their federal and state requirements for doing so and if they maintain insurance that provides coverage for such services. We have the unlimited right to add or delete authorized products and services that you are required to offer. We also have the right to designate some services as optional for franchisees in certain markets. For example, certain states prohibit unlicensed caregivers from touching the client or preparing meals.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

<i>Provision</i>	<i>Section in Franchise Agreement</i>	<i>Summary</i>
a. Length of the Franchise Term	Section 2.1	10 years
b. Renewal or extension of the term	Section 2.2	Your renewal right permits you to remain as a franchise after the initial term of your franchise agreement expires. If you wish to do so, and you satisfy the required pre-conditions to renewal, we will offer you the right to obtain 2 additional 10-year terms. You must sign our then-current franchise agreement for the renewal term, and this new agreement may contain materially different terms and conditions (including, e.g., higher royalty and/or advertising contribution) from the agreement that covered your original term.
c. Requirements for you to renew or extend	Section 2.2	“Renewal” means that, if you are in full compliance with the Franchise Agreement at its term’s expiration and we are then continuing to offer new franchise opportunities, then you may acquire a successor franchise term of 10 years. If you wish to acquire a successor franchise term, you must satisfy the pre-conditions to renewal that we then require, including giving 6-12 months written notice, signing our then-current franchise agreement (which may contain materially different terms and conditions such as a higher royalty and/or branding contribution) and (if law allows) a form of general release, and comply with any new training requirements.
d. Termination by you	Not Applicable	Not Applicable
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Section 13.1	We can terminate your franchise if you do not complete the initial training program to our satisfaction or if you default.
g. “Cause” defined - defaults which can be cured	Section 13.1	You have 30 days to cure: non-payment of fees or notes, failure to submit reports, understatement of Gross Revenues by 3% or more (Home Helpers franchise only), infringement into another franchisee’s territory, and any other default not listed in Section 13.1 (g) through (s). You may have up to 6 months to cure your failure to achieve the Performance Standard for any consecutive 6-month period (see Item 12 of this disclosure document for an explanation of the Performance Standard).

<i>Provision</i>	<i>Section in Franchise Agreement</i>	<i>Summary</i>
h. "Cause" defined - defaults which cannot be cured	Section 13.1	Non-curable defaults: failure to begin training within 90 days after franchise agreement signed, failure to open franchise within 90 days after you complete training, certain assignments, abandonment, failure to comply with applicable law, unapproved transfers, misrepresentation, submission of false report or maintaining false books or records, 3rd breach of franchise agreement, knowing understatement of Gross Revenues (Home Helpers franchise only), bankruptcy ¹ , seizure of or execution against your franchise, certain criminal misconduct, conduct which reflects negatively on the system, danger to public.
i. Your obligations on termination/nonrenewal	Article 14	Stop operating franchise, stop using confidential information and trademarks, complete de-identification, return manuals, records, files, and materials containing marks, cancel assumed name registration, assign or cancel telephone number, obtain insurance tail coverage, pay outstanding amounts due and damages (also see r, below).
j. Assignment of contract by us	Section 12.1	No restriction on our right to assign.
k. "Transfer" by you – definition	Section 12.2	Includes transfer of contract or assets, ownership change, and encumbrance.
l. Our approval of transfer by you	Section 12.2	We have the right to approve all transfers but may not unreasonably withhold consent.
m. Conditions for our approval of transfer	Section 12.2	All of your financial obligations and transfer fee paid, new franchisee qualifies, you release claims (if permitted by state law), new franchisee signs current agreement and completes training (also see r, below).
n. Our right of first refusal to acquire your business	Section 12.4	We can match any offer for your business.
o. Our option to purchase your business	Not Applicable	Not Applicable
p. Your death or disability	Section 12.5	Your heirs may inherit your franchise provided they qualify and meet other requirements for transfer (see m, above).
q. Non-competition covenants during the term of the franchise	Section 15.2	No involvement in business that competes with either Home Helpers or Direct Link.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.3	No involvement in business that competes with either Home Helpers or Direct Link for 2 years in or within 15 miles of any franchisee's territory, and no solicitation of clients and shared referral sources of the franchised business for one year
s. Modification of the agreement	Sections 9.3 and 18.1	Modification only by written agreement, but we may modify operations manual so long as it does not change your fundamental status and rights.
t. Integration/merger clause	Section 18.1	Only the terms of the franchise agreement are binding (subject to 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	Section 16.2	Except for certain claims, all disputes must be arbitrated in Hamilton County, Ohio (subject to state law); claims may not be consolidated with claims of other franchisees; parties waive right to jury trial and punitive damages; except for certain claims, all claims must be brought within 1 year.
v. Choice of forum	Section 18.4	Except for claims arising under a franchise law of the state where the franchised business is located, all litigation or arbitration must be in Hamilton County, Ohio.
w. Choice of law	Section 18.3	Except for claims arising under a franchise law of the state where the franchised business is located, Ohio law applies.

¹ This provision may not be enforceable under federal bankruptcy law.

ITEM 18. PUBLIC FIGURES

HHFS does not use any public figure to promote its franchises.

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 performance at a particular location or under particular circumstances.

The tables below present historic Gross Revenues for franchised Home Helpers home healthcare agencies for the twelve-month periods ending on December 31, 2013 and December 31, 2012. For each of those periods, only data from franchisees who were open for at least 24 months before the beginning of the period and who reported Gross Revenue for all 12 months of the period were included in the table. The information has been extracted from royalty reports submitted to us by our franchisees. We have not audited or independently verified this information. It may not be relied upon as a projection or forecast of what a new Home Helpers franchisee may experience.

The table below presents the highest and average Gross Revenue for our 50 highest-grossing franchised Home Helpers home healthcare agencies for the twelve-month periods ending on December 31, 2013 and December 31, 2012.

TOP 50 FRANCHISEES

	2013 ¹	2012 ²
No. of franchisees ^{3,4}	50	50
Highest Gross Revenue	\$5,460,897	\$5,037,650
Average Gross Revenue of top 50 franchisees	\$1,436,410	\$1,199,895
Number of top 50 franchisees who attained or surpassed the average Gross Revenue	20	15
Percentage of top 50 franchisees who attained or surpassed the average Gross Revenue	40%	30%

The table below presents highest and average Gross Revenue for all franchised Home Helpers home healthcare agencies open at least 24 months for the twelve-month periods ending on December 31, 2013 and December 31, 2012.

ALL FRANCHISEES OPEN AT LEAST 24 MONTHS

	2013 ¹	2012 ²
No. of Franchisees ^{3,4}	160 ⁵	157 ⁶
Highest Gross Revenue	\$5,460,897	\$5,037,650
Percentage change from prior year	+8.4%	
Average Gross Revenue of All Franchisees ⁷	\$640,404	\$544,840
Percentage change from prior year	+17.5%	
Number of franchisees who attained or surpassed the Average Gross Revenue	53	52
Percentage of franchisees who attained or surpassed the Average Gross Revenue	33.1%	33.1%

The figures in the table do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Gross Revenue figures to obtain your net income or

¹ For the 12-month period ending December 31, 2013.

² For the 12-month period ending December 31, 2012.

³ The data in these tables include only franchisees who were open for at least 24 months before the beginning of the period reported and who reported Gross Revenue for all 12 months of that period. It does not include any revenue from the sale or rental of Direct Link products or services, even though many of our Home Helpers franchisees also own a Direct Link franchise.

⁴ The data in these tables represent Gross Revenue by reporting franchisee, not by franchise territory. Some franchisees own more than one territory and report Gross Revenue and royalty information as a single unit for all territories they own. We have included this data in the table as reported by our franchisees, although this results in higher average revenue figures.

⁵ There were 324 Home Helpers franchises (each franchise consists of a single franchise territory) in operation as of December 31, 2013, which were owned by 236 franchisees. Of those, 160 franchisees were both open for at least 24 months before January 1, 2013 and reported Gross Revenue for all 12 months between January 1 and December 31, 2013.

⁶ There were 318 Home Helpers franchises (each franchise consists of a single franchise territory) in operation as of December 31, 2012, which were owned by 254 franchisees. Of those, 157 franchisees were both open for at least 24 months before January 1, 2012 and reported Gross Revenue for all 12 months between January 1 and December 31, 2012.

⁷ For purposes of this Item 19, "Gross Revenue" means the total of all income arising from the operation of the franchised business, whether cash or credit. It is recognized on an accrual basis and regardless of collection, which means that a franchisee's Gross Revenue for any period represents how much a franchisee billed its clients during the period, not how much the franchisee received. Gross Revenue does not include the amount of refunds and discounts made to clients in good faith, or the amount of sales or excise taxes that are separately stated and that the franchisee is required to and does collect from clients and pays to the appropriate taxing authority.

profit. Those expenses include fees you are required to pay us under the terms of your franchise agreement, such as royalties, national branding fees and technology fees. Your sales and operating expenses will vary depending on many factors, such as the geographic location of your territory, competition from other providers in your market, the effectiveness of your advertising, whether you manage your franchise yourself or hire a general manager, your pricing, the prices you pay for supplies, employee salaries and benefits (health insurance, retirement plan, etc.), other employment conditions in your market, insurance costs, weather conditions, ability to generate clients, client loyalty, and the necessity, cost and difficulty of obtaining a license to perform all of the services a Home Helpers franchise offers. You should conduct an independent investigation of the costs and expenses you will incur in operating a Home Helpers franchise. Franchisees and former franchisees listed in this disclosure document may be one source of this information.

The data in the table above represents Gross Revenue by reporting franchisee, not by franchise (or franchise territory). Some franchisees own more than one territory and, due to the nature of the business (service-based versus retail locations), manage their business and report Gross Revenue and royalty information as a single unit for all territories they own. We have included this data in the table as reported by our franchisees, although this results in higher average revenue figures. Some franchises do not offer personal care services, and most franchises did not offer skilled medical care services during the periods reported in the table.

You should use the information in the table only as one of several references in conducting your analysis and preparing your own projected income and cash flow statements. We strongly suggest that you consult a financial advisor or accountant for assistance in reviewing the table and in preparing your own financial projections, and for advice about the income and other taxes you will incur in operating a Home Helpers franchise and the effect of non-cash expenses such as depreciation and amortization on your business.

The success of your Home Helpers franchise will depend largely upon your personal abilities and how you use them, your willingness to engage in personal sales activities (or your ability to hire someone else to), the number of seniors in your market and their household income levels, and the number of competitors in your market. You are likely to achieve results that are different, possibly significantly and adversely, from the results shown in the table above.

Some of our franchisees have sold this amount. There is no assurance that you'll do as well. If you rely upon our figures, you must accept the risk of not doing as well. We do not make any promises or representations that you will achieve any particular results or level of sales or profitability, or even achieve break-even results in any particular year of operation. We do not represent that your franchise will generate any income or that the amount of income it might generate will exceed your initial investment in the franchise.

Written substantiation for the financial performance representation will be made available to you upon request.

Other than the preceding financial performance representation, HHFSI does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jeffrey D. Siehl, General Counsel, 10700 Montgomery Road, Suite 300, Cincinnati, Ohio 45242, (513) 563-8339, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary – HOME HELPERS
For Years 2011 to 2013

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2011	303	311	+8
	2012	311	318	+7
	2013	318	324	+6
Company-Owned	2011	0	0	0
	2012	0	0	0
	2013	0	0	0
Total Outlets	2011	303	311	+8
	2012	311	318	+7
	2013	318	324	+6

Systemwide Outlet Summary – DIRECT LINK
For years 2011 to 2013

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2011	264	276	+12
	2012	276	287	+11
	2013	287	290	+3
Company-Owned	2011	0	0	0
	2012	0	0	0
	2013	0	0	0
Total Outlets	2011	264	276	+12
	2012	276	287	+11
	2013	287	290	+3

Table No. 2
 Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) – Home Helpers
 For years 2011 through 2013

STATE	YEAR	NUMBER OF TRANSFERS
ARKANSAS	2011	1
	2012	0
	2013	0
CALIFORNIA	2011	0
	2012	0
	2013	2
COLORADO	2011	2
	2012	0
	2013	0
CONNECTICUT	2011	0
	2012	0
	2013	1
FLORIDA	2011	0
	2012	1
	2013	1
ILLINOIS	2011	1
	2012	0
	2013	1
INDIANA	2011	0
	2012	1
	2013	1
MASSACHUSETTS	2011	1
	2012	1
	2013	0
NEW JERSEY	2011	0
	2012	0
	2013	1
OHIO	2011	1
	2012	1
	2013	0
PENNSYLVANIA	2011	1
	2012	0
	2013	0
TENNESSEE	2011	0
	2012	1
	2013	0
TEXAS	2011	0
	2012	1
	2013	1
UTAH	2011	0
	2012	0
	2013	1
VIRGINIA	2011	0
	2012	2
	2013	0
WISCONSIN	2011	0
	2012	0

	2013	1
TOTALS	2011	7
	2012	8
	2013	10

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) – Direct Link
For years 2011 through 2013

STATE	YEAR	NUMBER OF TRANSFERS
CALIFORNIA	2011	0
	2012	0
	2013	2
CONNECTICUT	2011	0
	2012	0
	2013	1
FLORIDA	2011	0
	2012	1
	2013	1
INDIANA	2011	0
	2012	1
	2013	0
MASSACHUSETTS	2011	0
	2012	1
	2013	0
OHIO	2011	1
	2012	0
	2013	0
NEW JERSEY	2011	1
	2012	0
	2013	1
PENNSYLVANIA	2011	1
	2012	0
	2013	0
TENNESSEE	2011	0
	2012	1
	2013	0
TEXAS	2011	0
	2012	0
	2013	1
UTAH	2011	0
	2012	0
	2013	1
VIRGINIA	2011	0
	2012	2
	2013	0
WISCONSIN	2011	0
	2012	0
	2013	1
TOTALS	2011	2
	2012	6
	2013	8

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS – HOME HELPERS¹
FOR YEARS 2011 THROUGH 2013

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
ALABAMA	2011	3	0	0	0	0	0	3
	2012	3	1	0	0	0	0	4
	2013	4	1	0	0	0	0	5
ARIZONA	2011	6	2	0	0	0	0	8
	2012	8	0	0	0	3	0	5
	2013	5	0	0	0	0	0	5
ARKANSAS	2011	2	0	0	0	0	0	2
	2012	2	1	0	0	0	0	3
	2013	3	0	0	0	0	0	3
CALIFORNIA	2010	23	4	1	0	2	0	24
	2011	24	8	0	1	2	0	29
	2012	29	9	1	0	1	0	36
COLORADO	2011	11	1	1	0	0	0	11
	2012	11	2	0	0	0	2	11
	2013	11	1	1	1	1	0	9
CONNECTICUT	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	3	0	0	0	0	5
DELAWARE	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	1	0	0	0	0
FLORIDA	2011	10	1	0	0	4	0	7
	2012	7	5	0	0	0	0	12
	2013	12	5	1	0	1	2	13
GEORGIA	2011	11	0	1	0	0	2	8
	2012	8	3	1	0	0	0	10
	2013	10	1	2	0	1	0	8
HAWAII	2011	0	1	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	1	0	0	0	0	2
IDAHO	2011	2	1	0	0	0	0	3
	2012	3	0	0	0	0	0	3
	2013	3	0	0	0	0	0	3
ILLINOIS	2011	27	3	0	0	0	1	29
	2012	29	5	0	1	1	1	31
	2013	31	1	0	0	1	0	31
INDIANA	2011	11	2	1	0	0	0	12
	2012	12	0	0	0	0	0	12
	2013	12	0	0	0	1	0	11

¹ Home Helpers franchises in Canada operate under the trade name CARING HEARTS.

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
IOWA	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
KANSAS	2011	2	0	0	0	0	0	2
	2012	2	1	0	0	0	0	3
	2013	3	0	1	0	0	0	2
KENTUCKY	2011	5	1	0	0	0	0	6
	2012	6	1	0	0	0	0	7
	2013	7	1	0	0	1	0	7
LOUISIANA	2011	1	0	0	0	0	0	1
	2012	1	1	0	0	1	0	1
	2013	1	1	0	0	1	0	1
MAINE	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
MARYLAND	2011	8	2	0	0	0	0	10
	2012	10	1	0	0	2	0	9
	2013	9	1	0	1	2	0	7
MASSACHUSETTS	2011	6	0	0	0	1	0	5
	2012	5	1	0	0	2	0	4
	2013	4	2	0	0	0	0	6
MICHIGAN	2011	11	3	2	0	1	0	11
	2012	11	2	3	0	2	0	8
	2013	8	0	0	0	0	0	8
MINNESOTA	2011	1	0	1	0	0	0	0
	2012	0	1	0	0	0	0	1
	2013	1	0	0	0	0	0	1
MISSOURI	2011	4	0	0	0	0	0	4
	2012	4	0	0	0	1	0	3
	2013	3	0	1	0	0	0	2
MONTANA	2011	1	0	0	0	0	0	1
	2012	1	1	0	0	0	0	2
	2013	2	2	0	0	1	0	3
NEVADA	2011	2	1	0	0	0	0	3
	2012	3	1	0	0	2	0	2
	2013	2	0	0	0	0	0	2
NEW HAMPSHIRE	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
NEW JERSEY	2011	22	4	4	0	0	1	21
	2012	21	4	1	1	2	0	21
	2013	21	1	0	0	0	0	22
NEW MEXICO	2011	2	1	0	0	0	0	3
	2012	3	0	0	0	1	0	2
	2013	2	0	0	0	0	0	2

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
NEW YORK	2011	10	1	0	0	0	0	11
	2012	11	1	0	0	1	0	11
	2013	11	2	0	0	4	0	9
NORTH CAROLINA	2011	12	3	0	0	2	0	13
	2012	13	0	2	0	3	0	8
	2013	8	1	0	0	0	0	9
NORTH DAKOTA	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
OHIO	2011	20	2	0	0	1	0	21
	2012	21	2	0	1	2	0	20
	2013	20	4	0	0	3	0	21
OREGON	2011	2	1	0	0	0	0	3
	2012	3	0	0	0	0	0	3
	2013	3	0	0	0	0	1	2
PENNSYLVANIA	2011	24	1	0	0	0	0	25
	2012	25	4	0	0	1	0	28
	2013	28	1	0	2	0	0	27
RHODE ISLAND	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
SOUTH CAROLINA	2011	10	0	0	0	2	0	8
	2012	8	2	1	0	2	0	7
	2013	7	0	1	0	0	0	6
SOUTH DAKOTA	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
TENNESSEE	2011	8	0	0	0	0	0	8
	2012	8	1	0	0	0	0	9
	2013	9	1	0	0	0	0	10
TEXAS	2011	17	3	0	0	1	0	19
	2012	19	2	0	0	2	0	19
	2013	19	1	1	0	0	0	19
UTAH	2011	1	1	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
VIRGINIA	2011	10	3	0	0	3	0	10
	2012	10	3	2	0	0	0	11
	2013	11	2	0	0	1	1	11
WASHINGTON	2011	2	1	0	0	0	0	3
	2012	3	0	0	0	1	0	2
	2013	2	0	0	0	0	0	2
WEST VIRGINIA	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
WISCONSIN	2011	4	0	0	0	0	0	4
	2012	4	1	0	0	0	0	5
	2013	5	0	0	0	0	0	5

CANADA	2011	3	0	2	0	0	1	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
TOTALS	2011	303	43	13	0	17	5	311
	2012	311	55	10	4	31	3	318
	2013	318	43	10	4	19	4	324

STATUS OF FRANCHISED OUTLETS – DIRECT LINK
FOR YEARS 2011 THROUGH 2013

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
ALABAMA	2011	2	0	0	0	0	0	2
	2012	2	1	0	0	0	0	3
	2013	3	1	0	0	0	0	4
ARIZONA	2011	6	2	0	0	0	0	8
	2012	8	0	0	0	3	0	5
	2013	5	0	0	0	0	0	5
ARKANSAS	2011	1	1	0	0	0	0	2
	2012	2	1	0	0	0	0	3
	2013	3	0	0	0	0	0	3
CALIFORNIA	2011	21	4	1	0	2	0	22
	2012	22	6	0	0	1	0	27
	2013	27	8	1	0	2	1	31
COLORADO	2011	5	1	1	0	0	0	5
	2012	5	2	0	0	2	0	5
	2013	5	0	1	0	2	0	2
CONNECTICUT	2011	3	0	0	0	0	0	3
	2012	3	0	0	0	0	0	3
	2013	3	3	0	0	0	0	6
DELAWARE	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	1	0	0	0	0
FLORIDA	2011	7	1	0	0	2	0	6
	2012	6	5	0	0	0	0	11
	2013	11	5	1	0	1	2	12
GEORGIA	2011	10	0	1	0	0	2	7
	2012	7	2	1	0	0	0	8
	2013	8	1	1	0	2	0	6
HAWAII	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	1	0	0	0	0	2

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
IDAHO	2011	2	1	0	0	0	0	3
	2012	3	0	0	0	0	0	3
	2013	3	0	0	0	0	0	3
ILLINOIS	2011	20	3	0	0	0	1	22
	2012	22	5	0	0	1	1	25
	2013	25	1	0	0	1	0	25
INDIANA	2011	10	2	1	0	0	0	11
	2012	11	0	0	0	0	0	11
	2013	11	1	0	0	1	0	11
IOWA	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
KANSAS	2011	2	0	0	0	0	0	2
	2012	2	1	0	0	0	0	3
	2013	3	0	1	0	0	0	2
KENTUCKY	2011	5	1	0	0	0	0	6
	2012	6	1	0	0	0	0	7
	2013	7	1	0	0	1	0	7
LOUISIANA	2011	1	0	0	0	0	0	1
	2012	1	1	0	0	1	0	1
	2013	1	1	0	0	1	0	1
MAINE	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
MARYLAND	2011	7	1	0	0	0	0	8
	2012	8	1	0	0	1	0	8
	2013	8	1	0	0	3	0	6
MASSACHUSETTS	2011	3	1	0	0	1	0	3
	2012	3	0	0	0	1	0	2
	2013	2	2	0	0	0	0	4
MICHIGAN	2011	12	3	2	0	1	0	12
	2012	12	2	3	0	2	0	9
	2013	9	0	0	0	0	1	8
MINNESOTA	2011	1	0	1	0	0	0	0
	2012	0	1	0	0	0	0	1
	2013	1	0	0	0	0	0	1
MISSOURI	2011	2	0	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	1	0	0	0	1
MONTANA	2011	1	0	0	0	0	0	1
	2012	1	1	0	0	0	0	2
	2013	2	2	1	0	0	0	3

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
NEVADA	2011	2	1	0	0	0	0	3
	2012	3	1	0	0	2	0	2
	2013	2	0	0	0	0	0	2
NEW HAMPSHIRE	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
NEW JERSEY	2011	20	4	4	0	0	1	19
	2012	19	4	0	0	2	0	21
	2013	21	0	0	0	0	0	21
NEW MEXICO	2011	2	1	0	0	0	0	3
	2012	3	0	0	0	1	0	2
	2013	2	0	0	0	0	0	2
NEW YORK	2011	11	1	0	0	0	0	12
	2012	12	2	0	0	1	0	13
	2013	13	1	0	0	4	0	10
NORTH CAROLINA	2011	12	3	0	0	2	0	13
	2012	13	0	2	0	3	0	8
	2013	8	1	0	0	0	0	9
OHIO	2011	19	0	0	0	1	0	18
	2012	18	3	0	0	3	1	17
	2013	17	4	0	0	3	0	18
OREGON	2011	2	1	0	0	0	0	3
	2012	3	0	0	0	0	0	3
	2013	3	0	0	0	0	1	2
PENNSYLVANIA	2011	23	1	0	0	0	0	24
	2012	24	4	0	0	1	0	27
	2013	27	1	0	0	0	0	28
RHODE ISLAND	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	1
SOUTH CAROLINA	2011	8	0	0	0	1	0	7
	2012	7	2	1	0	2	0	6
	2013	6	0	0	0	0	0	6
SOUTH DAKOTA	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
TENNESSEE	2011	7	0	0	0	0	0	7
	2012	7	1	0	0	0	0	8
	2013	8	1	0	0	0	0	9
TEXAS	2011	12	3	0	0	0	0	15
	2012	15	1	0	0	2	0	14
	2013	14	1	1	0	0	0	14

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
UTAH	2011	1	1	0	0	0	0	2
	2012	2	0	0	0	0	0	2
	2013	2	0	0	0	0	0	2
VIRGINIA	2011	9	3	0	0	2	0	10
	2012	10	3	2	0	0	0	11
	2013	11	2	0	0	1	1	11
WASHINGTON	2011	2	1	0	0	0	0	3
	2012	3	0	0	0	1	0	2
	2013	2	0	0	0	0	0	2
WEST VIRGINIA	2011	1	0	0	0	0	0	1
	2012	1	0	0	0	0	0	1
	2013	1	0	0	0	0	0	1
WISCONSIN	2011	4	0	0	0	0	0	4
	2012	4	1	0	0	0	0	5
	2013	5	0	0	0	0	0	5
CANADA	2011	2	0	1	0	0	1	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
TOTALS	2011	264	41	12	0	12	5	276
	2012	276	52	9	0	30	2	287
	2013	287	40	9	0	22	6	290

TABLE No. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2011 THROUGH 2013

STATE	YEAR	OUTLETS AT START OF THE YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF YEAR
TOTALS	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0
	2013	0	0	0	0	0	0

TABLE NO. 5
PROJECTED OPENINGS
As of December 31, 2013

State	Franchise Agreements Signed but Outlets Not Opened		Projected New Franchised Outlets in the Next Fiscal Year		Projected New Company-Owned Outlets in the Fiscal Year	
	Home Helpers	Direct Link	Home Helpers	Direct Link	Home Helpers	Direct Link
Alabama	0	0	1	1	0	0
Arizona	0	0	3	3	0	0
California	0	0	3	3	0	0
Colorado	0	0	1	1	0	0
Connecticut	0	0	1	1	0	0
Florida	0	0	3	3	0	0
Georgia	0	0	1	1	0	0
Hawaii	0	0	1	1	0	0
Illinois	0	0	1	1	0	0
Indiana	0	0	1	1	0	0
Maine	0	0	1	1	0	0
Maryland	0	0	1	1	0	0
Massachusetts	0	0	1	1	0	0
Michigan	0	0	2	2	0	0
Minnesota	0	0	1	1	0	0
Mississippi	0	0	0	0	0	0
Missouri	0	0	1	1	0	0
Montana	0	0	1	1	0	0
Nevada	0	0	1	1	0	0
New Jersey	0	0	2	2	0	0
New Hampshire	0	0	0	0	0	0
New Mexico	0	0	0	0	0	0
New York	0	0	1	1	0	0
North Carolina	0	0	2	2	0	0
North Dakota	0	0	0	0	0	0
Ohio	0	0	1	1	0	0
Oregon	0	0	1	1	0	0
Pennsylvania	0	0	1	1	0	0
South Carolina	0	0	2	2	0	0
Tennessee	0	0	1	1	0	0
Texas	0	0	2	2	0	0
Vermont	0	0	1	1	0	0
Virginia	0	0	1	1	0	0
Washington	0	0	1	1	0	0
West Virginia	0	0	1	1	0	0
Wisconsin	0	0	1	1	0	0
Wyoming	0	0	1	1	0	0
Totals	0	0	44	44	0	0

Exhibit D lists the names of all current Home Helpers and Direct Link franchisees and their business telephone numbers and addresses as of December 31, 2013 and those franchisees that have signed a franchise agreement but were not yet operational at the end of the year. Exhibit E lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a franchise terminated, canceled, transferred, 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 issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some of our franchisees have signed confidentiality clauses during the last three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with HHFS. 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. As of the issuance date of this disclosure document, there are no trademark-specific franchisee organizations associated with the Home Helpers or Direct Link franchise systems that have been created, sponsored, or endorsed by us or that have requested to be included in the franchise disclosure document in the next fiscal year.

ITEM 21. FINANCIAL STATEMENTS

Our audited year-end Balance Sheets and audited Statements of Operations, Retained Earnings, and Cash Flows for the fiscal years ended December 31, 2013, 2012, and 2011 are attached to this disclosure document as Exhibit C.

Our fiscal year ends on December 31.

ITEM 22. CONTRACTS

The following contracts are attached as exhibits to this disclosure document:

- | | |
|-----------|--|
| Exhibit F | The franchise agreement you will sign when you purchase a Home Helpers franchise |
| Exhibit G | The franchise agreement you will sign when you purchase a Direct Link franchise |
| Exhibit H | The rider to the franchise agreement you will sign if the population of your territory exceeds 175,000 |
| Exhibit I | The installment note you will sign if we finance a portion of the initial fee for a Home Helpers franchise |
| Exhibit J | The personal guaranty to be signed by the owners of a non-individual franchisee |
| Exhibit K | The restrictive covenant agreement to be signed by the owners of a non-individual franchisee |
| Exhibit L | Irrevocable Power of Attorney that authorizes us to assume the telephone numbers and Internet- and World Wide Web-based rights relating to your franchised business after your franchise expires or terminates |
| Exhibit M | Agreement granting option to purchase franchise |

- Exhibit N Form to be signed by all franchisees to acknowledge that no representations were made other than those made in this disclosure document
- Exhibit O The agreement you will sign if you purchase a right of first refusal to buy an additional franchise
- Exhibit P An assignment agreement for an individual franchisee to assign his or her rights in the franchise agreement to a business entity
- Exhibit Q Electronic Fund Transfer Authorization Form
- Exhibit R Disclosure Questionnaire
- Exhibit S State-Specific Additional Disclosures and Riders
- Exhibit T The form of promissory note you will sign if Stock Yards Bank & Trust Company finances a portion of the initial fee
- Exhibit V Business Associate Agreement addressing access to protected health information
- Exhibit W Deposit Remittance Form you will send us along with your deposit

ITEM 23. RECEIPT

The last page of this disclosure document is a detachable document that you must sign acknowledging your receipt of this disclosure document.

AGENTS FOR SERVICE OF PROCESS

California

Department of Corporations
1515 K Street, Suite 200
Sacramento, CA 95814-4052

Hawaii

Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana

Administrative Office of the Secretary of State
201 State House
Indianapolis, IN 46204

Maryland

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

Minnesota

Minnesota Commissioner of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

New York

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

North Carolina

North Carolina Secretary of State
Legislative Office Bldg., Rm. 404
300 N. Salisbury Street
Raleigh, NC 27603-5909

North Dakota

Securities Commissioner
5th Floor, 600 East Boulevard
Bismarck, ND 58505-0510

Ohio

Jeffrey D. Siehl
10700 Montgomery Rd., Ste. 300
Cincinnati, Ohio 45242

Rhode Island

Department of Business Regulation
Securities Division
John O. Pastore Complex
1511 Pontiac Avenue, Building 69-1
Cranston, RI. 02910

South Dakota

Division of Securities
Dept. of Revenue & Regulation
445 East Capitol Avenue
Pierre, SD 57501-3185

Virginia

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

Washington

Director of the Dept. of Licenses
1300 Quince Street
P.O. Box 648
Olympia, WA 98504

Wisconsin

Commissioner of Securities
101 East Wilson Street
Madison, WI 53703

LIST OF STATE ADMINISTRATORS

California

California Dept. of Corporations
Securities Regulation Division
71 Stevenson Street, 21st Floor
San Francisco, CA 94105
(415) 972-8559

Connecticut

Securities & Business Investments Division
Department of Banking
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8230

Florida

Dept. of Agriculture and Consumer Services
Division of Consumer Services
227 N. Burrough Street
City Centre Building, 7th Floor
Tallahassee, FL 32301
(904) 922-2770

Georgia

Office of Consumer Affairs
2 Martin Luther King Jr. Dr., Suite 356
Atlanta, GA 30334
(404) 656-1762

Hawaii

Dept. of Commerce & Consumer Affairs
Business Registration Division
1010 Richards Street
Honolulu, HI 96813
(808) 586-2021

Illinois

Office of the Attorney General
Franchise Division
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana

Indiana Securities Division
302 West Washington Street
Room E111
Indianapolis, IN 46204
(317) 232-6681

Kentucky

Office of the Attorney General
Consumer Protection Division
P.O. Box 2000
Frankfort, KY 40602-2000
(502) 573-2200

Maryland

Office of the Attorney General
Securities Division
200 Saint Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan

Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
670 Law Building
Lansing, MI 48913
(517) 373-7117

Minnesota

Department of Commerce
Registration Division
85 7th Place East, Suite 500
St. Paul, MN 55101-2198
(651) 296-4026

Nebraska

Dept. of Banking & Finance
1230 O Street, Suite 400
Commerce Court
Lincoln, NE 68508
(402) 471-3445

New York

New York Department of Law
Division of Public Advocacy
Investor Protection & Securities Bureau
120 Broadway, 23rd Floor
New York, NY 10271-0332
(212) 416-8000

North Carolina

Department of the Secretary of State
Securities Division
300 N. Salisbury Street
Raleigh, NC 27603-5909
(919) 733-3924

North Dakota

North Dakota Securities Department
State Capitol, Fifth Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-4712

Oregon

Oregon Secretary of State
Corporation Division
255 Capitol Street, Northeast
Salem, OR 97310
(503) 986-2200

Rhode Island

Department of Business Regulation
Securities Division
John O. Pastore Complex
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02910
(401) 222-3048

South Carolina

Secretary of State
1205 Pendleton Street
525 Edger Brown Building
Columbia, SC 29201
(803) 734-1958

South Dakota

Dept. of Revenue & Regulation
Division of Securities
445 East Capitol Avenue
Pierre, SD 57501-3185
(605) 773-4013

Texas

Secretary of State
Statutory Document Section
P.O. Box 13563
Austin, TX 78711
(513) 475-1769

Utah

Department of Commerce
Division of Consumer Protection
160 East 300 South
P.O. Box 45804
Salt Lake City, UT 84145-0804
(801) 530-6601

Virginia

State Corporation Commission
Division of Securities & Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9276

Washington

Department of Financial Institutions
Securities Division
150 Israel Road, SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin

Department of Financial Institutions
Division of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703
(608) 266-1064

H. H. FRANCHISING SYSTEMS, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2013, 2012 AND 2011

H. H. FRANCHISING SYSTEMS, INC.

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ERIC H LAMPL, CPA, INC.
991 LIGORIO AVENUE
CINCINNATI, OHIO 45218
513-521-2379
ericlampl@fuse.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
H. H. Franchising Systems, Inc.
Montgomery, Ohio

I have audited the accompanying financial statements of H. H. Franchising Systems, Inc. (an Ohio corporation), which comprise the balance sheets as of December 31, 2013, 2012, and 2011, and the related statements of income, retained earnings, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly in all material respects, the financial position of H. H. Franchising Systems, Inc. as of December 31, 2013, 2012, and 2011, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



February 26, 2014

H. H. FRANCHISING SYSTEMS, INC.
BALANCE SHEETS
DECEMBER 31, 2013, 2012 and 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
ASSETS			
Cash	\$ 1,578,395	\$ 1,241,728	\$ 1,033,235
Installment Notes Receivable - Current	132,586	114,289	98,758
Other Current Assets (Note G)	<u>963,186</u>	<u>787,675</u>	<u>771,974</u>
TOTAL CURRENT ASSETS	<u>2,674,167</u>	<u>2,143,692</u>	<u>1,903,967</u>
FIXED ASSETS (Note L)	<u>36,058</u>	<u>22,959</u>	<u>28,583</u>
OTHER ASSETS			
Investment	134,000	-	-
Installment Notes Receivable - Less Current Portion	<u>97,054</u>	<u>186,277</u>	<u>224,279</u>
TOTAL OTHER ASSETS	<u>231,054</u>	<u>186,277</u>	<u>224,279</u>
TOTAL ASSETS	<u>\$ 2,941,279</u>	<u>\$ 2,352,928</u>	<u>\$ 2,156,829</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES (Note H)	\$ 728,207	\$ 542,019	\$ 691,735
LONG TERM DEBT (Less Current Portion)	<u>142,840</u>	<u>285,700</u>	<u>428,560</u>
TOTAL LIABILITIES	<u>871,047</u>	<u>827,719</u>	<u>1,120,295</u>
STOCKHOLDERS' EQUITY			
Common Stock	100	100	100
Paid in Excess	160,903	160,903	160,903
Retained Earnings	<u>5,884,391</u>	<u>4,449,394</u>	<u>3,511,082</u>
	6,045,394	4,610,397	3,672,085
Less: Treasury Stock	<u>(3,975,162)</u>	<u>(3,085,188)</u>	<u>(2,635,551)</u>
TOTAL STOCKHOLDERS' EQUITY	<u>2,070,232</u>	<u>1,525,209</u>	<u>1,036,534</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 2,941,279</u>	<u>\$ 2,352,928</u>	<u>\$ 2,156,829</u>

See auditor's report and accompanying information.

H. H. FRANCHISING SYSTEMS, INC.
STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
REVENUE	\$ 7,795,349	\$ 7,188,582	\$ 6,153,018
EXPENSES			
Advertising	343,908	361,863	303,247
Automobile and Travel	17,039	6,046	6,371
Bank and Payroll Charges	10,502	9,242	13,676
Consulting and Professional Fees	239,475	204,573	268,048
Depreciation	8,568	8,438	8,199
Dues and Subscriptions	9,796	6,625	6,173
Employee Related Expenses	56,329	39,474	21,434
Equipment Noncapitalized	15,417	11,888	24,894
Insurance	12,673	11,130	1,279
Leased Employees	2,809,050	2,610,679	2,507,635
Monitoring Support Services	305,663	242,731	199,888
Office Expense	26,301	20,317	20,786
Postage and Delivery	41,504	36,067	35,990
Rent	115,611	118,555	127,647
Repairs and Maintenance	1,619	1,602	893
Sales Related Expenses	323,607	415,396	144,720
Telephone	22,160	15,974	18,650
Training and Meetings	168,314	161,916	172,284
Utilities	6,437	6,485	11,267
	<u>4,533,973</u>	<u>4,289,001</u>	<u>3,893,081</u>
TOTAL EXPENSES			
	<u>3,261,376</u>	<u>2,899,581</u>	<u>2,259,937</u>
OPERATING PROFIT			
OTHER INCOME (EXPENSE)			
Interest Income	13,286	11,353	24,984
State/City Income Taxes	(41,950)	(42,413)	(44,582)
Interest Expense	(117,715)	(170,210)	(181,654)
	<u>(146,379)</u>	<u>(201,270)</u>	<u>(201,252)</u>
TOTAL OTHER INCOME (EXPENSE)			
	<u>\$ 3,114,997</u>	<u>\$ 2,698,311</u>	<u>\$ 2,058,685</u>
NET INCOME			

See auditor's report and accompanying information.

H. H. FRANCHISING SYSTEMS, INC.
STATEMENTS OF RETAINED EARNINGS
YEARS ENDED DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Balance at Beginning of Year	\$ 4,449,394	\$ 3,511,083	\$ 3,172,397
Net Income	3,114,997	2,698,311	2,058,685
Distributions	<u>(1,680,000)</u>	<u>(1,760,000)</u>	<u>(1,720,000)</u>
Balance at End of Year	<u>\$ 5,884,391</u>	<u>\$ 4,449,394</u>	<u>\$ 3,511,082</u>

See auditor's report and accompanying information.

H. H. FRANCHISING SYSTEMS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2013, 2012, AND 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	\$ 3,114,997	\$ 2,698,311	\$ 2,058,685
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities			
Depreciation	8,568	8,438	8,199
Change In			
Other Current Assets (Note G)	(175,511)	(15,701)	(131,429)
Current Liabilities (Note H)	<u>186,188</u>	<u>(149,716)</u>	<u>201,534</u>
CASH PROVIDED BY OPERATIONS	<u>3,134,242</u>	<u>2,541,332</u>	<u>2,136,989</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Fixed Assets Acquired	(21,667)	(2,814)	(10,221)
Payments from Installment Notes (Net)	70,926	22,471	52,783
Proceeds (Payments) from Borrowings (Net)	<u>(142,860)</u>	<u>(142,860)</u>	<u>(142,860)</u>
CASH USED BY FINANCING ACTIVITIES	<u>(93,601)</u>	<u>(123,203)</u>	<u>(100,298)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment	(134,000)	-	-
Treasury Stock Purchase	(889,974)	(449,636)	(430,973)
Distributions	<u>(1,680,000)</u>	<u>(1,760,000)</u>	<u>(1,720,000)</u>
CASH USED BY INVESTING ACTIVITIES	<u>(2,703,974)</u>	<u>(2,209,636)</u>	<u>(2,150,973)</u>
CHANGE IN CASH	336,667	208,493	(114,282)
CASH AT BEGINNING OF YEAR	<u>1,241,728</u>	<u>1,033,235</u>	<u>1,147,517</u>
CASH AT END OF YEAR	<u>\$ 1,578,395</u>	<u>\$ 1,241,728</u>	<u>\$ 1,033,235</u>

See auditor's report and accompanying information.

H. H. FRANCHISING SYSTEMS, INC.
NOTES TO FINANCIAL STATEMENTS
AT DECEMBER 31, 2013, 2012, AND 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

H. H. Franchising Systems, Inc. (the Company), is a corporation organized under the laws of the State of Ohio on May 30, 1997. The Company was organized to promote, sell, and support franchises operating under the trade name of Home Helpers®. The Company's franchisees offer medical and non-medical, in-home personal assistance services primarily to elderly, convalescent, expecting and new mothers. The Company provides a distinctive method and procedure for advertising, specially designed business forms, computer software, instructional manuals, training courses, and specially designed procedures for promotion and rendering of services.

On January 1, 2004, the Company purchased all the assets of Direct Link Emergency Monitoring, Inc. (a business that provides two-way voice emergency medical monitoring products and services under the trade name Direct Link) Accordingly, the results of operations for Direct Link Emergency Monitoring, Inc. have been included in the accompanying financial statements from that date forward.

As of December 31, 2013, 2012 and 2011, Home Helpers had three hundred twenty four (324), three hundred eighteen (318), and three hundred eleven (311) franchises and Direct Link had two hundred ninety (290), two hundred eighty seven (287), and two hundred seventy five (275) franchises operating in North America.

Use of Estimates

The process of preparing financial statements in conformity with accepted accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain assets, liabilities, revenues, and expenses. Certain estimates relate to unsettled transactions and events as of the date of the financial statements and relate to assumptions about the ongoing operations and may impact future periods. Accordingly, upon settlement, actual results may differ from estimated amounts.

Fixed Assets

The cost of fixed assets is depreciated over the estimated useful lives of the related assets which range from five to fifteen years. Depreciation is computed on the accelerated methods for financial reporting. Maintenance and repairs costs are charged to operations when incurred.

Income Tax Status

The Company, with the consent of its shareholders, has elected under the Internal Revenue Service to be an S-Corporation. Therefore, the profits (losses) are passed thru to the shareholders (based on ownership percentage) that are liable for the federal and state income taxes on their individual returns. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

Advertising Expense

Advertising costs are expensed as incurred.

Leased Employees

The company has contracted with a related party that leases employees. This firm has hired all of the employees of the Company and is responsible for payroll function including payroll taxes, benefits and retirement.

H. H. FRANCHISING SYSTEMS, INC.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Branding Fund

The Company administers a national marketing fund (the Fund) on behalf of its franchisees. Each franchisee is required to contribute to the Fund, which is used to develop advertising and marketing materials and promote the Company's service marks and the franchisees' services on a local, regional, and national basis. Neither receipts nor expenditures of the advertising fund are recorded on the Company's financial statements

NOTE B - INSTALLMENT NOTES RECEIVABLE

Installment notes receivable represents financing from the Company to the franchisee. These notes bear interest ranging from 10% to 12% per annum and payments commence on the first day of the month immediately following the first full month in which a franchisee completes their initial training. No allowance for bad debt has been provided since management expects no material losses.

NOTE C - STOCKHOLDERS' EQUITY

Common Stock

Common stock of seven hundred fifty shares has been authorized and one hundred shares had been issued at December 31, 2006. In September 2007, the Board of Directors authorized the Company to repurchase thirty shares. Seventy shares are outstanding at December 31, 2013, 2012, and 2011. There is no par value for this stock.

Treasury Stock

In September, 2007, the Board of Directors authorized the Company to repurchase 30 shares of the Company's stock. The cost of this repurchase was \$1,000,000. In addition, the redemption agreement provides for variable payments equal to 20% of any dividends or distribution made in the repurchase of the stock up to an additional \$5,000,000. These treasury stock shares may be cancelled upon the Board of Directors approval.

NOTE D - INCOME RECOGNITION

The initial franchise fee from the sale of a franchise is recognized as revenue when the franchisee has completed the initial training for new franchisees and all of the Company's significant commitments under the franchise agreement have been completed. Franchisees are required to pay continuing royalty of 6% of their gross revenues on a monthly or weekly basis. Franchise agreements have a ten-year term and can be renewed for two additional ten-year terms at no cost.

The following are components of revenue:

	<u>2013</u>		<u>2012</u>		<u>2011</u>
Royalty Income	\$ 5,172,948	\$	4,499,954	\$	4,013,268
Franchise Fee Income	1,898,897		1,957,423		1,522,408
Direct Link	552,687		473,821		454,416
Technology Fee	137,718		138,900		-
Other Income	33,099		118,484		162,926
Total	<u>\$ 7,795,349</u>	\$	<u>7,188,582</u>	\$	<u>6,153,018</u>

H. H. FRANCHISING SYSTEMS, INC.

NOTE D - INCOME RECOGNITION - CONTINUED

The initial franchise fee from the sale of a franchise is recognized as "Deposits – Franchisees and Deposits – DL Equipment" on the balance sheet from the time when the money is deposited into the Company's bank account until the time when the franchisee has completed the initial training for the new franchisees and all of the Company's significant commitments under the franchise agreement have been completed. At December 31, 2013, 2012, and 2011 these amounts were \$377,862, \$236,000 and \$410,002 respectively.

NOTE E - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the Company's cash in bank. The Company has no other assets that would be classified as a cash equivalent.

At various times throughout the year, the company may have had cash in certain financial institutions in excess of insured limits. At December 31, 2013, 2012 and 2011, the Company had cash in excess of insured limits of \$967,187, \$646,182, and \$395,302 respectively.

Cash paid for interest was \$117,715 for 2013, \$170,210 for 2012, and \$ 181,654 for 2011.

NOTE F - RELATED PARTIES

Other Income/Consulting

The Company receives from other companies (that are owned by the shareholder of H. H. Franchising Systems, Inc.) a share of their office space, leased employees, phone service, utilities, office supplies, and copier. The reimbursement of this has been recorded against the specific expense category.

The following activity occurred between the Company and its related parties:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Reimbursement from Related Parties</u>	\$ <u>105,263</u>	\$ <u>93,816</u>	\$ <u>125,378</u>
<u>Due from Related Parties in Other Current Assets</u>	\$ <u>4,727</u>	\$ <u>4,871</u>	\$ <u>6,090</u>
<u>Purchased from Related Parties</u>			
Leased Employees	\$ 2,809,050	\$ 2,610,679	\$ 2,507,635
Consulting / Professional Fees	180,000	180,000	205,223
Rent	<u>115,058</u>	<u>118,002</u>	<u>127,043</u>
	\$ <u>3,104,108</u>	\$ <u>2,908,681</u>	\$ <u>2,908,679</u>
<u>Due to Related Parties in Accounts Payable</u>	\$ <u>127,722</u>	\$ <u>89,771</u>	\$ <u>3,108</u>

H. H. FRANCHISING SYSTEMS, INC.

NOTE G – OTHER CURRENT ASSETS

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Account Receivable - Related Parties	\$ 4,727	\$ 4,871	\$ 6,090
Interest Receivable	1,226	16,222	17,265
Franchisee Receivable	-	1,333	16,500
Royalty Receivable	751,773	605,021	585,210
Monitoring Receivable	22,174	28,015	17,709
Deposit - Payroll Service	95,000	95,000	90,000
Technology Fee Receivable	6,075	15,213	11,200
Accounts Receivable - Other	6,219	-	-
Prepaid Local Taxes	28,000	22,000	28,000
Prepaid Expense	47,992	-	-
	<u>\$ 963,186</u>	<u>\$ 787,675</u>	<u>\$ 771,974</u>

NOTE H – CURRENT LIABILITIES

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Accounts Payable	\$ 188,612	\$ 154,992	\$ 54,938
Current Portion - Long Term Debt	142,860	142,860	142,860
Accrued Leased Employees	18,873	8,167	83,935
Deposits - DL Equipment	68,408	50,000	65,602
Deposits - Franchisees	296,500	186,000	344,400
Deposits - Other	12,954	-	-
	<u>\$ 728,207</u>	<u>\$ 542,019</u>	<u>\$ 691,735</u>

NOTE I – OPERATING LEASES

The Company leases equipment under an operating lease that expires in April, 2017. Rent expense under this lease was \$10,156, \$14,577 and \$17,070 for the years ended December 31, 2013, 2012 and 2011 respectively.

At December 31, 2013, the minimum lease payment under the terms of this lease agreements is \$5,143 annually.

The company is leasing an automobile under an operating lease that expires in August, 2016. This lease was prepaid and the unused portion is included in prepaid expense. The expense for the year ended December 31, 2013 was \$14,998.

H. H. FRANCHISING SYSTEMS, INC.

NOTE J – LONG TERM DEBT

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Note payable to a bank, interest at the LIBOR rate (4.41% at December 31, 2013) plus 2%. The note is collateralized by all inventory, chattel paper, accounts receivable, equipment and general intangibles. Monthly interest only payments were required for the first sixteen (16) months. Thereafter, seventy four (74) principal Payments of \$11,905 are required.	\$ 285,700	\$ 428,560	\$ 571,420
Less Current Portion	<u>142,860</u>	<u>142,860</u>	<u>142,860</u>
Long Term Debt	<u>\$ 142,840</u>	<u>\$ 285,700</u>	<u>\$ 428,560</u>

Maturities of Long Term Debt are as follows:

2014	\$ 142,860
2015	<u>142,840</u>
	<u>\$ 285,700</u>

NOTE K - FIXED ASSETS

The cost of fixed assets is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the accelerated methods for both financial reporting and income tax purposes. Maintenance and repairs costs are charge to operations when incurred.

The following are the components of fixed assets:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Equipment	\$ 109,149	\$ 87,482	\$ 86,355
Furniture	67,442	67,442	65,755
Leasehold Improvements	<u>43,794</u>	<u>43,794</u>	<u>43,794</u>
	220,385	198,718	195,904
Less Accumulated Depreciation	<u>184,327</u>	<u>175,759</u>	<u>167,321</u>
	<u>\$ 36,058</u>	<u>\$ 22,959</u>	<u>\$ 28,583</u>

H. H. FRANCHISING SYSTEMS, INC.

NOTE L - INVESTMENT

The company is the sole member of an LLC that was formed in 2013. Their investment will be adjusted based on the activity of the investment and the activity will be reported in the financial statements.

NOTE M – UNCERTAIN TAX POSITION

The Company files income tax returns in the U. S. federal jurisdiction and local jurisdiction. As of December 31, 2013, 2012 and 2011, no authorities have commenced tax examinations. The Company's U. S. federal income tax returns prior to 2006 are closed. U. S. and local jurisdiction have statutes of limitations that generally range from three to five years.

The Company follows the provisions of uncertain tax provisions as addressed in FASB Accounting Standards Codification 740-10-65-1. The Company recognized no increase in the liability for unrecognized tax benefits. The Company has no tax position at December 31, 2013, 2012 or 2011 for which the ultimate deductibility is highly certain but for there is uncertainty about the timing of such deductibility. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recognized during the periods presented. The Company had no accruals for interest and penalties at December 31, 2013, 2012 or 2011.

NOTE N – SUBSEQUENT EVENTS

Management has evaluated events through February 26, 2014, the date on which the financial statements were available for issue. The Company did not have any events subsequent to December 31, 2013 through February 26, 2014 to disclose.

HOME HELPERS

Franchisee List

December 31, 2013

As of the above date, there are a total of 332 HOME HELPERS franchises of a type substantially similar to the HOME HELPERS franchises offered in this disclosure. 324 are operational. The names, addresses, and telephone numbers are listed below.

ALABAMA

Hugh McMurry¹
2820 Columbiana Rd
Birmingham, AL 35216
(205) 978-3809

Woods Culpepper
P.O. Box 991
Dothan, AL 36302
(334) 673-3921

Michael Jones
1810 Birmingham St.
Sheffield, AL 35660
(256) 314-6010

Stephen Davis
P.O. Box 681681
Prattville, AL 36068
(334) 358-4663

ARKANSAS

Sam Sellers
8 Shackelford Plaza
Little Rock, AR 72211
(501) 663-3900

Randal Kisling
#5 Halsted Circle
Rogers, AR 72756
(479) 246-0140

Jay Truelove
504 Apperson Drive
Marion, AR 72364
(870) 284-4064

¹ Owns 2 Franchises

ARIZONIA

Miki Antonelli²
1380 West Auto
Tempe, AZ 85284
(480) 507-3606

Beverly Stephens
10645 N. Oracle Road
Tucson, AZ 85737
(520) 742-1485

Mick Kapanicas
20783 North 83rd Ave
Peoria, AZ 85382
(480) 247-7105

CALIFORNIA

JoAnne Holman³
20101 SW Birch St., Ste. 150-A
Newport Beach, CA 92660
(949) 475-5588

John Hippel
8880 Rio San Diego Rd
San Diego, CA 92108
(619) 781-1060

Arthur Kouredjian
14431 Ventura Blvd
Sherman Oaks, CA 91423
(818) 319-0474

Fernand Sarrat⁴
746 Cieneguitas Rd
Santa Barbara, CA 93110

² Owns 3 Franchises

³ Owns 3 Franchises

⁴ Owns 2 Franchises

(805) 886-8670

Bridget Norambuena⁵
3820 Del Amo Blvd
Torrance, CA 90503
(310) 316-3568

Jim Fletcher
501 N. El Camino Real
San Clemente, CA 92672
949-610-5910

Darla Bennett
33105 Southwind Court
San Juan Capistrano, CA 92675
(949) 218-6706

Camie Sumrall⁶
21 Golden Gate Dr
San Rafael, CA 94901
(415) 451-0100

Peggy Milne
418 Main St.
Half Moon Bay, CA 94019
(650) 532-3122

Robert Halpin
1261 Harbor Lake Avenue
Brea, CA 92821
(714) 815-7894

Pablo Martinez⁷
PO Box 1
Lompoc, CA 93438
(805) 737-4357

⁵ Owns 2 Franchises

⁶ Owns 2 Franchises

⁷ Owns 2 Franchises

HOME HELPERS

Franchisee List

December 31, 2013

As of the above date, there are a total of 332 HOME HELPERS franchises of a type substantially similar to the HOME HELPERS franchises offered in this disclosure. 324 are operational. The names, addresses, and telephone numbers are listed below.

Sharon Clark⁸
P.O. Box 494986
Redding, CA 96049
(530) 226-8350

Marjorie Sunder
2737 MacKinnon Ranch Road
Cardiff, CA 92007
(858) 945-3804

Ratu Uqeuqe
4867 Winamac Drive
Sacramento, CA 95835
(916) 508-3128

Juliet Kennedy
19925 Stevens Creek Blvd
Cupertino, CA 95014
(408) 259-5930

Robert Jo
231 Market Place
San Ramon, CA 94583
(925) 236-2477

Stacy Sanchez
2892 N Bellflower Blvd
Long Beach, CA 90815
(562) 343-5500

Justin Johnston
1875 Olympic Blvd.
Walnut Creek, CA 94596
(925) 951-5511

Linda Methé
23046 Ave. de la Carlota
Laguna Hills, CA 92653
(949) 599-5470

Jessica DeMumbrum
20361 90th Street
California City, CA 93505
(760) 514-3630

Lilliana Juliano
21151 S. Western Ave
Torrance, CA 90501
(562) 343-5500

Amparito Gengler
1240 E. Ontario Ave
Corona, CA 92881
(951) 603-0885

Doug Crocker
877 Cedar Street
Santa Cruz, CA 95060
(831) 471-5183

George Jones⁹
180 Sundown Rd
Thousand Oaks, CA 91360
(805) 777-8111

Sandra Conn
7909 Walerga Road Suite 112
Antelope, CA 95843
(916) 751-0733

John Crick
10787 Carmel Glen
San Diego, CA 92130
(843) 368-7356

Leslee Deanes
264 S. LaCienega Blvd. Ste. 151
Beverly Hills, CA 90211
310-691-8161

COLORADO

Richard Cseak¹⁰
286 S Downing Street
Denver, CO 80209
(303) 777-7870

Sylvester Amoakoh
9823 Chambers Ct
Commerce City, CO 80022
(720) 206-7667

Maribeth Muhonen
3472 Research Parkway
Colorado Springs, CO 80920
(719) 487-9919

CONNECTICUT

Sharad Saxena¹¹
980 Clintonville Rd
Wallingford, CT 06492
(203) 558-7065

Elena Petrenko
1771 Post Road
East Westport, CT 06880
(860) 756-5545

Jeanene Chieffo
PO Box 594
Botsford, CT 06404
(203) 364-1160

Nancy Perrotti
6 Black Watch Ln
Ledyard, CT 06339
(401) 954-6024

⁸ Owns 3 Franchises

⁹ Owns 2 Franchises

¹⁰ Owns 7 Franchises

¹¹ Owns 2 Franchises

HOME HELPERS

Franchisee List

December 31, 2013

As of the above date, there are a total of 332 HOME HELPERS franchises of a type substantially similar to the HOME HELPERS franchises offered in this disclosure. 324 are operational. The names, addresses, and telephone numbers are listed below.

FLORIDA

Paula Flynn
120 Lexington Green Lane
Sanford, FL 32771
(407) 732-6960

Lee Sapp
20020 Veterans Boulevard
Port Charlotte, FL 33954
(941) 698-5011

Bruce Peebles
4654 East State Road 64 # 151
Bradenton, FL 33573
(941) 348-9213

Terry Nichols
263 SW 179 Ave.
Pembroke Pines, FL 33029
(305) 223-7978

Robin Conoly
13046 Racetrack Road
Tampa, FL 33626
(727) 726-7251

Tim O'Donnell
1 Hargrove Grade, Ste 1B
Palm Coast, FL 32137
(386) 447-5272

Emma Blackwelder
1219 Millennium Parkway
Brandon, FL 33511
(813) 655-9098

Kelly Hadley
2689 SW Domina Road
Port St. Lucie, FL 34953
(770) 340-2299

Debbie Humphrey¹²
4220 Louis Ave
Holiday, FL 34691
(727) 942-2539

David Shea¹³
8051 N. Tamiami Trail
Sarasota, FL 34243
(847) 454-4120

Sean McHale
3314 Henderson Blvd
Tampa, FL 33609
(813) 412-7190

GEORGIA
Ana Lawless¹⁴
1270 Caroline Street
Atlanta, GA 30307
(404) 624-4663

Jigar Shah
395 Lum Crowe Rd
Roswell, GA 30075
(678) 362-1804

Beth Dow
2280 N Hwy 29
Newnan, GA 30265
(678) 876-5118

Greg Eldridge¹⁵
1595 Peachtree Parkway #204-313
Cumming, GA 30041
(312) 218-0300

Ronnie Epps
863 Flat Shoals Rd SE
Conyers, GA 30094
(470) 428-5172

Mary Poore
119 Rock Quarry Rd.
Stockbridge, GA 30281
(678) 565-8700

HAWAII

Ginalynn Garces
92-1363 Hunekai Street
Kapolei, HI 96707
(206) 734-6501

Hiroko Nakasone
94-1035 Leihaku Street
Waipahu, HI 96797
(808) 636-6568

IDAHO

Mike Jackson
3355 N. Five Mile Rd
Boise, ID 83713
(208) 890-1522

Teresa Nelson
328 W. Clark Street
Pocatello, ID 83204
(208) 406-2380

Connie Clark
109 W. Kathleen Ave
Coeur d' Alene, ID 83815
(208) 769-9560

¹² Owns 2 Franchises

¹³ Owns 2 Franchises

¹⁴ Owns 2 Franchises

¹⁵ Owns 2 Franchises

HOME HELPERS

Franchisee List

December 31, 2013

As of the above date, there are a total of 332 HOME HELPERS franchises of a type substantially similar to the HOME HELPERS franchises offered in this disclosure. 324 are operational. The names, addresses, and telephone numbers are listed below.

ILLINOIS

Tom Merlin¹⁶

2139 Sprucewood Ave.
Des Plaines, IL 60018
(877) 932-2736

Andy Lazor¹⁷

200 W 3rd Street
Alton, IL 62002
(618) 462-2762

Adam Shasteen

614 E. Davie Street
Anna, IL 62906
(618) 833-1998

Elizabeth Laskowski

205 E. Butterfield Rd
Elmhurst, IL 60126
(708) 529-7430

Naaman Moorman

7115 West North Avenue
Oak Park, IL 60302
(877) 805-4557

Christine Browning

330 E. Main St.
Barrington, IL 60010
(847) 268-8676

Ravi Chadha¹⁸

429 West Ohio Street
Chicago, IL 60654
(888) 647-0007

Mike Doepke

123 East Ogden Ave
Hinsdale, IL 60521
(630) 323-7231

Chris Gerardi

113 Fairfield Way
Bloomington, IL 60108
(630) 800-3837

Edward Kerfin

15736 Bell Rd
Homer Glen, IL 60491
(708) 301-4746

Victoria Huff-O'Bryan

13400 S. Route 59
Plainfield, IL 60585
(815) 685-4357

Andrew Marek

1910 West Barry
Chicago, IL 60657
(773) 550-5770

Michael Gonzalez

4903 Forest Avenue
Downers Grove, IL 60515
(630) 515-1185

Kathleen Petrick

202 S. Randall Rd
Elgin, IL 60121
(630) 584-3361

Chris Donnan

PO Box 461
Clinton, IL 61727
(217) 935-4357

John Markus¹⁹

975 E Nerge
Roselle, IL 60172
(630) 671-0631

Dena Ellis

404 N. Galena Ave
Dixon, IL 61021
(815) 677-9657

Theresa Spearson

260 May Street
Manhattan, IL 60442
(815) 478-0405

Kathryn Jurica

750 Almar Parkway
Bourbonnais, IL 60914
(815) 401-5527

Paula Keiner

02N048 Saddlewood Dr
Maple Park, IL 60151
(630) 365-6710

Vicki Lyons

354 A W. Maple
New Lenox, IL 60451
(708) 326-4001

Raghu Jagadam

100 S. Atkinson Rd, Unit 116
Grayslake, IL 60030
(630) 779-5894

Edward Kerfin

16525 W. 159th Street
Lockport, IL 60441
(815) 836-2635

¹⁶ Owns 2 Franchises

¹⁷ Owns 2 Franchises

¹⁸ Owns 5 Franchises

¹⁹ Owns 2 Franchises

HOME HELPERS

Franchisee List

December 31, 2013

As of the above date, there are a total of 332 HOME HELPERS franchises of a type substantially similar to the HOME HELPERS franchises offered in this disclosure. 324 are operational. The names, addresses, and telephone numbers are listed below.

Richelle Howell
350 Victory Dr.
Park Forest, IL 60466
708-283-0916

INDIANA

James Vanvliet
1595 S. Calumet
Chesterton, IN 46304
(219) 841-7559

Mike St. Clair²⁰
696 South Lake Road
Scottsburg, IN 47170
(812) 752-6000

Mark Middlesworth
1125 N. Baldwin Ave.
Marion, IN 46952
(765) 677-1670

Aimee Hartwiger
287 East High Circle Drive
Warsaw, IN 46580
(574) 372-2273

Erin Winters
6 East Main Street
Knightstown, IN 46148
(765) 345-5392

Gale Schwieterman
128 McCutcheon Dr.
Lafayette, IN 47909
(765) 477-7000

Gloria N. Mbanu
7325 Bell Street
Schererville, IN 46375
(219) 980-1839

William Spearson
9209 Wicker Ave.
St. John, IN 46373
(219) 472-0018

Harold Cameron
PO Box 711
Nashville, IN 47448
(812) 988-6830

IOWA

Bill Brownson
4571 Sheridan St
Davenport, IA 52806
(563) 386-4969

KANSAS
Zachary Turner
2538 N Old Manor
Wichita, KS 67220
(316) 300-0757

Steven Weinrich
5419 Johnson Drive
Mission, KS 66205
(913) 685-2273

KENTUCKY

Steven Garrison
1972 General Warfield Way
Lexington, KY 40505
(859) 797-3127

Kristin Ramage-Worthington²¹
2400 Reading Rd
Cincinnati, OH 45202
(513) 754-1182

Michael Gentry
955 Fields Drive, Ste 104
Bowling Green, KY 42104
(270) 904-1629

Larry Hurt
PO Box 910509
Lexington, KY 40591
(859) 381-8996

Michelle Maxim
657 South Hurstbourne Pkwy
Louisville, KY 40222
(502) 384-4357

Jason Towns
6407 Bardstown Rd
Louisville, KY 40291
(502) 565-0550

LOUISIANA

Warren Ben
6612 Pine Point Rd.
Ville Palatte, LA 70586
(337) 831-8171

MASSACHUSETTS

Jeff Ciffolillo²²
354 Turnpike Suite 201
Canton, MA 02021
(781) 828-9600

²⁰ Owns 3 Franchises

²¹ Owns 2 Franchises
²² Owns 2 Franchises

HOME HELPERS

Franchisee List

December 31, 2013

As of the above date, there are a total of 332 HOME HELPERS franchises of a type substantially similar to the HOME HELPERS franchises offered in this disclosure. 324 are operational. The names, addresses, and telephone numbers are listed below.

Jennifer Anastasiades
PO Box 998
Duxbury, MA 02331
(781) 585-1244

Michael Cahill
411 Main Street
Yarmouth Port, MA 02675
(508) 394-9800

Denise Roskamp
P.O. Box 65
Wayland, MA 01778
(508) 545-0164

Francis Bediako
189 Newell Rd
Holden, MA 01520
(508) 572-1483

MARYLAND

Benita Scott
7337 Archsine Lane
Laurel, MD 20707
(240) 444-4105

Betsy Young
550M Ritchie Hwy
Severna Park, MD 21146
(410) 647-8788

Kevin Jones
9520 Berger Road
Columbia, MD 21046
(443) 519-4070

Adwoa Gyebi
554 N. Frederick Ave.
Gaithersburg, MD 20877
(301) 275-1445

Amelia Monte
13018 Clarksburg Square Road
Clarksburg, MD 20871
(301) 916-8638

Margo Shelton
20223 Michelle Drive
Great Mills, MD 20634
(301) 994-1704

Laraba Sligh
9814 Hammer Lane
Upper Marlboro, MD 20772
(301) 856-3970

MAINE

David Gilland
754 Alfred Rd
Arundel, ME 4046
(207) 710-0987

MICHIGAN

Linda Place
2934 Sunnywood Drive
Ann Arbor, MI 48103
(734) 274-5335

Don Murray
2717 Morton Ave
St. Joseph, MI 49085
(269) 983-4800

Rene Rudowski²³
2951 Winter Drive
Troy, MI 48083
(248) 524-1140

Joann Lagman
66707 Van Dyke
Washington Twp., MI 48095
(586) 752-3797

Dorothy Childs
2639 E. Grand Ledge Highway
Grand Ledge, MI 48837
(517) 627-6804

Curt Huggins
6757 Cascade Rd, SE
Grand Rapids, MI 49546
(616) 647-5064

Alan J. Lust
111 South Farmer Street
Otsego, MI 49078
(269) 692-2074

MINNESOTA

Jennifer Olesen
2515 White Bear Avenue
Maplewood, MN 55109
(612) 518-5741

MISSOURI

Julie Beckwith
115 Woods Mill Rd
Manchester, MO 63011
(636) 391-0000

Nancy Petersen
5510 N. Antioch Rd
Kansas City, MO 64119
(816) 255-2876

²³ Owns 2 Franchises

HOME HELPERS

Franchisee List

December 31, 2013

As of the above date, there are a total of 332 HOME HELPERS franchises of a type substantially similar to the HOME HELPERS franchises offered in this disclosure. 324 are operational. The names, addresses, and telephone numbers are listed below.

MONTANA

Michael Hagman
2300 N. Harris
Helena, MT 59604
(406) 438-2231

Coralee Riches
PO Box 1632
Big Timber, MT 59011
(406) 930-1815

Alida Tinch
P.O. Box 1893
Kalispell, MT 59903
(406) 871-1946

NEVADA

Vy Brown
1384 Camballeria Drive
Carson City, NV 89701
(775) 883-3668

Bernardita Byrd
472 Palegold Street
Henderson, NV 89012
(702) 214-1218

NEW HAMPSHIRE

Bonnie Roberts
172 Rockingham Road
Londonderry, NH 03053
(603) 845-3333

NEW JERSEY

Carlton Brown
16 South Avenue
Cranford, NJ 07016
(908) 931-0109

Doug Feltman
725 River Rd
Edgewater, NJ 07020
(201) 655-8688

Stacey Porfido
P.O. Box 28
Windsor, NJ 08561
(609)235-9155

Drew Klaitz
7 Seaside Ct.
Margate, NJ 08402
(609) 823-1718

Donna Gordon
141 Dorado Dr.
Delran, NJ 08075
(856) 461-1601

Nicole Ashman
P.O. Box 136
Pluckemin, NJ 07978
(908) 864-7904

Karen Chabari
417 US 206
Hillsborough, NJ 08844
(908) 281-5300

Blanca Rodino²⁴
1000 RT 7 East #9
Lakewood, NJ 08701
(732) 364-7322

Linda Kusmaul
349 Central Ave
Hammonton, NJ 08037
(856) 745-1127

Frank Pinto
3171 Route 9 N.
Old Bridge, NJ 08857
(609) 235-2718

Gary Smith
1 Orient Way, Ste F #120
Rutherford, NJ 07070
(201) 528-3995

Carol Alexander
9 Swan Court
Jersey City, NJ 07305
(201) 839-5676

Ion Furtuna
5 Staudt Court
Somerset, NJ 08873
(732) 873-9063

Kristin Shute²⁵
79 N Franklin Turnpike
Ramsey, NJ 07446
(201) 236-6333

John Ciocco
774 Newman Springs Road
Lincroft, NJ 07738
(732) 237-6884

James Lenoir
12 Washington Avenue
Haddonfield, NJ 08033
(856) 240-1345

Deon Freeman
258 W. 5th Ave
Roselle, NJ 07203

²⁴ Owns 2 Franchises

²⁵ Owns 3 Franchises

HOME HELPERS

Franchisee List

December 31, 2013

As of the above date, there are a total of 332 HOME HELPERS franchises of a type substantially similar to the HOME HELPERS franchises offered in this disclosure. 324 are operational. The names, addresses, and telephone numbers are listed below.

(908) 259-1919
Adaria Duarte
1220 Route 45 West
Parsippany, NJ 07054
(973) 588-7170

Darius Banasik
161 Edgemoor Road
Wilmington, DE 19809
(856) 812-0626

NEW MEXICO

Judy Thompson
9504 Vista Casitas Dr. N. W.
Albuquerque, NM 87114
(505) 792-2318

Gail Miller
717 Keystone Way
Keller, TX 76248
(505) 325-1547

NEW YORK

Reginald Punla
55 Austin Place
Staten Island, NY 10304
(718) 541-9144

Joe Diguglielmo Jr.
145 Palisade Street
Dobbs Ferry, NY 10522
(914) 231-9500

Debra Obenhoff
120 West Ave
Saratoga Springs, NY 12866
(518) 584-5885

Debra Kostiw
300 Hylan Dr
Rochester, NY 14623

(585) 334-0999
James Anderson
911 Central Avenue
Albany, NY 12206
(518) 459-4663

Ramon Rodriguez
115 Northern Blvd
Hagaman, NY 12086
(518) 842-5626

Mordo Bono
14-34 110th Street
College Point, NY 11356
(718) 261-0158

Kim Spina
670 Sara Court
Lewiston, NY 14092
(716) 297-8585

Ronald Scales
9721 Mill Street
Camden, NY 13316
(315) 371-4477

NORTH CAROLINA

Russell Thomas
P.O. Box 726
Kernersville, NC 27285
(336) 310-0770

Robin Goldcott²⁶
539 Keisler Drive
Cary, NC 27518
(919) 342-6381

Daniel Allette
2831 Laurie Meadows Way
Winterville, NC 28590
(252) 258-6293

Glenn Holden
19905 W. Catawba Ave
Cornelius, NC 28031
(704) 909-7958

Lisa Hmiel
1519 Neelley Road
Pleasant Garden, NC 27313
(336) 451-7678

Marvin Stallworth
2502 Albatross Ln
Matthews, NC 28104
(803) 448-1969

Steve Edwards
43 Bellariva
Hendersonville, NC 28739
(828) 694-0000

Ronald McLean
5020 Tangerine Drive
Fayetteville, NC 28304
(910) 494-2019

NORTH DAKOTA

Wayne Stark
215 North 3rd Street
Grand Forks, ND 58203
(701) 746-5042

²⁶ Owns 2 Franchises

HOME HELPERS

Franchisee List

December 31, 2013

As of the above date, there are a total of 332 HOME HELPERS franchises of a type substantially similar to the HOME HELPERS franchises offered in this disclosure. 324 are operational. The names, addresses, and telephone numbers are listed below.

OHIO

Zeineb Latif²⁷
2541 Lane Road
Columbus, OH 43220
(614) 378-3126

Brian Heckman
2510 Blake Ave. N.W
Canton, OH 44708
(330) 455-5440

Paige Luft
947 E. Johnstown Rd
Gahanna, OH 43230
(614) 423-8548

Karen Massaro
34194 Aurora Road
Solon, OH 44139
(440) 429-0908

Sharon Taphorn
3336 Harrison Ave
Cincinnati, OH 45211
(513) 407-7531

Kristin Worthington²⁸
5535 Fair Lane - Suite D
Cincinnati, OH 45227
(513) 754-1182

Clair Story²⁹
17410 Poling Rd
Marysville, OH 43040
(937) 644-1444

²⁷ Owns 2 Franchises

²⁸ Owns 3 Franchises

²⁹ Owns 2 Franchises

Michael Holland
4694 Cemetery Road
Hilliard, OH 43026
(614) 873-3339

Janet Dean
2630 Greenridge Rd
Peebles, OH 45660
(740) 493-4463

Jacqueline Gordon
9891 Montgomery Road
Cincinnati, OH 45242
(513) 429-2800

Gretyl Yenny³⁰
4805 West Pleasant Valley
Road
Parma, OH 44129
(440) 345-5522

John Morehead
109 N. Broad St
Lancaster, OH 43130
(740) 689-9410

Lori Wenger
PO Box 264
Barberton, OH 44203
(330) 745-9295

Brian Heckman
2510 Blake Ave N.W.
Canton, OH 44708
(330) 455-5440

Heather Dunlap
PO Box 292
Utica, OH 43080

³⁰ Owns 2 Franchises

(740) 892-2255
Mark Lux
878 Mission Hills Lane
Columbus, OH 43235
(614) 738-5629

OREGON

Carol Brooker-Gardner
220 Cinbar Drive
Roseburg, OR 97471
(541) 229-5263

Jami Trupp
1660 Iron Horse Rd
Eugene, OR 97402
(541) 461-3142

PENNSYLVANIA

Michelle Brown³¹
423 Burmont Rd.
Drexel Hill, PA 19026
(484) 461-8887

Peg Galipeau³²
1691 Horseshoe Pike
Glenmoore, PA 19343
(610) 458-7550

John Marley
29 Northwood Rd
Newton Square, PA 19073
(484) 431-4264

Bert Schwartz
100 Denniston Avenue #60
Pittsburgh, PA 15206
(412) 583-9300

³¹ Owns 4 Franchises

³² Owns 2 Franchises

HOME HELPERS

Franchisee List

December 31, 2013

As of the above date, there are a total of 332 HOME HELPERS franchises of a type substantially similar to the HOME HELPERS franchises offered in this disclosure. 324 are operational. The names, addresses, and telephone numbers are listed below.

Sheila A. Carter
17 North Chester Pike
Glenolden, PA 19036
(215) 360-4572

Tom Carroll³³
327 W. Baltimore Pike
Media, PA 19063
(610) 358-1110

Frank Esterle³⁴
213 N. Broad St
Lansdale, PA 19446
(215) 631-9126

Judy Cannon
445 Main Street
Landisville, PA 17538
(717) 459-3221

Ralph Digneo
2654 S. Percy St
Philadelphia, PA 19148
(215) 334-2600

Vicki Crow³⁵
4212 Horseshoe Way
Chalfont, PA 18914
(215) 996-4245

Jeff E. Fix
718 South Main Street
Red Lion, PA 17356
(717) 244-9090

John DeSanti
108 Valhalla Drive
New Castle, PA 16105
(724) 652-5379

Lynn Figard-Gardini
718 Logan Boulevard
Hollidaysburg, PA 16648
(814) 944-6790

Jennifer Stanley
3867 Edge Road
Pittsburgh, PA 15227
(412) 882-0771

Erin Carll
9551 Babcock Blvd
Allison Park, PA 15101
(412) 364-4663

RHODE ISLAND

Gina Mosunic
PO Box 100060
Cranston, RI 2910
(508) 222-0262

SOUTH CAROLINA

Ted Cooley
2 Big Oak St.
Hilton Head Island, SC 29926
(843) 837-3041

Frank MacMillan
3 Water Thrush Rd.
Lake Wylie, SC 29710
(803) 831-9929

Tony Richard
1 Liberty Lane
Laurens, SC 29360
(864) 575-4100

Becky Pickett
509 West Poinsett Street
Greer, SC 29651
(864) 848-1729

Katie Taylor
411 Foilage Court
Lake Wylie, SC 29710
(866) 208-9667

Theresa Adams
105 School Street
Ridgeville, SC 29472
(843) 771-1305

SOUTH DAKOTA

Marc Feinstein
431 N. Phillips Ave
Sioux Falls, SD 57104
(605) 332-0039

TENNESSEE

Kevin Edwards³⁶
2240 Sutherland Ave. Suite 106
Knoxville, TN 37919
(865) 771-9119

Robert Harter³⁷
27 Governors Way
Brentwood, TN 37027
(615) 823-5454

Clare Parker
624 Miles Rd.
Signal Mountain, TN 37377
(423) 505-2928

³³ Owns 2 Franchises

³⁴ Owns 7 Franchises

³⁵ Own 2 Franchises

³⁶ Owns 2 Franchises

³⁷ Owns 3 Franchises

HOME HELPERS

Franchisee List

December 31, 2013

As of the above date, there are a total of 332 HOME HELPERS franchises of a type substantially similar to the HOME HELPERS franchises offered in this disclosure. 324 are operational. The names, addresses, and telephone numbers are listed below.

Mary Lou Nowak³⁸
6000 Poplar Avenue
Memphis, TN 38119
(901) 457-1255

Tony Austin
1905 Martin Road
Limestone, TN 37681
(423) 930-8081

TEXAS

Kellie Goff
14900 Avery Ranch Blvd.
Austin, TX 78717
(512) 243-5001

Shelby Stahl
1233 Tanner Drive
Lewisville, TX 75077
(469) 569-3042

Malinda Garcia
10500 Scarsdale Blvd.
Houston, TX 77089
(281) 557-4357

Scott Sutherland³⁹
12900 Preston Rd
Dallas, TX 75230
(972) 233-6636

Maria Viviano⁴⁰
10440 N. Central Expressway
Dallas, TX 75231
(972) 458-7777

Candy Wade
6 Horse Shoe Dr
Highland Village, TX 75077
(972) 318-5054

Tracy Davis
2605 Texas Blvd.
Texarkana, TX 75503
(903) 244-6306

Ron Norsworthy
19901 SW Freeway
Sugarland, TX 77479
(281) 207-5359

Maria Patawaran
2874 Pointe Dr
Dickinson, TX 77539
(281) 534-7562

Sandy Jones
6080 South Hulen St. #360
Fort Worth, TX 76132
(817) 925-4222

Lori Thommarson
308 East Garrity Ave
Corsicana, TX 75110
(903) 872-9155

Yolanda Curd
990 Hwy 287 N
Mansfield, TX 76063
(682) 232-8732

Jill Tsai
1135 Misty Lake Dr
Sugarland, TX 77498
(281) 410-5455

Richard Dixon
1319 Haddington Lane
Keller, TX 76248
(817) 343-0005

Cindy Johnson
5782 Park Vista Circle
Fort Worth, TX 76244
(817) 337-9001

Abigail Figueroa
10730 Potranco Rd
San Antonio, TX 78251
(210) 627-7018

Cynthia Bove'
5701 Fourth St. and Avenue B
Katy, TX 77492
(832) 437-3886

UTAH

John Catto⁴¹
2721 North 400 East
North Ogden, UT 84414
(801) 814-0805

VIRGINIA

Tracey Boseman⁴²
10404 Patterson Ave
Richmond, VA 23238
(804) 864-4258

Karen McConville
1211 Woodbourne Court
Crozet, VA 22932
(540) 910-3008

³⁸ Owns 3 Franchises

³⁹ Owns 2 Franchises

⁴⁰ Owns 2 Franchises

⁴¹ Owns 2 Franchises

⁴² Owns 2 Franchises

HOME HELPERS

Franchisee List

December 31, 2013

As of the above date, there are a total of 332 HOME HELPERS franchises of a type substantially similar to the HOME HELPERS franchises offered in this disclosure. 324 are operational. The names, addresses, and telephone numbers are listed below.

Kaltoon Essa
202 Church St., SE, Ste 100
Leesburg, VA 20175
(571) 340-4563

Frederick Patterson
2124 Jefferson Davis Highway
Stafford, VA 22554
(540) 602-7023

Neal Johnson
P.O. Box 9587
Chesapeake, VA 23321
(757) 483-8243

Adair Voorhees
5998 Providence Rd.
Virginia Beach, VA 23464
(757) 961-4980

Keith Smith
6 Stickle Lane
Hampton, VA 23669
(757) 224-8879

oyce Pasterak⁴³
1900 Campus Commons Drive
Reston, VA 20191
(703) 766-0154

Gail Stathers
6515 George Washington
Memorial Hwy
Yorktown, VA 23692
(757) 989-0090

WASHINGTON

Sylviane Potter
27111 168th Place, SE
Covington, WA 98042
(206) 484-3144

Joseph Lee Jr
1420 NW Gilman Blvd.
Issaquah, WA 98027
(425) 996-3430

WEST VIRGINIA

Rob Christie
2801 Dudley Ave
Parkersburg, WV 26101
(304) 424-5005

WISCONSIN

Aaron Nelson
158 W. Chestnut Street
Burlington, WI 53105
(262) 757-0012

Tim Bireley⁴⁴
8825 West Daventry Road
Mequon, WI 53097
(262) 365-1443

Denis L. Ashauer
2700 W. College Ave.
Appleton, WI 54914
(920) 757-9610

Leslie Stephens
1100 56th Street
Kenosha, WI 53140
(262) 997-0711

⁴³ Owns 2 Franchises

⁴⁴ Owns 2 Franchises

As of the above date, HHFS has entered into 8 Franchise Agreements for HOME HELPERS franchises that are not yet operational. The names, addresses, and telephone numbers are listed below.

Deborah Ward
9040 Penelope Drive
Brooksville, FL 34613
(352) 600-7125

Philip Marchese
111 Main Street
Topsfield, MA 01983
(603) 329-8559

Towana Brown
200 Centennial Ave.
Piscataway, NJ 08854
(732) 841-1425

Kim McCutcheon
508 4th Street NE
Jacksonville, AL 36265
(256) 776-7769

Mark Tran
2026 Brigadier Blvd
Odenton, MD 21113
(443) 850-2724

Danielle Chandonnet
103 Melrose Street
Manchester, NH 03109
(603) 204-1412

Joseph Munis
1414 Dorset Lane
Wynnewood, PA 19096
(610) 864-6078

Joseph Sposari
18134 Riveria Place SW
Normandy Park, WA 98166
(425) 761-7501

DIRECT LINK

Franchisee List

December 31, 2013

As of the above date, there are a total of 297 Direct Link franchises of a type substantially similar to the Direct Link franchises offer in this disclosure document. 290 are operational. The names, addresses, and telephone numbers are listed below.

ALABAMA

Hugh McMurry¹
2820 Columbiana Rd
Birmingham, AL 35216
205-978-3809

Michael Jones
1810 Birmingham St.
Sheffield, AL 35660
256-314-6010

Stephen Davis
P.O. Box 681681
Prattville, AL 36068
334-358-4663

ARKANSAS

Sam Sellers
8 Shackelford Plaza
Little Rock, AR 72211
501-663-3900

Randal Kisling
#5 Halsted Circle
Rogers, AR 72756
479-246-0140

Jay Truelove
504 Apperson Drive
Marion, AR 72364
870-284-4064

ARIZONA

Miki Antonelliⁱ²
1380 West Auto
Tempe, AZ 85284
480-507-3606

Beverly Stephens
10645 N. Oracle Road
Tucson, AZ 85737
520-742-1485

Mick Kapanicas
20783 North 83rd Ave
Peoria, AZ 85382
480-247-7105

CALIFORNIA

JoAnne Holman³
20101 SW Birch St., Ste. 150-A
Newport Beach, CA 92660
949-475-5588

John Hippel
8880 Rio San Diego Rd
San Diego, CA 92108
619-781-1060

Arthur Kouredjian
14431 Ventura Blvd
Sherman Oaks, CA 91423
818-319-0474

Bridget Norambuena⁴
3820 Del Amo Blvd
Torrance, CA 90503
310-316-3568

Jim Fletcher
501 N. El Camino Real
San Clemente, CA 92672
949-610-5910

Darla Bennett
33105 Southwind Court
San Juan Capistrano, CA 92675

949-218-6706
Camie Sumrall
21 Golden Gate Dr
San Rafael, CA 94901
415-451-0100

Peggy Milne
418 Main St.
Half Moon Bay, CA 94019
650-532-3122

Robert Halpin
1261 Harbor Lake Avenue
Brea, CA 92821
714-815-7894

Pablo Martinez
PO Box 1
Lompoc, CA 93438
805-737-4357

Sharon Clark⁵
P.O. Box 494986
Redding, CA 96049
530-226-8350

Marjorie Sunder
2737 MacKinnon Ranch Road
Cardiff, CA 92007
858-945-3804

Ratu Uqueqe
4867 Winamac Drive
Sacramento, CA 95835
916-508-3128

Juliet Kennedy
19925 Stevens Creek Blvd
Cupertino, CA 95014
408-259-5930

¹ Owns 2 Franchises

² Owns 3 Franchises

³ Owns 3 Franchises

⁴ Owns 2 Franchises

⁵ Owns 3 Franchises

DIRECT LINK

Franchisee List

December 31, 2013

As of the above date, there are a total of 297 Direct Link franchises of a type substantially similar to the Direct Link franchises offer in this disclosure document. 290 are operational. The names, addresses, and telephone numbers are listed below.

Robert Jo
231 Market Place
San Ramon, CA 94583
925-236-2477

Stacy Sanchez
2892 N Bellflower Blvd
Long Beach, CA 90815
562-343-5500

Linda Methe
23046 Ave. de la Carlota
Laguna Hills, CA 92653
949-599-5470

Justin Johnston
1875 Olympic Blvd.
Walnut Creek, CA 94596
925-951-5511

Jessica DeMumbrum
20361 90th Street
California City, CA 93505
760-514-3630

Amparito Gengler
1240 E. Ontario Ave
Corona, CA 92881
951-603-0885

Doug Crocker
877 Cedar Street
Santa Cruz, CA 95060
831-471-5183

George Jones⁶
180 Sundown Rd
Thousand Oaks, CA 91360
805-777-8111

Sandra Conn
7909 Walerga Road Suite 112
Antelope, CA 95843
916-751-0733

John Crick
10787 Carmel Glen
San Diego, CA 92130
843-368-7356

Leslee Deanes
264 S. LaCienega Blvd. Ste. 151
Beverly Hills, CA 90211
310-691-8161

COLORADO

Sylvester Amoakoh
9823 Chambers Ct
Commerce City, CO 80022
720-206-7667

Maribeth Muhonen
3472 Research Parkway
Colorado Springs, CO 80920
719-487-9919

CONNECTICUT

Lynn Dean
83 Marina Court
Meriden, CT 6451
203-269-5552

Sharad Saxena⁷
980 Clintonville Rd
Wallingford, CT 6492
203-558-7065

Elena Petrenko
1771 Post Road
East Westport, CT 6880
860-756-5545
Jeanene Chieffo
PO Box 594
Botsford, CT 6404
203-364-1160

Nancy Perrotti
6 Black Watch Ln
Ledyard, CT 6339
401-954-6024

FLORIDA

Paula Flynn
120 Lexington Green Lane
Sanford, FL 32771
407-732-6960

Lee Sapp
20020 Veterans Boulevard
Port Charlotte, FL 33954
941-698-5011

Bruce Peebles
4654 East State Road 64 # 151
Bradenton, FL 33573
941-348-9213

Terry Nichols
263 SW 179 Ave.
Pembroke Pines, FL 33029
305-223-7978

Robin Conoly
13046 Racetrack Road
Tampa, FL 33626
727-726-7251

⁶ Owns 2 Franchises

⁷ Owns 2 Franchises

DIRECT LINK

Franchisee List

December 31, 2013

As of the above date, there are a total of 297 Direct Link franchises of a type substantially similar to the Direct Link franchises offer in this disclosure document. 290 are operational. The names, addresses, and telephone numbers are listed below.

Tim O'Donnell
1 Hargrove Grade, Ste 1B
Palm Coast, FL 32137
386-447-5272

Emma Blackwelder
1219 Millennium Parkway
Brandon, FL 33511
813-655-9098

Kelly Hadley
2689 SW Domina Road
Port St. Lucie, FL 34953
770-340-2299

Debbie Humphrey⁸
110 Athens St
Tarpon Springs, FL 34689
727-942-2539

David Shea⁹
8051 N. Tamiami Trail
Sarasota, FL 34243
847-454-4120

GEORGIA
Ana Lawless¹⁰
1270 Caroline Street
Atlanta, GA 30307
404-624-4663

Jigar Shah
395 Lum Crowe Rd
Roswell, GA 30075
678-362-1804

Beth Dow
2280 N Hwy 29
Newnan, GA 30265
678-876-5118

Greg Eldridge¹¹
1595 Peachtree Parkway #204-313
Cumming, GA 30041
312-218-0300

HAWAII
Chad Ogata
PO Box 2104
Kea'au, HI 96749
808-966-6145

Ginalynn Garces
92-1363 Hunekai Street
Kapolei, HI 96707
206-734-6501

IDAHO
Mike Jackson
3355 N. Five Mile Rd
Boise, ID 83713
208-890-1522

Teresa Nelson
353 E Lander St
Pocatello, ID 83201
208-406-2380

Connie Clark
109 W. Kathleen Ave
Coeur d' Alene, ID 83815
208-769-9560

ILINOIS

Tom Merlin¹²
2139 Sprucewood Ave.
Des Plaines, IL 60018
877-932-2736

Adam Shasteen
614 E. Davie Street
Anna, IL 62906
618-833-1998

Elizabeth Laskowski
205 E. Butterfield Rd
Elmhurst, IL 60126
708-529-7430

Naaman Moorman
7115 West North Avenue
Oak Park, IL 60302
877-805-4557

Christine Browning
330 E. Main St.
Barrington, IL 60010
847-268-8676

Ravi Chadha¹³
429 West Ohio Street
Chicago, IL 60654
888-647-0007

Mike Doepke
123 East Ogden Ave
Hinsdale, IL 60521
630-323-7231

⁸ Owns 2 Franchises

⁹ Owns 2 Franchises

¹⁰ Owns 2 Franchises

¹¹ Owns 2 Franchises

¹² Owns 2 Franchises

¹³ Owns 5 Franchises

DIRECT LINK

Franchisee List

December 31, 2013

As of the above date, there are a total of 297 Direct Link franchises of a type substantially similar to the Direct Link franchises offer in this disclosure document. 290 are operational. The names, addresses, and telephone numbers are listed below.

Chris Gerardi
113 Fairfield Way
Bloomington, IL 60108
630-800-3837

ohn Markus
975 E Nerge
Roselle, IL 60172
630-671-0631

Aimee Hartwiger
287 East High Circle Drive
Warsaw, IN 46580
574-372-2273

Andy Lazor
200 W 3rd Street
Alton, IL 62002
618-462-2762

Kathryn Jurica
750 Almar Parkway
Bourbonnais, IL 60914
815-401-5527

Erin Winters
6 East Main Street
Knightstown, IN 46148
765-345-5392

Edward Kerfin
15736 Bell Rd
Homer Glen, IL 60491
708-301-4746

Paula Keiner
02N048 Saddlewood Dr
Maple Park, IL 60151
630-365-6710

Gale Schwieterman
128 McCutcheon Dr.
Lafayette, IN 47909
765-477-7000

Victoria Huff-O'Bryan
13400 S. Route 59
Plainfield, IL 60585
815-685-4357

Vicki Lyons
354 A W. Maple
New Lenox, IL 60451
708-326-4001

Gloria N. Mbanu
7325 Bell Street
Schererville, IN 46375
219-980-1839

Kathleen Petrick
202 S. Randall Rd
Elgin, IL 60121
630-584-3361

Raghu Jagadam
100 S. Atkinson Rd, Unit 116
Grayslake, IL 60030
630-779-5894

William Spearson
9209 Wicker Ave.
St. John, IN 46373
219-472-0018

Chris Donnan
PO Box 461
Clinton, IL 61727
217-935-4357

INDIANA
James Vanvliet
1595 S. Calumet
Chesterton, IN 46304
219-841-7559

Harold Cameron
PO Box 711
Nashville, IN 47448
812-988-6830

Dena Ellis
404 N. Galena Ave
Dixon, IL 61021
815-677-9657

Mike St. Clair¹⁴
696 South Lake Road
Scottsburg, IN 47170
812-752-6000

IOWA
Bill Brownson
4571 Sheridan St
Davenport, IA 52806
563-386-4969

Theresa Spearson
260 May Street
Manhattan, IL 60442
815-478-0405

Mark Middlesworth
1125 N. Baldwin Ave.
Marion, IN 46952
765-677-1670

KANSAS
Zachary Turner
2538 N Old Manor
Wichita, KS 67220
316-300-0757

J

¹⁴ Owns 3 Franchises

DIRECT LINK

Franchisee List

December 31, 2013

As of the above date, there are a total of 297 Direct Link franchises of a type substantially similar to the Direct Link franchises offer in this disclosure document. 290 are operational. The names, addresses, and telephone numbers are listed below.

Steven Weinrich
5419 Johnson Drive
Mission, KS 66205
913-685-2273

KENTUCKY

Steven Garrison
1972 General Warfield Way
Lexington, KY 40505
859-797-3127
Michael Gentry
955 Fields Drive, Ste 104
Bowling Green, KY 42104
270-904-1629

Larry Hurt
PO Box 910509
Lexington, KY 40591
859-381-8996

Michelle Maxim
657 South Hurstbourne Pkwy
Louisville, KY 40222
502-384-4357

Jason Towns
6407 Bardstown Rd
Louisville, KY 40291
502-565-0550

Kristin Worthington¹⁵
5535 Fair Lane - Suite D
Cincinnati, OH 45227
513-754-1182

LOUISIANA

Warren Ben
6612 Pine Point Rd.
Ville Palatte, LA 70586
337-831-8171

MAINE

David Gilland
754 Alfred Rd
Arundel, ME 4046
207-710-0987

MASSACHUSETTS

Carol Ciffolillo¹⁶
354 Turnpike Suite 201
Canton, MA 2021
781-828-9600

Michael Cahill
411 Main Street
Yarmouth Port, MA 2675
508-394-9800

Denise Roskamp
P.O. Box 65
Wayland, MA 1778
508-545-0164

MARYLAND

Benita Scott
7337 Archsine Lane
Laurel, MD 20707
240-444-4105

Betsy Young
550M Ritchie Hwy
Severna Park, MD 21146
410-647-8788

Kevin Jones
9520 Berger Road
Columbia, MD 21046
443-519-4070

Adwoa Gyebi
554 N. Frederick Ave.
Gaithersburg, MD 20877
301-275-1445

Amelia Monte
13018 Clarksburg Square Road
Clarksburg, MD 20871
301-916-8638
Laraba Sligh
9814 Hammer Lane
Upper Marlboro, MD 20772
301-856-3970

MICHIGAN

Linda Place
2934 Sunnywood Drive
Ann Arbor, MI 48103
734-274-5335

Don Murray
2717 Morton Ave
St. Joseph, MI 49085
269-983-4800

Rene Rudowski¹⁷
2951 Winter Drive
Troy, MI 48083
248-524-1140

Joann Lagman
66707 Van Dyke
Washington Township, MI
48095
586-752-3797

Dorothy Childs
2639 E. Grand Ledge Highway
Grand Ledge, MI 48837
517-627-6804

¹⁵ Owns 2 Franchises

¹⁶ Owns 2 Franchises

¹⁷ Owns 2 Franchises

DIRECT LINK

Franchisee List

December 31, 2013

As of the above date, there are a total of 297 Direct Link franchises of a type substantially similar to the Direct Link franchises offer in this disclosure document. 290 are operational. The names, addresses, and telephone numbers are listed below.

Curt Huggins
6757 Cascade Rd, SE
Grand Rapids, MI 49546
616-647-5064

Alan J. Lust
111 South Farmer Street
Otsego, MI 49078
269-692-2074

MINNESOTA

Jennifer Olesen
2515 White Bear Avenue
Maplewood, MN 55109
612-518-5741

MISSOURI

Nancy Petersen
5510 N. Antioch Rd
Kansas City, MO 64119
816-255-2876

MONTANA

Michael Hagman
2300 N. Harris
Helena, MT 59604
406-438-2231

Coralee Riches
PO Box 1632
Big Timber, MT 59011
406-930-1815

Alida Tinch
P.O. Box 1893
Kalispell, MT 59903
406-871-1946

NEVADA

Vy Brown
1384 Camballeria Drive
Carson City, NV 89701
775-883-3668

Bernardita Byrd
472 Palegold Street
Henderson, NV 89012
702-419-7134

NEW HAMPSHIRE

Bonnie Roberts
172 Rockingham Road
Londonderry, NH 3053
603-845-3333

NEW JERSEY

Carlton Brown
16 South Avenue
Cranford, NJ 7016
908-931-0109

Doug Feltman
725 River Rd
Edgewater, NJ 7020
201-655-8688

Drew Klaitz
7 Seaside Ct.
Margate, NJ 8402
609-823-1718

Donna Gordon
141 Dorado Dr.
Delran, NJ 8075
856-461-1601

Nicole Ashman
P.O. Box 136
Pluckemin, NJ 7978
908-864-7904

Karen Chabari
417 US 206
Hillsborough, NJ 8844
908-281-5300

Blanca Rodino¹⁸
1000 RT 7 East #9
Lakewood, NJ 8701
732-364-7322

Linda Kusmaul
349 Central Ave
Hammonton, NJ 8037
856-745-1127

Frank Pinto
3171 Route 9 N.
Old Bridge, NJ 8857
09-235-2718

Gary Smith
1 Orient Way, Ste F #120
Rutherford, NJ 7070
201-528-3995

Carol Alexander
9 Swan Court
Jersey City, NJ 7305
201-839-5676

Ion Furtuna
5 Staudt Court
Somerset, NJ 8873
732-873-9063

Kristin Shute¹⁹
79 N Franklin Turnpike
Ramsey, NJ 7446
201-236-6333

John Ciocco
774 Newman Springs Road
Lincroft, NJ 7738
732-237-6884

¹⁸ Owns 2 Franchises

¹⁹ Owns 3 Franchises

DIRECT LINK

Franchisee List

December 31, 2013

As of the above date, there are a total of 297 Direct Link franchises of a type substantially similar to the Direct Link franchises offer in this disclosure document. 290 are operational. The names, addresses, and telephone numbers are listed below.

James Lenoir
12 Washington Avenue
Haddonfield, NJ 8033
856-240-1345

Debra Obenhoff
120 West Ave
Saratoga Springs, NY 12866
518-584-5885

Robin Goldcott²⁰
539 Keisler Drive
Cary, NC 27518
919-342-6381

Deon Freeman
258 W. 5th Ave
Roselle, NJ 7203
908-259-1919

Debra Kostiw
300 Hylan Dr
Rochester, NY 14623
585-334-0999

Russell Thomas
P.O. Box 726
Kernersville, NC 27285
336-310-0770

Adaria Duarte
1220 Route 45 West
Parsippany, NJ 7054
973-588-7170

James Anderson
911 Central Avenue
Albany, NY 12206
518-459-4663

Daniel Allette
2831 Laurie Meadows Way
Winterville, NC 28590
252-258-6293

Darius Banasik
161 Edgemoor Road
Wilmington, DE 19809
856-812-0626

Ramon Rodriguez
115 Northern Blvd
Hagaman, NY 12086
518-842-5626

Glenn Holden
19905 W. Catawba Ave
Cornelius, NC 28031
704-909-7958

NEW MEXICO

Judy Thompson
9504 Vista Casitas Dr. N. W.
Albuquerque, NM 87114
505-792-2318

Mordo Bono
14-34 110th Street
College Point, NY 11356
718-261-0158

Lisa Hmiel
1519 Neelley Road
Pleasant Garden, NC 27313
336-451-7678

Gail Miller
717 Keystone Way
Keller, TX 76248
505-325-1547

Tim Karnes
8144 Driftwood Ct.
Williamsville, NY 14221
716-204-9075

Marvin Stallworth
2502 Albatross Ln
Matthews, NC 28104
803448-1969

NEW YORK

Reginald Punla
55 Austin Place
Staten Island, NY 10304
718-541-9144

Kim Spina
670 Sara Court
Lewiston, NY 14092
716-297-8585

Steve Edwards
43 Bellariva
Hendersonville, NC 28739
828-694-0000

Joe Diguglielmo Jr.
145 Palisade Street
Dobbs Ferry, NY 10522
914-231-9500

Ronald Scales
9721 Mill Street
Camden, NY 13316
315-371-4477

Ronald McLean
5020 Tangerine Drive
Fayetteville, NC 28304
910-494-2019

NORTH CAROLINA

²⁰ Owns 2 Franchises

DIRECT LINK

Franchisee List

December 31, 2013

As of the above date, there are a total of 297 Direct Link franchises of a type substantially similar to the Direct Link franchises offer in this disclosure document. 290 are operational. The names, addresses, and telephone numbers are listed below.

OHIO

Zeineb Latif²¹
2541 Lane Road
Columbus, OH 43220
614-378-3126

Brian Heckman²²
2510 Blake Ave. N.W
Canton, OH 44708
330-455-5440

Paige Luft
947 E. Johnstown Rd
Gahanna, OH 43230
614-423-8548

Gretyl Yenny
4805 West Pleasant Valley Rd.
Parma, OH 44129
440-345-5522

Karen Massaro
34194 Aurora Road
Solon, OH 44139
440-429-0908

Sharon Taphorn
3336 Harrison Ave
Cincinnati, OH 45211
513-407-7531

Kristin Worthington
5535 Fair Lane - Suite D
Cincinnati, OH 45227
513-754-1182

Clair Story²³
17410 Poling Rd
Marysville, OH 43040
937-644-1444

Michael Holland
4694 Cemetery Road
Hilliard, OH 43026
614-873-3339

Janet Dean
2630 Greenridge Rd
Peebles, OH 45660
740-493-4463

Jacqueline Gordon
9891 Montgomery Road
Cincinnati, OH 45242
513-429-2800

John Morehead
109 N. Broad St
Lancaster, OH 43130
740-689-9410

Lori Wenger
PO Box 264
Barberton, OH 44203
330-745-9295

Heather Dunlap
PO Box 292
Utica, OH 43080
740-892-2255

Mark Lux
878 Mission Hills Lane
Columbus, OH 43235
614-738-5629

OREGON

Carol Brooker-Gardner
220 Cinbar Drive
Roseburg, OR 97471
541-229-5263

Jami Trupp
1660 Iron Horse Rd
Eugene, OR 97402
541-461-3142

PENNSYLVANIA

Michelle Brown²⁴
423 Burmont Rd.
Drexel Hill, PA 19026
484-461-8887

Peg Galipeau²⁵
1691 Horseshoe Pike
Glenmoore, PA 19343
610-458-7550

Kathy Spence²⁶
2701 Willow Street Pike, North
Willow Street, PA 17584
717-464-9365

John Marley
29 Northwood Rd
Newton Square, PA 19073
484-431-4264

Bert Schwartz
100 Denniston Avenue #60
Pittsburgh, PA 15206
412-583-9300

²¹ Owns 2 Franchises

²² Owns 2 Franchises

²³ Owns 2 Franchises

²⁴ Owns 4 Franchises

²⁵ Owns 2 Franchises

²⁶ Owns 2 Franchises

DIRECT LINK

Franchisee List

December 31, 2013

As of the above date, there are a total of 297 Direct Link franchises of a type substantially similar to the Direct Link franchises offer in this disclosure document. 290 are operational. The names, addresses, and telephone numbers are listed below.

Tom Carroll²⁷
327 W. Baltimore Pike
Media, PA 19063
610-358-1110

Sheila A. Carter
17 North Chester Pike
Glenolden, PA 19036
215-360-4572

Frank Esterle²⁸
213 N. Broad St
Lansdale, PA 19446
215-631-9126

Judy Cannon
445 Main Street
Landisville, PA 17538
717-459-3221

Ralph Digneo
2654 S. Percy St
Philadelphia, PA 19148
215-334-2600

Vicki Crow²⁹
4212 Horseshoe Way
Chalfont, PA 18914
215-996-4245

Jeff E. Fix
718 South Main Street
Red Lion, PA 17356
717-244-9090

Lynn Figard-Gardini
718 Logan Boulevard
Hollidaysburg, PA 16648
814-944-6790

Jennifer Stanley
3867 Edge Road
Pittsburgh, PA 15227
412-882-0771

Erin Carll
9551 Babcock Blvd
Allison Park, PA 15101
412-364-4663

RHODE ISLAND

Gina Mosunic
PO Box 100060
Cranston, RI 2910
508-222-0262

SOUTH CAROLINA

Ted Cooley
2 Big Oak St.
Hilton Head Island, SC 29926
843-837-3041

Frank MacMillan
3 Water Thrush Rd.
Lake Wylie, SC 29710
803-831-9929

Tony Richard
1 Liberty Lane
Laurens, SC 29360
864-575-4100

Becky Pickett
509 West Poinsett Street
Greer, SC 29651
864-848-1729

Katie Taylor
411 Foilage Court
Lake Wylie, SC 29710
866-208-9667

Theresa Adams
105 School Street
Ridgeville, SC 29472
843-771-1305

SOUTH DAKOTA

Marc Feinstein
431 N. Phillips Ave
Sioux Falls, SD 57104
605-332-0039

TENNESSEE

Kevin Edwards³⁰
2240 Sutherland Ave. Suite 106
Knoxville, TN 37919
865-771-9119

Robert Harter³¹
27 Governors Way
Brentwood, TN 37027
615-823-5454

Clare Parker
624 Miles Rd.
Signal Mountain, TN 37377
423-505-2928

Tony Austin
1905 Martin Road
Limestone, TN 37681
423-930-8081

Mary Lou Nowak³²
6000 Poplar Avenue
Memphis, TN 38119
901-457-1255

²⁷ Owns 2 Franchises

²⁸ Owns 7 Franchises

²⁹ Owns 2 Franchises

³⁰ Owns 2 Franchises

³¹ Owns 3 Franchises

³² Owns 2 Franchises

DIRECT LINK

Franchisee List

December 31, 2013

As of the above date, there are a total of 297 Direct Link franchises of a type substantially similar to the Direct Link franchises offer in this disclosure document. 290 are operational. The names, addresses, and telephone numbers are listed below.

TEXAS

Kellie Goff
14900 Avery Ranch Blvd.
Austin, TX 78717
512-243-5001

Shelby Stahl
1233 Tanner Drive
Lewisville, TX 75077
469-569-3042

Maria Viviano³³
10440 N. Central Expressway
Dallas, TX 75231
972-458-7777

Candy Wade
6 Horse Shoe Dr
Highland Village, TX 75077
972-318-5054

Tracy Davis
2605 Texas Blvd.
Texarkana, TX 75503
903-244-6306

Ron Norsworthy
19901 SW Freeway
Sugarland, TX 77479
281-207-5359

Sandy Jones
6080 South Hulen St. #360
Fort Worth, TX 76132
817-925-4222

Lori Thommarson
308 East Garrity Ave
Corsicana, TX 75110
903-872-9155

Jill Tsai
1135 Misty Lake Dr
Sugarland, TX 77498
281-410-5455

Richard Dixon
1319 Haddington Lane
Keller, TX 76248
817-343-0005

Cindy Johnson
5782 Park Vista Circle
Fort Worth, TX 76244
817-337-9001

Abigail Figueroa
10730 Potranco Rd
San Antonio, TX 78251
210-627-7018

Cynthia Bove'
5701 Fourth St. and Avenue B
Katy, TX 77492
832-437-3886

UTAH
John Catto³⁴
2721 North 400 East
North Ogden, UT 84414
801-814-0805

VIRGINIA
Tracey Boseman³⁵
10404 Patterson Ave
Richmond, VA 23238
804-864-4258

Karen McConville
1211 Woodbourne Court
Crozet, VA 22932
540-910-3008

Joyce Pasterak³⁶
1900 Campus Commons Dr.
Reston, VA 20191
703-766-0154

Kaltoon Essa
202 Church St., SE, Ste 100
Leesburg, VA 20175
571-340-4563

Frederick Patterson
2124 Jefferson Davis Highway
Stafford, VA 22554
540-602-7023

Adair Voorhees
5998 Providence Rd.
Virginia Beach, VA 23464
757-961-4980

Neal Johnson
P.O. Box 9587
Chesapeake, VA 23321
757-483-8243

Keith Smith
6 Stickle Lane
Hampton, VA 23669
757-224-8879

Gail Stathers
6515 George Washington
Memorial Hwy
Yorktown, VA 23692
757-989-0090

³³ Owns 2 Franchises

³⁴ Owns 2 Franchises

³⁵ Owns 2 Franchises

³⁶ Owns 2 Franchises

DIRECT LINK

Franchisee List

December 31, 2013

As of the above date, there are a total of 297 Direct Link franchises of a type substantially similar to the Direct Link franchises offer in this disclosure document. 290 are operational. The names, addresses, and telephone numbers are listed below.

WASHINGTON

Sylviane Potter
27111 168th Place, SE
Covington, WA 98042
206-484-3144

Joseph Lee Jr.
1420 NW Gilman Blvd.
Issaquah, WA 98027
425-996-3430

WEST VIRGINIA

Rob Christie
2801 Dudley Ave
Parkersburg, WV 26101
304-424-5005

WISCONSIN

Aaron Nelson
158 W. Chestnut Street
Burlington, WI 53105
262-757-0012

Tim Bireley³⁷
8825 West Daventry Road
Mequon, WI 53097
262-365-1443

Denis L. Ashauer
2700 W. College Ave.
Appleton, WI 54914
920-757-9610

Leslie Stephens
1100 56th Street
Kenosha, WI 53140
262-997-0711

³⁷ Owns 2 Franchises

As of the above date, HHFS had entered into 7 Franchise Agreements for Direct Link franchises that are not yet operational. The names, addresses, and telephone numbers are listed below.

Deborah Ward
9040 Penelope Drive
Brooksville, FL 34613
352-600-7125

Philip Marchese
111 Main Street
Topsfield, MA 01983
607-329-8559

Kim McCutcheon
508 4th Street NE
Jacksonville, AL 36265
(256) 776-7769

Mark Tran
2026 Brigadier Blvd
Odenton, MD 21113
(443) 850-2724

Danielle Chandonnet
103 Melrose Street
Manchester, NH 03109
(603) 204-1412

Joseph Munis
1414 Dorset Lane
Wynnewood, PA 19096
(610) 864-6078

Joseph Sposari
18134 Riveria Place SW
Normandy Park, WA 98166
(425) 761-7501

HOME HELPERS

Below are Franchisees who have left the system as of December 31, 2013 or who have not communicated with us within 10 weeks of the issuance of the disclosure document. If you buy a franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Cheryl Newton¹
Newport Beach, CA
949-475-5588

Mike Gerakios
Pasadena, CA
626-840-4792

Marcus Cinco
La Mesa, CA
619-713-2713

Selina L. Robinson-
Warembourg
Denver, CO
720-920-9388

Sherry Myers
Grand Junction, CO
970-255-9888

West Roybal
Longmont, CO
303-651-2267

Susan Leeper²
Bethlehem, CT
203-558-7065

Krista Gaul
Wilmington, DE
302-633-6090

Ty Jones
Miami, FL
754-234-8256

Lisa Morgan
Citra, FL
352-433-0706

Summer Turner³
Clearwater, FL
727-871-7744

Shane Smith
Weston, FL
954-606-5886

Alan Silverberg
Boca Raton, FL
(855) 457-8525

Stephanie Johnson
Atlanta, GA
678-698-0927

James Daniel
Woodstock, GA
770-592-7017

Jo Ann Grafton
Duluth, GA
770-623-1739

Jordan Lejcar⁴
Aurora, IL
630-636-6733

John Markus
Roselle, IL
630-671-0631

Mike Rembusch⁵
Batesville, IN
812-933-9965

Bill Johnston
Westfield, IN
317-214-6170

Michael Hannum
Overland Park, KS
913-486-9147

Tim O'Bryan
Evansville, IN
888-315-4068

Scott Kinney
New Orleans, LA
504-265-0145

Paul Kaibni
Bethesda, MD
301-576-4100

Oren Whyche-Shaw
Crownsville, MD
202-812-4435

Sheri Scott-Redwood
Lutherville, MD
410-308-2428

Denise Leavitt
Jefferson City, MO 65101
573-636-2273

Shannon Burke
Ronan, MT 59864
406-369-5455

Martha Schachinger⁶
Wilmington, DE 19809
856-812-0626

Mark Fiorini⁷
Oswego, NY 13126
315-701-2490

¹ Sold 2 Franchises

² Sold Franchise

³ Sold Franchise

⁴ Sold Franchise

⁵ Sold Franchise

⁶ Sold Franchise

⁷ Owned 2 Franchises

HOME HELPERS

Below are Franchisees who have left the system as of December 31, 2013 or who have not communicated with us within 10 weeks of the issuance of the disclosure document. If you buy a franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Dianne Mack
New York City, NY 10027
917-690-2371

540-521-1020
Jason Smoot
Vienna, VA
703-795-3142

Linda Lewis
Elmira, NY
607-846-3379

Flamont Butler¹²
New Berlin, WI
414-546-3441

Myles Showers⁸
Columbus, OH
614-276-5080

Steven Killion
9730 SW 163rd Ave.
Beaverton, OR
(503) 706-6769

Kathy Spence⁹
Willow Street, PA
717-464-9365

Lori Douroux
Columbia, SC
803-765-9096

Craig Ward¹⁰
Eules, TX
817-343-0005

Craig Ward
Murphy, TX
972-835-9214

Norman Burt¹¹
Sandy, UT
801-205-2066

Matt Dimke
Salem, VA

⁸ Owned 3 Franchises

⁹ Owned 2 Franchises

¹⁰ Sold Franchise

¹¹ Sold Franchise

¹² Sold Franchise

DIRECT LINK

Below are Franchisees who have left the system as of December 31, 2013 or who have not communicated with us within 10 weeks of the issuance of the disclosure document. If you buy a franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Cheryl Newton¹
Newport Beach, CA
(949) 475-5588

Martha Schachinger³
Wilmington, DE
856-812-0626

Tim O'Bryan
Evansville, IN
888-315-4068

Mike Gerakios
Pasadena, CA
626-840-4792

Summer Turner⁴
Clearwater, FL
727-871-7744

Bill Johnston
Westfield, IN
317-214-6170

Marcus Cinco
La Mesa, CA
619-713-2713

Lisa Morgan
Citra, FL
352-433-0706

Michael Hannum
Overland Park, KS
913 486 9147

Paul Casillas
Fresno, CA
559-284-3836

Ty Jones
Miami, FL
754-234-8256

Scott Kinney
New Orleans, LA
504-265-0145

Lisa Attardo
Oceanside, CA
760-726-4456

Shane Smith
Weston, FL
954-606-5886

Oren Whyche-Shaw
Crownsville, MD
202-812-4435

Sherry Myers
Grand Junction, CO
970-255-9888

Alan Silverberg
Boca Raton, FL
855-457-8525

Paul Kaibni
Bethesda, MD
301-576-4100

Selina L. Robinson-
Warembourg
Denver, CO
720-920-9388

Jo Ann Grafton
Duluth, GA
(770) 623-1739

Sheri Scott-Redwood
Lutherville, MD
410-308-2428

West Roybal
Longmont, CO
303-651-2267

Stephanie Johnson
Atlanta, GA
678-698-0927

Denise Smith
Northville, MI
810-923-9291

Susan Leeper²
Bethlehem, CT
203-558-7065

James Daniel
Woodstock, GA
(770) 592-7017

Denise Leavitt
Jefferson City, MO
573-636-2273

Krista Gaul
Wilmington, DE
(302) 633-6090

John Markus
Roselle, IL
(630) 671-0631

Shannon Burke
Ronan, MT
406-369-5455

¹ Sold 2 Franchises

² Sold Franchise

³ Sold Franchise

⁴ Sold Franchise

DIRECT LINK

Below are Franchisees who have left the system as of December 31, 2013 or who have not communicated with us within 10 weeks of the issuance of the disclosure document. If you buy a franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Mark Fiorini⁵
Oswego, NY
315-701-2490

Matt Dimke
Salem, VA
540-521-1020

Dianne Mack
New York City, NY
(917) 690-2371

Flamont Butler⁹
New Berlin, WI
414-546-3441

Linda Lewis
Elmira, NY
607-846-3379

Myles Showers⁶
Columbus, OH
614-276-5080

Steven Killion
9730 SW 163rd Avenue
Beaverton, OR
503-706-6769

Craig Ward⁷
Euless, TX
(817) 343-0005

Gerard Odulio
Murphy, TX
972-881-4350

Norman Burt⁸
Sandy, UT
801-205-2066

Jason Smoot
Vienna, VA
703-795-3142

⁵ Owned 2 franchises

⁶ Owned 3 Franchises

⁷ Sold Franchise

⁸ Sold Franchise

⁹ Sold Franchise

HOME HELPERS
FRANCHISE AGREEMENT

BETWEEN

H.H. FRANCHISING SYSTEMS, INC.
FRANCHISOR

AND

FRANCHISEE(S)

FRANCHISE LOCATION No. _____

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THIS FRANCHISE AGREEMENT is between H.H. FRANCHISING SYSTEMS, INC., an Ohio corporation ("Franchisor"), and the individual(s) or entity identified on Exhibit A attached hereto and by this reference incorporated herein (collectively and individually referred to as "Franchisee");

RECITALS:

A. Franchisor has created and developed and is in the process of further developing a system (the "System") for the establishment and operation of a distinctive type of retail business that offers senior services such as home care aide, home maker, personal care aide assistance, companion services, and skilled medical services to the general public (hereafter referred to as a "Home Helpers franchise").

B. The System consists of distinctive methods and procedures for marketing and advertising; specially designed business forms and procedures for the efficient operation of a Home Helpers franchise; an operations manual and training course; and specially designed procedures for the promotion and provision of Franchisee's services.

C. Franchisor has registered the service marks HOME HELPERS® and DIRECT LINK® with the United States Patent and Trademark Office, and claims the exclusive right to use the marks, any derivatives thereof, and certain other trade names, business names, service marks, trademarks, logos, designs and trade symbols (collectively referred to as the "Marks") as are now or may from time to time be designated in writing by Franchisor for use in connection with the operation of the System.

D. Franchisor continues to develop, use, and control the use of the Marks in order to identify to the public the source of products and services marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and services.

E. Franchisee understands and acknowledges the importance of Franchisor's standards of quality, service, cleanliness and appearance, the necessity of opening and operating a Home Helpers franchise in conformity with Franchisor's standards and specifications as presented in Franchisor's Manual and updates, and preserving the confidentiality of the System.

F. Franchisee desires to purchase and operate a Home Helpers franchise in accordance with all of the terms and conditions of this Agreement;

THEREFORE the parties agree as follows:

ARTICLE 1

APPOINTMENT

1.1 Grant of Franchise. Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, (i) the right and franchise, and Franchisee undertakes the obligation, to operate a home care aide, personal care aide assistance, companion care, and skilled medical service business (the "franchised business") using Franchisor's System and (ii) a non-exclusive license to use solely the Marks and the System as they may be changed, improved and further developed from time to time, within the geographical area described in Section 1.2 (the "Territory").

1.2 Territory Defined. The Territory is a geographical area delineated by postal ZIP Code(s) according to Franchisor's mapping system having an aggregate population of not more than 175,000 and more particularly described on Exhibit B attached to, incorporated in, and made a part of this Agreement. Should for any reason the numbers of any ZIP Code(s) that comprise the Territory be moved, altered or eliminated by the U.S. Postal Service, Franchisor may re-define the boundaries of the Territory to correspond as nearly as possible to the original territory, in Franchisor's sole and absolute discretion, and Franchisor's decision shall be final and binding upon both Franchisor and Franchisee. Franchisee shall not relocate the franchised business from the Territory described in Exhibit B without the prior written approval of Franchisor. Except as may be otherwise permitted by this Agreement, Franchisee shall operate the franchised business only within the Territory described on Exhibit B. If Franchisee transfers the Franchise pursuant to Article 12 of this Agreement, then Franchisor may modify the size of the Territory at the time of transfer so that the Territory will be consistent with the size of franchise territories offered in Franchisor's then-current disclosure document.

1.3 Protected Territory. During the term of this Agreement, Franchisor shall not establish or franchise another to establish a business substantially similar to the franchised business within Franchisee's Territory. As used in this Agreement, the term "*substantially similar*" does not include a business offering personal emergency response systems, medication management, vital signs monitoring, or related products and services, unless such business also offers home care aide, personal care aide assistance, and companion care services, and does not include a business offering residential cleaning services. Franchisee acknowledges that the franchise granted hereunder is otherwise non-exclusive and is granted subject to the terms and conditions of Sections 1.4 through 1.11, 8.6 and 8.7 of this Agreement. Franchisor offers personal emergency response systems and related services through licensed franchises under the name DIRECT LINK® ("Direct Link Franchises"), and nothing in this Agreement prohibits Franchisor from operating or granting Direct Link Franchises within Franchisee's Territory. Franchisee acknowledges that an affiliate of Franchisor named T.B. Franchising Systems, Inc. offers residential maintenance, repair, lawn care, and residential cleaning services through licensed franchises under the name TRUBLUE, and nothing in this Agreement prohibits Franchisor's affiliate from operating or granting TruBlue Franchises within Franchisee's Territory. The territorial protection granted under this Section does not extend to the solicitation of employees, and nothing in this Agreement prohibits other franchisees of Franchisor from advertising for and soliciting employees in Franchisee's Territory (subject to Section 15.2(b) below). Franchisee's right to exclusively operate the franchised business within Franchisee's Territory (subject to Sections 1.4 through 1.11 below) shall begin once Franchisee has completed Franchisor's initial training program (see Section 7.1 below) and the franchised business has become fully operational.

1.4 National Accounts. The rights granted to Franchisee by this Agreement do not include the exclusive right to offer or provide products or services to National Accounts, and National Accounts are hereby specifically excluded from Franchisor's territorial restrictions in Section 1.3 above. Franchisee acknowledges that other franchisees of the System may provide products and services to National Accounts at or from locations in Franchisee's Territory. With Franchisor's prior written consent, Franchisee may provide products and services to National Accounts at or from locations in a franchise territory granted to another franchisee of the System, if, and only if, that franchisee's franchise agreement contains a provision similar to this Section 1.4 excluding National Accounts or otherwise permitting other franchisees of the System to provide products and services at or from locations in the franchisee's territory. A

“National Account” is any account established with (1) any government body that funds or administers a program that provides funds for or administers any services in two or more territories or (2) any entity that has a member, subsidiary, affiliate, or policy holder that provides funds for or administers any services in two or more territories or two or more standard metropolitan statistical areas. Franchisor retains the sole and exclusive right to identify clients or potential clients as National Accounts, to service National Accounts, and to award the right to service National Accounts to any franchisee of the System, in Franchisor’s sole and absolute discretion. All disputes between franchisees of the System relating to National Accounts will be resolved by Franchisor, whose decision will be final and binding upon all parties.

1.5 Clients. Franchisee acknowledges and agrees that it acquires no rights in or to its clients or client list other than those specifically granted under this Agreement. Upon the expiration or termination of this Agreement for any reason, Franchisor may notify Franchisee’s clients thereof and, without compensation to Franchisee, authorize one or more other Home Helpers franchisees or any other third party to provide Permitted Products and Services to Franchisee’s former clients. If a franchisee provides Permitted Products and Services in a franchise territory before Franchisor grants such territory to a new franchisee, then Franchisor may, in its discretion, allow the pre-existing franchisee to continue to provide Permitted Products and Services to pre-existing clients, but the pre-existing franchisee may not thereafter solicit or accept new clients in any part of the new franchisee’s franchise territory.

1.6 Permitted Activities. The rights granted to Franchisee under this Agreement are limited to the sale of Permitted Products and Services (defined in Article 7) to clients within the Territory. Franchisee shall not promote, offer, sell, provide, or distribute any other goods or services without Franchisor’s prior written approval.

1.7 Performance Standard.

(a) No Performance Standards are in effect until the 25th calendar month after the month Franchisee first becomes obligated to pay the Minimum Royalty under Section 5.1(e). Beginning with the 25th calendar month after the month Franchisee first becomes obligated to pay the Minimum Royalty under Section 5.1(e), and subject to Section 1.7(c), Franchisee must generate Gross Revenues of at least \$30,000 (the “Performance Standard”) each calendar month for the remaining term of this Agreement. Franchisee’s failure to achieve the Performance Standard for any period of six consecutive calendar months will constitute a material default under this Agreement, for which Franchisor will be entitled, in addition to all other remedies available to it under this Agreement, at law or in equity, to: (i) permit other Home Helpers franchisees to offer and provide Permitted Products and Services within the Territory, and/or (ii) unless Franchisee cures the default as provided in subparagraph (b), terminate this Agreement as provided in Article 13.

(b) Franchisee may cure a default under subparagraph (a) only by providing Franchisor with a detailed business plan, in form and substance acceptable to Franchisor, within thirty days after request by Franchisor. The business plan must describe a plan for meeting the Performance Standard within a reasonable period of time, but not more than six months after Franchisor approves the plan. If Franchisee submits the business plan to Franchisor within the thirty-day period, Franchisor shall either approve or disapprove it within fifteen days after receipt. If, in Franchisor’s sole business judgment, the business plan is reasonably achievable, Franchisor will give

Franchisee additional time to meet the Performance Standard in accordance with the plan. If (i) Franchisee fails or refuses to provide a business plan with the thirty-day period, or (ii) Franchisor determines that the plan is not achievable, or (iii) Franchisor approves the business plan but Franchisee nevertheless fails to meet the Performance Standard in accordance with the plan, then Franchisee will have failed to cure its default and Franchisor will be entitled to exercise all remedies available under this Agreement, at law or in equity, without additional opportunity to cure.

(c) If Franchisee has been granted the right to operate the franchised business or another Home Helpers franchise in one or more other franchise territories under other Home Helpers franchise agreements, Gross Revenues from those other territories are not counted for purposes of determining whether Franchisee has achieved the Performance Standard under this Agreement. Franchisee has the sole responsibility to prove, to Franchisor's satisfaction, whether and to what extent Franchisee's Gross Revenues are attributable to the Territory granted under this Agreement.

1.8 Reserved Rights of Franchisor. Franchisor specifically reserves all rights not expressly granted to Franchisee in this agreement.

1.9 Acquisition of Competing System. If Franchisor merges with, acquires, or is acquired by another system of businesses, the continued operation of any branch, franchise, or location of such other system within the Territory under any trade name, trademark, brand name, or commercial symbol other than the Marks will not violate the rights granted to Franchisee by Section 1.3.

1.10 Marketing and Solicitation Restrictions. Franchisee will not directly or indirectly market to or solicit, or provide services to, clients whose principal residence is inside the protected territory of any other Home Helpers franchisee. If Franchisee provides services to such a client, then Franchisee will be in violation of this Franchise Agreement. Within 10 days of receiving written notice of such violation, Franchisee must submit all Gross Revenues earned from servicing such clients to Franchisor. If Franchisee receives an inquiry for services from a potential client whose principal residence is inside the protected territory of another Home Helpers franchisee, then Franchisee shall promptly notify such other franchisee of the inquiry and provide appropriate contact information for the potential client.

1.11 Skilled Medical Services. As of the Effective Date of this Agreement, Home Helpers franchisees are permitted, but not required, to provide Skilled Medical Services. If Franchisee does not provide Skilled Medical Services by the second anniversary of the Effective Date, then Franchisor may, in its sole discretion, permit a Home Helpers franchisee that does provide Skilled Medical Services to provide Skilled Medical Services to clients in the Territory. If a client of such other Home Helpers franchisee requests Permitted Products and Services other than Skilled Medical Services, then the Home Helpers franchisee may also provide other Permitted Products and Services to such client. "Skilled Medical Services" are services that require the oversight of a licensed medical professional and include, by way of example, medication management, care management, vital sign monitoring, oxygen monitoring, colostomy care management, diabetic care management, and minor wound care. Nothing in this section alters the rights granted to Franchisor by Section 7.3.

ARTICLE 2

TERM AND RENEWAL

2.1 Initial Term. Except as otherwise provided, the term of this Agreement shall commence on the Effective Date (as defined in the last paragraph of this Agreement) and expire on the tenth anniversary of the Effective Date.

2.2 Renewal. Franchisee may, at its option, renew the license granted under this Agreement for two additional consecutive terms of ten years each, provided that Franchisee complies with the following requirements:

(a) Franchisee shall give Franchisor written notice of its election to renew not less than six months, but not more than one year, prior to the tenth anniversary of the Effective Date;

(b) Franchisee is not in default under any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement or instrument between Franchisor and Franchisee, and has substantially complied with all of the terms and conditions of all such agreements during the respective terms thereof;

(c) Franchisee shall execute Franchisor's then current form of Franchise Agreement (with appropriate modifications to reflect the fact that it relates to the renewal of a franchise), which will supersede in all respects this Agreement, and the terms of which may differ from the terms of this Agreement, including, without limitation, different rates for National Branding Fees and Royalties, except that Franchisee will not be required to pay an initial franchise fee or its equivalent;

(d) If permitted by the laws of the state in which Franchisee is located, Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its subsidiaries and affiliates, and their respective officers, directors, agents and employees, in their corporate and individual capacities; and

(e) Franchisee shall comply with Franchisor's then current qualification and training requirements, including, without limitation, any training requirements specifically designed for renewing Franchisees.

2.3 Continued Operation Following Expiration. Unless Franchisee exercises its option to renew the license granted under this Agreement in accordance with this Article, Franchisee has no right to continue to operate the franchised business after the Expiration Date. If Franchisor permits Franchisee to continue to operate the franchised business after the Expiration Date, but before the execution by Franchisee of a new franchise agreement for a new term as required by Section 2.2(c) above, then the temporary continuation of the franchised business will be on a month-to-month basis, and will be terminable at the will of Franchisor by giving Franchisee written notice of termination at least thirty days before the termination is effective. If the laws of the jurisdiction in which the Franchisee is located require a longer notice period, the thirty-day period will be deemed modified to be the shortest notice period required by the laws of such

jurisdiction. If Franchisor permits Franchisee to renew the license granted under this Agreement after a month-to-month continuation of the franchised business, then Franchisee must pay to Franchisor a fee of \$1,000 per month for every month of month-to-month operation after the Expiration Date, up to Franchisor's then-current initial franchise fee.

ARTICLE 3

LOCATION OF BUSINESS

Franchisee shall lease, purchase or otherwise secure suitable premises for the operation of the franchised business (the "Premises"). Franchisee may operate the franchised business from Franchisee's residence if permitted by, and so long as Franchisee fully complies with, all applicable laws, licensing, zoning and other requirements and restrictions. If the residence used as the Premises is located outside the Territory, Franchisee shall, before opening the franchised business, obtain and maintain at all times during the Term a mailing address located in the Territory. If the Premises are not the residence of Franchisee or a principal of Franchisee, the Premises must be located in the Territory. Franchisee shall provide Franchisor with the address of the Premises prior to opening the franchised business, and shall notify Franchisor in writing by certified mail, return receipt requested, of any change in the location of the Premises, or any change in Franchisee's business address or e-mail address, at least thirty days before the change.

ARTICLE 4

FRANCHISE FEE

4.1 Amount of Franchise Fee. Franchisee shall pay to Franchisor a "Franchisee Fee" of \$50,900.00¹. The Franchise Fee is fully earned, due and payable to Franchisor upon the execution of this Agreement, in consideration of, among other things, the administrative and other expenses incurred by Franchisor in furnishing items to Franchisee as described in Article 6 and for Franchisor's lost or deferred opportunity to franchise to others. Except as provided in Section 1.2 above, the Franchise Fee is not refundable.

4.2 Payment of Franchise Fee. The Franchise Fee is payable as follows:

(a) Franchisee shall pay the Franchise Fee to Franchisor at the time Franchisee executes the Franchise Agreement.

(b) If Franchisee meets Franchisor's credit standards, Franchisee may pay the balance of the Franchise Fee by executing a promissory note (the "Installment Note") and by paying Franchisor \$_____ in cash, check, money order or bank draft concurrently with the execution of this Agreement. The maximum principal amount of the Installment Note is \$20,000.00. The Installment Note for the balance of the Franchise Fee is \$_____ plus simple interest at the rate of 10% per year, and will be payable in ___ monthly installments of \$_____ each. The first installment shall be due and payable on the first day of the month immediately following the first full month in which Franchisee completes the initial training program.

¹ All dollar figures are in United States currency.

(c) Franchisee may (or, if Franchisee fails to meet Franchisor's credit standards, shall) pay the entire amount in cash or by check, money order or bank draft at the time of executing this Agreement, in which event the Franchise Fee shall be discounted to \$44,900.00.

ARTICLE 5

PERIODIC FEES

5.1 Royalty.

(a) Franchisee shall pay Franchisor a "Royalty" by the fifth day of each month. The amount of the Royalty is 6% (the "Royalty Rate") of Franchisee's Gross Revenues for the preceding month, or the "Minimum Royalty" (defined in subparagraph (e) below), whichever is greater. The Royalty is solely in consideration of Franchisee's continued right to use the Marks.

Franchisee is not obligated to pay the Minimum Royalty until the fifth day of the third calendar month immediately following the month in which Franchisee or the Designated Individual completes the initial training program required by Section 7.1, unless (1) Franchisee has operated a Home Helpers franchise under another franchise agreement with an effective date at least six months earlier than the Effective Date of this Agreement; or (2) Franchisee acquired the Territory from another Home Helpers franchisee.

(b) As an incentive to Franchisee to fully develop the franchised business and the Territory, if Franchisee is in Good Standing, it may apply to Franchisor for a reduced Royalty Rate for annual Gross Revenues in excess of certain benchmarks established by Franchisor. The Royalty Rate is based upon Franchisee's level of total Gross Revenues in each calendar year as provided in the following Table 5.1:

Table 5.1

Benchmark Amount	Royalty Rate
First \$500,000 of Annual Gross Revenues	6%
Next \$500,000 of Annual Gross Revenues	5%
Next \$2,000,000 of Annual Gross Revenues	4%
Next \$2,000,000 of Annual Gross Revenues	3½%
Over \$5,000,000 of Annual Gross Revenues	3%

If Franchisee has been granted the right to operate the franchised business or another Home Helpers franchise in one or more other franchise territories under other Home Helpers franchise agreements, Gross Revenue from those other territories are not counted for purposes of determining whether Franchisee is entitled to a Royalty Rate adjustment under subsections 5.1(b) and (c). Franchisee has the sole responsibility to prove, to Franchisor's satisfaction, whether and to what extent Franchisee's Gross Revenues are attributable to the Territory granted under this Agreement.

(c) The Royalty Rate at the beginning of each calendar year will be 6%. When Franchisee attains a new Gross Revenues benchmark, before Franchisee is entitled to calculate and pay Royalties at a rate less than 6% (or such lower Royalty Rate for which Franchisee has already been approved), Franchisee must request and Franchisor must approve the Royalty Rate adjustment. The request must be submitted to Franchisor in writing within three months after the end of the calendar month in which Franchisee attained the applicable benchmark (the "application period"). If Franchisee is in Good Standing when Franchisor receives the request and is otherwise entitled to a reduction under this Section 5.1, then Franchisor shall approve the Royalty Rate adjustment to be effective beginning in the calendar month following the month in which Franchisee's Gross Revenues reached the applicable benchmark. All Royalty Rate adjustments will expire at the end of each calendar year. If Franchisee is not in Good Standing when Franchisor receives the request or is otherwise not entitled to a reduction, Franchisor shall notify Franchisee in writing of the specific reasons for refusing the request. If the reduction was refused because Franchisee is not in Good Standing, but Franchisee becomes in Good Standing and satisfies Franchisor thereof before the end of the application period, then Franchisor shall approve the Royalty Rate adjustments to be effective beginning in the calendar month following the month in which Franchisee became in Good Standing. If, within the application period, Franchisee fails to request a reduction for a benchmark or, after submitting a request, is not and fails to become in Good Standing, then the Royalty Rate adjustment for that benchmark is forfeit for the duration of that calendar year. If Franchisee ceases to be in Good Standing at any time after being approved for a Royalty Rate adjustment, then the Royalty Rate adjustment will be forfeit and Franchisee shall resume paying a Royalty Rate of 6%.

(d) "Good Standing" means that Franchisee and each of its Principals and affiliates are not in default of any obligation to Franchisor or any affiliate of Franchisor, whether arising under this Agreement or any other agreement between Franchisee (and/or its Principals and affiliates) and Franchisor (and/or any affiliate of Franchisor), under the Manual, or under other System Standards (collectively, the "Obligations"). Franchisee is not in Good Standing if Franchisee has been in default of any Obligation and the default is incurable by nature or part of a series of repeated defaults as defined in this Agreement.

(e) Beginning on the Effective Date and continuing until the Performance Standard under Section 1.7 is in effect, the Minimum Royalty is \$300. Once the Performance Standard is in effect and continuing thereafter for the duration of this Agreement, the Minimum Royalty is 6% of the Performance Standard in effect for the preceding month.

5.2 National Branding Fee. Franchisee shall pay, to the Fund established in accordance with Article 11 of this Agreement, a National Branding Fee of two percent (2%) of Franchisee's Gross Revenues for the preceding month, or \$350.00, whichever is greater. All National Branding Fees shall be payable on or before the fifth day of each month. Franchisee is not obligated to pay the National Branding Fee until the fifth day of the third calendar month immediately following the month in which Franchisee or the Designated Individual completes the initial training program required by Section 7.1, unless (1) Franchisee has operated a Home Helpers franchise under another franchise agreement with an effective date at least six months earlier than the Effective Date of this Agreement; or (2) Franchisee acquired the Territory from another Home Helpers franchisee. Franchisor has the right to increase the amount of the

National Branding Fee at any time in its sole discretion. Any increase in the National Branding Fee shall be effective thirty (30) days after Franchisee's receipt of written notice thereof.

5.3 Late Payment. Franchisee shall pay (to Franchisor or to the Fund, as the case may be) a late fee of \$50.00 or 10% of the amount due, whichever is greater, on any payment (including, without limitation, amounts due for Royalties, National Branding Fees, Installment Note payments, or goods or services provided by the Fund, by Franchisor or any affiliate of Franchisor) that is not received by Franchisor within five (5) days after the due date. Any payments that are not received by Franchisor within thirty (30) days after the same become due shall bear interest at the rate of eighteen percent (18%) per annum, or the highest rate allowed by law, whichever is lower, from the date payment is due to the date payment is received by Franchisor, regardless of any subordinate agreement that may be in effect to postpone payment.

5.4 Gross Revenues. The term "Gross Revenues" means all income (cash, credit, and all other consideration) recognized on an accrual basis and regardless of actual receipt, by Franchisee or any spouse or child of Franchisee or its principal: (i) in connection with the operation of the franchised business or any competing business; (ii) from the sale of any authorized products or services (as modified from time-to-time by Franchisor in accordance with this Agreement); or (iii) from the sale of goods or services under, using, or in connection with the Marks. "Gross Revenues" does not include receipts attributable to a Direct Link franchise owned by Franchisee, or value-added, sales, use, excise, or other taxes that are separately stated and that Franchisee is required by law to collect and does collect from clients and pays to any governmental taxing authority.

5.5 Taxes on Amounts Paid to Franchisor. All payments required to be made by Franchisee to Franchisor pursuant to this Agreement shall be the gross amount determined according to the applicable paragraph, without deduction for any sales, use, withholding, gross receipts, income, or other taxes that may be levied or assessed thereon by any state, county, or municipality in which the franchised business is located or operates, in which Franchisee resides, or which otherwise possesses the power to tax Franchisee or the franchised business. Franchisee shall remit to the appropriate taxing authorities all sales, use, withholding, gross receipts, income, or other taxes levied or assessed on amounts paid by Franchisee to Franchisor which would otherwise be due from Franchisor, shall promptly deliver to Franchisor receipts of applicable governmental authorities showing that all such taxes were properly paid in compliance with applicable law, and shall indemnify and defend Franchisor and hold Franchisor harmless from and against all liability for such taxes (including interest and penalties thereon). Franchisee shall fully and promptly cooperate with Franchisor to provide such information and records as Franchisor may request in connection with any application by Franchisor to any taxing authority with respect to any tax credits.

5.6 Method of Payment.

(a) Franchisee shall make all payments to Franchisor at such address as Franchisor may provide to Franchisee. Franchisor reserves the right to require Franchisee to make all payments to Franchisor, including Royalties, National Branding Fees, interest, late fees, and legal expenses, through an electronic depository transfer account ("EDT Account") established at a national banking institution approved by Franchisor. At such time as Franchisor may require, Franchisee shall establish the EDT Account and execute and deliver to Franchisor an authorization for electronic funds transfer for direct

debits from the EDT Account. At all times thereafter during the term of this agreement, Franchisee shall ensure that Franchisor has access to Franchisee's EDT Account for purposes of receiving electronic funds transfer payments, and Franchisee shall comply with procedures specified by Franchisor and perform such acts as may be necessary to accomplish payment by electronic funds transfer. Franchisee hereby authorizes Franchisor to initiate debit entries and credit correction entries to the EDT Account for payment of Royalties, National Branding Fees, interest, late fees, legal expenses, and any other amounts payable to Franchisor or any affiliate of Franchisor. Franchisee shall make funds available to its EDT Account in sufficient amounts to meet its obligations as they become due. If any debit properly initiated by Franchisor from Franchisee's EDT Account is denied or charged back due to nonsufficient funds or the closing of the EDT Account, Franchisee shall (1) pay Franchisor a \$50 charge-back fee, (2) reimburse Franchisor for all bank and transaction charges incurred by Franchisor as the result of the charge-back, and (3) pay interest on the unpaid amount going back to the fifth day of the month in which the payment was due. Franchisee may not close the EDT Account without Franchisor's consent. Franchisee reserves the right to require Franchisee to remit payments in any manner other than through the EDT Account.

(b) If Franchisee has not timely reported Franchisee's Gross Revenues to Franchisor for any reporting period, then Franchisor shall debit Franchisee's EDT Account by an amount equal to the prescribed fee, plus 125% of the Royalty and National Branding Fee that Franchisor was entitled to debit in the prior reporting period. If the amounts debited are less than the amounts Franchisee actually owes (once Franchisor determines Franchisee's true Gross Revenues for the reporting period), Franchisor shall debit the EDT Account for the balance of the Royalty and National Branding Fee due on the date specified by Franchisor. If the amounts debited are greater than the amounts Franchisee actually owes (once Franchisor determines Franchisee's true Gross Revenues for the reporting period), Franchisor shall credit the excess against the amount Franchisor otherwise would debit from the EDT Account during the following month, without interest. Nothing in this paragraph is to be construed to waive, postpone, or suspend Franchisee's obligations to submit any reports, records, or other materials required by this agreement. Franchisee acknowledges that its failure to accurately report Gross Revenues when due constitutes a breach of this agreement, notwithstanding the provisions of this paragraph.

(c) Franchisor may, after providing thirty days notice, alter the payment period for the Royalty, National Branding Fee, and any other required payments from monthly to weekly, biweekly, or such other period as Franchisor designates.

5.7 Technology Fee. Franchisor may charge Franchisee a technology fee for Internet marketing, web hosting, search engine optimization, email addresses, software license or development fees, and other technology tools provided or developed by Franchisor.

5.8 Application of Payments. As to Franchisee, Franchisor has the right to: (i) apply any payments received to any past-due, current, or future indebtedness of any kind, regardless of any instructions for the application of the payment from Franchisee or anyone else; (ii) set off from any amounts that may be owed by Franchisor, any amount owed to Franchisor or any National Branding Fund; and (iii) retain any amounts received for Franchisee's account, whether rebates from suppliers or otherwise, as a payment against any amounts owed to

Franchisor. Franchisor may exercise any of these rights in connection with amounts owed to or from Franchisor, any Franchisor-Related Person, and/or any National Branding Fund.

ARTICLE 6

DUTIES OF FRANCHISOR

6.1 Assistance by Franchisor. Franchisor, at its sole expense and cost, shall, following the execution of this Agreement, provide the following assistance and materials to Franchisee:

- (a) A schedule of all equipment necessary to operate the franchised business;
- (b) Initial training for up to two persons, one of which has been approved by Franchisor as the person responsible for the day-to-day operation of the franchised business, for up to a one-week period at one of Franchisor's approved training facilities;
- (c) A current set of advertising and promotional templates;
- (d) Approved and readily available sources for purchasing supplies, advertising and marketing materials, computer hardware and software, and other items necessary for the operation of the franchised business;
- (e) Periodic assistance from Franchisor's representatives via telephone or electronic mail to the extent Franchisor deems necessary; and
- (f) Such other materials, information and assistance as Franchisor may from time to time deem necessary.

6.2 Products, Supplies and Materials. Following the execution of this Agreement, Franchisor will furnish Franchisee with one copy of each of the business and reporting forms for use by Franchisee in the franchised business. Thereafter, Franchisee may purchase additional amounts of any of the business and reporting forms from any approved supplier. At its election, Franchisor may provide the forms in a digital format. Upon request, Franchisor will provide Franchisee with specifications for the proper preparation of the business and reporting forms, and Franchisee shall have the option to purchase from a supplier who has complied with Franchisor's supplier approval guidelines as described in Section 7.5 of this Agreement. Since all business and reporting forms will bear the Marks, each supplier shall also be required to execute a License Agreement setting forth the manner in which the Marks are to be imprinted, the required text on such materials, and other necessary specifications and standards for the preparation of such materials.

6.3 Manual. Franchisor shall loan Franchisee, at no charge to Franchisee, one (1) copy of Franchisor's current Manual (which may consist of one or more volumes and may be provided digitally via a franchisee intranet, compact disk or DVD) as described in Article 9 of this Agreement.

ARTICLE 7

DUTIES OF FRANCHISEE

7.1 Training. At least one person designated by Franchisee, who has been approved by Franchisor as the person responsible for the day-to-day operation of the franchised business, but not more than two persons, must complete, to Franchisor's satisfaction, Franchisor's initial training program described in Section 6.1(b) herein. In connection therewith, Franchisor shall provide and pay for the instructors, training facilities, and training materials utilized in such training. Franchisee shall be responsible for all other expenses incurred by Franchisee or its trainees, including, without limitation, the cost of travel, room, board and wages. If Franchisee (or Franchisee's designee) fails to complete the training program to the satisfaction of Franchisor, or fails to begin the training program within ninety (90) days after the execution of this Franchise Agreement, then Franchisor shall have the right to terminate this Agreement. At least one (1) person designated by Franchisee, who has been approved by Franchisor as the person responsible for the day-to-day operation of the franchised business, also shall attend and complete, to Franchisor's satisfaction, such other training programs as Franchisor may reasonably require from time to time. Franchisor, at its option, may charge Franchisee a fee for any such additional training. Franchisee shall be responsible for all expenses incurred by Franchisee or its trainees in connection with any such additional training, including, without limitation, the cost of travel, room, board and wages, and any training fee charged by Franchisor.

7.2 System Standards. Franchisee acknowledges and agrees that every detail of the System is important, not only to Franchisee but also to Franchisor and other Home Helpers franchisees, in order to develop and maintain high and uniform operating standards, to increase the demand for the products and services offered by all franchisees, to establish and maintain a reputation for uniform, efficient, high quality services, and to protect the goodwill of all Home Helpers franchises. Franchisee further acknowledges and agrees that a fundamental requirement of the System, this Agreement, and other Home Helpers franchises is adherence by all franchisees to the uniform specifications, standards, operating procedures and rules prescribed by Franchisor for the development and operation of the franchised business (hereafter referred to as "System Standards"). Accordingly, Franchisee agrees to comply with each and every System Standard, as periodically modified and supplemented by Franchisor in its sole and absolute discretion, during the term of this Agreement. Franchisee further agrees that System Standards prescribed from time to time in the Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth in this Agreement. All references to this Agreement include all System Standards as periodically modified.

7.3 Products and Services. Franchisee shall offer and sell all products and services, and only those products and services, authorized by Franchisor and specified in the Manual or as designated in writing by Franchisor ("Permitted Products and Services"). Franchisor may unilaterally add and delete products or services to or from the Permitted Products and Services at any time. Franchisor may also designate any products or services as optional. Prior to Franchisee offering and selling the Permitted Products and Services, Franchisee shall comply with all applicable local, state and federal laws and other requirements and submit proof of its compliance to Franchisor.

7.4 Fixtures and Furnishings. Franchisee, at its own expense, shall purchase and install the Communication and Information System as specified in Section 7.15 below, and all fixtures, furnishings, signs, and other equipment as may be specified by the System Standards from time to time. Franchisee shall not permit the installation of any fixtures, furnishings, signs, or other equipment not conforming to the System Standards.

7.5 Supplier Approval. Franchisee shall purchase all marketing materials, business cards, business stationery, fixtures, furnishings, equipment and services used in the franchised business solely from suppliers who demonstrate to Franchisor's continuing reasonable satisfaction the ability to meet Franchisor's then current standards and specifications (including pricing) for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved, in writing, by Franchisor and not thereafter disapproved. If Franchisee desires to purchase any items from an unapproved supplier, Franchisee shall submit to Franchisor by certified mail, return receipt requested, a written request for approval or shall request the supplier itself to do so. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at Franchisor's option, either to Franchisor or to an independent certified laboratory designated by Franchisor, for testing, and the actual cost for the tests shall be paid by Franchisee or the supplier. Franchisor shall notify Franchisee of Franchisor's approval or disapproval within thirty days after Franchisor's receipt of all information requested by Franchisor. Franchisor has the right to condition its approval of any supplier upon benefits to Franchisor and/or its affiliates based upon purchases by Franchisee and/or other Home Helpers franchisees. Franchisor and/or its affiliates may derive income or receive benefits as a result of Franchisee's and/or other Home Helpers franchisees' purchase of items. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier, and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's criteria. Franchisor may require Franchisee to purchase certain goods or services exclusively from one or more designated suppliers, or to purchase cooperatively with Franchisor or other franchisees of the System, in order to maintain Franchisor's quality standards or to take advantage of price discounts, benefits, or other sales incentives. Franchisor and/or its affiliates have the right to receive rebates, discounts, allowances, and other payments from suppliers in respect of group purchasing programs and otherwise on account of the suppliers' dealings with Franchisee and other Home Helpers franchisees, which Franchisor is entitled to retain and use without restriction for any purpose and without accounting to Franchisee.

7.6 Business Operation. Franchisee must open the franchised business within ninety (90) days after Franchisee or Franchisee's designee completes the initial training program required by Section 7.1. After opening, Franchisee shall maintain the franchised business in continuous operation during the term of this Agreement. Franchisee shall not use or permit the use of the Premises on which the franchised business is located for any other purpose or activity other than the operation of the franchised business, without first obtaining the written consent of Franchisor (*provided, however*, that this restriction shall not apply if Franchisee's residence is the Premises). The franchised business must at all times be under the direct supervision of the Franchisee (or such person as has been approved in writing by Franchisor and has successfully completed Franchisor's initial training program and any other mandatory training programs) who must devote his full time and energy to the operation of the franchised business.

7.7 Payment of Liabilities and Taxes. Franchisee shall pay its distributors, lessors, contractors, suppliers, trade creditors, employees, and other creditors promptly as the debts

and obligations to such parties become due, and pay all taxes on real and personal property, leasehold improvements and fixtures and equipment, and all sales and use, income, payroll and other taxes promptly when due and hold Franchisor harmless therefrom. Franchisee's failure to do so shall constitute a breach of this Agreement. All taxes shall be paid directly to the taxing authorities prior to the delinquent date. If Franchisee shall fail to pay any such obligations promptly as the debts to such parties become due, or if any taxes become delinquent, Franchisor, in addition to its other remedies provided in this Agreement, may elect to pay any such obligation or delinquent tax on behalf of Franchisee, together with late charges, penalties and interest, if any, and Franchisee shall, upon demand, reimburse Franchisor for any sums so paid by Franchisor, together with interest at the rate of eighteen percent (18%) per annum, or the highest rate allowed by law, whichever is less, from the date of payment by Franchisor to the date of reimbursement by Franchisee.

7.8 Records. During the term of this Agreement, Franchisee shall maintain and preserve, for at least six years from the date of their preparation, full, complete and accurate books and records of account, prepared in accordance with generally accepted accounting principles, and client files and records pertaining to the franchised business granted pursuant to this Agreement, all in the form and manner prescribed by Franchisor in the Manual or otherwise in writing. In connection with its maintenance of such accounts and records, Franchisee, at its expense, shall:

- (a) Submit to Franchisor, on or before the fifth day of each month during the term of this Agreement, a revenue Sales Report in the form prescribed by Franchisor and certified by Franchisee or by the Designated Individual, accurately reflecting all Gross Revenues during the preceding calendar month, and such other data or information as Franchisor may require. Franchisor may, after providing 30 days written notice, require the reporting of Sales Reports to be weekly, biweekly, or at such other interval as Franchisor designates;
- (b) Submit to Franchisor, within ninety days after the end of each calendar year, an income statement for the preceding calendar year, certified by Franchisee or by the Designated Individual as accurately reflecting the results of operations of the franchised business for the preceding calendar year, together with such other information as may be prescribed by Franchisor;
- (c) Submit to Franchisor signed copies of Franchisee's federal income tax return for the previous tax year, as filed with the Internal Revenue Service, on or before April 30 of each year, or, if Franchisee has received an extension of time to file and submits to Franchisor, by April 30, a signed, file-stamped copy of IRS Form 4868 or 2688, as applicable, then within fifteen days after the final due date for such return, but in no event later than October 30 of each year;
- (d) Submit to Franchisor, within ten days after request, such other forms, reports, bank statements, client files, records, information, and data as Franchisor may reasonably request;
- (e) Use only the chart of bookkeeping accounts prescribed by Franchisor in the Manual or otherwise communicated to Franchisee;

(f) Purchase and install such equipment as Franchisor may require to automate the reporting of financial information and the payment of recurring fees by Franchisee pursuant to this Agreement, including, but not limited to, Internet or intranet reporting and pre-authorization of electronic fund transfer or bank debit; and

(g) At all times during the term of this Agreement and for a period of three years after the termination or expiration of this Agreement, permit Franchisor or its designated agents at all reasonable times to examine, at Franchisor's expense and at such location as Franchisor may reasonably select, Franchisee's books and records of account, bank statements, canceled checks, client files, federal, state, and local income tax, sales tax, and payroll tax returns, and any other information or records pertaining to the franchised business (hereafter collectively referred to as Franchisee's "Business Records"). If such an inspection should reveal that Gross Revenues (as defined in Section 5.4 hereof) have been understated in any report to Franchisor, then Franchisee shall immediately pay Franchisor, upon demand, the Royalty payable on the amount of such understatement, plus the late fee and interest described in Section 5.3. In addition, if an inspection discloses an understatement of Gross Revenues of 3% or more for any monthly period so inspected, or if an inspection is prompted by Franchisee's failure to maintain any records or to timely submit any report or other information required by this Agreement, then Franchisee shall also reimburse Franchisor for any and all costs and expenses of such inspection (including, without limitation, wages paid by Franchisor to its employees, travel expenses, and reasonable accounting and attorneys' fees). Franchisee, upon Franchisor's request, shall provide Franchisor the tax returns of Franchisee's principals if Franchisor reasonably suspects that Gross Revenues are understated. The foregoing remedies shall be in addition to any other remedies Franchisor may have. Franchisor shall also have the right, at all times during the term of this Agreement and for a period of three years after the termination or expiration of this Agreement, to have an independent audit made of Franchisee's Business Records. The terms of this paragraph shall survive the expiration, termination, or cancellation of this Agreement.

7.9 Indemnity and Insurance.

(a) Franchisee shall indemnify, hold harmless, and defend Franchisor against and from, and reimburse Franchisor for, all fines, proceedings, claims, demands, or actions of any kind or nature and by or from anyone whomsoever, arising, directly or indirectly, out of, related to, or otherwise connected with Franchisee's operation of the franchised business or failure to comply with this Agreement (excluding, however, liabilities caused by (i) Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or (ii) Franchisor's negligence).

(b) Franchisee shall, prior to the opening of the franchised business and thereafter at all times during the entire term of this Agreement, at its own expense, keep in force by advance payment of premium the following insurance coverages:

- (i) All-Risk Insurance on all furniture, fixtures, equipment, supplies and other property used in the operation of the franchised business, for their full replacement cost.
- (ii) Commercial General Liability Insurance on an occurrence basis covering claims for bodily and personal injury, death, property damage, product liability,

and contractual liability with a minimum per occurrence limit of \$2,000,000 and a minimum general aggregate limit of \$4,000,000 per policy year.

- (iii) Professional Liability Insurance on an occurrence basis with a minimum per occurrence limit of \$2,000,000 and a minimum general aggregate limit of \$4,000,000 per policy year. The policy may contain a sublimit of not less than \$250,000 for abuse and molestation claims.
- (iv) Automobile Liability Insurance covering owned, hired, and non-owned vehicles with a minimum combined single limit for each accident of \$1,000,000.
- (v) Worker's Compensation Insurance that complies with the statutory requirements of the state in which the franchised business is located and Employers' Liability Insurance with a minimum limit of \$100,000 or, if greater, the statutory minimum limit if required by state law.
- (vi) Employment Practices Liability Insurance with a \$500,000 minimum limit covering defense costs and damages (whether paid pursuant to judgment or settlement) for claims of sexual harassment, discrimination and wrongful termination, with a third-party endorsement to respond to client allegations of similar wrongful acts.
- (vii) A first-party and third-party Fidelity Bond (or Employee Dishonesty Insurance) with a minimum limit of \$25,000 per incident. The policy must NOT contain a Conviction Clause.

Franchisee shall maintain such other insurance as may be required by statute or rule of the state or locality in which the franchised business is located and operated and by any lease to which Franchisee is a party. All policies of insurance that Franchisee is required to maintain hereunder (except for the Workers' Compensation Insurance) shall have a deductible of not more than \$1,000 and shall name Franchisor as an additional insured. All insurance shall be placed with an insurance carrier or carriers approved in writing by Franchisor and shall not be subject to cancellation except upon thirty days written notice to Franchisor. Franchisee shall submit to Franchisor, before commencing business, certifications of insurance (with a copy of the original policy attached) and a workers' compensation certificate of premium payment, showing full compliance with the requirements of this paragraph, and shall keep current certifications on deposit with Franchisor at all times during the term of this Agreement. Franchisee shall not open or operate the franchised business until and unless Franchisee has complied and remains in compliance with all of the requirements of this paragraph. If Franchisee fails to comply with these requirements, Franchisor may (but shall not be obligated to) obtain the required insurance and keep it in force and effect, and Franchisee shall pay Franchisor, upon demand, the cost thereof, together with interest thereon at the rate of eighteen percent (18%) per annum, or the highest rate allowed by law, whichever is less. Franchisor, upon not less than thirty (30) days written notice to Franchisee, may reasonably increase the minimum coverage for any insurance required hereunder, decrease the maximum deductible, or require different or additional kinds of insurance coverage to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. The terms of this paragraph shall survive the expiration, termination, or cancellation of this Agreement.

(c) The insurance required by subparagraph (b) above is for Franchisor's protection. Franchisee is advised to consult with its own insurance agents and legal counsel to determine what types and levels of insurance protection may be needed or advisable in addition to the coverages and limits required by Franchisor.

7.10 Non-Individual Franchisee. If Franchisee is an individual(s), he, she or they shall, within 90 days after signing this Agreement, form a business entity for the purpose of operating the franchised business. Such business entity shall comply with subparagraphs (a) through (k) below. If Franchisee is other than an individual, Franchisee shall comply with the requirements of subparagraphs (a) through (k) below prior to its execution of this Agreement:

(a) Franchisee shall be newly organized and its charter, articles of organization, bylaws, or operating agreement shall provide that its activities are confined exclusively to operating the franchised business;

(b) Franchisee shall have provided Franchisor with written information as to each shareholder, member, or partner of Franchisee ("Principal"), and the ownership interest of each, on Exhibit A hereto, shall promptly notify Franchisor of any changes in any such information during the term of this Agreement, and shall prescribe a maximum of ten Principals;

(c) All Principals of Franchisee shall enter into an agreement, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of Franchisee's obligations to Franchisor;

(d) Each ownership certificate of Franchisee shall have conspicuously endorsed upon its face the following legend:

"The transfer, sale or pledge of these shares is subject to the terms and conditions of a Franchise Agreement entered into with H.H. Franchising Systems, Inc.";

If Franchisee is a partnership or limited liability company without certificates evidencing ownership, Franchisee shall provide Franchisor with acceptable evidence that its partnership or operating agreement or other organizational documents contain provisions acceptable to Franchisor prohibiting the transfer of any ownership interest in Franchisee other than in compliance with the terms of this Agreement. Franchisee shall not cause or permit any such provision to be deleted or modified during the term of this Agreement;

(e) Copies of Franchisee's articles of incorporation or organization, by-laws, partnership agreement, operating agreement, and other governing documents, including the resolutions of its Principals or governing board authorizing the execution of this Agreement, shall be furnished to Franchisor for its approval;

(f) Franchisee's legal name shall not consist of or contain the words HOME HELPERS, any colorable variation thereof, or any other mark in which Franchisor has or claims a proprietary interest;

(g) Franchisee shall not operate any other business or engage in any other business activities except the operation of one or more Home Helpers franchises and one or more Direct Link franchises;

(h) Franchisee shall not cause or permit any provision of its organizational and governing documents to be modified or restated without Franchisor's prior written approval;

(i) Within ten days after Franchisor's request or after any change in the Principals of Franchisee, Franchisee shall provide Franchisor with an updated list of Principals;

(j) Upon request Franchisee shall provide Franchisor with copies, certified by a Principal, of Franchisee's organizational and governing documents; and

(k) Each new Principal must execute an agreement, in a form prescribed by Franchisor, to be jointly and severally bound by all the provisions of this Agreement, including the post-termination Provisions.

7.11 Compliance with Law. Franchisee agrees to comply with all laws, regulations and requirements of federal, state, municipal, and other governmental entities and agencies (including, without limitation, all federal health care industry standards, local health care regulations and various licensing standards, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, state or local fictitious or assumed name registration requirements, and any federal, state or local employment laws), and to obtain and maintain any and all licenses and permits required by any governmental agencies or otherwise necessary to conduct the franchised business in any jurisdiction in which it operates. Franchisee shall submit to Franchisor documented proof of its compliance with all licensing requirements necessary to lawfully provide particular Permitted Products and Services before providing such Permitted Products or Services. Franchisee shall submit documented proof of its compliance with all other local, state or federal laws or regulations within five days of Franchisor's request, unless Franchisor authorizes in writing a longer period of time for Franchisee's compliance. Franchisee agrees and acknowledges that Franchisee alone shall be responsible for compliance with the obligations under this paragraph, and that Franchisor shall have no obligation with respect to Franchisee's compliance under this paragraph.

7.12 Client Dispute Resolution. Franchisee acknowledges that client satisfaction is essential to Franchisee's success as well as the reputation and success of the System and other Home Helpers franchisees. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the satisfaction of each of Franchisee's clients; (ii) use good faith in all dealings with clients, potential clients, referral sources, suppliers and creditors; (iii) respond to client complaints in a courteous, prompt, and professional manner; (iv) use its best efforts to promptly and fairly resolve client disputes in a mutually-agreeable manner; and (v) within seven (7) days of receiving a request from Franchisor, provide Franchisor a written summary of the dispute. If Franchisee fails to resolve a dispute with a client, for any reason whatsoever, Franchisor, in its sole discretion and for the sole purpose of protecting the goodwill and reputation of the System and the Marks, may (but shall not be obligated to) investigate the matter and take such action as Franchisor may deem necessary or appropriate to resolve the dispute fairly and promptly, including, without limitation, the issuance of a refund on Franchisee's behalf. Within ten days after receiving notice thereof, Franchisee shall reimburse Franchisor for any moneys refunded to a client on Franchisee's behalf. Nothing contained in this Section or any other provision of

this Agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

7.13 Background Review of Employees. Franchisee acknowledges and understands that Franchisee's employees will be entering clients' residences for the purpose of selling and providing Permitted Products and Services. Accordingly, in order to ensure the safety of Franchisee's clients, prior to hiring any prospective employee, Franchisee shall conduct a background review of each prospective employee's criminal history and any other histories (such as motor vehicle, medical and/or credit histories) that may be required by System Standards, as updated from time to time and update each employee's background review at least every TWO YEARS. Franchisee shall not hire any prospective employee for any position involving entrance to a client's residence if such prospective employee's background review indicates, in Franchisee's reasonable discretion, a propensity for violence, dishonesty, negligent, reckless or careless behavior, or a conviction for any crime within the past seven (7) years. Franchisor shall not be liable to Franchisee, any employee or prospective employee of Franchisee, or any third party for any act or omission of Franchisee or any employee or agent of Franchisee, and Franchisee shall indemnify, hold harmless and defend Franchisor against and from any and all claims, demands or actions arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, refusal to hire or discrimination claims or claims asserted by third parties for intentional torts allegedly committed by any employee or agent of Franchisee).

7.14 Designated Individual. If Franchisee is other than an individual, prior to beginning the initial training program described in Section 7.1, Franchisee shall designate, subject to Franchisor's reasonable approval, an individual (the "Designated Individual") who shall be responsible for general oversight and management of the operations of the franchised business on behalf of Franchisee. The Designated Individual must attend and successfully complete the initial training program and such other training programs as Franchisor may from time to time require during the term of this Agreement. Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Individual to have been given, by Franchisee, decision-making authority and responsibility regarding all aspects of the franchised business. In the event that the person designated as the Designated Individual dies, becomes incapacitated, leaves Franchisee's employ, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the franchised business, Franchisee shall promptly designate a new Designated Individual, subject to Franchisor's reasonable approval.

7.15 Communication and Information System. To ensure the efficient management and operation of the franchised business and the transmission of data to and from Franchisor, Franchisee, at its own expense, shall install, prior to opening the franchise business, and shall maintain and utilize during the term of this Agreement, such Communication and Information System as may be specified by the System Standards from time to time.

(a) As used in this Agreement, the term "Communication and Information System" shall mean: hardware (including, without limitation, one or more computers and/or other computer components); software designed for the management and operation of the franchised business, as well as reporting and sharing information with Franchisor; and communication systems (including, without limitation, digital and analog modems, satellite, cable, and other systems).

(b) Franchisee shall lease and/or purchase its Communication and Information System only from such vendor or vendors or supplier that Franchisor has approved in writing pursuant to the provisions of Section 7.5 above. Franchisee shall not install, or permit to be installed, any devices, software or other programs not approved by Franchisor for use with the Communication and Information System.

(c) Franchisor may from time to time develop or authorize others to develop proprietary software programs for use in the System, which Franchisee may be required to purchase and/or license, and use, in connection with the franchised business. Franchisee agrees that it shall execute any license, sublicense, or maintenance agreement required by Franchisor or any other approved licensor or approved vendor of such proprietary software programs.

(d) Franchisee shall upgrade and update its Communication and Information System in the manner, and when, specified by Franchisor in writing, in accordance with Section 9.3 below.

(e) Franchisee shall have the sole and complete responsibility for the manner in which Franchisee's Communication and Information System interfaces with other systems, including those of Franchisor and other third parties, as well as any and all consequences that may arise if Franchisee's Communication and Information System is not properly operated, maintained, and upgraded.

(f) Franchisee shall: (1) promptly enter, into its Communication and Information System, and maintain all information required to be entered and maintained by Franchisor; (2) provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained; and (3) permit Franchisor to access Franchisee's Communication and Information System at all times via modem or other means specified by Franchisor from time to time. Franchisee shall cooperate with Franchisor, and shall execute all documents required by Franchisor to permit access to Franchisee's Communication and Information System and data contained therein. The reporting requirements set forth in this Section shall be in addition to and not in lieu of the reporting requirements set forth under Section 7.8 above.

(g) Franchisor shall have the right to use any and all data collected or provided by Franchisee, downloaded from Franchisee's Communication and Information System, and otherwise collected from Franchisee's system by Franchisor and/or provided to Franchisor, in any manner that Franchisor deems appropriate without compensation to Franchisee, including, but not limited to, the disclosure or distribution of such information to other franchisees of Franchisor, or the disclosure of such information to prospective franchisees of Franchisor, by inclusion in Franchisor's franchise disclosure document or otherwise.

(h) Franchisee shall maintain at least one dedicated telephone line for use exclusively by the franchised business, which must be answered by an employee of Franchisee or by an answering service approved by Franchisor during all hours designated by Franchisor from time-to-time. Each telephone line shall have all service features as required by Franchisor in the Manual or otherwise communicated to Franchisee from time-to-time. Franchisor has the right, in its business judgment, to require that Franchisee increase the number of telephone lines to accommodate

Franchisee's call volume or that Franchisee use a designated call center. All lines shall be operational and functional prior to opening the franchised business and thereafter at all times during the term of this Agreement. The telephone number for the franchised business must be listed in a white-pages telephone directory under the business name specified by Franchisor and a location within Franchisee's Territory. Franchisor has the right, but is not obligated, to provide a telephone number for Franchisee's use and Franchisee shall reimburse Franchisor for the cost thereof or shall pay the service provider directly, at Franchisor's option. If Franchisor provides a telephone number for Franchisee's use, Franchisee shall use only the number provided by Franchisor for the franchised business, including Franchisee's stationery, advertisements, marketing materials, directory listings (including online directories), and electronic distribution channels.

(i) Prior to opening the franchised business and thereafter at all times during the term of this Agreement, Franchisee shall obtain and maintain high speed cable or telephone (ADSL) Internet connection via a commercial Internet service provider that is capable of receiving and sending attached files of a size specified by Franchisor in the Manual or otherwise communicated to Franchisee from time-to-time. If Franchisor provides Franchisee with an e-mail address, Franchisee shall use the Franchisor-provided e-mail address for all electronic communications with Franchisor and for the franchised business.

(j) Franchisor shall have the right, but not the obligation, to establish a Web site (as defined in Section 11.8 below) or other electronic system providing private and secure communications (e.g., an intranet) between Franchisor, Franchisee, other franchisees, and other persons and entities as determined by Franchisor, in its sole discretion. If required by Franchisor, Franchisee shall establish and maintain access to the intranet in the manner specified by Franchisor, and shall from time to time execute such agreements and/or acknowledge and agree to comply with such policies concerning the use of the intranet as Franchisor may prepare.

(k) Any and all data collected or provided by Franchisee, downloaded from Franchisee's Communication and Information System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor, who has the right to use the data in any manner without compensation to Franchisee. Franchisee is hereby licensed, without additional compensation, to use such data solely for the purpose of operating the franchised business. This license will automatically and irrevocably expire, without additional notice or action by Franchisor, when this agreement terminates or expires.

(l) Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding clients or other individuals ("Privacy"), and comply with Franchisor's standards and policies pertaining to Privacy. If there is a conflict between applicable law and Franchisor's Privacy standards and policies, Franchisee shall: (i) comply with the requirements of applicable law; (ii) immediately provide Franchisor with written notice of the conflict; and (iii) promptly and fully cooperate with Franchisor's counsel as Franchisor determines the most effective way, if any, to reconcile Franchisor's Privacy standards and policies with applicable law. Franchisee is solely responsible for identifying, interpreting and complying with all laws pertaining to Privacy. Franchisee shall neither publish nor implement a Privacy policy without Franchisor's prior written approval of the policy.

7.16 Reserved.

7.17 Compliance with USA Patriot Act. Franchisee certifies that neither Franchisee nor any of its affiliates, principals, or employees is listed in the Annex to Executive Order 13224 (“the Annex,” a copy of which may be available on-line at <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/terror.pdf>.) Franchisee shall not hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee or any of its affiliates, principals, or employees being listed in the Annex. Franchisee shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor’s efforts to comply with the anti-terrorism laws. In connection with such compliance, Franchisee certifies, represents, and warrants that none of its property or interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that Franchisee and its affiliates and principals are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities include Franchisee’s obligations under this paragraph. Any misrepresentation by Franchisee under this paragraph or any violation of the Anti-Terrorism Laws by Franchisee, its affiliates, principals, or employees, will constitute grounds for immediate termination of this agreement.

7.18 System Evaluations. Franchisee shall participate in and fully comply with all client satisfaction programs Franchisor may establish from time-to-time, including the requirements to advertise and make known and available to clients all such programs and to honor the terms of all such programs. Franchisee is subject to and may be required to participate in any evaluation of standards or quality that Franchisor may conduct or sanction for all Home Helpers franchises. Franchisee shall provide Franchisor and Franchisor’s designees with access to Franchisee’s books, records, files, employees, and independent contractors for this purpose.

7.19 Disclosure of Franchisee Information. Franchisee acknowledges that Franchisor may from time-to-time be required or find it necessary to disclose to third parties certain information about Franchisee and Franchisee’s Principals, including contact information such as names, addresses and telephone numbers, and other information collected by Franchisor under this agreement. Franchisee hereby consents to Franchisor’s collection, use, and disclosure of any information pertaining to the Franchised Business (including contact information of Franchisee and Franchisee’s Principals) for Franchisor’s reasonable business purposes and for any purpose described in Franchisor’s privacy policy (as may be amended from time-to-time), subject to the limitations of this paragraph. Without limiting the generality of the foregoing sentence, Franchisee hereby consents to: (i) the collection, use and disclosure of any information about Franchisee and Franchisee’s Principals (including contact information) to develop, modify and enhance the System, to conduct credit checks or other personal history investigations, to develop general franchisee profiles, to comply with applicable Franchise Laws, and to otherwise comply with any applicable law; (ii) the transfer of any information (including contact information) to any third party in order for Franchisor to fulfill its obligations under this agreement or attempt to obtain any benefit for Franchisor, Franchisee or the System as a whole; and (iii) the release to Franchisee’s landlord, lenders or prospective landlords or lenders, of any financial or operational information relating to Franchisee and/or the Franchised Business (without obligating Franchisor to do so). Franchisor shall protect confidential data and contact information of Franchisee’s employees and clients. If Franchisor discloses financial information of Franchisee in a franchise disclosure document, Franchisor shall not identify Franchisee or disclose any contact information of Franchisee in connection with the financial

information without Franchisee's prior consent. "Contact Information" is any information about a person that can be used to uniquely identify, contact, or locate the person.

7.20 Operational Inspections by Franchisor. To provide assistance and guidance with respect to the operation and management of the Franchised Business, ensure quality standards and consistency within the System, and ensure that Franchisee is complying with this agreement and the System Standards, Franchisor or Franchisor's agents have the right, but not the obligations, at any time during business hours and without prior notice to Franchisee, to conduct field visits to: (1) inspect the Franchise Premises, equipment, furniture, fixtures, displays, signs, operating materials, inventory, and supplies; (2) observe the operations of the Franchised Business at the Premises and on-site with clients, for such consecutive or intermittent periods as Franchisor deems necessary; (3) photograph or video record the Premises and Franchisee's clients and personnel; (4) interview Franchisee's personnel; (5) interview Franchisee's clients; (6) conduct written or telephonic surveys of Franchisee's clients or referral sources; (7) conduct an inspection described in section 7.8(g); and (8) inspect and copy any books, records and documents relating to the operation of the Franchised Business, including employment contracts, nondisclosure and noncompetition agreements, leases, and material and information generated by or contained in the Communication and Information System. Franchisee consents to the recording by Franchisor of any telephone conversations between Franchisor and Franchisee or its representatives. Franchisee shall cooperate fully with Franchisor in connection with each field visit and any inspection, observation, survey and interview in connection therewith. Franchisee shall present its clients with any evaluation forms Franchisor may periodically prescribe and ask them to participate in any surveys conducted by Franchisor on Franchisee's behalf. If Franchisee for any reason cancels a visit that was scheduled by agreement with Franchisee, then Franchisee shall reimburse Franchisor for all costs and expenses incurred by Franchisor in connection with the field visit or its cancellation.

7.21 Covenants of Employees and Agents. Franchisee shall require each of its management employees (except those individuals required to execute a Restrictive Covenant Agreement pursuant to section 15.9), at the time of the commencement of their association with Franchisee, to execute an "Employment Agreement" containing provisions:

- (a) requiring that all Confidential Information (as defined in section 10.1) that may be acquired by or imparted to the person in connection with their association with Franchisee (including the Manual, any proprietary software provided by Franchisor, and all information contained therein) be held in strict confidence and used solely for the benefit of Franchisee or Franchisor during their association with Franchisee and at all times thereafter;
- (b) prohibiting the person, during their association with Franchisee, from diverting or attempting to divert any business or customer of the Franchised Business or of any other Home Helpers franchisee to any competitor of the franchised business, by direct or indirect inducement or otherwise;
- (c) prohibiting the person, during their association with Franchisee, from doing or performing, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Marks and the System;
- (d) prohibiting the person, during their association with Franchisee, from employing or seeking to employ any person who is at that time employed by Franchisor, Franchisee, or any other Home Helpers Franchisee, or otherwise directly or indirectly inducing or attempting to induce such person to leave his or her employment; and

(e) prohibiting the person, during their association with Franchisee and for a continuous period of one year (or the maximum period permitted or enforced by the laws of the state in which the Franchised Business is located, if such period is less than one year, but in no event less than six months) after the termination of their association with Franchisee, from operating, owning, maintaining, promoting, engaging in, or performing services for (as an employee or otherwise) any competitor of the franchised business.

Franchisee shall provide Franchisor with executed copies of all Employment Agreements required by this section. Franchisee may not grant any person enumerated above access to any confidential aspect of the System or the Franchised Business before their execution of an Employment Agreement. All Employment Agreements required by this section must be in a form satisfactory to Franchisor and must specifically identify Franchisor as a third-party beneficiary with the independent right to enforce the agreement. Franchisee's failure to obtain the execution of all Employment Agreements required by this section and provide copies thereof to Franchisor is a material breach of this agreement.

7.22 Attendance at Franchisee Meetings and Conventions. Franchisor may, but is not obligated to, hold national and/or regional meetings with Franchisor's personnel and Home Helpers franchisees at locations designated by Franchisor, to provide additional training, exchange sales, operating and marketing ideas and methods, introduce new software, marketing programs, or promotional items, and for any other purpose determined by Franchisor. Franchisor has the right to require Franchisee or the Designated Individual (if Franchisee is not an individual) to attend these national and/or regional meetings. Franchisor has the right to charge Franchisee a reasonable fee for such meetings. Nothing in this agreement is to be construed to require Franchisor to hold, provide, sponsor, host, or organize any such meetings.

7.23 Promotion of Franchised Business. Franchisee shall use its best efforts to diligently promote the Franchised Business and maximize its Gross Revenues, and shall expend all reasonable efforts to develop and maintain substantial interest in the Franchised Business. All such efforts must be in compliance with all federal, state, and local statutes, regulation, and ordinances. Franchisee shall at all times faithfully, honestly, and diligently perform its obligations under this agreement and shall not engage in any business or other activities that will conflict with its obligations under this agreement.

ARTICLE 8

PROPRIETARY MARKS

8.1 Use by Franchisee. Franchisee's right to use the Marks as granted in Section 1 herein is limited to their use in connection with the operation of the franchised business within the Territory described in Section 1.2 hereof, and otherwise as described herein and as set forth in the Manual or as may be prescribed in writing by Franchisor from time to time. Franchisee shall operate the franchised business under the trade name HOME HELPERS along with any other geographic appellation that Franchisor may designate. Franchisee shall not use any other trademark, trade name, geographic appellation, or assumed name in connection with the franchised business without Franchisor's prior written consent.

8.2 Exclusive Property of Franchisor. Franchisee acknowledges Franchisor's right, title and interest in and to the Marks, along with the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in the System. Franchisee is a "related company" within the meaning of 15 U.S.C. § 1127 and Franchisee's use of the Marks pursuant

to this Agreement inures solely to the benefit of Franchisor. Except as expressly provided by this Agreement, Franchisee shall acquire no right, title or interest therein, and any and all goodwill associated with the system and the Marks shall inure exclusively to Franchisor's benefit. Upon the expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the system or the Marks.

8.3 Infringement by Franchisee. Franchisee acknowledges that the use of the Marks outside of the scope of this Agreement or after the expiration or termination (regardless of the reason therefor) of this Agreement without Franchisor's prior written consent is an infringement of Franchisor's rights, title and interest in and to the Marks. Franchisee expressly covenants that during the term of this Agreement and after the expiration or termination hereof, Franchisee shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or take any other action in derogation thereof.

8.4 Infringement by Others. Franchisee shall promptly notify Franchisor of any use of the Marks, any other trademark, logo, or trade name in which Franchisor has or claims a proprietary interest, or any variation thereof, by any party other than Franchisor or any of its representatives, agents, or other franchisees. Franchisee further agrees to notify Franchisor promptly of any litigation instituted by any party against Franchisor or Franchisee involving the Marks. In the event Franchisor, in its sole discretion, undertakes the defense, prosecution, or settlement of any litigation relating to the Marks, Franchisee agrees to execute any and all documents, and to render such assistance as may, in the opinion of Franchisor, be reasonably necessary to carry out such defense, prosecution or settlement. Franchisee acknowledges that the nature of trademark law makes it impossible for Franchisor to guarantee or warrant the exclusivity of Franchisor's right to use any of the Marks, and that nothing in this Agreement or in any other document or promotional material provided by Franchisor to Franchisee or to any other party shall be construed to guarantee, warrant, or imply that Franchisor's right to use any of the Marks is exclusive or superior to the rights of any other party. In the event that any party demonstrates, to Franchisor's sole satisfaction, a superior right to use any of the Marks, Franchisee shall, upon demand by Franchisor, discontinue its use of such Mark(s) and adopt, at Franchisee's sole cost and expense, any Mark(s), if any, selected by Franchisor to replace such discontinued Mark(s), and Franchisor shall have no liability therefor to Franchisee.

8.5 Improper Use. Franchisee shall not use any of the Marks, or any derivative or colorable variation thereof: (i) as part of Franchisee's corporate or other legal name; (ii) on or as part of any Web site, domain name, URL, Web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or other similar services without prior written approval; (iii) with any modifying or additional words, terms, designs, or symbols (including, without limitation, the word "Inc.") other than those specifically authorized by Franchisor; or (iv) in any modified form. Franchisee shall not register any of the Marks, or any derivative or colorable variation thereof, as a service mark, trademark, or Internet domain name, or hold out or otherwise employ the Marks to perform any activity or to incur any obligation or indebtedness in such a manner as could reasonably result in making Franchisor liable therefor or that may harm, tarnish, or impair Franchisor's reputation, name, services or Marks. If Franchisor provides Franchisee with any contracts, agreements, forms, or other documents that contain any of the Marks, Franchisee shall not alter or modify such contracts, agreements, forms, or documents without Franchisor's prior written consent.

8.6 Non-exclusive Use. Franchisee expressly acknowledges and agrees that this license to use the Marks is non-exclusive, and Franchisor has and retains the rights, among others:

- (a) To grant other licenses for the use of the Marks, in addition to those already granted to existing franchisees and to Franchisee;
- (b) To develop and establish other systems and programs utilizing the same or similar Marks, or any other proprietary marks, and to grant franchises therein without granting Franchisee any rights therein; and
- (c) To identify clients or potential clients as National Accounts, to service National Accounts, and to award the right to service National Accounts to any franchisee of the System, in Franchisor's sole and absolute discretion;

provided, however, that Franchisor shall not, within Franchisee's Territory, (i) grant other licenses to use the Marks or (ii) establish, or franchise another to establish, a business substantially similar to the franchised business (except as otherwise permitted in Sections 1.3 and 1.8 of this Agreement).

8.7 Shared Referral Sources. A "Shared Referral Source" is a person or organization that: (i) because of its purpose or the nature of its business, frequently encounters opportunities to recommend, to its customers, clients, patients, members, or to the general public, providers of services similar to the services offered by a Home Helpers franchise; and (ii) though it may be physically located within one franchisee's territory, typically serves a geographic area that is larger than a single franchise territory. Examples of Shared Referral Sources (by way of illustration and not limitation) are hospitals, medical offices, certain charitable organizations, government agencies, newspapers, and publications of a general circulation. All Home Helpers franchisees are entitled to solicit referrals from and promote their services to Shared Referral Sources, and the solicitation of referrals from and promotion of services to Shared Referral Sources located in Franchisee's Territory by other Home Helpers franchisees does not infringe upon any right of Franchisee to exclude other franchisees from its Territory under this Agreement. All disputes between franchisees over Shared Referral sources will be resolved by Franchisor, whose decision will be final and binding upon all parties. Nothing in this Section authorizes Franchisee to offer, sell or provide Permitted Products and Services outside the Territory described in Exhibit B.

8.8 Use by Others. Franchisee shall not permit any third party to imprint the Marks on any products, materials, documents and supplies utilized by Franchisee in connection with the operation of the franchised business without first obtaining the consent of Franchisor and causing such third party to execute a License Agreement as specifically provided for in Section 6.2 herein.

8.9 Improvements Developed by Franchisee. If Franchisee or any of its Principals, affiliates, directors, officers, or employees conceives, develops, or acquires any improvements or additions to the System or the services or products offered by or the method of operation of a Home Helpers Franchise, or any advertising or promotion ideas related to a Home Helpers Franchise or the franchised business (collectively, "Improvements"), Franchisee shall, in each instance, promptly and fully disclose the Improvement to Franchisor without disclosure of the Improvement to others, and obtain Franchisor's written approval before using the Improvement. Any Improvement may be used by Franchisor and Home Helpers franchisees without any

obligation to Franchisee or its Principals, affiliates, directors, officers, or employees for royalties, licensing fees, or other compensation. Franchisee shall assign to Franchisor or Franchisor's designee(s), without charge, all rights, including the right to grant sublicenses, to all Improvements. If for any reason Franchisee and not Franchisor is deemed to own any right to an Improvement, then this agreement will operate as an agreement to irrevocably transfer and assign all rights in and to the Improvement. Franchisee shall take no steps to appropriate any Improvement for itself. Franchisee shall, at Franchisor's request, execute all assignments, certificates or other instruments (and, if necessary, require its Principals, affiliates, directors, officers, employees and independent contractors to execute such documents as well) as Franchisor may from time-to-time deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend Franchisor's rights, title or interest in or to any Improvement or to otherwise carry out the provisions of this paragraph. In return, Franchisor shall authorize Franchisee to use any Improvement developed by Franchisor or another Home Helpers franchisee that Franchisor makes part of the System. As used in this paragraph, the term "Improvements" includes intellectual property and all advertising, marketing, promotional, public relations or sales concepts, plans, programs, techniques, activities, materials, or Web sites proposed or developed by Franchisee for the franchised business, whether or not they bear the Marks.

ARTICLE 9

CONFIDENTIAL MANUAL

9.1 Business Operations. In order to protect the reputation and goodwill of Franchisor and to maintain uniform standards of operation under the Marks, Franchisee shall conduct its operations hereunder in accordance with Franchisor's operations manual(s) (the "Manual") (as the same may be amended or modified from time to time), which Franchisee acknowledges having received on loan from Franchisor.

9.2 Confidentiality. The Manual shall at all times remain the sole property of Franchisor. Franchisee shall treat the Manual and all information contained therein as confidential and proprietary, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall also ensure that its employees treat the Manual and all information contained therein as confidential and proprietary. Franchisee shall not at any time, without Franchisor's prior written consent, copy, duplicate, record, or otherwise make the same available to any unauthorized person.

9.3 Modification. Franchisor shall have the right to add to or otherwise modify the Manual from time to time to reflect changes in any of the System Standards, provided that no such addition or modification shall alter the Franchisee's fundamental status and rights under this Agreement. Without limiting the generality of the foregoing, Franchisor may, during the term of this Agreement, require Franchisee to modify, upgrade, update, enhance and/or replace all or any part of the Communication and Information System at Franchisee's expense, and Franchisee agrees to acquire (or acquire the right to use for the remainder of the term of this Agreement), within 30 days after receipt of written notice from Franchisor, the modified, upgraded, updated, enhanced or replacement component or version of the Communication and Information System specified by Franchisor. Franchisee further agrees to take all other actions as may be necessary to enable the modified, upgraded, updated, enhanced or replacement component or version of the Communication and Information System to operate as specified by Franchisor. Any such modifications, upgrades, updates, enhancements and replacements may

require Franchisee to incur costs to purchase, lease, and/or license new or modified computer hardware and/or software or other equipment and to obtain different and/or additional service and support services during the term of this Agreement. Franchisee acknowledges that Franchisor cannot estimate the costs of future maintenance, upgrades, updates, enhancements, modifications, and replacements to the Communication and Information System, or other items, and that such maintenance, enhancements, modifications, and replacements required by Franchisor may involve additional investment by Franchisee during the term of this Agreement. Franchisee shall at all times insure that its copy of the Manual is kept secure, current, and up to date, and in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling. Upon Franchisor's request, Franchisee will cooperate in the efficient return of all Manuals that have been identified by the Franchisor as obsolete.

ARTICLE 10

CONFIDENTIAL INFORMATION

10.1 Use of Confidential Information. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation, any confidential information, knowledge, or know-how concerning the franchised business, the system, or methods of operation that may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's business operations under the terms of this Agreement ("Confidential Information"). "Confidential Information" includes the identities and personal and contact information of customers of the franchised business, financial statements, results of operations, sales, income, expense, and other financial information and records of the franchised business operated by Franchisee. Franchisee shall divulge confidential information only to such of its employees, agents, or professional advisors as must have access to it in order to operate the franchised business as described herein, or with Franchisor's prior written consent. In connection therewith, Franchisee shall be fully responsible for ensuring that its employees, agents and professional advisors comply with this Section.

10.2 Remedies. Franchisee acknowledges that any failure to comply with Section 10.1 of this Agreement will cause Franchisor irreparable injury, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, specific performance of, or any injunction against a violation of, the requirements of Section 10.1.

10.3 Preservation of Confidentiality. Franchisee shall require Franchisee's Principals, directors, officers, and management employees, at the time of the commencement of their association with Franchisee, to execute confidentiality agreements, in a form approved by Franchisor, requiring that all information being proprietary or confidential hereunder that may be acquired by or imparted to such persons in connection with their association with Franchisee be held in strict confidence and used solely for the benefit of Franchisee and Franchisor, at all times during their association with Franchisee and thereafter. Franchisee shall require each prospective purchaser of the franchised business, the license granted under this agreement, or any interest in Franchisee, prior to disclosing any confidential information to such person, to execute a confidentiality agreement, in a form approved by Franchisor, requiring that all proprietary or confidential information that may be disclosed will be held in strict confidence and used solely to evaluate the contemplated transaction. All confidentiality agreements described

in this paragraph must include a specific identification of Franchisor as a third-party beneficiary with the independent right to enforce the agreement.

10.4 Rights to Material Developed by Franchisee. All instructional materials, concepts, plans, programs, activities and other materials proposed or developed by Franchisee for the provision of Permitted Products and Services must be approved by Franchisor, and may be used by Franchisor and other Franchises without any compensation to Franchisee. Any and all copyrights, trademarks, and other proprietary rights in and to such materials that are proposed or developed by or on behalf of Franchisee will be the sole property of Franchisor, without compensation to Franchisee, and Franchisee shall execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision.

10.5 Ownership of Confidential Information. Franchisee agrees that Franchisor owns and controls all domain names and URLs (“Uniform Resource Locator”) relating to any Franchise, as well as all Confidential Information, electronic information, lists, and data related to past, present and future clients of any Franchise. Franchisee’s only interest in any of this proprietary and/or Confidential Information is the right to use it pursuant to this Agreement.

10.6 Client List. Upon written request from Franchisor, Franchisee shall prepare a Client List containing all information that Franchisor may specify so that ownership of the Client List and the information in it belongs to Franchisor. Franchisee will acquire no proprietary or ownership rights to its Client List or to service any of its clients other than the rights specifically granted under this agreement. Franchisee is permitted to use the Client List for the purposes of this agreement but for no other purpose. Without limiting the generality of the preceding sentence, Franchisee shall not disclose or transfer its Client List to any person except to Franchisor or as part of a Transfer that complies with Article 12. The Client List is considered Confidential Information and Franchisee shall treat it as such at all times. Franchisee shall provide Franchisor, not more frequently than monthly, with a current Client List in the format and by the means specified by Franchisor from time-to-time. Upon the expiration or termination of this agreement for any reason, Franchisor may notify Franchisee’s clients thereof and, without compensation to Franchisee, authorize one or more other Home Helpers franchisees or any other person to provide Authorized Products and Services to Franchisee’s former clients.

ARTICLE 11

ADVERTISING

11.1 National Branding Fee. As required in Section 5.2 hereof, Franchisee shall pay a National Branding Fee to such national branding fund as Franchisor may establish. Franchisor shall, for each of its company-owned locations (if any), pay National Branding Fees on the same basis as other franchisees within the System.

11.2 National Branding Fund. Franchisor has the right, in its discretion, to establish such national or regional funds as Franchisor shall deem necessary or convenient, and to designate any geographical area as a region for establishing regional advertising funds. Franchisor shall maintain and administer such funds (collectively referred to in the singular as the “Fund”) as follows:

- (a) Fund is a joint fund for the benefit of both the Home Helpers and Direct Link franchise systems, and is intended to maximize general public recognition

and acceptance of the Marks for the benefit of all Home Helpers franchises within the System or within a region, as the case may be, as well as for the benefit of all Direct Link Franchises. Franchisee further agrees and acknowledges that Franchisor is not obligated in administering the Fund to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution, to ensure that any particular Franchisee benefits directly or pro rata from the placement of advertising, or to spend equal or pro rata amounts on Home Helpers and Direct Link marks, franchisees, or franchise systems.

(b) The Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, researching, directing, and preparing advertising and/or promotional activities and developing new advertising, promotional and marketing materials for the Home Helpers and Direct Link franchise systems and for franchisees in the Home Helpers and Direct Link franchise systems, and the solicitation of National Accounts.

(c) Franchisor shall, for each of its company-owned locations (if any), contribute to the Fund on the same basis as assessments required of comparable franchisees within the System.

(d) Franchisee shall contribute to the Fund by separate check made payable to Home Helpers National Branding Fund or such other designation as Franchisor may from time to time prescribe. All sums paid by Franchisee to the Fund shall be maintained in an account separate from the other moneys of Franchisor. Such sums shall not be used to defray any of Franchisor's operating expenses, except for such reasonable salaries, overhead, and administrative, accounting, legal (including, without limitation, the defense of any claims against Franchisor and/or Franchisor's designee regarding the management of the Fund) and other costs, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Fund or advertising programs for Home Helpers and Direct Link franchisees, including the costs of enforcing contributions to the Fund required under this Agreement and the costs of preparing a statement of operations. The Fund and its earnings shall not otherwise inure to the benefit of Franchisor.

(e) It is anticipated that all contributions to and earnings of the Fund shall be expended for advertising and/or promotional purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the Fund at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.

(f) Franchisee agrees that Franchisor (and any designee of Franchisor) shall not have any direct or indirect liability or obligation to Franchisee, to the Fund, or otherwise with respect to the management, maintenance, direction, or administration of the Fund. Franchisee further agrees that Franchisor shall not be liable for any act or omission, whether with respect to the Fund or otherwise, which is consistent with this Agreement or other information provided to Franchisee, or which is done in subjective good faith. Franchisee and

Franchisor, each having a mutual interest and agreeing on the critical practical business importance of their relationship being governed solely by written instruments signed by the parties to be bound (and not having either party subject to the uncertainty inherent in the application of legal or other concepts not expressly agreed to in writing by both parties), agree that their rights and obligations with respect to the Fund and all related matters are governed solely by this Agreement and that neither this Agreement nor the Fund are in the nature of a “trust,” “fiduciary relationship” or similar special arrangement, but is only an ordinary commercial relationship between independent businesspersons for their independent economic benefit.

11.3 Separate Asset. The Fund is not and shall not be an asset of Franchisor.

11.4 Termination of Fund. Although Franchisor intends the Fund to be of perpetual duration, Franchisor maintains the right to terminate any Fund. No Fund shall be terminated, however, until all moneys in the Fund have been expended for advertising and/or promotional purposes or returned to contributors on the basis of their respective contributions during the one-year period immediately preceding the termination.

11.5 Advertising Materials. In addition to the requirements described in Section 11.1 hereof, Franchisee shall obtain and maintain an adequate supply of brochures, pamphlets, and special promotional materials of such kind and size as Franchisor may reasonably require from time to time in the Manual or otherwise in writing. Franchisee acknowledges that it shall be solely responsible for advertising and marketing the services offered by the franchised business.

11.6 Delegation of Franchisor's Duties. Franchisor shall have the right to delegate and redelegate its responsibilities and duties under this Article 11 to any designee(s) of its choosing; provided, however, that the right of final approval of all advertising programs shall be retained at all times by Franchisor.

11.7 Approval of Advertising. All advertising by Franchisee in any medium shall be conducted in a dignified manner, shall be completely accurate and truthful, shall conform to such standards and requirements as Franchisor may specify from time to time in writing and to all applicable laws and regulations relating to consumer advertising, and shall give notice that the franchised business is independently owned and operated. Franchisee shall submit to Franchisor (by certified mail, return receipt requested), for Franchisor's prior approval (except with respect to prices to be charged), samples of all advertising and promotional plans and materials, including signs, and all other materials displaying the Marks that Franchisee desires to use and that have not been prepared or previously approved by Franchisor. Franchisee shall display the Marks in the manner prescribed by Franchisor on all signs and all other advertising and promotional materials used in connection with the franchised business. Franchisee specifically acknowledges and agrees that the word “advertising” as used in this Agreement includes, but is not limited to, signs (including signs on motor vehicles), URLs, e-mail addresses, Internet listings, banners, advertisements, or other services or links on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, and similar services.

11.8 Web site. Franchisee specifically acknowledges and agrees that any Web site (as defined below) will be deemed “advertising” under this Agreement, and will be subject to (among other things) Franchisor's approval under this Article 11. As used in this Agreement,

the term “Web site” means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers and/or other devices linked by communications software and includes, but is not limited, to social media pages and web logs. The term Web site includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Web site, Franchisee agrees to the following:

(a) Franchisor shall have the right, but not the obligation, to establish and maintain a Web site, which may, without limitation, promote the Marks, the Home Helpers and Direct Link systems, any or all of the Permitted Products and Services, any products or services offered by Direct Link Franchises, Home Helpers and Direct Link franchised or company-owned locations, and/or the offer and sale of Home Helpers, Direct Link or other franchises. Franchisee shall use all Web sites relating to the franchised business required by Franchisor. Franchisor shall have the sole right to control all aspects of the Web site, including, but not limited to, its design, content, functionality, links to the Web sites of third parties, legal notices, and policies and terms of usage. Franchisor shall also have the right to discontinue the operation of the Web site at any time in its business judgment.

(b) Franchisee shall not directly or indirectly establish, maintain, or operate a separate Home Helpers Web site without Franchisor’s prior written consent. Any Home Helpers Web site established, maintained, or operated by Franchisee must contain a link to and from Franchisor’s Web site and Franchisor has the right to require modifications of the content, appearance, and format of Franchisee’s Home Helpers Web site. The term “Home Helpers Web site” means a Web site that displays any of the Marks or a significant amount of the content of which relates to the franchised business, franchisor, the System, or any business that offers or sells products or services that compete with any products or services offered by Home Helpers franchises.

(c) Franchisee shall not, without Franchisor’s prior written consent, establish or permit or aid any other person to establish any link to any Web site or any other electronic or computer-generated advertising or communication arrangement that Franchisor may establish.

(d) Franchisor shall have the right, but not the obligation, to designate one or more Web page(s) to describe Franchisee, the franchised business, and/or Franchisee’s location, with such Web page(s) to be located within Franchisor’s Web site, or to provide Franchisee with a separate Home Helpers Web site or pages for such purposes. Franchisee shall comply with Franchisor’s policies with respect to the creation, maintenance, and content of any such Web pages, and Franchisor shall have the right to limit and/or discontinue the content and/or operation of such Web site and web pages.

(e) In order to maintain the goodwill in the System and in the business of Franchisor and Franchisor’s licensees, Franchisor has the right to impose conditions and standards requirements on Franchisee’s use of electronic distribution channels, including any Home Helpers Web site maintained by Franchisee, including the following:

- (i) Franchisor is to own all rights to all domain names containing any of the Marks or relating to the franchised business, any Permitted Products and Services, or any business that offers or sells products or services that

compete with any products or services offered by Home Helpers franchises. Franchisee shall not register in its own name any domain name containing any of the Marks or relating to the franchised business, or any Permitted Products and Services, or any business that offers or sells products or services that compete with any products or services offered by Home Helpers franchises.

- (ii) In order to maintain the common identity of the System and the high quality standards associated with the System, Franchisee shall obtain Franchisor's prior written approval for any domain name and for the form and content of any Home Helpers Web site before Franchisee uses it on the Internet. Unless Franchisor's prior written approval has been obtained, no element of the Marks or similar words may be used as part of the domain name or URL.
 - (iii) Any Home Helpers Web site established or maintained by Franchisee must contain a hyperlink to Franchisor's Web site and all other hyperlinks to third-party Web sites must be previously approved in writing by Franchisor.
 - (iv) Any modifications to a Home Helpers Web site established or maintained by Franchisee must first be approved in writing by Franchisor.
 - (v) Before establishing a Home Helpers Web site, Franchisee shall obtain appropriate legal advice regarding the content and to ensure that the Web site complies with all relevant legislation and regulations.
 - (vi) Franchisee shall fully indemnify Franchisor against all and any claims arising out of any Web site established or maintained by Franchisee.
 - (vii) Franchisee shall comply fully with its terms and conditions of business over the Internet and shall ensure that such terms and conditions of business receive Franchisor's prior written approval.
- (f) Franchisee shall not participate in or register with any Internet group, Web site or similar medium which has as its aim (whether stated or not) or its effect the denigration of Franchisor or the System.
- (g) Franchisee shall not open an account or profile on a social media site relating to the franchised business or using any of the Marks without Franchisor's prior written consent, which may be given subject to conditions, which may include the grant to Franchisor of administrator rights, and subject to Franchisee's compliance with the provisions of the Manuals relating to social media sites.
- (h) Franchisee shall not, without Franchisor's prior written consent, redirect Internet traffic from another domain name or URL to any Home Helpers Web site established by Franchisee or any other Web site containing any of the Marks or any content provided by Franchisor or relating to the franchised business.

(i) Franchisor shall have the right to modify the provisions of this Section 11.8 as Franchisor shall solely determine is necessary or appropriate for the best interests of the System.

11.9 Copyright to Advertising. Franchisee acknowledges and agrees that any and all copyrights in and to advertising and promotional materials developed by or on behalf of Franchisee which bear the Marks shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee for the franchised business or the System and approved by Franchisor may be used by Franchisor and other franchisees of Franchisor without any compensation to Franchisee.

11.10 Advertising Cooperative. Franchisor may, in its discretion, designate any geographical area in which at least two Home Helpers franchises are located for the purpose of establishing a local or regional marketing and advertising cooperative (“Cooperative”). Franchisee shall take appropriate steps to establish and participate in a Cooperative if required to do so by Franchisor. If a Cooperative for the geographical area in which the franchised business is located has already been established when Franchisee opens the franchised business, then Franchisee shall immediately become a member of the Cooperative under the terms of its governing documents. If a Cooperative for the geographical area in which the franchised business is located is established during the term of this agreement, Franchisee shall immediately become a member of the Cooperative, and take all steps necessary to become a member. In no event shall Franchisee be required to be a member of more than one Cooperative for the franchised business established under this agreement. The following provisions apply to each Cooperative:

(a) Each Cooperative will be organized and governed in a form and manner prescribed or approved by Franchisor in writing, and will commence operations on a date specified by Franchisor. Any disputes arising between Franchisee and other franchisees in the Cooperative or the Cooperative, will be resolved in accordance with the rules and procedures in the Cooperative’s governing documents.

(b) Each Cooperative will be organized for the exclusive purpose of administering local or regional advertising programs and developing, subject to Franchisor’s approval, standardized promotional materials for use by the members in local advertising and promotion.

(c) No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without the prior approval of Franchisor pursuant to the procedures in section 11.7 of this agreement.

(d) Each month that a Cooperative is in existence for Franchisee’s geographical area, Franchisee shall contribute to the Cooperative an amount specified by Franchisor or the Cooperative (the “Cooperative Contribution”). Franchisee’s Cooperative Contribution will not be credited towards the National Branding Fee required by section 5.2 of this agreement.

(e) The members of the Cooperative will determine the amount of the Cooperative Contribution in accordance with its governing documents, but the Cooperative Contribution may not exceed three percent of Franchisee's Gross Revenues unless the members of the Cooperative, by a majority vote conducted in accordance with its rules, bylaws, or other governing documents, agree to a Cooperative Contribution in excess thereof. Franchisee shall pay its Cooperative Contribution, together with any statements or reports that Franchisor or the Cooperative (with Franchisor's prior written approval) may require, on a date each month determined by the Cooperative, but no later than the tenth day of each month.

(f) For each Home Helpers franchise operated by Franchisor or an affiliate of Franchisor in a geographical area for which a Cooperative has been established, Franchisor shall make a Cooperative Contribution on the same basis as assessments required of comparable franchisees that are members of the same Cooperative.

(g) Cooperatives established by Franchisor are intended to be of perpetual duration. However, Franchisor maintains the right to terminate any Cooperative. Franchisor shall use any unexpended monies from the terminated Cooperative only for advertising or promotional purposes for the System.

ARTICLE 12

TRANSFERABILITY OF INTEREST

12.1 Transfer by Franchisor. Franchisor shall have the right to transfer or assign all or any part of its rights and/or obligations herein to any person or legal entity, including a subfranchisor specifically responsible for assisting Franchisee. Franchisee agrees to execute any forms that Franchisor may reasonably request to effectuate any transfer or assignment by Franchisor.

12.2 Transfer by Franchisee.

(a) Franchisee understands and acknowledges that the rights and duties set forth in this agreement are personal to Franchisee, and that Franchisor has entered into this Agreement in reliance upon Franchisee's business skills and financial capacity. Accordingly, neither Franchisee, nor any Principal of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the franchise granted hereunder, shall sell, assign, transfer, convey, or give away any interest in this Agreement, in the franchise granted hereunder, or in Franchisee without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor, shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Article 13 herein. Franchisee may transfer only that Territory delineated by Postal ZIP Codes and described in Exhibit B to this Agreement. No purported or attempted assignment or transfer of Franchisee's right to operate the franchised business or use the System or the Marks in less than the entire Territory will be valid.

(b) Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Franchisee, but its consent will, in its sole discretion, be subject to the satisfaction of the following conditions:

(1) All of Franchisee's accrued monetary obligations to Franchisor or any of its affiliates and all other outstanding obligations related to the franchised business (including, without limitation, obligations under any promissory note in favor of Franchisor or its affiliates) shall have been satisfied.

(2) The transferor's right to receive compensation pursuant to any agreement for the purchase of any interest in Franchisee or in Franchisee's Home Helpers franchise shall be subordinated and secondary to Franchisor's rights to receive any outstanding monetary obligations or other outstanding obligations due from transferor or Franchisee pursuant to this Agreement, whether arising before or after the transfer.

(3) Franchisee shall have executed a general release in a form satisfactory to Franchisor, effective as of the date of transfer, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

(4) The transferee franchisee shall enter into a written assumption, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement after the date of the assumption.

(5) The transferee franchisee shall demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the franchised business (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to operate the business.

(6) The transferee franchisee shall execute Franchisor's then current form of Franchise Agreement and such other agreements as Franchisor may require.

(7) At the transferee franchisee's expense, and upon such other terms and conditions as Franchisor may reasonably require, the transferee franchisee or its manager shall complete the training course then in effect for franchisees.

(8) Any right of Franchisee to any payments from the transferee franchisee resulting from the transfer shall be subordinate to any claim or right of Franchisor against the transferee franchisee subsequent to the

effective date of the transfer, and Franchisee and the transferee franchisee shall execute any and all instruments reasonably required by Franchisor to evidence such liability.

(9) Either Franchisee or the transferee franchisee shall pay to Franchisor a transfer fee of either Ten Thousand Dollars (\$10,000) or three percent (3%) of all consideration of any kind payable to Franchisee in connection with the transfer, whichever is greater, plus Franchisor's actual expenses, to cover Franchisor's administrative, legal, and other expenses in connection with the transfer. No transfer fee will be required in the case of a transfer (i) of any interest in the franchised business to Franchisee's spouse or a direct lineal descendant of Franchisee or one of its Principal; (ii) of less than 50% of the ownership interest of a non-individual Franchisee; or (iii) of the entire franchised business to an entity formed solely for the convenience of ownership, as described in Section 12.3 below, if, immediately after the transfer, Franchisee will beneficially own a controlling interest in the entity. For purposes of clause (ii) of this subparagraph (9), all transfers of an ownership interest in a non-individual Franchisee occurring since the date the entity first became a franchisee shall be aggregated to determine the ownership percentage being transferred.

(10) Franchisee and transferee franchisee shall acknowledge in writing that Franchisor was not involved in the negotiation of the transfer, does not guarantee the accuracy of any information provided by Franchisee to transferee franchisee, and makes no representations regarding the transferee franchisee's likelihood of success in operating the franchise.

(11) Franchisee shall comply with the requirements of section 10.3 above relating to the disclosure of confidential information to a prospective transferee franchisee.

(12) Franchisee shall comply with all laws that apply to the transfer, including laws governing the offer and sale of franchises. Franchisee shall indemnify and defend Franchisor and its agents against and hold them harmless from any and all claims arising directly or indirectly from any alleged failure on Franchisee's part to comply with any franchise law or other law applicable to the transfer.

(13) The transferee franchisee, at its own expense, must satisfy all applicable licensing requirements of the jurisdiction in which the franchised business is located.

(14) Franchisee shall transfer all clients and client contact information to transferee franchisee.

(15) In connection with any proposed transfer, Franchisor has the right to communicate with any prospective transferee and to make available for inspection by any prospective transferee all or part of Franchisor's records relating to this agreement, the business operations, financial

condition, contracts, and history of the franchised business under Franchisee's ownership, or the history of the relationship of the parties, without any liability to Franchisee or its affiliates, directors, officers, employees, or agents. Franchisee hereby specifically consents to such disclosure by Franchisor and absolutely releases and agrees to hold Franchisor harmless from any and all claims arising directly or indirectly therefrom.

(c) Notwithstanding the provisions of Subsection 12.2(b) above, neither Franchisee nor any shareholder, member or partner of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the franchised business, shall pledge, mortgage, grant a security interest, or otherwise encumber any interest in this Agreement, in the franchise granted hereunder, or in Franchisee (whether or not in connection with an absolute transfer of an interest in the franchised business). Franchisor shall not be obliged to consent to any such transfer.

(d) Notwithstanding the provisions of subsection 12.2(b) above, Franchisor is not obligated to consent to any Transfer to a person that owns, operates, franchises, licenses, develops, consults with, manages, is involved in or employed by, or controls a competitive business. If Franchisor refuses to consent to a transfer under this paragraph, the sole remedy of Franchisee will be to seek a declaratory judgment in a court of competent jurisdiction to determine whether the proposed transferee is a person that owns, operates, franchises, licenses, develops, consults with, manages, is involved in or employed by, or controls a competitive business.

12.3 Transfer to a Controlled Entity. Franchisee may transfer all of its interest in the franchised business to an entity formed solely for the convenience of ownership, without Franchisor's consent, upon Franchisee's prior written notice to Franchisor and compliance with the following requirements:

(a) The transferee entity shall be newly organized and its articles of incorporation or organization, by-laws, operating agreement, or partnership agreement shall provide that its activities are confined exclusively to operating the franchised business.

(b) Franchisee shall beneficially own a controlling interest in the transferee entity, shall not diminish his/her ownership interest therein, except as may be required by law, and shall act as its principal executive and operating officer or Principal.

(c) Franchisee shall provide Franchisor, on a form satisfactory to Franchisor, with written information about each Principal of the transferee entity and the ownership interest thereof, and shall agree to promptly notify Franchisor of any changes in any such information during the term of this Agreement.

(d) The transferee entity shall designate a Designated Individual in compliance with Section 7.14 above.

(e) All Principals of the transferee entity shall enter into an agreement, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of the transferee entity's obligations to Franchisor.

(f) Each ownership certificate of the transferee entity shall have conspicuously endorsed upon its face the following legend:

"The transfer, sale or pledge of these shares is subject to the terms and conditions of a Franchise Agreement with H.H. Franchising Systems, Inc."

If Franchisee is a partnership or limited liability company without certificates evidencing ownership, Franchisee shall provide Franchisor with acceptable evidence that its partnership or operating agreement or other organizational documents contain provisions acceptable to Franchisor prohibiting the transfer of any ownership interest in Franchisee other than in compliance with the terms of this Agreement. Franchisee shall not cause or permit any such provision to be deleted or modified during the term of this Agreement.

(g) Copies of the transferee entity's articles of incorporation or organization, by-laws, partnership or operating agreement, and other governing documents, including the resolutions of its governing board authorizing the execution of this Agreement, shall be furnished to Franchisor for its approval prior to the transfer.

(h) The name of the transferee entity shall not consist of or contain the words HOME HELPERS, any colorable variation thereof, or any other mark in which Franchisor has or claims a proprietary interest.

(i) Franchisee shall reimburse Franchisor for actual legal costs incurred by Franchisor in approving and effecting the transfer.

12.4 Franchisor's Right of First Refusal. If Franchisee or its owners shall at any time decide to sell, transfer or assign any right or interest under this Agreement and/or the franchise granted pursuant hereto, Franchisee or its owners shall first obtain a bona fide, executed, written offer from a responsible and fully disclosed purchaser and shall submit an exact copy thereof to Franchisor. For a period of thirty days after the date of delivery of such offer to Franchisor, Franchisor shall have the right, exercisable by written notice to Franchisee or any of its owners, to purchase such rights or interests for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute equivalent cash for any form of payment proposed in such offer. Any purchase by Franchisor must be completed within sixty (60) days after Franchisee's receipt of Franchisor's written notice of its intent to purchase. If Franchisor does not exercise its right of first refusal, Franchisee or its owners may complete the sale of such interest to the bona fide purchaser, subject to Franchisor's approval of the purchaser as provided in Section 12.2 herein; provided, however, that if the sale to such purchaser is not completed within 120 days after the delivery of the offer to Franchisor, Franchisor shall again have the right of first refusal herein provided.

12.5 Right of Franchisee's Heirs Upon Death, Disability or Dissolution of Franchisee. A transfer to the heirs, surviving spouse, conservators, or personal or other legal representative of Franchisee or a Principal of Franchisee (collectively, "Involuntary Transferees") upon the death,

dissolution or legal disability of Franchisee or its Principal, shall not be subject to Franchisor's right of first refusal under Section 12.4 or right to terminate for failure to obtain written approval under Section 12.2(a), so long as the Involuntary Transferees (i) satisfy Franchisor that they are qualified to act as a Franchisee pursuant to Section 12.2(b)(5) herein or retain an individual or entity to operate and manage the franchised business who is so qualified and who is approved in writing by Franchisor, and (ii) perform all other applicable acts required under Section 12.2 herein. Such transfer must be made within one hundred 180 days after the death, disability, or dissolution of Franchisee or its Principal, as the case may be. Any subsequent sale or other transfer by any Involuntary Transferees shall be subject to Franchisor's right of written approval set forth in Section 12.2 and to Franchisor's right of first refusal set forth in Section 12.4. A transfer to Involuntary Transferees shall not require the payment of the transfer fee required by Section 12.2(b)(9). Actual legal costs incurred by Franchisor to approve and effect the transfer will be charged, however.

ARTICLE 13

TERMINATION

13.1 Events Allowing Termination. Franchisor may terminate this Agreement, without refund of any moneys paid by Franchisee, if Franchisee or Franchisee's designee fails to commence the initial training program within ninety days after the execution of this Agreement, or fails to complete the training program to the satisfaction of Franchisor. The occurrence of any one or more of the following events shall constitute a default by Franchisee under this Agreement, for which Franchisor may elect to terminate this Agreement, subject to the notice provisions of Section 13.2 below, without prejudice to any other legal or equitable rights or remedies Franchisor may have:

- (a) Franchisee fails to pay when due any sum required to be paid by Franchisee under this Agreement, the promissory note described in Article 4 above, or any other agreement or instrument to which Franchisor and Franchisee are parties;
- (b) Franchisee fails to furnish when due any report required by this Agreement;
- (c) Franchisee fails to operate the franchised business in compliance with the terms of this Agreement, the Manual or the System Standards;
- (d) Franchisee fails to perform or breaches any provision of this Agreement or any other agreement or instrument to which Franchisor and Franchisee are parties;
- (e) Franchisee understates its Gross Revenues by three percent (3%) or more in any report submitted to Franchisor;
- (f) Franchisee promotes, sells or provides for compensation any Permitted Products and Services, or otherwise promotes or operates the franchised business, within a franchise territory licensed to another Home Helpers franchisee (except as may be expressly permitted by this Agreement or the

Manual), or otherwise infringes upon rights granted under franchise agreements with other Home Helpers franchisees;

(g) Franchisee fails to open the franchised business within ninety (90) days after Franchisee or Franchisee's designee completes the initial training program described in Section 7.1, or, after opening, fails to maintain the franchised business in continuous operation, or fails to devote his/her/its full time, energy, and best efforts to the management and operation of the franchised business;

(h) Franchisee is declared bankrupt or insolvent or Franchisee is the debtor in a voluntary or involuntary bankruptcy proceeding under the U.S. Bankruptcy Code (this provision may not be enforceable under federal bankruptcy law);

(i) A receiver is appointed for Franchisee or for any part of its property, or Franchisee makes an assignment for the benefit of its creditors, if not dismissed within fifteen days;

(j) Franchisee abandons or closes the franchised business;

(k) Franchisee fails, for a period of ten days after receipt of notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the franchised business;

(l) Any attempted transfer or assignment that fails to comply with the provisions of Article 12 of this Agreement;

(m) Franchisee knowingly maintains false books or records, or knowingly submits any false report (including, but not limited to, information provided as part of Franchisee's application for this franchise) to Franchisor;

(n) The franchised business or Premises are seized, taken over or foreclosed by a government official in the exercise of his duties, or seized, taken over or foreclosed by a creditor, lien holder or lessor, provided that a final judgment against the Franchisee remains unsatisfied for thirty (30) days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in the franchised business that is not discharged within five (5) days of such levy;

(o) Any conduct or activity by Franchisee, or any Principal, director, or officer of Franchisee, that Franchisor believes may harm, tarnish, impair or reflect unfavorably upon the reputation, name, services or operation of the franchised business, Franchisor, the System, the Marks, or the goodwill associated therewith, including, without limitation, any criminal misconduct of Franchisee, or any Principal, director, or officer of Franchisee;

(p) Franchisee knowingly understates its Gross Revenues in any report submitted to Franchisor;

(q) Franchisee fails to obtain and maintain in effect the general liability insurance required by Section 7.9(b) of this Agreement;

(r) Franchisee knowingly promotes, sells, or provides for compensation any Permitted Products and Services, or otherwise promotes or operates the franchised business, within a franchise territory licensed to another Home Helpers franchisee (except as may be expressly permitted by this Agreement or the Manual), or otherwise knowingly infringes upon rights granted under franchise agreements with other Home Helpers franchisees; or

(s) Franchisor makes a reasonable determination that the continued operation of the franchised business by Franchisee will result in immediate danger to public health or safety.

(t) Franchisee employs any person or fails to discharge any employee that Franchisee knows or has reason to know has engaged in, been convicted of, or pled guilty or nolo contendere to any felony, fraud, elder abuse, or any crime involving moral turpitude.

(u) Franchisee continues an unauthorized use of the Marks for more than three days after Franchisee receives a notice to cease from Franchisor;

(v) Franchisee knowingly and without authorization discloses the Manual to a third-party.

(w) Franchisee fails to maintain any license required by law to offer, provide, or sell any Permitted Products and Services.

13.2 Notice; Termination and Remedies.

(a) If Franchisee fails to cure any default within thirty days after its receipt of a written notice of breach from Franchisor, Franchisor may terminate this Agreement, except that no written notice of default or opportunity to cure shall be required in the case of a default described in subsections 13.1(g) through (w) above. If Franchisee defaults on this Agreement two separate times, for each of which Franchisee was given notice and an opportunity to cure, then Franchisor may terminate this Agreement upon any subsequent default without providing notice or opportunity to cure. Termination of this Agreement shall, at Franchisor's option, be effective automatically upon the expiration of the time period specified above (or such longer period as may be required by applicable law) if Franchisee fails to cure the default within such period, or, if no notice of default is required, immediately upon Franchisee's receipt of a written notice of termination.

(b) In addition to and without limiting any other remedies provided in this Agreement, if Franchisor at any time has the right to terminate this Agreement, then Franchisor, in its sole and unfettered discretion, also has the right to suspend Franchisee's non-exclusive license to use the Marks and the System granted by Section 1.1 until any and all breaches of this Agreement have been cured or this Agreement has been terminated.

(c) If Franchisee fails to cure any default within thirty days after its receipt of a written notice of breach from Franchisor, then the exclusivity of the Franchise Territory granted

by Section 1.3 shall be automatically suspended without further notice until the breach has been cured or this Agreement has been terminated.

(d) If Franchisee breaches any term of this Agreement, then Franchisee, if it has not already done so, shall execute and deliver to Franchisor an authorization for electronic transfer of funds (in a form prescribed by or acceptable to Franchisor's and Franchisee's banks) for direct debits from Franchisee's bank account as provided in Section 5.6, and comply with procedures specified by Franchisor and take all other actions necessary to make payments by electronic fund transfer or pre-authorized electronic debit.

13.3 Liability for Default. If Franchisee fails to cure any default within the applicable time period provided in Section 13.2 above, Franchisee shall pay to Franchisor all damages, costs and expenses incurred by Franchisor as a result of any such default, including, but not limited to, reasonable attorney and accounting fees. This provision shall apply regardless of whether or not Franchisor exercises its right to terminate this Agreement and shall survive the expiration, termination, or cancellation of this Agreement.

ARTICLE 14

OBLIGATIONS UPON TERMINATION

14.1 Franchisee's Obligations. Upon the termination or expiration of this Agreement for any reason, Franchisee shall forthwith:

- (a) Cease to operate the franchised business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.
- (b) Except as may be authorized under another franchise agreement in effect between Franchisee and Franchisor, Franchisee shall immediately and permanently cease all use of the Marks and any derivative or confusingly similar variation thereof. Without limiting the generality of the preceding sentence, Franchisee's obligations under this paragraph include permanently discontinuing all Internet advertising (including, by way of example, Facebook, LinkedIn, Plaxo, MySpace, Twitter, Naymz, Service Magic, Google, and pay-per-click programs) containing any of the Marks or any derivative or confusingly similar variation thereof.
- (c) Franchisee shall take such action as may be necessary to modify Franchisee's National Provider Identification registry listing and all other listings relating to the Franchised Business on or with any other directory (including online directories), Web site, web log, and social media platform, to remove the trademark HOME HELPERS and any of the other Marks, and shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty days after the termination or expiration of this Agreement.
- (d) Except as may be authorized under another franchise agreement in effect between Franchisee and Franchisor, Franchisee shall immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, materials, confidential methods, procedures, or techniques associated with the System or that display the Marks or any other distinctive

forms, slogans, signs, symbols, or devices associated with or belonging to Franchisor. Without limiting the generality of the preceding sentence, Franchisee's obligations under this paragraph include permanently removing or obscuring the Marks and the telephone numbers used in connection with the franchised business from the exterior of all motor vehicles owned or controlled by Franchisee or its employees or used in the operation of the franchised business.

- (e) Make such modifications or alterations to the Premises (including, without limitation, the changing of all telephone numbers), including the improvements thereon, as may be necessary or requested by Franchisor to prevent the operation of any business on the Premises that might be deemed substantially similar to that of Franchisor or any other franchisee of Franchisor. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor shall have the right to enter the Premises, without being guilty of trespass or any other tort or crime, for the purposes of making or causing to be made such changes as may be required at the expense of Franchisee.
- (f) Turn over to Franchisor or Franchisor's designee all advertisements, marketing materials, Manuals, client and other related files including client lists and agreements with clients, client contact information, instructions, correspondence, financial, and other business records and materials, including, without limitation, brochures, agreements, disclosure statements and any materials relating to the business operated hereunder, which may be in Franchisee's possession, together with all copies thereof (all of which Franchisee acknowledges to be Franchisor's sole property).
- (g) Promptly notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use the telephone numbers and directory listings used in connection with the franchised business and authorize the transfer of the telephone numbers and directory listings to Franchisor or its designee. Franchisee acknowledges that, as between Franchisor and Franchisee, Franchisor has the sole right to all telephone numbers and directory listings used in connection with the franchised business, and Franchisee hereby authorizes Franchisor, and appoints Franchisor and any officer designated by Franchisor, as Franchisee's attorney-in-fact, to direct the telephone company and all listing agencies to transfer the telephone numbers and directory listings to Franchisor or Franchisor's designee if Franchisee fails or refuses to do so. The telephone company and all listing agencies may accept such direction or this agreement as conclusive of Franchisor's exclusive rights in the telephone numbers and directory listings and Franchisor's authority to direct their transfer.
- (h) At Franchisor's option, cancel or assign to Franchisor or Franchisor's designee all of Franchisee's right, title and interest in and to any and all Web sites, Web pages, listings, banners, URLs, advertisements or any other services and links related to Franchisee's business or use of Franchisor's trademarks, service marks or other logos, on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines or other similar services.

- (i) Delete all proprietary software and data relating to the franchised business from all computers owned or controlled by Franchisee or its employees.
- (j) Immediately pay all sums due and owing to Franchisor, including any unpaid National Branding Fees and Royalties.
- (k) Take such action as may be necessary to cancel any fictitious or assumed name or equivalent registration that contains the trademark HOME HELPERS or any of the other Marks, and furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after the termination or expiration of this Agreement.

14.2 Power of Attorney. Franchisee does hereby irrevocably constitute and appoint Franchisor as the true and lawful attorney-in-fact and agent for Franchisee to carry out Franchisee's obligations under this Article 14. Franchisee agrees to promptly execute, acknowledge and deliver to Franchisor any and all such documents as may be required to carry out Franchisee's obligations hereunder. The provisions of this Article 14 shall survive the expiration, termination or cancellation of this Agreement.

ARTICLE 15

COVENANTS

15.1 Management of Franchised Business. At all times during the term of this Agreement, Franchisee, or a person designated by Franchisee who has successfully completed the initial training program required by Section 7.1 hereof and all other training programs designated by Franchisor as mandatory, shall devote his/her/its full time, energy, and best efforts to the management and operation of the franchised business.

15.2 Covenants During Term of Franchise Agreement. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the design, development and operation of the franchised business, and the sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, during the term of this Agreement, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with, any person, partnership, limited liability company, corporation, or other entity:

- (a) divert or attempt to divert any business or customer of the franchised business or of any other franchisee of Franchisor to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System;
- (b) aid, assist, or provide goods or services to, any competitor of the franchised business, Franchisor, or any other franchisee in the System;
- (c) employ or seek to employ any person who is at that time employed by Franchisor or any franchisee of Franchisor, or otherwise directly or indirectly induce, or attempt to induce, such person to leave his or her employment;

(d) own, maintain, engage in, or have any interest in any business offering home care aide, home maker, personal care aide assistance, companion services, skilled medical services or any other services that are offered in the franchised business, unless otherwise consented to in writing by Franchisor;

(e) own, maintain, engage in, or have any interest in any business offering personal emergency response products or services, or any other products or services offered by Direct Link Franchises, unless permitted under the terms of another agreement with Franchisor or otherwise consented to in writing by Franchisor; or

(f) promote, sell, or provide for compensation any Permitted Products and Services, or otherwise operate the franchised business, within a franchise territory licensed to another franchisee of Franchisor (except as may be expressly permitted by this Agreement or the Manual), or otherwise infringe upon rights granted under franchise agreements with other franchisees of Franchisor.

(g) take any action injurious or prejudicial to the System.

The restrictions in this Section 15.2 have no geographic limitation.

15.3 Covenants After Termination of Franchise Agreement.

(a) Except as otherwise approved in writing by Franchisor, Franchisee shall not, for a continuous and uninterrupted period commencing upon the expiration, termination, or transfer of this Agreement (regardless of the cause for termination) and continuing for two years thereafter, directly or indirectly, for itself or through, on behalf of, or in conjunction with any person (including a spouse, child, parent, or sibling of Franchisee or of a principal of Franchisee), partnership, limited liability company, corporation, or other entity:

(1) own, maintain, operate, engage in, or have any interest in any business offering home care aide, home maker, personal care aide assistance, companion services, skilled medical services or any other services that had been offered by the franchised business, that is or is intended to be located or which operates in or within 15 miles of the geographical boundaries of Franchisee's Territory or in or within 15 miles of any other Home Helpers franchisee's Territory.

(2) promote, sell, procure, provide or solicit referrals for, or offer to sell, procure, provide or solicit referrals for, home care aide, home maker, personal care aide assistance, companion services, skilled medical services, any Permitted Products and Services, or any other services that are offered in the franchised business, from any Shared Referral Sources (as defined in Section 8.7 above) or in or within 15 miles of the geographical boundaries of Franchisee's Territory or in or within 15 miles of any other Home Helpers franchisee's Territory; or

(3) own, maintain, operate, engage in, or have any interest in any business offering personal emergency response products or services, or any other products or services offered by Direct Link Franchises, that is or is intended to be located or which operates in or within 15 miles of the geographical boundaries of Franchisee's Territory or any Direct Link franchisee's Territory.

(b) Subparagraphs (a)(1), (a)(2), and (a)(3) above are severable and contain different but overlapping restrictions that shall be enforced simultaneously whenever permitted by applicable law. If any of those subparagraphs is held to be invalid or unenforceable in any respect, then such provision is to be modified to the extent necessary to permit its enforcement, and the remaining provisions will be unaffected thereby. Franchisee specifically acknowledges and agrees that the geographic and temporal restrictions on Franchisee's ability to compete with Franchisor and Franchisor's franchisees are reasonable and necessary to protect Franchisor's business interests in the relevant markets. Franchisee also acknowledges and agrees that Franchisee and each of its principals have sufficient resources, business experience, and opportunities to earn an adequate living while complying with the terms of those restrictions.

(c) The parties agree that the full extent of the damages that Franchisor will incur if Franchisee fails to comply with its obligations under this Section 15.3 is difficult to ascertain, but the parties nevertheless desire certainty in this matter. Accordingly, if Franchisee breaches or fail to comply with any of the provisions of subparagraph 15.3(a), Franchisee shall pay Franchisor, as liquidated damages and not as a penalty, a royalty equal to 10% of the gross amount of all income, sales, salary, wages, fees, dividends, distributions, and other compensation received or earned by Franchisee, or any spouse, child, parent, or sibling of Franchisee or of any principal of Franchisee, or to which any of those parties becomes entitled, as the result of the breach or noncompliance. The parties further agree that the royalty required by this paragraph is reasonable in light of the damages that Franchisor will incur. This payment is not exclusive of any other remedies that Franchisor may have, including equitable remedies, attorneys' fees, and costs.

(d) The time period referred to in subparagraph 15.3(a) will be stayed during any violation or breach of the terms thereof. The covenants in this Section 15.3 will survive the expiration, termination, or transfer of this Agreement.

15.4 Exclusion for Publicly Traded Company. Section 15.3 shall not apply to the beneficial ownership by Franchisee of less than one percent (1%) of the outstanding equity securities of any corporation that is registered under the Securities and Exchange Act of 1934.

15.5 Independent Covenants; Severability. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenants subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this Article 15.

15.6 Reduction of Covenants by Franchisor. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set

forth in Section 15.2 or 15.3 of this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 18.1 hereof.

15.7 Claims Against Franchisor No Defense. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 15.

15.8 Injunctive Relief. Franchisee acknowledges that Franchisee's violation of the terms of this Article 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available; and Franchisee accordingly consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article 15.

15.9 Restrictive Covenant Agreements. Franchisee shall provide Franchisor with an executed "Restrictive Covenant Agreements", containing covenants similar in substance to those set forth in this Article 15 (including covenants applicable upon the termination of a person's relationship with Franchisee), from each of the Principals, officers, and directors of Franchisee, and the Principals, officers, and directors of any non-individual Principal of Franchisee. With respect to each person who becomes associated with Franchisee in one of the capacities enumerated above subsequent to the execution of this Agreement, Franchisee shall require and obtain a Restrictive Covenant Agreement from them and promptly provide Franchisor with an executed copy thereof. In no event shall any person enumerated above be granted access to any confidential aspect of the System or the franchised business prior to their execution of a Restrictive Covenant Agreements. All Restrictive Covenant Agreements required by this Section 15.9 shall be in forms satisfactory to Franchisor, including, without limitation, the specific identification of Franchisor as a third-party beneficiary of such agreement with the independent right to enforce the terms thereof. The failure by Franchisee to obtain the execution of the Restrictive Covenant Agreements required by this Section 15.9 and provide the same to Franchisor shall constitute a material breach of this Agreement.

ARTICLE 16

ENFORCEMENT

16.1 Injunctive Relief. Notwithstanding the provisions of Section 16.2 requiring the arbitration of all disputes, Franchisor expressly reserves the right to seek temporary and permanent injunctions and orders of specific performance, without bond, from a court of competent jurisdiction, to enforce the provisions of this Agreement relating to: (a) Franchisee's use of the Marks; (b) Franchisee's obligations upon the termination or expiration of this Agreement; (c) Franchisee's obligations under Section 15.2 or 15.3 of this Agreement; (d) an assignment of this Agreement or any ownership interest therein; or (e) as necessary to prohibit any act or omission by Franchisee or its agents: (i) that would constitute a violation of any applicable law, ordinance, or regulation; (ii) that is dishonest or misleading to Franchisor and/or Franchisor's other franchisees; or (iii) that, in Franchisor's reasonable judgment, may harm, tarnish, impair or reflect unfavorably upon the reputation, name, services or operation of the franchised business, Franchisor, the System or the Marks.

16.2 Arbitration.

(a) Except as otherwise provided in this Article 16, any and all disputes between the parties, whether or not arising out of or related to this Agreement, shall be submitted to a panel of three (3) arbitrators as provided in this paragraph. Each claim or controversy shall be arbitrated on an individual basis and shall not be consolidated in any arbitration action with the claim of any other franchisee. The arbitration proceeding shall be administered by the American Arbitration Association (AAA) in accordance with the Federal Arbitration Act and the then prevailing Commercial Arbitration Rules of the AAA. The award shall be in writing and shall be accompanied by a reasoned opinion. Within thirty (30) days after receipt of the award (which shall not be binding if either party requests a new hearing as provided herein), either party, by notifying the AAA and the other party, may appeal the decision of the initial arbitration panel by requesting a hearing de novo before a second panel of three arbitrators, constituted in accordance with the Commercial Arbitration Rules of the AAA. None of the arbitrators who served on the original panel shall serve on the second panel. The second panel shall conduct a hearing de novo and may adopt the initial award as its own, modify the initial award, or substitute its own award for the initial award. The award of the panel tribunal shall be binding upon both Franchisor and Franchisee upon the confirmation of the award by a court of competent jurisdiction. Each party shall bear its own costs and expenses in connection with the arbitration, including travel expenses, out-of-pocket expenses such as copying and telephone charges, court costs, witness fees, and attorney and accounting fees. The administrative fees and arbitrators' fees shall be allocated equally between the parties. The arbitration proceedings shall take place in Hamilton County, Ohio.

(b) A party shall not have the right to appeal an award under subparagraph (a) of this Section unless the party: (i) fully cooperated in the exchange of information and discovery as ordered by the arbitration panel in the initial arbitration; (ii) attended all evidentiary hearings after due notice in the initial arbitration; and (iii) paid all administrative fees, arbitrators' compensation, and other charges assessed or allocated to the party by the AAA in the initial arbitration.

16.3 Exception to Arbitration. Notwithstanding the provisions of Section 16.2 above, if the amount in controversy in any dispute between Franchisor and Franchisee exceeds \$100,000 in the aggregate, Franchisor shall have the right to require that the matter be adjudicated in either the Common Pleas Court of Hamilton County, Ohio or the United States District Court for the Southern District of Ohio, in lieu of arbitration. If an arbitration demand has already been filed in connection with such a dispute, Franchisor shall have the right to remove the matter to such court.

16.4 **WAIVER OF JURY TRIAL. EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.**

16.5 Punitive Damages. The parties agree to waive, to the fullest extent permitted by law, the right to or claim of any multiple, punitive, or exemplary damages against the other and agree that, in the event of a dispute between them, each will be limited to the recovery of actual damages sustained by it.

16.6 Limitation of Claims. Except for:

- (a) claims against Franchisee concerning the underreporting of Gross Revenues and corresponding underpayment of Royalty and National Branding Fees,
- (b) claims against Franchisee by Franchisor relating to third party claims or suits brought against Franchisor as a result Franchisee's operation of the franchised business, and
- (c) claims for injunctive relief to enforce the provisions of this Agreement relating to Franchisee's use of the Marks, Franchisee's obligations upon the termination or expiration of this Agreement, Franchisee's obligations under Articles 9, 10 or 15 of this Agreement, or an assignment of this Agreement or any ownership interest therein,

any and all claims arising out of or relating to this Agreement or the relationship between the parties shall be barred unless an arbitration or legal proceeding is commenced within one year from the date Franchisee or Franchisor knew or should have known of the facts giving rise to such claims.

ARTICLE 17

INDEPENDENT CONTRACTOR AND INDEMNIFICATION

It is understood and agreed that nothing in this Agreement shall create a partnership, employment or agency relationship between Franchisor and Franchisee, or authorize Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name. Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action by Franchisee. Franchisor shall not be liable to any third party for any act or omission of Franchisee in any of its operations hereunder (including, without limitation, any claim or action against Franchisee for negligent hiring, sexual harassment, or employment discrimination) or any claim or judgment arising therefor against Franchisee. Franchisee shall indemnify and hold Franchisor harmless from and against any and all claims, debts, liabilities or obligations arising directly or indirectly from, as a result of or in connection with Franchisee's operation of the franchised business, and shall pay all costs (including, without limitation, attorney and accounting fees) incurred by Franchisor in defending against and/or responding to them. FRANCHISEE SHALL DISPLAY PROMINENTLY AT ITS PLACE OF BUSINESS, ON ALL CORRESPONDENCE WITH THIRD PARTIES, AND IN ANY PRINTED MATERIALS BEARING ITS NAME OR BUSINESS LOCATION, A STATEMENT THAT THE FRANCHISED BUSINESS IS INDEPENDENTLY OWNED AND OPERATED BY FRANCHISEE.

ARTICLE 18

MISCELLANEOUS

18.1 Nature of Agreement. This Agreement and Franchisor' Disclosure Document, together with the exhibits attached thereto, constitutes the entire agreement between the parties hereto and supersedes any prior agreements between such parties. This Agreement may not be modified or amended except by written instrument signed by each of the parties hereto, expressing such amendment or modification. No failure on the part of any party hereto to

exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercises thereof or the exercise of any other right, power or remedy. Nothing in this Agreement is intended to disclaim any representation in the franchise disclosure document provided to Franchisee prior to Franchisee's purchase of the Franchise.

18.2 Effect of Agreement; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns. This Agreement shall not be assigned by Franchisee without first complying with the provisions of Section 12.2 hereof.

18.3 Construction. This Agreement was accepted and executed by Franchisor in Ohio. Except to the extent governed by the U.S. Trademark Act of 1946, the Federal Arbitration Act, the laws of the State of Ohio (without reference to Ohio conflict of laws principles) govern all aspects of this agreement, excluding any law regulating the sale of franchises or business opportunities, or governing the relationship between a franchisor and a franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this section; provided, however, that if any of the covenants contained in Article 15 of this Agreement would not be enforceable under the laws of Ohio and the franchised business is located outside of Ohio, then such covenants shall be interpreted and construed under the laws of the state in which the franchised business is located. Ohio law shall prevail in the event of any conflict of law, except as specifically provided otherwise by any applicable state franchise investment laws, rules or regulations. If any provision of this Agreement relating to termination, nonrenewal or assignment of the franchise or choice of law, jurisdiction or venue is inconsistent with any applicable state franchise investment law, rules or regulations, such applicable state law shall apply. Any addendum to this Agreement required by the regulatory authorities of any state for the purpose of disclosing salient provision of such state's law is hereby made a part hereof.

18.4 Jurisdiction and Venue. Subject to the provisions of Section 16.2 relating to the arbitration of disputes, each party hereby irrevocably agrees that all lawsuits between the parties and/or their affiliates shall be litigated only in courts having situs in Hamilton County, Ohio. Each party agrees that the following courts have personal jurisdiction over it in all lawsuits between the parties and/or their affiliates, irrevocably submits to the jurisdiction of these courts, and irrevocably waives any defense based upon lack of personal jurisdiction in any lawsuit filed in these courts: (a) all courts included within the state court system of the State of Ohio; and (b) all courts of the United States of America sitting within the State of Ohio, including, without limitation, all United States District Courts within the State of Ohio. Each party agrees that venue shall be proper in any of the following courts in all lawsuits between the parties and/or their affiliates and irrevocably waives any right to transfer or change the venue in any lawsuit filed in these courts: (a) the state court of the county where Franchisor has its principal place of business (presently Hamilton County, Ohio); and (b) the United States District Court for the Southern District of Ohio, Western Division. If any of these courts are abolished, venue shall be proper in the state or federal court in Ohio that most closely approximates the subject matter jurisdiction of the abolished court as well as any of these courts that are not abolished. All lawsuits filed by either party or its affiliate against the other or its affiliate (whether or not in breach of the arbitration provisions of this agreement) must be filed exclusively in one of these courts, except that claims for injunctive relief may be brought where the defendant is located. These exclusive choice of jurisdiction and venue provisions shall not restrict the ability of the parties to confirm or enforce arbitration awards in any appropriate jurisdiction. In all lawsuits between the parties and/or their affiliates, Franchisee and its Principals consent to be served with process outside the State of Ohio in the same manner that

service may be made within the State of Ohio by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction. Franchisee and its Principals hereby waive any defense they may have based upon insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits, but shall be available in addition to any other method of service allowed by law.

18.5 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provision of this Agreement.

18.6 Notices. All payments shall be made to the addresses listed below. All notices, requests, demands and other communications hereunder shall be in writing, shall be addressed as provided in this Section, shall be made by personal delivery, by certified mail, postage prepaid, return receipt requested, by overnight delivery service with proof of delivery, or by electronic mail, and shall be effective upon receipt or refusal thereof or, if unclaimed, forty-eight (48) hours after deposit in the United States mail or with such overnight delivery service, as the case may be.

(a) Address of Franchisor:

H.H. Franchising Systems, Inc.
10700 Montgomery Road, Suite 300
Cincinnati, Ohio 45242

or to such other persons or address as Franchisor may from time to time furnish to Franchisee;

(b) Address of Franchisee:

or to such other persons or address as Franchisee may from time to time furnish to Franchisor.

18.7 Severability.

(a) In the event that any provision of this Agreement, in whole or in part (or the application of any provision to a specific situation), shall be held, by the final judgment of a court of competent jurisdiction after appeal or the time for appeal has expired, to be invalid, unenforceable or in violation of any federal, state or local law, regulation or ordinance applicable to this Agreement, such invalidity shall be limited to such specific provision or portion thereof (or to such situation), and this Agreement shall be construed and applied in such manner as to minimize such invalidity. All other provisions of this Agreement shall otherwise remain in full force and effect.

(b) If any applicable and binding law or regulation of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder, or the taking of some other action not required

hereunder, or if under any applicable and binding law or regulation of any jurisdiction any provision of this Agreement or any specification, standard, or operating procedure prescribed by Franchisor is invalid or unenforceable, then the prior notice and/or other action required by such law or regulation shall be substituted for the comparable provisions hereof, and Franchisor shall have the unlimited right to modify such invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisor agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or from any specification, standard, or operating procedure prescribed by Franchisor, any portion or portions that a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Any such modifications to this Agreement shall be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions.

18.8 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18.9 Survival of Covenants. All provisions of this Agreement which, by their terms, are intended to survive the termination or expiration of this Agreement (such as, by way of illustration and not limitation, the provisions relating to confidential information, indemnification, post-termination competition, and the Marks), and all provisions hereof necessary to enforce and interpret such provisions (such as, by way of illustration and not limitation, the provisions relating to arbitration and injunctive relief), shall survive the termination, expiration or cancellation of this Agreement or the franchise granted hereunder.

18.10 No Third Party Beneficiaries. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or entity not a party hereto.

18.11 Acknowledgment of Franchisee.

(a) Franchisee acknowledges receipt of Franchisor's Franchise Disclosure Document for Prospective Franchisees and exhibits thereto (including a list of franchisees, Franchisor's financial statements, and a copy of this Agreement) at least fourteen (14) days prior to the execution of this Franchise Agreement.

(b) Franchisee acknowledges and agrees that Franchisor's salesmen are not authorized to bind Franchisor in any way.

(c) FRANCHISEE ACKNOWLEDGES THAT THERE HAVE BEEN NO REPRESENTATIONS, WARRANTIES, INDUCEMENTS, PRO FORMAS, FORECASTS, ESTIMATES OR ANY OTHER INDUCEMENT OR STATEMENT MADE BY FRANCHISOR OR ITS AGENTS, SALESMEN, DIRECTORS, OFFICERS, OR EMPLOYEES, OR ANY OTHER SALESMEN OR OTHER PERSON OR ENTITY REGARDING FINANCING, NET PROFITS, GROSS

PROFITS, NET SALES, GROSS SALES, COSTS OR EXPENSES OF FRANCHISOR'S FRANCHISES GENERALLY OR OF ANY SPECIFIC HOME HELPERS FRANCHISE, NOR HAS FRANCHISEE RELIED UPON ANY REPRESENTATIONS, WARRANTIES, INDUCEMENTS, PRO FORMAS, FORECASTS, ESTIMATES OR ANY OTHER INDUCEMENT OR STATEMENT MADE BY FRANCHISOR OR ITS AGENTS, DIRECTORS, OFFICERS, EMPLOYEES OR SALESMEN OR OTHER ASSOCIATES REGARDING FINANCING, NET PROFITS, GROSS PROFITS, NET SALES, GROSS SALES, COSTS OR EXPENSES OF FRANCHISOR'S FRANCHISES GENERALLY OR OF ANY SPECIFIC HOME HELPERS FRANCHISE OR WITH RESPECT TO ANY OTHER MATERIAL FACT RELATING TO THE DEVELOPMENT OF FRANCHISOR'S FRANCHISES IN THE AREA WHEREIN THE FRANCHISEE INTENDS TO LOCATE ITS HOME HELPERS FRANCHISE OR ANY OTHER MATTER PERTAINING TO FRANCHISOR.

(d) THERE IS NO OTHER AGREEMENT, REPRESENTATION OR WARRANTY MADE BY FRANCHISOR OR ANY OTHER ENTITY OR PERSON ASSOCIATED WITH FRANCHISOR OTHER THAN CONTAINED IN THIS AGREEMENT OR FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES.

18.12 "Franchisee" Defined. The term "Franchisee" includes all persons and/or entities that succeed to the interest of the original Franchisee by permitted transfer or operation of law, and will be deemed to include not only the individuals or entity defined as the "Franchisee" on the attached Exhibit A, but also all Principals of the entity that executes this Agreement. By signing this Agreement, each of the Principals of the entity that executes this Agreement as Franchisee acknowledges and accepts the duties and obligations imposed upon each of them, individually, by this Agreement. All Principals of the entity that executes this Agreement must, by separate agreement, personally guarantee all of Franchisee's obligations to Franchisor. If two or more individuals are the "Franchisee" under this Agreement, their liability to Franchisor is joint and several.

The parties are signing this Agreement on the dates written below, the latest of which shall be the "Effective Date" of this Agreement.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

By: _____ Date: _____

Its: _____

INDIVIDUAL/PARTNERSHIP FRANCHISEE(S):

Signature Date: _____

Signature Date: _____

CORPORATE/LIMITED LIABILITY COMPANY FRANCHISEE:

[Name of Franchisee]

By: _____ Date: _____

Its: _____

EXECUTION BY FRANCHISEE(S) TO BE NOTARIZED

STATE OF _____, COUNTY OF _____, Ss.

On _____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged that they executed the same.

WITNESS my hand and official seal.

NOTARY PUBLIC

FRANCHISE AGREEMENT
EXHIBIT A

IDENTIFICATION OF FRANCHISEE(S)

INDIVIDUAL FRANCHISEE(S)

Name: _____ Date of Birth: _____

Home Address (P.O. Box not acceptable): _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Date of Birth: _____

Home Address (P.O. Box not acceptable): _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

ORGANIZATION FRANCHISEE

Check One: Corporation Limited Liability Company Partnership

Name of Organization: _____

Address: _____

City: _____ State: _____ ZIP: _____

Telephone: _____ EIN: _____

Date of Organization: _____ State of Organization: _____

Statutory/Registered Agent: _____

Address of Agent: _____

City: _____ State: _____ ZIP: _____

Officers

President: _____ Vice President: _____

Treasurer: _____ Secretary: _____

Shareholders/Members/Partners

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

The undersigned individual Franchisee, or each of the Principals of a non-individual Franchisee, hereby certify that the foregoing information is accurate and complete to the best of their knowledge and agree to notify Franchisor promptly of any change in any such information during the term of the Franchise Agreement to which this Exhibit A is attached.

Signature

Signature

Print Name

Print Name

Date: _____

Date: _____

Signature

Signature

Print Name

Print Name

Date: _____

Date: _____

FRANCHISE AGREEMENT
EXHIBIT B

FRANCHISE LOCATION No. _____

The Territory described in Section 1.2 of the Franchise Agreement to which this Exhibit B is attached shall consist of the following Postal ZIP Codes located in the State of _____:

This Exhibit B is to be attached to, incorporated in and made a part of the Franchise Agreement between Franchisor and Franchisee. Franchisor and Franchisee agree that the total population of the Territory is approximately _____.

The parties are signing this Exhibit B on the date(s) set forth below.

FRANCHISEE(S):

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

Signature

By: _____

Print Name

Date: _____

Signature

Print Name

Date: _____

DIRECT LINK
FRANCHISE AGREEMENT

BETWEEN

H.H. FRANCHISING SYSTEMS, INC.
FRANCHISOR

AND

FRANCHISEE(S)

FRANCHISE LOCATION No. _____

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THIS FRANCHISE AGREEMENT is between H.H. FRANCHISING SYSTEMS, INC., an Ohio corporation (the "Franchisor"), and the individual(s) or entity identified on Exhibit A attached hereto and by this reference incorporated herein (collectively and individually referred to as "Franchisee");

RECITALS:

A. Franchisor has created and developed and is in the process of further developing a system (the "System") for the establishment and operation of a distinctive type of retail business that offers personal emergency response, medication management, and vital signs monitoring products and services to the general public (hereafter referred to as a "Direct Link franchise").

B. The System consists of distinctive methods and procedures for marketing and advertising; specially designed business forms and procedures for the efficient operation of a Direct Link franchise; an operations manual and training course; and specially designed procedures for the promotion and provision of Franchisee's services.

C. Franchisor has registered the service marks DIRECT LINK® and HOME HELPERS® with the United States Patent and Trademark Office, and claims the exclusive right to use the marks, any derivatives thereof, and certain other trade names, business names, service marks, trademarks, logos, designs and trade symbols (collectively referred to as the "Marks") as are now or may from time to time be designated in writing by Franchisor for use in connection with the operation of the System.

D. Franchisor continues to develop, use, and control the use of the Marks in order to identify to the public the source of products and services marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and services.

E. Franchisee understands and acknowledges the importance of Franchisor's standards of quality, service, cleanliness and appearance, the necessity of opening and operating a Direct Link franchise in conformity with Franchisor's standards and specifications as presented in Franchisor's Manual and updates, and preserving the confidentiality of the System.

F. Franchisee desires to purchase and operate a Direct Link franchise in accordance with all of the terms and conditions of this Agreement.

THEREFORE the parties agree as follows:

ARTICLE 1

APPOINTMENT

1.1 Grant of Franchise. Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, (i) the right and franchise, and Franchisee undertakes the obligation, to operate a business offering personal emergency response, medication management, and vital signs monitoring products and services (the "franchised business") using Franchisor's System and (ii) a non-exclusive license to use solely the Marks and the System as they may be changed, improved and further developed from time to time, within the geographical area described in Section 1.2 (the "Territory").

1.2 Territory Defined. The Territory is a geographical area delineated by postal ZIP Code(s) according to Franchisor's mapping system having an aggregate population of not more than 175,000 and more particularly described on Exhibit B attached to, incorporated in, and made a part of this Agreement. Should for any reason the numbers of any ZIP Code(s) that comprise the Territory be moved, altered or eliminated by the U.S. Postal Service, Franchisor may re-define the boundaries of the Territory to correspond as nearly as possible to the original territory, in Franchisor's sole and absolute discretion, and Franchisor's decision shall be final and binding upon both Franchisor and Franchisee. Franchisee shall not relocate the franchised business from the Territory described in Exhibit B without the prior written approval of Franchisor. Except as may be otherwise permitted by this Agreement, Franchisee shall operate the franchised business only within the Territory described on Exhibit B. If Franchisee transfers the Franchise pursuant to Article 12 of this Agreement, then Franchisor may modify the size of the Territory at the time of transfer so that the Territory will be consistent with the size of franchise territories offered in Franchisor's then-current disclosure document.

1.3 Territory. During the term of this Agreement, Franchisor shall not establish or franchise another to establish a business substantially similar to the franchised business within Franchisee's Territory. As used in this Agreement, the term "*substantially similar*" does not include a business offering home care aide, home maker, personal care aide assistance, or companion care services, unless such business also offers personal emergency response, medication management, and vital signs monitoring products and services. Franchisee acknowledges that the franchise granted hereunder is otherwise non-exclusive and is granted subject to the terms and conditions of Sections 8.6 and 8.7 of this Agreement. Franchisee further acknowledges that Franchisor offers and sells home care aide, home maker, personal care aide assistance, and companion care services through licensed franchises under the name HOME HELPERS® ("Home Helpers Franchises"), and nothing in this Agreement prohibits Franchisor from operating or granting Home Helpers Franchises within Franchisee's Territory. The territorial protection granted under this Section does not extend to the solicitation of employees, and nothing in this Agreement prohibits other franchisees of Franchisor from advertising for and soliciting employees in Franchisee's Territory (subject to Section 15.2(b) below). Franchisee's right to exclusively operate the franchised business within Franchisee's Territory (subject to Sections 1.4 through 1.9 below) shall begin once Franchisee has completed Franchisor's initial training program (see Section 7.1 below) and the franchised business has become fully operational.

1.4 Clients. Franchisee acknowledges and agrees that it acquires no rights in or to its clients or client list other than those specifically granted under this Agreement. Upon the expiration or termination of this Agreement for any reason, Franchisor may notify Franchisee's clients thereof and, without compensation to Franchisee, authorize one or more other Direct Link franchisees or any other third party to provide personal emergency response, medication management, and vital signs monitoring products or services to Franchisee's former clients. If a franchisee provides Permitted Products and Services in a franchise territory before Franchisor grants such territory to a new franchisee, then Franchisor may, in its discretion, allow the pre-existing franchisee to continue to provide Permitted Products and Services to pre-existing clients, but the pre-existing franchisee may not thereafter solicit or accept new clients in any part of the new franchisee's franchise territory.

1.5 National Accounts. The rights granted to Franchisee by this Agreement do not include the exclusive right to offer or provide products or services to National Accounts, and National Accounts are hereby specifically excluded from Franchisor's territorial restrictions in Section 1.3 above. Franchisee acknowledges that other franchisees of the System may provide products and services to National Accounts at or from locations in Franchisee's Territory. With Franchisor's prior written

consent, Franchisee may provide products and services to National Accounts at or from locations in a franchise territory granted to another franchisee of the System, if, and only if, that franchisee's franchise agreement contains a provision similar to this Section 1.4 excluding National Accounts or otherwise permitting other franchisees of the System to provide products and services at or from locations in the franchisee's territory. A "National Account" is any account established with (1) any government body that funds or administers a program that provides funds for or administers any services in two or more territories or (2) any entity that has a member, subsidiary, affiliate, or policy holder that provides funds for or administers any services in two or more territories or two or more standard metropolitan statistical areas. Franchisor retains the sole and exclusive right to identify clients or potential clients as National Accounts, to service National Accounts, and to award the right to service National Accounts to any franchisee of the System, in Franchisor's sole and absolute discretion. All disputes between franchisees of the System relating to National Accounts will be resolved by Franchisor, whose decision will be final and binding upon all parties.

1.6 Permitted Activities. The rights granted to Franchisee under this Agreement are limited to the sale of Permitted Products and Services (defined in section 7.3) to clients within the Territory. Franchisee shall not promote, offer, sell, provide, or distribute any other goods or services without Franchisor's prior written approval.

1.7 Reserved Rights of Franchisor. Franchisor specifically reserves all rights not expressly granted to Franchisee in this agreement.

1.8 Acquisition of Competing System. If Franchisor merges with, acquires, or is acquired by Another system of businesses, the continued operation of any branch, franchise, or location of the other system within the Territory under any trade name, trademark, brand name, or commercial symbol other than the Marks will not violate the rights granted to Franchisee by section 1.3.

1.9 Marketing and Solicitation Restrictions. Franchisee will not directly or indirectly market to or solicit, or provide services to, clients whose principal residence is inside the protected territory of any other Direct Link franchisee. If Franchisee provides services to such a client, then Franchisee will be in violation of this Franchise Agreement. Within 10 days of receiving written notice of such violation, Franchisee must submit all Gross Revenues earned from servicing such clients to Franchisor.

ARTICLE 2

TERM AND RENEWAL

2.1 Initial Term. Except as otherwise provided, the term of this Agreement shall commence on the Effective Date (as defined in the last paragraph of this Agreement) and expire on the tenth anniversary of the Effective Date.

2.2 Renewal. Franchisee may, at its option, renew the license granted under this Agreement for two (2) additional consecutive terms of ten (10) years each, provided that Franchisee complies with the following requirements:

- (a) Franchisee shall give Franchisor written notice of its election to renew not less than six months, but not more than one (1) year, prior to the tenth anniversary of the Effective Date;

(b) Franchisee is not in default under any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement or instrument between Franchisor and Franchisee, and has substantially complied with all of the terms and conditions of all such agreements during the respective terms thereof;

(c) Franchisee shall execute Franchisor's then current form of Franchise Agreement (with appropriate modifications to reflect the fact that it relates to the renewal of a franchise), which will supersede in all respects this Agreement, and the terms of which may differ from the terms of this Agreement, including, without limitation, different rates for National Branding Fees, except that Franchisee will not be required to pay an initial franchise fee or its equivalent;

(d) If permitted by the laws of the state in which Franchisee is located, Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its subsidiaries and affiliates, and their respective officers, directors, agents and employees, in their corporate and individual capacities; and

(e) Franchisee shall comply with Franchisor's then current qualification and training requirements, including, without limitation, any training requirements specifically designed for renewing Franchisees.

2.3 Continued Operation Following Expiration. Unless Franchisee exercises its option to renew the license granted under this Agreement in accordance with this Article, Franchisee has no right to continue to operate the franchised business after the Expiration Date. If Franchisor permits Franchisee to continue to operate the franchised business after the Expiration Date, but before the execution by Franchisee of a new franchise agreement for a new term as required by Section 2.2(c) above, then the temporary continuation of the franchised business will be on a month-to-month basis, and will be terminable at the will of Franchisor by giving Franchisee written notice of termination at least thirty days before the termination is effective. If the laws of the jurisdiction in which the Franchisee is located require a longer notice period, the thirty-day period will be deemed modified to be the shortest notice period required by the laws of such jurisdiction. If Franchisor permits Franchisee to renew the license granted under this Agreement after a month-to-month continuation of the franchised business, then Franchisee must pay to Franchisor a fee of \$1,000 per month for every month of month-to-month operation after the Expiration Date, up to Franchisor's then-current initial franchise fee.

ARTICLE 3

LOCATION OF BUSINESS

Franchisee shall lease, purchase or otherwise secure suitable premises for the operation of the franchised business (the "Premises"). Franchisee may operate the franchised business from Franchisee's residence if permitted by, and so long as Franchisee fully complies with, all applicable building, zoning and licensing laws, ordinances, requirements and restrictions. If the residence used as the Premises is located outside the Territory, Franchisee shall, before opening the franchised business, obtain and maintain at all times during the Term a mailing address located in the Territory. If the Premises are not the residence of Franchisee or a principal of Franchisee, the Premises must be located in the Territory. Franchisee shall provide Franchisor with the address of the Premises prior to opening the franchised business, and shall notify Franchisor in writing by

certified mail, return receipt requested, of any change in the location of the Premises, or any change in Franchisee's business address or e-mail address, at least thirty days before the change.

ARTICLE 4

FRANCHISE FEE

4.1 Amount of Franchise Fee. Franchisee shall pay to Franchisor a Franchise Fee of \$18,900.00¹. The Franchisee fee is fully earned, due and payable to Franchisor upon the execution of this Agreement, in consideration of, among other things, the administrative and other expenses incurred by Franchisor in furnishing items to Franchisee as described in Article 6 and for Franchisor's lost or deferred opportunity to franchise to others. Except as provided in the preceding sentence and in Section 1.2 above, the Franchise Fee is not refundable.

ARTICLE 5

PERIODIC FEES

5.1 National Branding Fee. Franchisee shall pay, to the Fund established in accordance with Article 11 of this Agreement, a National Branding Fee of 2% of Franchisee's Gross Revenues for the preceding month, or \$350.00 per month, whichever is greater. If Franchisee owns a Home Helpers Franchise that has a territory identical to the Direct Link Territory, then Franchisee will not be required to pay a separate Direct Link National Branding Fee. All National Branding Fees shall be payable on or before the fifth day of each month. Franchisee is not obligated to pay the National Branding Fee until the fifth day of the third calendar month immediately following the month in which Franchisee or the Designated Individual completes the initial training program required by Section 7.1, unless (1) Franchisee has operated a Direct Link franchise under another franchise agreement with an effective date at least six months earlier than the Effective Date of this Agreement; or (2) Franchisee acquired the Territory from another Direct Link franchisee. Franchisor has the right to increase the amount of the National Branding Fee at any time in its sole discretion. Any increase in the National Branding Fee shall be effective thirty days after Franchisee's receipt of written notice thereof.

5.2 Late Payment. Franchisee shall pay to Franchisor or to the Fund, as the case may be, a late fee of \$50.00 or 10% of the amount due, whichever is greater, on any payment (including, without limitation, amounts due for Royalties or National Branding Fees or goods or services provided by the Fund, by Franchisor or any affiliate of Franchisor) that is not received by Franchisor within five (5) days after the due date. Any payments that are not received by Franchisor within thirty (30) days after the same become due shall bear interest at the rate of eighteen percent (18%) per annum, or the highest rate allowed by law, whichever is lower, from the date payment is due to the date payment is received by Franchisor, regardless of any subordinate agreement that may be in effect to postpone payment of National Branding Fees.

5.3 Taxes on Amounts Paid to Franchisor. All payments required to be made by Franchisee to Franchisor pursuant to this Agreement shall be the gross amount determined according to the applicable paragraph, without deduction for any sales, use, withholding, gross receipts, income, or other taxes that may be levied or assessed thereon by any state, county, or municipality in which the franchised business is located or operates, in which Franchisee resides, or which possesses the power to tax Franchisee or the franchised business. Franchisee shall remit to the appropriate taxing

¹ All dollar figures are in United States currency.

authorities all sales, use, withholding, gross receipts, income, or other taxes levied or assessed on amounts paid by Franchisee to Franchisor which would otherwise be due from Franchisor, shall promptly deliver to Franchisor receipts of applicable governmental authorities showing that all such taxes were properly paid in compliance with applicable law, and shall indemnify and defend Franchisor and hold Franchisor harmless from and against all liability for such taxes (including interest and penalties thereon). Franchisee shall fully and promptly cooperate with Franchisor to provide such information and records as Franchisor may request in connection with any application by Franchisor to any taxing authority with respect to any tax credits.

5.4 Method of Payment.

(a) Franchisee shall make all payments to Franchisor at such address as Franchisor may provide to Franchisee. Franchisor reserves the right to require Franchisee to make all payments to Franchisor, including Royalties, National Branding Fees, interest, late fees, and legal expenses, through an electronic depository transfer account ("EDT Account") established at a national banking institution approved by Franchisor. At such time as Franchisor may require, Franchisee shall establish the EDT Account and execute and deliver to Franchisor an authorization for electronic funds transfer for direct debits from the EDT Account. At all times thereafter during the term of this agreement, Franchisee shall ensure that Franchisor has access to Franchisee's EDT Account for purposes of receiving electronic funds transfer payments, and Franchisee shall comply with procedures specified by Franchisor and perform such acts as may be necessary to accomplish payment by electronic funds transfer. Franchisee hereby authorizes Franchisor to initiate debit entries and credit correction entries to the EDT Account for payment of Royalties, National Branding Fees, interest, late fees, legal expenses, and any other amounts payable to Franchisor or any affiliate of Franchisor. Franchisee shall make funds available to its EDT Account in sufficient amounts to meet its obligations as they become due. If any debit properly initiated by Franchisor from Franchisee's EDT Account is denied or charged back due to nonsufficient funds or the closing of the EDT Account, Franchisee shall (1) pay Franchisor a \$50 charge-back fee, (2) reimburse Franchisor for all bank and transaction charges incurred by Franchisor as the result of the charge-back, and (3) pay interest on the unpaid amount going back to the fifth day of the month in which the payment was due. Franchisee may not close the EDT Account without Franchisor's consent. Franchisee reserves the right to require Franchisee to remit payments in any manner other than through the EDT Account.

(b) Franchisor may, after providing thirty days notice, alter the payment period for the Royalty, National Branding Fee, and any other required payments from monthly to weekly, biweekly, or such other period as Franchisor designates.

5.5 Technology Fee. Franchisor may charge Franchisee a technology fee for Internet marketing, web hosting, search engine optimization, email addresses, software license or development fees, and other technology tools provided or developed by Franchisor.

5.6 Application of Payments. As to Franchisee, Franchisor has the right to: (i) apply any payments received to any past-due, current, or future indebtedness of any kind, regardless of any instructions for the application of the payment from Franchisee or anyone else; (ii) set off from any amounts that may be owed by Franchisor, any amount owed to Franchisor or any National Branding Fund; and (iii) retain any amounts received for Franchisee's account, whether rebates from suppliers or otherwise, as a payment against any amounts owed to Franchisor. Franchisor may

exercise any of these rights in connection with amounts owed to or from Franchisor, any Franchisor-Related Person, and/or any National Branding Fund.

ARTICLE 6

DUTIES OF FRANCHISOR

6.1 Assistance by Franchisor. Franchisor, at its sole expense and cost, shall, following the execution of this Agreement, provide the following assistance and materials to Franchisee:

- (a) A schedule of all equipment necessary to operate the franchised business;
- (b) Training as described in Section 7.1;
- (c) A current set of advertising and promotional templates;
- (d) Approved and readily available sources for purchasing supplies, advertising and marketing materials, computer hardware and software, and other items necessary for the operation of the franchised business;
- (e) Assistance via telephone or electronic mail to the extent Franchisor deems necessary; and
- (f) Such other materials, information and assistance as Franchisor may from time to time deem necessary.

6.2 Supplies and Materials. Following the execution of this Agreement, Franchisor will furnish Franchisee with one copy of each of the business and reporting forms for use by Franchisee in the franchised business. Thereafter, Franchisee may purchase additional amounts of any of the business and reporting forms from any approved supplier. Upon request, Franchisor will provide Franchisee with specifications for the proper preparation of the business and reporting forms, and Franchisee shall have the option to purchase from a supplier who has complied with Franchisor's supplier approval guidelines as described in Section 7.5 of this Agreement. Since all business and reporting forms will bear the Marks, each supplier shall also be required to execute a license agreement prescribing the manner in which the Marks are to be imprinted, the required text on such materials, and other necessary specifications and standards for the preparation of such materials.

6.3 Manual. Franchisor shall loan Franchisee, at no charge to Franchisee, one (1) copy of Franchisor's current Manual (which may consist of one or more volumes and may be provided digitally via a franchisee intranet, compact disk or DVD) as described in Article 9 of this Agreement.

6.4 Monitoring Services. Franchisor shall provide Franchisee with two-way communication and monitoring services as described in this Section ("Monitoring Services") at such rates as Franchisor may establish from time to time. At all times during the term of this Agreement, Franchisor shall maintain one or more "Emergency Response Centers." Franchisor's Emergency Response Center(s) shall be staffed and on-line twenty-four (24) hours per day, seven (7) days per week. The function of the Emergency Response Center(s) shall be to:

- (a) Receive and acknowledge signals transmitted from PERS Equipment placed in service by Franchisee;

- (b) Display subscriber data from the Emergency Response Center database;
- (c) Through the PERS Equipment, attempt to establish two-way voice communication between the Emergency Response Center monitor and Franchisee's subscribers;
- (d) Take such action as may be necessary and reasonable under the circumstances, including action designated on the subscriber agreement and/or requested by the subscriber;
- (e) Provide a toll-free telephone number for use by the PERS Equipment; and
- (f) Notify Franchisee when an emergency activation is received from Franchisee's subscribers.

Franchisor shall have the unrestricted right to assign or subcontract Monitoring Services to a third party.

6.5 Direct Link Equipment. At all times during the term of this Agreement, Franchisor shall provide (or shall designate a vendor that shall provide) Franchisee with an adequate supply of personal emergency response systems and components, including table-top emergency response units, personal alert activators, silent panic buttons, smoke detectors, activators for the physically challenged and/or impaired, and other equipment for use by customers of Franchisee ("Direct Link Equipment") at such prices as Franchisor may establish from time to time. Franchisor may, in its sole discretion, require Franchisee to purchase the Direct Link Equipment from one or more designated vendors in order to maintain quality standards or to take advantage of price discounts, benefits or other sales incentives.

ARTICLE 7

DUTIES OF FRANCHISEE

7.1 Training. At least one (1) but not more than two (2) persons, one of which has been designated by Franchisee and approved by Franchisor as the person responsible for the day-to-day operation of the franchised business, must complete, to Franchisor's satisfaction, Franchisor's one-week initial training program at a training facility designated by Franchisor. In connection therewith, Franchisor shall provide and pay for the instructors, training facilities, and training materials utilized in such training. Franchisee shall be responsible for all other expenses incurred by Franchisee or its trainees, including, without limitation, the cost of travel, room, board and wages. If Franchisee (or Franchisee's designee) fails to complete the training program to the satisfaction of Franchisor, or fails to begin the training program within ninety (90) days after the execution of this Franchise Agreement, then Franchisor shall have the right to terminate this Agreement. At least one (1) person designated by Franchisee, who has been approved by Franchisor as the person responsible for the day-to-day operation of the franchised business, also shall attend and complete, to Franchisor's satisfaction, such other training programs as Franchisor may reasonably require from time to time. Franchisor, at its option, may charge Franchisee a fee for such training. In connection with such training, Franchisee shall be responsible for all expenses incurred by Franchisee or its trainees, including, without limitation, the cost of travel, room, board and wages, and any training fee charged by Franchisor.

7.2 System Standards. Franchisee acknowledges and agrees that every detail of the System is important, not only to Franchisee but also to Franchisor and other Direct Link franchisees, in order to develop and maintain high and uniform operating standards, to increase the demand for the products and services offered by all franchisees, to establish and maintain a reputation for uniform, efficient, high quality services, to insure the safety of franchisees' customers, and to protect the goodwill of all Direct Link franchises. Franchisee further acknowledges and agrees that a fundamental requirement of the System, this Agreement, and other Direct Link franchises is adherence by all franchisees to the uniform specifications, standards, operating procedures and rules prescribed by Franchisor for the development and operation of the franchised business (hereafter referred to as "System Standards"). Accordingly, Franchisee agrees to comply with each and every System Standard, as periodically modified and supplemented by Franchisor in its sole and absolute discretion, during the term of this Agreement. Franchisee further agrees that System Standards prescribed from time to time in the Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth in this Agreement. All references to this Agreement include all System Standards as periodically modified.

7.3 Products and Services. Franchisee shall offer and sell all products and services, and only those products and services, authorized by Franchisor and specified in the Manual or as designated in writing by Franchisor ("Permitted Products and Services"). Franchisor may unilaterally add and delete products or services to or from the Permitted Products and Services at any time. Franchisor may also designate any products or services as optional.

7.4 Fixtures and Furnishings. Franchisee, at its own expense, shall purchase and install, the Communication and Information System as specified in Section 7.17 below, and all fixtures, furnishings, signs, and other equipment as may be specified by the System Standards from time to time; and shall not permit the installation of any fixtures, furnishings, signs, or other equipment not conforming to the System Standards.

7.5 Supplier Approval. Franchisee shall purchase all marketing materials, business cards, business stationery, fixtures, furnishings, equipment and services used in the franchised business solely from suppliers who demonstrate to Franchisor's continuing reasonable satisfaction the ability to meet Franchisor's then current standards and specifications (including pricing) for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved, in writing, by Franchisor and not thereafter disapproved. If Franchisee desires to purchase any items from an unapproved supplier, Franchisee shall submit to Franchisor, by certified mail, return receipt requested, a written request for approval or shall request the supplier itself to do so. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at Franchisor's option, either to Franchisor or to an independent certified laboratory designated by Franchisor, for testing, and the actual cost for the tests shall be paid by Franchisee or the supplier. Franchisor shall notify Franchisee of Franchisor's approval or disapproval within thirty days after Franchisor's receipt of all information requested by Franchisor. Franchisor has the right to condition its approval of any supplier upon benefits to Franchisor and/or its affiliates based upon purchases by Franchisee and/or other Direct Link or Home Helpers franchisees. Franchisor and/or its affiliates may derive income or receive benefits as a result of Franchisee's and/or other Direct Link or Home Helpers franchisees' purchase of items. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier, and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's criteria. Franchisor may require Franchisee to purchase certain goods or services exclusively from one or more designated suppliers, or to purchase cooperatively with Franchisor or other franchisees of the System, in order to maintain

Franchisor's quality standards or to take advantage of price discounts, benefits or other sales incentives. Franchisor and/or its affiliates have the right to receive rebates, discounts, allowances, and other payments from suppliers in respect of group purchasing programs and otherwise on account of the suppliers' dealings with Franchisee and other Direct Link or Home Helpers franchisees, which Franchisor is entitled to retain and use without restriction for any purpose and without accounting to Franchisee.

7.6 Business Operation. Franchisee must open the franchised business (the "Opening Date") within ninety (90) days after Franchisee or Franchisee's designee completes the initial training program required by Section 7.1 above. After opening, Franchisee shall maintain the franchised business in continuous operation during the term of this Agreement. Franchisee shall not use or permit the use of the Premises on which the franchised business is located for any other purpose or activity other than the operation of the franchised business, without first obtaining the written consent of Franchisor (*provided, however*, that this restriction shall not apply if Franchisee's residence is the Premises). The franchised business must at all times be under the direct supervision of the Franchisee, or such person as has been approved in writing by Franchisor and has successfully completed Franchisor's initial training program and any other mandatory training programs, who must devote his full time and energy to the operation of the franchised business.

7.7 Promotion of Products and Services. Franchisee shall use its best efforts, within the Territory, to diligently promote the franchised business and generally to expend whatever efforts may be reasonable (including, without limitation, advertising, personal solicitation, and demonstration of Permitted Products and Services to potential end-user consumers within the Territory) to develop and maintain substantial interest in Franchisee's products and services. All such efforts shall be in compliance with all federal, state and local statutes, regulations, and ordinances, and in particular, with the rules and regulations of the Federal Trade Commission.

7.8 Sales Quotas. Franchisee acknowledges the importance of maintaining strong sales performance in connection with the operation of the franchised business. Accordingly, Franchisee acknowledges and agrees that it shall have at least twelve Monitoring Units in service and earning revenue on the first anniversary of the Opening Date, and that the number of Monitoring Units in service and earning revenue on each subsequent anniversary of the Opening Date shall be at least twelve greater than the number of Monitoring Units in service and earning revenue on the previous anniversary. The failure of Franchisee to attain the sales quotas contained herein shall constitute a material breach of this Agreement, for which Franchisor may terminate this Agreement upon notice to Franchisee and an opportunity to cure as provided in Section 13.2.

7.9 Liabilities and Taxes. Franchisee shall be solely responsible for any sales, use, occupational, or privilege taxes, import duties, and other duties or charges imposed by any governmental authority, domestic or foreign, any products or services sold, leased, or otherwise disposed of by the franchised business. Franchisee shall pay its distributors, lessors, contractors, suppliers, trade creditors, employees, and other creditors promptly as the debts and obligations to such parties become due, and pay all taxes on real and personal property, leasehold improvements and fixtures and equipment, and all sales and use, income, payroll and other taxes promptly when due and hold Franchisor harmless therefrom. Franchisee's failure to do so shall constitute a breach of this Agreement. All taxes shall be paid directly to the taxing authorities prior to the delinquent date. If Franchisee shall fail to pay any such obligations promptly as the debts to such parties become due, or if any taxes become delinquent, Franchisor, in addition to its other remedies provided in this Agreement, may elect to pay any such obligation or delinquent tax on behalf of Franchisee, together with late charges, penalties and interest, if any, and Franchisee shall, upon demand, reimburse Franchisor for any sums so paid by Franchisor, together with interest at the rate

of eighteen percent (18%) per annum, or the highest rate allowed by law, whichever is less, from the date of payment by Franchisor to the date of reimbursement by Franchisee.

7.10 Records. During the term of this Agreement, Franchisee shall maintain and preserve, for at least six (6) years from the date of their preparation, full, complete and accurate books and records of account, prepared in accordance with generally accepted accounting principles, and client files and records pertaining to the franchised business granted pursuant to this Agreement, all in the form and manner prescribed by Franchisor in the Manual or otherwise in writing. In connection with its maintenance of such accounts and records, Franchisee, at its expense, shall:

- (a) Submit to Franchisor, on or before the fifth (5th) day of each month during the term of this Agreement, a revenue Sales Report in the form prescribed by Franchisor and certified by Franchisee or by the Designated Individual, accurately reflecting all Gross Revenues during the preceding calendar month, and such other data or information as Franchisor may require. Franchisor may, after providing 30 days written notice, require the reporting of Sales Reports and other required data to be weekly, biweekly, or at such other interval as Franchisor designates;
- (b) Submit to Franchisor, within ninety (90) days after the end of each calendar year, an income statement for the preceding calendar year, certified by Franchisee or by the Designated Individual as accurately reflecting the results of operations of the franchised business for the preceding calendar year;
- (c) Submit to Franchisor signed copies of Franchisee's federal income tax return for the previous tax year, as filed with the Internal Revenue Service, on or before April 30 of each year, or, if Franchisee has received an extension of time to file and submits to Franchisor, by April 30, a signed, file-stamped copy of IRS Form 4868 or 2688, as applicable, then within fifteen (15) days after the final due date for such return, but in no event later than October 30 of each year;
- (d) Submit to Franchisor, within ten (10) days after request, such other forms, reports, bank statements, client files, records, information, and data as Franchisor may reasonably request;
- (e) Use only the chart of bookkeeping accounts prescribed by Franchisor in the Manual or otherwise communicated to Franchisee;
- (f) Purchase and install such equipment as Franchisor may require to automate the reporting of financial information and the remittance of payments by Franchisee pursuant to this Agreement, including, but not limited to, Internet or intranet reporting and pre-authorization of electronic fund transfer or bank debit; and
- (g) At all times during the term of this Agreement and for a period of three (3) years after the termination or expiration of this Agreement, permit Franchisor or its designated agents at all reasonable times to examine, at Franchisor's expense and at such location as Franchisor may reasonably select, Franchisee's books and records of account, bank statements, canceled checks, client files, federal, state, and local income tax, sales tax, and payroll tax returns, and any other information or records pertaining to the franchised business (hereafter collectively referred to as Franchisee's "Business Records"). If such an inspection is prompted by Franchisee's failure to maintain any records, failure to timely submit any report

or other information required by this Agreement, or failure to cure any breach of this Agreement within the applicable time period described in Section 13.2, then Franchisee shall reimburse Franchisor for any and all costs and expenses of such inspection (including, without limitation, wages paid by Franchisor to its employees, travel expenses, and reasonable accounting and attorneys' fees). Franchisee, upon Franchisor's request, shall provide Franchisor the tax returns of Franchisee's principals if Franchisor reasonably suspects that Gross Revenues are understated. The foregoing remedies shall be in addition to any other remedies Franchisor may have. Franchisor shall also have the right, at all times during the term of this Agreement and for a period of three (3) years after the termination or expiration of this Agreement, to have an independent audit made of Franchisee's Business Records. The terms of this paragraph shall survive the expiration, termination or cancellation of this Agreement.

7.11 Indemnity and Insurance.

(a) Franchisee shall indemnify, hold harmless, and defend Franchisor against and from, and reimburse Franchisor for, all fines, proceedings, claims, demands, or actions of any kind or nature and by or from anyone whomsoever, arising, directly or indirectly, out of, related to, or otherwise connected with Franchisee's operation of the franchised business or failure to comply with this Agreement (excluding, however, liabilities caused by (i) Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or (ii) Franchisor's negligence).

(b) Franchisee, prior to the opening of the franchised business and thereafter at all times during the entire term of this Agreement, at its own expense, shall keep in force by advance payment of premium the following insurance coverage:

- (i) All-Risk Insurance on all furniture, fixtures, equipment, supplies and other property used in the operation of the franchised business, for their full replacement cost.
- (ii) Commercial General Liability Insurance on an occurrence basis covering claims for bodily and personal injury, death, property damage, product liability, and contractual liability with a minimum per occurrence limit of \$300,000 and a minimum general aggregate limit of \$600,000 per policy year.
- (iii) Professional Liability Insurance on an occurrence basis with a minimum per occurrence limit of \$300,000 and a minimum general aggregate limit of \$600,000 per policy year. The policy may contain a sublimit of not less than \$250,000 for abuse and molestation claims.
- (iv) Automobile Liability Insurance covering owned, hired, and non-owned vehicles with a minimum combined single limit for each accident of \$300,000.
- (v) Worker's Compensation Insurance that complies with the statutory requirements of the state in which the franchised business is located and Employers' Liability Insurance with a minimum limit of \$100,000 or, if greater, the statutory minimum limit if required by state law.
- (vi) Employment Practices Liability Insurance with a \$500,000 minimum limit covering defense costs and damages (whether paid pursuant to judgment or settlement) for claims of sexual harassment, discrimination and wrongful

termination, with a third-party endorsement to respond to client allegations of similar wrongful acts.

- (vii) A first-party and third-party Fidelity Bond (or Employee Dishonesty Insurance) with a minimum limit of \$25,000 per incident. The policy must NOT contain a Conviction Clause.

Franchisee shall maintain such other insurance as may be required by statute or rule of the state or locality in which the franchised business is located and operated and by any lease to which Franchisee is a party. All policies of insurance that Franchisee is required to maintain hereunder shall have a deductible of not more than \$1,000 and shall name Franchisor as an additional insured. All insurance shall be placed with an insurance carrier or carriers approved in writing by Franchisor and shall not be subject to cancellation except upon thirty (30) days written notice to Franchisor. Franchisee shall submit to Franchisor, prior to commencing business, certifications of insurance (with a copy of the original policy attached) and a workers' compensation certificate of premium payment, showing full compliance with the requirements of this paragraph, and shall keep current certifications on deposit with Franchisor at all times during the term of this Agreement. Franchisee shall not open or operate the franchised business or provide any products or services until Franchisee has complied with all of the requirements of this paragraph. If Franchisee fails to comply with these requirements, Franchisor may (but shall not be obligated to) obtain the required insurance and keep it in force and effect, and Franchisee shall pay Franchisor, upon demand, the cost thereof, together with interest thereon at the rate of eighteen percent (18%) per annum, or the highest rate allowed by law, whichever is less. Franchisor, upon not less than thirty (30) days written notice to Franchisee, may reasonably increase the minimum coverage for any insurance required hereunder, decrease the maximum deductible, or require different or additional kinds of insurance coverage to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. The terms of this paragraph shall survive the expiration, termination, or cancellation of this Agreement.

- (c) The insurance required by subparagraph (b) above is for Franchisor's protection. Franchisee is advised to consult with its own insurance agents and legal counsel to determine what types and levels of insurance protection may be needed or advisable in addition to the coverages and limits required by Franchisor.

7.12 Non-Individual Franchisee. If Franchisee is an individual(s), he, she or they shall, within ninety (90) days after signing this Agreement, form a business entity for the purpose of operating the franchised business. Such business entity shall comply with subparagraphs (a) through (k) below. If Franchisee is other than an individual, it shall comply with the requirements of subparagraphs (a) through (k) below before to its execution of this Agreement:

- (a) Franchisee shall be newly organized and its charter, articles of organization, bylaws, or operating agreement shall provide that its activities are confined exclusively to operating the franchised business;
- (b) Franchisee shall have provided Franchisor with written information as to each shareholder, member, or partner of Franchisee ("Principal"), and the ownership interest of each, on Exhibit A hereto, shall promptly notify Franchisor of any changes in any such information during the term of this Agreement, and shall prescribe a maximum of ten Principals;

(c) All Principals of Franchisee shall enter into an agreement, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of Franchisee's obligations to Franchisor;

(d) Each ownership certificate of Franchisee shall have conspicuously endorsed upon its face the following legend:

"The transfer, sale or pledge of these shares is subject to the terms and conditions of a Franchise Agreement entered into with H.H. Franchising Systems, Inc.";

If Franchisee is a partnership or limited liability company without certificates evidencing ownership, Franchisee shall provide Franchisor with acceptable evidence that its partnership or operating agreement or other organizational documents contain provisions acceptable to Franchisor prohibiting the transfer of any ownership interest in Franchisee other than in compliance with the terms of this Agreement. Franchisee shall not cause or permit any such provision to be deleted or modified during the term of this Agreement.

(e) Copies of Franchisee's articles of incorporation or organization, by-laws, partnership agreement, operating agreement, and other governing documents, including the resolutions of its Principals or governing board authorizing the execution of this Agreement, shall be furnished to Franchisor for its approval;

(f) Franchisee's name shall not consist of or contain the words DIRECT LINK, any colorable variation thereof, or any other mark in which Franchisor has or claims a proprietary interest;

(g) Franchisee shall not operate any other business or engage in any other business activities except the operation of one or more Direct Link franchises and one or more Home Helpers franchises;

(h) Franchisee shall not cause or permit any provision of its organizational and governing documents to be modified or restated without Franchisor's prior written approval;

(i) Within ten days after Franchisor's request or after any change in the Principals of Franchisee, Franchisee shall provide Franchisor with an updated list of Principals;

(j) Upon request Franchisee shall provide Franchisor with copies, certified by a Principal, of Franchisee's organizational and governing documents; and

(k) Each new Principal must execute an agreement, in a form prescribed by Franchisor, to be jointly and severally bound by all the provisions of this Agreement, including the post-termination Provisions.

7.13 Compliance with Law. Franchisee agrees to comply with all laws, regulations and requirements of federal, state, municipal, and other governmental entities and agencies (including, without limitation, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, state or local fictitious or assumed name registration requirements, and any federal, state, or local employment laws), and to obtain and maintain any and all licenses and permits required by any governmental agencies or otherwise necessary to conduct the franchised business in any jurisdiction in which it operates. Franchisee shall submit

documented proof of its compliance with any local, state or federal law or licensing regulation within five (5) days of Franchisor's request, unless Franchisor authorizes in writing a longer period of time for Franchisee's compliance. Franchisee agrees and acknowledges that Franchisee alone shall be responsible for compliance with the obligations under this paragraph, and that Franchisor shall have no obligation with respect to Franchisee's compliance under this paragraph.

7.14 Client Dispute Resolution. Franchisee acknowledges that client satisfaction is essential to Franchisee's success as well as the reputation and success of the System and other Direct Link franchisees. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the satisfaction of each of Franchisee's clients; (ii) use good faith in all dealings with clients, potential clients, referral sources, suppliers and creditors; (iii) respond to client complaints in a courteous, prompt, and professional manner; (iv) use its best efforts to promptly and fairly resolve client disputes in a mutually-agreeable manner; and (v) within seven (7) days of receiving a request from Franchisor, provide Franchisor a written summary of the dispute. If Franchisee fails to resolve a dispute with a client, for any reason whatsoever, Franchisor, in its sole discretion and for the sole purpose of protecting the goodwill and reputation of the System and the Marks, may (but shall not be obligated to) investigate the matter and take such action as Franchisor may deem necessary or appropriate to resolve the dispute fairly and promptly, including, without limitation, the issuance of a refund on Franchisee's behalf. Within ten (10) days after receiving notice thereof, Franchisee shall reimburse Franchisor for any moneys refunded to a client on Franchisee's behalf. Nothing contained in this Section or any other provision of this Agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

7.15 Background Review of Employees. Franchisee acknowledges and understands that Franchisee's employees will be entering clients' residences for the purpose of selling and providing Permitted Products and Services. Accordingly, in order to ensure the safety of Franchisee's clients, prior to hiring any prospective employee, Franchisee shall conduct a background review of each prospective employee's criminal history and any other histories (such as motor vehicle, medical and/or credit histories) that may be required by System Standards, as updated from time to time and update each employee's background review at least every TWO YEARS. Franchisee shall not hire any prospective employee for any position involving entrance to a client's residence if such prospective employee's background review indicates, in Franchisee's reasonable discretion, a propensity for violence, dishonesty, negligent, reckless or careless behavior, or a conviction for any crime within the past seven (7) years. Franchisor shall not be liable to Franchisee, any employee or prospective employee of Franchisee, or any third party for any act or omission of Franchisee or any employee or agent of Franchisee, and Franchisee shall indemnify, hold harmless and defend Franchisor against and from any and all claims, demands or actions arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, refusal to hire or discrimination claims or claims asserted by third parties for intentional torts allegedly committed by any employee or agent of Franchisee).

7.16 Designated Individual. If Franchisee is other than an individual, prior to beginning the initial training program described in Section 7.1, Franchisee shall designate, subject to Franchisor's reasonable approval, an individual (the "Designated Individual") who shall be responsible for general oversight and management of the operations of the franchised business on behalf of Franchisee. The Designated Individual must attend and successfully complete the initial training program and such other training programs as Franchisor may from time to time require during the term of this Agreement. Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Individual to have been given, by Franchisee, decision-making authority and responsibility regarding all aspects of the franchised business. In the event that the person

designated as the Designated Individual dies, becomes incapacitated, leaves Franchisee's employ, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the franchised business, Franchisee shall promptly designate a new Designated Individual, subject to Franchisor's reasonable approval.

7.17 Communication and Information System. To ensure the efficient management and operation of the franchised business and the transmission of data to and from Franchisor, Franchisee, at its own expense, shall install, prior to opening the franchise business, and shall maintain and utilize during the term of this Agreement, such Communication and Information System as may be specified by the System Standards from time to time.

(a) As used in this Agreement, the term "Communication and Information System" shall mean: hardware (including, without limitation, one or more computers and/or other computer components); software designed for the management and operation of the franchised business, as well as reporting and sharing information with Franchisor; and communication systems (including, without limitation, digital and analog modems, satellite, cable, and other systems).

(b) Franchisee shall lease and/or purchase its Communication and Information System only from such vendor or vendors or supplier that Franchisor has approved in writing pursuant to the provisions of Section 7.5 above. Franchisee shall not install, or permit to be installed, any devices, software or other programs not approved by Franchisor for use with the Communication and Information System.

(c) Franchisor may from time to time develop or authorize others to develop proprietary software programs for use in the System, which Franchisee may be required to purchase and/or license, and use, in connection with the franchised business. Franchisee agrees that it shall execute any license, sublicense, or maintenance agreement required by Franchisor or any other approved licensor or approved vendor of such proprietary software programs.

(d) Franchisee shall upgrade and update its Communication and Information System in the manner, and when, specified by Franchisor in writing, in accordance with Section 9.3 below.

(e) Franchisee shall have the sole and complete responsibility for the manner in which Franchisee's Communication and Information System interfaces with other systems, including those of Franchisor and other third parties, as well as any and all consequences that may arise if Franchisee's Communication and Information System is not properly operated, maintained, and upgraded.

(f) Franchisee shall: (1) promptly enter, into its Communication and Information System, and maintain all information required to be entered and maintained by Franchisor; (2) provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained, and (3) permit Franchisor to access Franchisee's Communication and Information System at all times via modem or other means specified by Franchisor from time to time. Franchisee shall cooperate with Franchisor, and shall execute all documents required by Franchisor to permit access to Franchisee's Communication and Information System and data contained therein. The reporting requirements set forth in this Section shall be in addition to and not in lieu of the reporting requirements set forth under Section 7.10 above.

(g) Franchisor shall have the right to use any and all data collected or provided by Franchisee, downloaded from Franchisee's Communication and Information System, and otherwise collected from Franchisee's system by Franchisor and/or provided to Franchisor, in any manner that Franchisor deems appropriate without compensation to Franchisee, including, but not limited to, the disclosure or distribution of such information to other franchisees of Franchisor, or the disclosure of such information to prospective franchisees of Franchisor, by inclusion in Franchisor's franchise disclosure document or otherwise.

(h) Franchisee shall maintain at least one dedicated telephone line for use exclusively by the franchised business, which must be answered by an employee of Franchisee or by an answering service approved by Franchisor during all hours designated by Franchisor from time-to-time. Each telephone line shall have all service features as required by Franchisor in the Manual or otherwise communicated to Franchisee from time-to-time. Franchisor has the right, in its business judgment, to require that Franchisee increase the number of telephone lines to accommodate Franchisee's call volume or that Franchisee use a designated call center. All lines shall be operational and functional prior to opening the franchised business and thereafter at all times during the term of this Agreement. The main telephone number for the franchised business must be listed in a white-pages telephone directory under the business name specified by Franchisor and a location within Franchisee's Territory. Franchisor has the right, but is not obligated, to provide a telephone number for Franchisee's use and Franchisee shall reimburse Franchisor for the cost thereof or shall pay the service provider directly, at Franchisor's option. If Franchisor provides a telephone number for Franchisee's use, Franchisee shall use only the number provided by Franchisor for the franchised business, including Franchisee's stationery, advertisements, marketing materials, directory listings (including online directories), and electronic distribution channels.

(i) Prior to opening the franchised business and thereafter at all times during the term of this Agreement, Franchisee shall obtain and maintain a standard e-mail account that is capable of receiving and sending attached files of a size specified by Franchisor in the Manual or otherwise communicated to Franchisee from time-to-time, along with a high speed cable or telephone (ADSL) Internet connection via a commercial Internet service provider.

(j) Franchisor shall have the right, but not the obligation, to establish a Web site (as defined in Section 11.8 below) or other electronic system providing private and secure communications (e.g., an intranet) between Franchisor, Franchisee, other franchisees, and other persons and entities as determined by Franchisor, in its sole discretion. If required by Franchisor, Franchisee shall establish and maintain access to the intranet in the manner specified by Franchisor, and shall from time to time execute such agreements and/or acknowledge and agree to comply with such policies concerning the use of the intranet as Franchisor may prepare.

(k) Any and all data collected or provided by Franchisee, downloaded from Franchisee's Communication and Information System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor, who has the right to use the data in any manner without compensation to Franchisee. Franchisee is hereby licensed, without additional compensation, to use such data solely for the purpose of operating the franchised business. This license will automatically and irrevocably expire, without additional notice or action by Franchisor, when this agreement terminates or expires.

(l) Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding clients or other individuals ("Privacy"), and comply with Franchisor's standards and policies pertaining to Privacy. If there is a conflict between applicable law and Franchisor's Privacy standards and policies, Franchisee shall: (i) comply with the requirements of applicable law; (ii) immediately provide Franchisor with written notice of the conflict; and (iii) promptly and fully cooperate with Franchisor and Franchisor's counsel as Franchisor determines the most effective way, if any, to reconcile Franchisor's Privacy standards and policies with applicable law. Franchisee is solely responsible for identifying, interpreting and complying with all laws pertaining to Privacy. Franchisee shall neither publish nor implement a Privacy policy without Franchisor's prior written approval of the policy.

7.18 Required Purchases of Proprietary Products and Services. Franchisee acknowledges and agrees that Franchisor has developed for use in the System certain proprietary products and services that are identified with and essential to the operation and uniformity of all Direct Link franchises (the "Proprietary Products and Services"). As a result of the importance of the quality and uniformity of the Proprietary Products and Services and the significance thereof in the System, it is to the mutual benefit of Franchisor, Franchisee, and all other Direct Link franchisees, that Franchisor closely control the production, distribution, and provision of the Proprietary Products and Services. Accordingly, Franchisee shall use only Franchisor's Proprietary Products and Services and shall purchase from Franchisor or its affiliates (or from a source designated by Franchisor) all of Franchisee's requirements of Proprietary Products and Services. The Proprietary Products and Services presently consist of PERS Equipment and Monitoring Services, but shall also include any additional Proprietary Products and Services developed or designated by Franchisor for use in the System.

7.19 Compliance with USA Patriot Act. Franchisee certifies that neither Franchisee nor any of its affiliates, principals, or employees is listed in the Annex to Executive Order 13224 ("the Annex," a copy of which may be available on-line at <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/terror.pdf>.) Franchisee shall not hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee or any of its affiliates, principals, or employees being listed in the Annex. Franchisee shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the anti-terrorism laws. In connection with such compliance, Franchisee certifies, represents, and warrants that none of its property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its affiliates and principals are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities include Franchisee's obligations under this paragraph. Any misrepresentation by Franchisee under this paragraph or any violation of the Anti-Terrorism Laws by Franchisee, its affiliates, principals, or employees, will constitute grounds for immediate termination of this agreement.

7.20 System Evaluations. Franchisee shall participate in and fully comply with all client satisfaction programs Franchisor may establish from time-to-time, including the requirements to advertise and make known and available to clients all such programs and to honor the terms of all such programs. Franchisee is subject to and may be required to participate in any evaluation of standards or quality that Franchisor may conduct or sanction for all Direct Link franchises. Franchisee shall provide Franchisor and Franchisor's designees with access to Franchisee's books, records, files, employees, and independent contractors for this purpose.

7.21 Disclosure of Franchisee Information. Franchisee acknowledges that Franchisor may from time-to-time be required or find it necessary to disclose to third parties certain information about Franchisee and Franchisee's Principals, including contact information such as names, addresses and telephone numbers, and other information collected by Franchisor under this agreement. Franchisee hereby consents to Franchisor's collection, use, and disclosure of any information pertaining to the Franchised Business (including contact information of Franchisee and Franchisee's Principals) for Franchisor's reasonable business purposes and for any purpose described in Franchisor's privacy policy (as may be amended from time-to-time), subject to the limitations of this paragraph. Without limiting the generality of the foregoing sentence, Franchisee hereby consents to (i) the collection, use and disclosure of any information about Franchisee and Franchisee's Principals (including contact information) to develop, modify and enhance the System, to conduct credit checks or other personal history investigations, to develop general franchisee profiles, to comply with applicable Franchise Laws, and to otherwise comply with any applicable law; (ii) the transfer of any information (including contact information) to any third party in order for Franchisor to fulfill its obligations under this agreement or attempt to obtain any benefit for Franchisor, Franchisee or the System as a whole; and (iii) the release to Franchisee's landlord, lenders or prospective landlords or lenders, of any financial or operational information relating to Franchisee and/or the Franchised Business (without obligating Franchisor to do so). Franchisor shall protect confidential data and contact information of Franchisee's employees and clients. If Franchisor discloses financial information of Franchisee in a franchise disclosure document, Franchisor shall not identify Franchisee or disclose any contact information of Franchisee in connection with the financial information without Franchisee's prior consent. "Contact Information" is any information about a person that can be used to uniquely identify, contact, or locate the person.

7.22 Operational Inspections by Franchisor. To provide assistance and guidance with respect to the operation and management of the Franchised Business, ensure quality standards and consistency within the System, and ensure that Franchisee is complying with this agreement and the System Standards, Franchisor or Franchisor's agents have the right, but not the obligations, at any time during business hours and without prior notice to Franchisee, to conduct field visits to: (1) inspect the Franchise Premises, equipment, furniture, fixtures, displays, signs, operating materials, inventory, and supplies; (2) observe the operations of the Franchised Business at the Premises and on-site with clients, for such consecutive or intermittent periods as Franchisor deems necessary; (3) photograph or video record the Premises and Franchisee's clients and personnel; (4) interview Franchisee's personnel; (5) interview Franchisee's clients; (6) conduct written or telephonic surveys of Franchisee's clients or referral sources; (7) conduct an inspection described in section 7.10(g); and (8) inspect and copy any books, records and documents relating to the operation of the Franchised Business, including employment contracts, nondisclosure and noncompetition agreements, leases, and material and information generated by or contained in the Communication and Information System. Franchisee consents to the recording by Franchisor of any telephone conversations between Franchisor and Franchisee or its representatives. Franchisee shall cooperate fully with Franchisor in connection with each field visit and any inspection, observation, survey and interview in connection therewith. Franchisee shall present its clients with any evaluation forms Franchisor may periodically prescribe and ask them to participate in any surveys conducted by Franchisor on Franchisee's behalf. If Franchisee for any reason cancels a visit that was scheduled by agreement with Franchisee, then Franchisee shall reimburse Franchisor for all costs and expenses incurred by Franchisor in connection with the field visit or its cancellation.

7.23 Covenants of Employees and Agents. Franchisee shall require each of its management employees (except those individuals required to execute a Restrictive Covenant Agreement

pursuant to section 15.9), at the time of the commencement of their association with Franchisee, to execute an “Employment Agreement” containing provisions:

- (a) requiring that all Confidential Information (as defined in section 10.1) that may be acquired by or imparted to the person in connection with their association with Franchisee (including the Manual, any proprietary software provided by Franchisor, and all information contained therein) be held in strict confidence and used solely for the benefit of Franchisee or Franchisor during their association with Franchisee and at all times thereafter;
- (b) prohibiting the person, during their association with Franchisee, from diverting or attempting to divert any business or customer of the Franchised Business or of any other Direct Link franchisee to any competitor of the franchised business, by direct or indirect inducement or otherwise;
- (c) prohibiting the person, during their association with Franchisee, from doing or performing, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Marks and the System;
- (b) prohibiting the person, during their association with Franchisee, from employing or seeking to employ any person who is at that time employed by Franchisor, Franchisee, or any other Direct Link Franchisee, or otherwise directly or indirectly inducing or attempting to induce such person to leave his or her employment; and
- (c) prohibiting the person, during their association with Franchisee, from employing or seeking to employ any person who is at that time employed by Franchisor, Franchisee, or any other Home Helpers Franchisee, or otherwise directly or indirectly inducing or attempting to induce such person to leave his or her employment; and
- (f) prohibiting the person, during their association with Franchisee and for a continuous period of one year (or the maximum period permitted or enforced by the laws of the state in which the Franchised Business is located, if such period is less than one year, but in no event less than six months) after the termination of their association with Franchisee, from operating, owning, maintaining, promoting, engaging in, or performing services for (as an employee or otherwise) any competitor of the franchised business.

Franchisee shall provide Franchisor with executed copies of all Employment Agreements required by this section. Franchisee may not grant any person enumerated above access to any confidential aspect of the System or the Franchised Business before their execution of an Employment Agreement. All Employment Agreements required by this section must be in a form satisfactory to Franchisor and must specifically identify Franchisor as a third-party beneficiary with the independent right to enforce the agreement. Franchisee’s failure to obtain the execution of all Employment Agreements required by this section and provide copies thereof to Franchisor is a material breach of this agreement.

7.24 Attendance at Franchisee Meetings and Conventions. Franchisor may, but is not obligated to, hold national and/or regional meetings with Franchisor’s personnel and Direct Link franchisees at locations designated by Franchisor, to provide additional training, exchange sales, operating and marketing ideas and methods, introduce new software, marketing programs, or promotional items, and for any other purpose determined by Franchisor. Franchisor has the right to require Franchisee or the Designated Individual (if Franchisee is not an individual) to attend these national and/or regional meetings. Franchisor has the right to charge Franchisee a reasonable fee for such meetings. Nothing in this agreement is to be construed to require Franchisor to hold, provide, sponsor, host, or organize any such meetings.

7.25 Promotion of Franchised Business. Franchisee shall use its best efforts to diligently promote the Franchised Business and maximize its Gross Revenues, and shall expend all reasonable efforts to develop and maintain substantial interest in the Franchised Business. All such efforts must be in compliance with all federal, state, and local statutes, regulation, and ordinances. Franchisee shall at all times faithfully, honestly, and diligently perform its obligations under this agreement and shall not engage in any business or other activities that will conflict with its obligations under this agreement.

ARTICLE 8

PROPRIETARY MARKS

8.1 Use by Franchisee. Franchisee's right to use the Marks as granted in Section 1 herein is limited to their use in connection with the operation of the franchised business within the Territory described in Section 1.2 hereof, and otherwise as described herein and as set forth in the Manual or as may be prescribed in writing by Franchisor from time to time. Franchisee shall operate the franchised business under the trade name DIRECT LINK along with any geographic appellation that Franchisor may designate. Franchisee shall not use any other trademark, trade name, geographic appellation, or assumed name in connection with the franchised business without Franchisor's prior written consent.

8.2 Exclusive Property of Franchisor. Franchisee acknowledges Franchisor's right, title and interest in and to the Marks, along with the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in the System. Franchisee is a "related company" within the meaning of 15 U.S.C. § 1127 and Franchisee's use of the Marks pursuant to this Agreement inures solely to the benefit of Franchisor. Except as expressly provided by this Agreement, Franchisee shall acquire no right, title or interest therein, and any and all goodwill associated with the system and the Marks shall inure exclusively to Franchisor's benefit. Upon the expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the system or the Marks.

8.3 Infringement by Franchisee. Franchisee acknowledges that the use of the Marks outside of the scope of this Agreement or after the expiration or termination (regardless of the reason therefor) of this Agreement without Franchisor's prior written consent is an infringement of Franchisor's rights, title and interest in and to the Marks. Franchisee expressly covenants that during the term of this Agreement and after the expiration or termination hereof, Franchisee shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or take any other action in derogation thereof.

8.4 Infringement by Others. Franchisee shall promptly notify Franchisor of any use of the Marks, any other trademark, logo, or trade name in which Franchisor has or claims a proprietary interest, or any variation thereof, by any party other than Franchisor or any of its representatives, agents, or other franchisees. Franchisee further agrees to notify Franchisor promptly of any litigation instituted by any party against Franchisor or Franchisee involving the Marks. In the event Franchisor, in its sole discretion, undertakes the defense, prosecution, or settlement of any litigation relating to the Marks, Franchisee agrees to execute any and all documents, and to render such assistance as may, in the opinion of Franchisor, be reasonably necessary to carry out such defense, prosecution or settlement. Franchisee acknowledges that the nature of trademark law makes it impossible for Franchisor to guarantee or warrant the exclusivity of Franchisor's right to use any of the Marks, and that nothing in this Agreement or in any other document or promotional material provided by Franchisor to Franchisee or to any other party shall be construed to guarantee, warrant, or imply

that Franchisor's right to use any of the Marks is exclusive or superior to the rights of any other party. In the event that any party demonstrates, to Franchisor's sole satisfaction, a superior right to use any of the Marks, Franchisee shall, upon demand by Franchisor, discontinue its use of such Mark(s) and adopt, at Franchisee's sole cost and expense, any Mark(s), if any, selected by Franchisor to replace such discontinued Mark(s), and Franchisor shall have no liability therefor to Franchisee.

8.5 Improper Use. Franchisee shall not use any of the Marks, or any derivative or colorable variation thereof: (i) as part of Franchisee's corporate or other legal name; (ii) on or as part of any Web site, domain name, URL, Web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or other similar services without Franchisor's written consent; (iii) with any prefix, suffix (including, but not limited to, the words or abbreviations "Incorporated," "Company," "Corporation," "Corp.," "Inc.," or "LLC"), or other modifying words, terms, designs, or symbols; or (iv) in any modified form. Franchisee shall not register any of the Marks, or any derivative or colorable variation thereof, as a service mark, trademark, or Internet domain name, or hold out or otherwise employ the Marks to perform any activity or to incur any obligation or indebtedness in such a manner as could reasonably result in making Franchisor liable therefor or that may harm, tarnish, or impair Franchisor's reputation, name, services or Marks. If Franchisor provides Franchisee with any contracts, agreements, forms, or other documents that contain any of the Marks, Franchisee shall not alter or modify such contracts, agreements, forms, or documents without Franchisor's prior written consent.

8.6 Non-exclusive Use. Franchisee expressly acknowledges and agrees that this license to use the Marks is non-exclusive, and Franchisor has and retains the rights, among others:

- (a) To grant other licenses for the use of the Marks, in addition to those already granted to existing franchisees and to Franchisee; and
- (b) To develop and establish other systems and programs utilizing the same or similar Marks, or any other proprietary marks, and to grant franchises therein without granting Franchisee any rights therein; and
- (c) To identify clients or potential clients as National Accounts, to service National Accounts, and to award the right to service National Accounts to any franchisee of the System, in Franchisor's sole and absolute discretion.

provided, however, that Franchisor shall not, within Franchisee's Territory, (i) grant other licenses to use the Marks or (ii) establish, or franchise another to establish, a business substantially similar to the franchised business (except as otherwise permitted in Section 1.3 of this Agreement).

8.7 Shared Referral Sources. A "Shared Referral Source" is a person or organization that: (i) because of its purpose or the nature of its business, frequently encounters opportunities to recommend, to its customers, clients, patients, members, or to the general public, providers of services similar to the services offered by a Direct Link franchise; and (ii) though it may be physically located within one franchisee's territory, typically serves a geographic area that is larger than a single franchise territory. Examples of Shared Referral Sources (by way of illustration and not limitation) are hospitals, medical offices, certain charitable organizations, government agencies, newspapers, and publications of a general circulation. All Direct Link franchisees are entitled to solicit referrals from and promote their services to Shared Referral Sources, and the solicitation of

referrals from and promotion of services to Shared Referral Sources located in Franchisee's Territory by other Direct Link franchisees does not infringe upon any right of Franchisee to exclude other franchisees from its Territory under this Agreement. All disputes between franchisees over Shared Referral sources will be resolved by Franchisor, whose decision will be final and binding upon all parties. Nothing in this Section authorizes Franchisee to offer, sell or provide Permitted Products and Services outside the Territory described in Exhibit B.

8.8 Use by Others. Franchisee shall not permit any third party to imprint the Marks on any products, materials, documents and supplies utilized by Franchisee in connection with the operation of the franchised business without first obtaining the consent of Franchisor and causing such third party to execute a License Agreement as specifically provided for in Section 6.2 herein.

8.9 Improvements Developed by Franchisee. If Franchisee or any of its Principals, affiliates, directors, officers, or employees conceives, develops, or acquires any improvements or additions to the System or the services or products offered by or the method of operation of a Direct Link Franchise, or any advertising or promotion ideas related to a Direct Link Franchise or the franchised business (collectively, "Improvements"), Franchisee shall, in each instance, promptly and fully disclose the Improvement to Franchisor without disclosure of the Improvement to others, and obtain Franchisor's written approval before using the Improvement. Any Improvement may be used by Franchisor and Direct Link franchisees without any obligation to Franchisee or its Principals, affiliates, directors, officers, or employees for royalties, licensing fees, or other compensation. Franchisee shall assign to Franchisor or Franchisor's designee(s), without charge, all rights, including the right to grant sublicenses, to all Improvements. If for any reason Franchisee and not Franchisor is deemed to own any right to an Improvement, then this agreement will operate as an agreement to irrevocably transfer and assign all rights in and to the Improvement. Franchisee shall take no steps to appropriate any Improvement for itself. Franchisee shall, at Franchisor's request, execute all assignments, certificates or other instruments (and, if necessary, require its Principals, affiliates, directors, officers, employees and independent contractors to execute such documents as well) as Franchisor may from time-to-time deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend Franchisor's rights, title or interest in or to any Improvement or to otherwise carry out the provisions of this paragraph. In return, Franchisor shall authorize Franchisee to use any Improvement developed by Franchisor or another Direct Link franchisee that Franchisor makes part of the System. As used in this paragraph, the term "Improvements" includes intellectual property and all advertising, marketing, promotional, public relations or sales concepts, plans, programs, techniques, activities, materials, or Web sites proposed or developed by Franchisee for the franchised business, whether or not they bear the Marks.

ARTICLE 9

CONFIDENTIAL MANUAL

9.1 Business Operations. In order to protect the reputation and goodwill of Franchisor and to maintain uniform standards of operation under the Marks, Franchisee shall conduct its operations hereunder in accordance with Franchisor's operations manual(s) (the "Manual") (as the same may be amended or modified from time to time), which Franchisee acknowledges having received on loan from Franchisor.

9.2 Confidentiality. The Manual shall at all times remain the sole property of Franchisor. Franchisee shall treat the Manual and all information contained therein as confidential and

proprietary, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall also ensure that its employees treat the Manual and all information contained therein as confidential and proprietary. Franchisee shall not at any time, without Franchisor's prior written consent, copy, duplicate, record, or otherwise make the same available to any unauthorized person.

9.3 Modification. Franchisor shall have the right to add to or otherwise modify the Manual from time to time to reflect changes in any of the System Standards, provided that no such addition or modification shall alter the Franchisee's fundamental status and rights under this Agreement. Without limiting the generality of the foregoing, Franchisor may, during the term of this Agreement, require Franchisee to modify, upgrade, update, enhance and/or replace all or any part of the Communication and Information System at Franchisee's expense, and Franchisee agrees to acquire (or acquire the right to use for the remainder of the term of this Agreement), within 30 days after receipt of written notice from Franchisor, the modified, upgraded, updated, enhanced or replacement component or version of the Communication and Information System specified by Franchisor. Franchisee further agrees to take all other actions as may be necessary to enable the modified, upgraded, updated, enhanced or replacement component or version of the Communication and Information System to operate as specified by Franchisor. Any such modifications, upgrades, updates, enhancements and replacements may require Franchisee to incur costs to purchase, lease, and/or license new or modified computer hardware and/or software or other equipment and to obtain different and/or additional service and support services during the term of this Agreement. Franchisee acknowledges that Franchisor cannot estimate the costs of future maintenance, upgrades, updates, enhancements, modifications, and replacements to the Communication and Information System, or other items, and that such maintenance, enhancements, modifications, and replacements required by Franchisor may involve additional investment by Franchisee during the term of this Agreement. Franchisee shall at all times insure that its copy of the Manual is kept secure, current, and up to date, and in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling. Upon Franchisor's request, Franchisee will cooperate in the efficient return of all Manuals that have been identified by the Franchisor as obsolete.

ARTICLE 10

CONFIDENTIAL INFORMATION

10.1 Use of Confidential Information. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation, any confidential information, knowledge, or know-how concerning the franchised business, the system, or methods of operation that may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's business operations under the terms of this Agreement ("confidential information"). "Confidential information" includes the identities and personal and contact information of customers of the franchised business, financial statements, results of operations, sales, income, expense, and other financial information and records of the franchised business operated by Franchisee. Franchisee shall divulge confidential information only to such of its employees, agents, or professional advisors as must have access to it in order to operate the franchised business as described herein, or with Franchisor's prior written consent. In connection therewith, Franchisee shall be fully responsible for ensuring that its employees, agents and professional advisors comply with this Section.

10.2 Remedies. Franchisee acknowledges that any failure to comply with Section 10.1 of this Agreement will cause Franchisor irreparable injury, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, specific performance of, or any injunction against a violation of, the requirements of Section 10.1.

10.3 Preservation of Confidentiality. Franchisee shall require Franchisee's Principals, directors, officers, and management employees, at the time of the commencement of their association with Franchisee, to execute confidentiality agreements, in a form approved by Franchisor, requiring that all information being proprietary or confidential hereunder that may be acquired by or imparted to such persons in connection with their association with Franchisee be held in strict confidence and used solely for the benefit of Franchisee and Franchisor, at all times during their association with Franchisee and thereafter. Franchisee shall require each prospective purchaser of the franchised business, the license granted under this agreement, or any interest in Franchisee, prior to disclosing any confidential information to such person, to execute a confidentiality agreement, in a form approved by Franchisor, requiring that all proprietary or confidential information that may be disclosed to such person in connection with his or her investigation of Franchisee or the franchised business, will be held in strict confidence and used solely to evaluate the contemplated transaction. All confidentiality agreements described in this paragraph must include a specific identification of Franchisor as a third-party beneficiary with the independent right to enforce the agreement.

10.4 Rights to Material Developed by Franchisee. All instructional materials, concepts, plans, programs, activities and other materials proposed or developed by Franchisee for the provision of Permitted Products and Services must be approved by Franchisor, and may be used by Franchisor and other Franchises without any compensation to Franchisee. Any and all copyrights, trademarks, and other proprietary rights in and to such materials that are proposed or developed by or on behalf of Franchisee will be the sole property of Franchisor, without compensation to Franchisee, and Franchisee shall execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision.

10.5 Ownership of Confidential Information. Franchisee agrees that Franchisor owns and controls all domain names and URLs ("Uniform Resource Locator") relating to any Franchise, as well as all Confidential Information, electronic information, lists, and data related to past, present and future clients of any Franchise. Franchisee's only interest in any of this proprietary and/or Confidential Information is the right to use it pursuant to this Agreement.

10.6 Client List. Upon written request from Franchisor, Franchisee shall prepare a Client List containing all information that Franchisor may specify so that ownership of the Client List and the information in it belongs to Franchisor. Franchisee will acquire no proprietary or ownership rights to its Client List or to service any of its clients other than the rights specifically granted under this agreement. Franchisee is permitted to use the Client List for the purposes of this agreement but for no other purpose. Without limiting the generality of the preceding sentence, Franchisee shall not disclose or transfer its Client List to any person except to Franchisor or as part of a Transfer that complies with Article 12. The Client List is considered Confidential Information and Franchisee shall treat it as such at all times. Franchisee shall provide Franchisor, not more frequently than monthly, with a current Client List in the format and by the means specified by Franchisor from time-to-time. Upon the expiration or termination of this agreement for any reason, Franchisor may notify Franchisee's clients thereof and, without compensation to Franchisee, authorize one or more other Direct Link franchisees or any other person to provide Authorized Products and Services to Franchisee's former clients.

ARTICLE 11

ADVERTISING

11.1 National Branding Fee. As required in Section 5.1 hereof, Franchisee shall pay a National Branding Fee to such national branding fund as Franchisor may establish. Franchisor shall, for each of its company-owned locations (if any), pay National Branding Fees on the same basis as other franchisees within the System.

11.2 National Branding Fund. Franchisee agrees that Franchisor shall have the right, in its discretion, to establish such national or regional funds as Franchisor shall deem necessary or convenient, and to designate any geographical area as a region for establishing regional advertising funds. All such funds (collectively referred to in the singular as the "Fund") shall be maintained and administered by Franchisor as follows:

(a) Franchisee agrees and acknowledges that the Fund is a joint fund for the benefit of both the Home Helpers and Direct Link franchise systems, and is intended to maximize general public recognition and acceptance of the Marks for the benefit of all Direct Link franchises within the System or within a region, as the case may be, as well as for the benefit of all Home Helpers Franchises. Franchisee further agrees and acknowledges that Franchisor is not obligated in administering the Fund to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution, to ensure that any particular Franchisee benefits directly or pro rata from the placement of advertising, or to spend equal or pro rata amounts on Direct Link and Home Helpers marks, franchisees, or franchise systems.

(b) The Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, researching, directing, and preparing advertising and/or promotional activities and developing new advertising, promotional and marketing materials for franchisees in the Home Helpers and Direct Link franchise systems.

(c) Franchisor shall, for each of its company-owned locations (if any), contribute to the Fund on the same basis as assessments required of comparable franchisees within the System.

(d) Franchisee shall contribute to the Fund by separate check made payable to Home Helpers National Branding Fund or such other designation as Franchisor may from time to time prescribe. All sums paid by Franchisee to the Fund shall be maintained in an account separate from the other moneys of Franchisor. Such sums shall not be used to defray any of Franchisor's operating expenses, except for such reasonable salaries, overhead, and administrative, accounting, legal (including, without limitation, the defense of any claims against Franchisor and/or Franchisor's designee regarding the management of the Fund) and other costs, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Fund or advertising programs for Direct Link and Home Helpers franchisees, including the costs of enforcing contributions to the Fund required under this Agreement and the costs of preparing a statement of operations. The Fund and its earnings shall not otherwise inure to the benefit of Franchisor.

(e) It is anticipated that all contributions to and earnings of the Fund shall be expended for advertising and/or promotional purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the Fund at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.

(f) Franchisee agrees that Franchisor (and any designee of Franchisor) shall not have any direct or indirect liability or obligation to Franchisee, to the Fund, or otherwise with respect to the management, maintenance, direction, or administration of the Fund. Franchisee further agrees that Franchisor shall not be liable for any act or omission, whether with respect to the Fund or otherwise, which is consistent with this Agreement or other information provided to Franchisee, or which is done in subjective good faith. Franchisee and Franchisor, each having a mutual interest and agreeing on the critical practical business importance of their relationship being governed solely by written instruments signed by the parties to be bound (and not having either party subject to the uncertainty inherent in the application of legal or other concepts not expressly agreed to in writing by both parties), agree that their rights and obligations with respect to the Fund and all related matters are governed solely by this Agreement and that neither this Agreement nor the Fund are in the nature of a "trust," "fiduciary relationship" or similar special arrangement, but is only an ordinary commercial relationship between independent businesspersons for their independent economic benefit.

11.3 Separate Asset. The Fund is not and shall not be an asset of Franchisor.

11.4 Termination of Fund. Although Franchisor intends the Fund to be of perpetual duration, Franchisor maintains the right to terminate any Fund. No Fund shall be terminated, however, until all moneys in the Fund have been expended for advertising and/or promotional purposes or returned to contributors on the basis of their respective contributions during the one-year period immediately preceding the termination.

11.5 Advertising Materials. In addition to the requirements described in Section 11.1 hereof, Franchisee shall obtain and maintain an adequate supply of brochures, pamphlets, and special promotional materials of such kind and size as Franchisor may reasonably require from time to time in the Manual or otherwise in writing. Franchisee acknowledges that it shall be solely responsible for advertising and marketing the services offered by the franchised business.

11.6 Delegation of Franchisor's Duties. Franchisor shall have the right to delegate and redelegate its responsibilities and duties under this Article 11 to any designee(s) of its choosing; provided, however, that the right of final approval of all advertising programs shall be retained at all times by Franchisor.

11.7 Approval of Advertising. All advertising by Franchisee in any medium shall be conducted in a dignified manner, shall be completely accurate and truthful, shall conform to such standards and requirements as Franchisor may specify from time to time in writing and to all applicable laws and regulations relating to consumer advertising, and shall give notice that the franchised business is independently owned and operated. Franchisee shall submit to Franchisor (by certified mail, return receipt requested), for Franchisor's prior approval (except with respect to prices to be charged), samples of all advertising and promotional plans and materials, including signs, and all other materials displaying the Marks that Franchisee desires to use and that have not been prepared or

previously approved by Franchisor. Franchisee shall display the Marks in the manner prescribed by Franchisor on all signs and all other advertising and promotional materials used in connection with the franchised business. Franchisee specifically acknowledges and agrees that the word “advertising” as used in this Agreement includes, but is not limited to, signs (including signs on motor vehicles), URLs, e-mail addresses, Internet listings, banners, advertisements, or other services or links on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, and similar services.

11.8 Web site. Franchisee specifically acknowledges and agrees that any Web site or blog (as defined below) will be deemed “advertising” under this Agreement, and will be subject to (among other things) Franchisor’s approval under this Article 11. As used in this Agreement, the term “Web site” means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers and/or other devices linked by communications software. The term Web site includes, but is not limited to, Internet and World Wide Web home pages, social media pages, and web logs. In connection with any Web site, Franchisee agrees to the following:

(a) Franchisor shall have the right, but not the obligation, to establish and maintain a Web site, which may, without limitation, promote the Marks, the Direct Link and Home Helpers system, any or all of the Permitted Products and Services, any products or services offered by Home Helpers Franchises, Direct Link and Home Helpers franchised or company-owned locations, and/or the offer and sale of Direct Link, Home Helpers or other franchises. Franchisee shall use all Web sites relating to the franchised business required by Franchisor. Franchisor shall have the sole right to control all aspects of the Web site, including, but not limited to, its design, content, functionality, links to the Web sites of third parties, legal notices, and policies and terms of usage. Franchisor shall also have the right to discontinue the operation of the Web site at any time in its business judgment.

(b) Franchisee shall not directly or indirectly establish, maintain, or operate a separate Direct Link Web site without Franchisor’s prior written consent. Any Direct Link Web site established, maintained, or operated by Franchisee must contain a link to and from Franchisor’s Web site and Franchisor has the right to require modifications of the content, appearance, and format of Franchisee’s Direct Link Web site. The term “Direct Link Web site” means a Web site that displays any of the Marks or a significant amount of the content of which relates to the franchised business, Franchisor, the System, or any business that offers or sells products or services that compete with any products or services offered by Direct Link franchises.

(c) Franchisee shall not, without Franchisor’s prior written consent, establish or permit or aid any other person to establish any link to any Web site or any other electronic or computer-generated advertising or communication arrangement that Franchisor may establish.

(d) Franchisor shall have the right, but not the obligation, to designate one or more Web page(s) to describe Franchisee, the franchised business, and/or Franchisee’s location, with such Web page(s) to be located within Franchisor’s Web site, or to provide Franchisee with a separate Direct Link Web site or page(s) for such purposes. Franchisee shall comply with Franchisor’s policies with respect to the creation, maintenance, and content of any such Web pages, and Franchisor shall have the rights to limit and/or discontinue the content and/or operation of such Web site and Web pages.

(e) In order to maintain the goodwill in the System and in the business of Franchisor and Franchisor's licensees, Franchisor has the right to impose conditions and standards requirements on Franchisee's use of electronic distribution channels, including any Direct Link Web site maintained by Franchisee, including the following:

- a. Franchisor is to own all rights to all domain names containing any of the Marks or relating to the franchised business, any Permitted Products and Services, or any business that offers or sells products or services that compete with any products or services offered by Direct Link franchises. Franchisee shall not register in its own name any domain name containing any of the Marks or relating to the franchised business, any Permitted Products and Services, or any business that offers or sells products or services that compete with any products or services offered by Direct Link franchises.
- b. In order to maintain the common identity of the System and the high quality standards associated with the System, Franchisee shall obtain Franchisor's prior written approval for any domain name and for the form and content of any Direct Link Web site before Franchisee uses it on the Internet. Unless Franchisor's prior written approval has been obtained, no element of the Marks or similar words may be used as part of the domain name or URL.
- c. Any Direct Link Web site established or maintained by Franchisee must contain a hyperlink to Franchisor's Web site and all other hyperlinks to third-party Web sites must be previously approved in writing by Franchisor.
- d. Any modifications to a Direct Link Web site established or maintained by Franchisee must first be approved in writing by Franchisor.
- e. Before establishing a Direct Link Web site, Franchisee shall obtain appropriate legal advice regarding the content and to ensure that the Web site complies with all relevant legislation and regulations.
- f. Franchisee shall fully indemnify Franchisor against all and any claims arising out of any Web site established or maintained by Franchisee.
- g. Franchisee shall comply fully with its terms and conditions of business over the Internet and shall ensure that such terms and conditions of business receive Franchisor's prior written approval.

(f) Franchisee shall not participate in or register with any Internet group, Web site or similar medium which has as its aim (whether stated or not) or its effect the denigration of Franchisor or the System.

(g) Franchisee shall not open an account or profile on a social media site relating to the franchised business or using any of the Marks without Franchisor's prior written consent, which may be given subject to conditions, which may include the grant to Franchisor of administrator rights, and subject to Franchisee's compliance with the provisions of the Manuals relating to social media sites.

(h) Franchisee shall not, without Franchisor's prior written consent, redirect Internet traffic from another domain name or URL to any Direct Link Web site established by

Franchisee or any other Web site containing any of the Marks or any content provided by Franchisor or relating to the franchised business.

(i) Franchisor shall have the right to modify the provisions of this Section 11.8 relating to Direct Link Web sites as Franchisor shall solely determine is necessary or appropriate for the best interests of the System.

11.9 Copyright to Advertising. Franchisee acknowledges and agrees that any and all copyrights in and to advertising and promotional materials developed by or on behalf of Franchisee which bear the Marks shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee for the franchised business or the System and approved by Franchisor may be used by Franchisor and other franchisees of Franchisor without any compensation to Franchisee.

ARTICLE 12

TRANSFERABILITY OF INTEREST

12.1 Transfer by Franchisor. Franchisor shall have the right to transfer or assign all or any part of its rights and/or obligations herein to any person or legal entity, including a subfranchisor specifically responsible for assisting Franchisee. Franchisee agrees to execute any forms that Franchisor may reasonably request to effectuate any transfer or assignment by Franchisor.

12.2 Transfer by Franchisee.

(a) Franchisee understands and acknowledges that the rights and duties set forth in this agreement are personal to Franchisee, and that Franchisor has entered into this Agreement in reliance upon Franchisee's business skills and financial capacity. Accordingly, neither Franchisee, nor any Principal of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the franchise granted hereunder, shall sell, assign, transfer, convey, or give away any interest in this Agreement, in the franchise granted hereunder, or in Franchisee without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor, shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Article 13 herein. Franchisee may transfer only that Territory delineated by Postal ZIP Codes and described in Exhibit B to this Agreement. No purported or attempted assignment or transfer of Franchisee's right to operate the franchised business or use the System or the Marks in less than the entire Territory will be valid.

(b) Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Franchisee, but its consent will, in its sole discretion, be subject to the satisfaction of the following conditions:

(1) All of Franchisee's accrued monetary obligations to Franchisor and all other outstanding obligations related to the franchised business shall have been satisfied.

(2) The transferor's right to receive compensation pursuant to any agreement for the purchase of any interest in Franchisee or in Franchisee's Direct Link franchise shall be subordinated and secondary to Franchisor's rights to receive any outstanding monetary obligations or other outstanding obligations due from transferor or Franchisee pursuant to this Agreement, whether arising before or after the transfer.

(3) Franchisee shall have executed a general release in a form satisfactory to Franchisor, effective as of the date of transfer, of any and all claims against Franchisor and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

(4) The transferee franchisee shall enter into a written assumption, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement after the date of the assumption.

(5) The transferee franchisee shall demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the franchised business (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to operate the business.

(6) The transferee franchisee shall execute Franchisor's then current form of Franchise Agreement and such other ancillary agreements as Franchisor may require.

(7) At the transferee franchisee's expense, and upon such other terms and conditions as Franchisor may reasonably require, the transferee franchisee or its manager shall complete the training course then in effect for franchisees.

(8) Any right of Franchisee to any payments from the transferee franchisee resulting from the transfer shall be subordinate to any claim or right of Franchisor against the transferee franchisee subsequent to the effective date of the transfer, and Franchisee and the transferee franchisee shall execute any and all instruments reasonably required by Franchisor to evidence such liability.

(9) Either Franchisee or the transferee franchisee shall pay to Franchisor a transfer fee of the greater of either Ten Thousand Dollars (\$10,000) or three percent (3%) of all consideration of any kind payable to Franchisee in connection with the transfer, plus Franchisor's actual legal expenses, to cover Franchisor's administrative, legal, and other expenses in connection with the transfer. No transfer fee will be required in the case of a transfer (i) of any interest in the franchised business to Franchisee's spouse or direct lineal

descendant of Franchisee or one of its Principals; (ii) of less than 50% of the ownership interest of a non-individual Franchisee; or (iii) of the entire franchised business to an entity formed solely for the convenience of ownership, as described in Section 12.3 below, if, immediately after the transfer, Franchisee will beneficially own a controlling interest in the entity. For purposes of clause (ii) of this subparagraph (9), all transfers of an ownership interest in a non-individual Franchisee occurring since the date the entity first became a franchisee shall be aggregated to determine the ownership percentage being transferred.

(10) Franchisee and transferee franchisee shall acknowledge in writing that Franchisor was not involved in the negotiation of the transfer, does not guarantee the accuracy of any information provided by Franchisee to transferee franchisee, and makes no representations regarding the transferee franchisee's likelihood of success in operating the franchisee.

(11) Franchisee shall comply with the requirements of section 10.3 above relating to the disclosure of confidential information to a prospective transferee franchisee.

(12) Franchisee shall comply with all laws that apply to the transfer, including laws governing the offer and sale of franchises. Franchisee shall indemnify and defend Franchisor and its agents against and hold them harmless from any and all claims arising directly or indirectly from any alleged failure on Franchisee's part to comply with any franchise law or other law applicable to the transfer.

(13) The Transferee Franchisee, at its own expense, must satisfy all applicable licensing requirements of the jurisdiction in which the franchised business is located.

(14) Franchisee shall transfer all clients and client contact information to transferee franchisee.

(15) In connection with any proposed transfer, Franchisor has the right to communicate with any prospective transferee and to make available for inspection by any prospective transferee all or part of Franchisor's records relating to this agreement, the business operations, financial condition, contracts, and history of the franchised business under Franchisee's ownership, or the history of the relationship of the parties, without any liability to Franchisee or its affiliates, directors, officers, employees, or agents. Franchisee hereby specifically consents to such disclosure by Franchisor and absolutely releases and agrees to hold Franchisor harmless from any and all claims arising directly or indirectly therefrom.

(c) Notwithstanding the provisions of Subsection 12.2(b) above, neither Franchisee nor any shareholder, member or partner of Franchisee, nor any immediate or remote successor to any part of Franchisee's interest in the franchised business, shall pledge, mortgage, grant a security interest, or otherwise encumber any interest in this Agreement, in the franchise granted hereunder, or in Franchisee

(whether or not in connection with an absolute transfer of an interest in the franchised business). Franchisor shall not be obliged to consent to any such transfer.

(d) Notwithstanding the provisions of subsection 12.2(b) above, Franchisor is not obligated to consent to any Transfer to a person that owns, operates, franchises, licenses, develops, consults with, manages, is involved in or employed by, or controls a competitive business. If Franchisor refuses to consent to a transfer under this paragraph, the sole remedy of Franchisee will be to seek a declaratory judgment in a court of competent jurisdiction to determine whether the proposed transferee is a person that owns, operates, franchises, licenses, develops, consults with, manages, is involved in or employed by, or controls a competitive business.

12.3 Transfer to a Controlled Entity. In the event that Franchisee proposes to transfer all of its interest in the franchised business to an entity formed solely for the convenience of ownership, Franchisor's consent to such transfer may, in its sole discretion, be conditioned on the following requirements:

(a) The transferee entity shall be newly organized and its articles of incorporation or organization, by-laws, operating agreement, or partnership agreement shall provide that its activities are confined exclusively to operating the franchised business.

(b) Franchisee shall beneficially own a controlling interest in the transferee entity, shall not diminish his/her ownership interest therein, except as may be required by law, and shall act as its principal executive and operating officer or Principal.

(c) Franchisee shall provide Franchisor, on a form satisfactory to Franchisor, with written information about each Principal of the transferee entity and the ownership interest thereof, and shall agree to promptly notify Franchisor of any changes in any such information during the term of this Agreement.

(d) The transferee entity shall designate a Designated Individual in compliance with Section 7.16 above.

(e) All Principals of the transferee entity shall enter into an agreement, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of the transferee entity's obligations to Franchisor.

(f) Each ownership certificate of the transferee entity shall have conspicuously endorsed upon its face the following legend:

"The transfer, sale or pledge of these shares is subject to the terms and conditions of a Franchise Agreement with H.H. Franchising Systems, Inc."

If Franchisee is a partnership or limited liability company without certificates evidencing ownership, Franchisee shall provide Franchisor with acceptable evidence that its partnership or operating agreement or other organizational documents contain provisions acceptable to Franchisor prohibiting the transfer of any ownership interest in Franchisee other than in compliance with the terms of this Agreement. Franchisee shall not cause or permit any such provision to be deleted or modified during the term of this Agreement.

(g) Copies of the transferee entity's articles of incorporation or organization, by-laws, partnership or operating agreement, and other governing documents, including the resolutions of its governing board authorizing the execution of this Agreement, shall be furnished to Franchisor for its approval prior to the transfer.

(h) The name of the transferee entity shall not consist of or contain the words DIRECT LINK, any colorable variation thereof, or any other mark in which Franchisor has or claims a proprietary interest.

(i) Franchisee shall reimburse Franchisor for actual legal costs incurred by Franchisor in approving and effecting the transfer.

12.4 Franchisor's Right of First Refusal. If Franchisee or its owners shall at any time decide to sell, transfer or assign any right or interest under this Agreement and/or the franchise granted pursuant hereto, Franchisee or its owners shall first obtain a bona fide, executed, written offer from a responsible and fully disclosed purchaser and shall submit an exact copy thereof to Franchisor. For a period of thirty days after the date of delivery of such offer to Franchisor, Franchisor shall have the right, exercisable by written notice to Franchisee or any of its owners, to purchase such rights or interests for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute equivalent cash for any form of payment proposed in such offer. Any purchase by Franchisor must be completed within sixty days after Franchisee's receipt of Franchisor's written notice of its intent to purchase. If Franchisor does not exercise its right of first refusal, Franchisee or its owners may complete the sale of such interest to the bona fide purchaser, subject to Franchisor's approval of the purchaser as provided in Section 12.2 herein; provided, however, that if the sale to such purchaser is not completed within 120 days after the delivery of the offer to Franchisor, Franchisor shall again have the right of first refusal herein provided.

12.5 Right of Franchisee's Heirs Upon Death, Disability or Dissolution of Franchisee. A transfer to the heirs, surviving spouse, conservators, or personal or other legal representative of Franchisee or a Principal of Franchisee (collectively, "Involuntary Transferees") upon the death, dissolution or legal disability of Franchisee or its Principal, shall not be subject to Franchisor's right of first refusal under Section 12.4 or right to terminate for failure to obtain written approval under Section 12.2(a), so long as the Involuntary Transferees (i) satisfy Franchisor that they are qualified to act as a Franchisee pursuant to Section 12.2(b)(5) herein or retain an individual or entity to operate and manage the franchised business who is so qualified and who is approved in writing by Franchisor, and (ii) perform all other applicable acts required under Section 12.2 herein. Such transfer must be made within one hundred eighty (180) days after the death, disability, or dissolution of Franchisee or its Principal, as the case may be. Any subsequent sale or other transfer by any Involuntary Transferees shall be subject to Franchisor's right of written approval set forth in Section 12.2 and to Franchisor's right of first refusal set forth in Section 12.4. A transfer to Involuntary Transferees shall not require the payment of the transfer fee required by Section 12.2(b)(9). Actual legal costs incurred by Franchisor to approve and effect the transfer will be charged, however.

ARTICLE 13

TERMINATION

13.1 Events Allowing Termination. Franchisor may terminate this Agreement, without refund of any moneys paid by Franchisee, if Franchisee or Franchisee's designee fails to commence the

initial training program within ninety (90) days after the execution of this Agreement, or fails to complete the training program to the satisfaction of Franchisor. The occurrence of any one or more of the following events shall constitute a default by Franchisee under this Agreement, for which Franchisor may elect to terminate this Agreement, subject to the notice provisions of Section 13.2 below, without prejudice to any other legal or equitable rights or remedies Franchisor may have:

- (a) Franchisee fails to pay when due any sum required to be paid by Franchisee under this Agreement or any other agreement or instrument to which Franchisor and Franchisee are parties;
- (b) Franchisee fails to furnish when due any report required by this Agreement;
- (c) Franchisee fails to operate the franchised business in compliance with the terms of this Agreement, the Manual or the System Standards;
- (d) Franchisee fails to perform or breaches any provision of this Agreement or any other agreement or instrument to which Franchisor and Franchisee are parties;
- (e) Franchisee promotes, sells or provides for compensation any Permitted Products and Services, or otherwise promotes or operates the franchised business, within a franchise territory licensed to Direct Link another franchisee (except as may be expressly permitted by this Agreement or the Manual), or otherwise infringes upon rights granted under franchise agreements with other Direct Link franchisees;
- (f) Franchisee fails to achieve any of the sales quotas required by Section 7.8 of this Agreement;
- (g) Franchisee fails to open the franchised business within ninety (90) days after Franchisee or Franchisee's designee completes the initial training program described in Section 7.1, or, after opening, fails to maintain the franchised business in continuous operation, or fails to devote his/her/its full time, energy, and best efforts to the management and operation of the franchised business;
- (h) Franchisee is declared bankrupt or insolvent or Franchisee is the debtor in a voluntary or involuntary bankruptcy proceeding under the U.S. Bankruptcy Code (this provision may not be enforceable under federal bankruptcy law);
- (i) A receiver is appointed for Franchisee or for any part of its property, or Franchisee makes an assignment for the benefit of its creditors, if not dismissed within fifteen (15) days;
- (j) Franchisee abandons or closes the franchised business;
- (k) Franchisee fails, for a period of ten (10) days after receipt of notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the franchised business;
- (l) Any attempted transfer or assignment that fails to comply with the provisions of Article 12 of this Agreement;

(m) Franchisee knowingly maintains false books or records, or knowingly submits any false report (including, but not limited to, information provided as part of Franchisee's application for this franchise) to Franchisor;

(n) The franchised business or Premises are seized, taken over or foreclosed by a government official in the exercise of his duties, or seized, taken over or foreclosed by a creditor, lien holder or lessor, provided that a final judgment against the Franchisee remains unsatisfied for thirty (30) days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in the franchised business that is not discharged within five (5) days of such levy;

(o) Any conduct or activity by Franchisee, or any Principal, director, or officer of Franchisee, that Franchisor believes may harm, tarnish, impair or reflect unfavorably upon the reputation, name, services or operation of the franchised business, Franchisor, the System, the Marks, or the goodwill associated therewith, including, without limitation, any criminal misconduct of Franchisee, or any Principal, director, or officer of Franchisee;

(p) Franchisee fails to obtain, maintain in effect, and provide proof of the general liability insurance required by Section 7.9(b) of this Agreement;

(q) Franchisee or any of its Principals knowingly promotes, sells, or provides for compensation any Permitted Products and Services, or otherwise promotes or operates the franchised business, within a franchise territory licensed to another Direct Link franchisee (except as may be expressly permitted by this Agreement or the Manual), or otherwise knowingly infringes upon rights granted under franchise agreements with other Direct Link franchisees; or

(r) Franchisor makes a reasonable determination that the continued operation of the franchised business by Franchisee will result in immediate danger to public health or safety.

(s) Franchisee employs any person or fails to discharge any employee that Franchisee knows or has reason to know has engaged in, been convicted of, or pled guilty or nolo contendere to any felony, fraud, elder abuse, or any crime involving moral turpitude.

(t) Franchisee continues an unauthorized use of the Marks for more than three days after Franchisee receives a notice to cease from Franchisor;

(u) Franchisee knowingly and without authorization discloses the Manual to a third-party.

(v) Franchisee fails to obtain and maintain any license required by law to offer, provide, or sell any Permitted Products and Services.

13.2 Notice; Termination.

(a) If Franchisee fails to cure any default within thirty days after its receipt of a written notice of breach from Franchisor, Franchisor may terminate this Agreement, except that no written notice of default or opportunity to cure shall be required in the case of a default described in subsections 13.1(g) through (v) above. If Franchisee defaults on this Agreement two separate times, for each of which Franchisee was given notice and an opportunity to cure, then Franchisor may terminate this Agreement upon any subsequent default without providing notice or opportunity to cure. Termination of this Agreement shall, at Franchisor's option, be effective automatically upon the expiration of the time period specified above (or such longer period as may be required by applicable law) if Franchisee fails to cure the default within such period, or, if no notice of default is required, immediately upon Franchisee's receipt of a written notice of termination.

(b) In addition to and without limiting any other remedies provided in this Agreement, if Franchisor at any time has the right to terminate this Agreement, then Franchisor, in its sole and unfettered discretion, also has the right to suspend Franchisee's non-exclusive license to use the Marks and the System granted by Section 1.1 until any and all breaches of this Agreement have been cured or this Agreement has been terminated.

(c) If Franchisee fails to cure any default within thirty (30) days after its receipt of a written notice of breach from Franchisor, then the exclusivity of the Franchise Territory granted by Section 1.3 shall be automatically suspended without further notice until the breach has been cured or this Agreement has been terminated.

(d) If Franchisee breaches any term of this Agreement, then Franchisee, if it has not already done so, shall execute and deliver to Franchisor an authorization for electronic transfer of funds (in a form prescribed by or acceptable to Franchisor's and Franchisee's banks) for direct debits from Franchisee's bank account as provided in Section 5.4, and comply with procedures specified by Franchisor and take all other actions necessary to make payments by electronic fund transfer or pre-authorized electronic debit.

13.3 Liability for Default. If Franchisee fails to cure any default within the applicable time period provided in Section 13.2 above, Franchisee shall pay to Franchisor all damages, costs and expenses incurred by Franchisor as a result of any such default, including, but not limited to, reasonable attorney and accounting fees. This provision shall apply regardless of whether or not Franchisor exercises its right to terminate this Agreement and shall survive the expiration, termination, or cancellation of this Agreement.

ARTICLE 14

OBLIGATIONS UPON TERMINATION

14.1 Franchisee's Obligations. Upon the termination or expiration of this Agreement for any reason, Franchisee shall forthwith:

(a) Cease to operate the franchised business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

(b) Except as may be authorized under another franchise agreement in effect between Franchisee and Franchisor, Franchisee shall immediately and permanently cease all use of

the Marks and any derivative or confusingly similar variation thereof. Without limiting the generality of the preceding sentence, Franchisee's obligations under this paragraph include permanently discontinuing all Internet advertising (including, by way of example, Facebook, LinkedIn, Plaxo, MySpace, Twitter, Naymz, Service Magic, Google, and pay-per-click programs) containing any of the Marks or any derivative or confusingly similar variation thereof.

(c) Except as may be authorized under another franchise agreement in effect between Franchisee and Franchisor, Franchisee shall immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, materials, confidential methods, procedures, or techniques associated with the System or that display the Marks or any other distinctive forms, slogans, signs, symbols, or devices associated with or belonging to Franchisor. Without limiting the generality of the preceding sentence, Franchisee's obligations under this paragraph include permanently removing or obscuring the Marks and the telephone numbers used in connection with the franchised business from the exterior of all motor vehicles owned or controlled by Franchisee or its employees or used in the operation of the franchised business.

(d) Make such modifications or alterations to the Premises (including, without limitation, the changing of all telephone numbers), including the improvements thereon, as may be necessary or requested by Franchisor to prevent the operation of any business on the Premises that might be deemed substantially similar to that of Franchisor or any other franchisee of Franchisor. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor shall have the right to enter the Premises, without being guilty of trespass or any other tort or crime, for the purposes of making or causing to be made such changes as may be required at the expense of Franchisee.

(e) Turn over to Franchisor all advertisements, marketing materials, Manuals, client and other related files including client lists and agreements with clients, client contact information, instructions, correspondence, financial, and other business records and materials, including, without limitation, brochures, agreements, disclosure statements and any materials relating to the business operated hereunder, which may be in Franchisee's possession, together with all copies thereof (all of which Franchisee acknowledges to be Franchisor's sole property).

(f) Promptly notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use the telephone numbers and directory listings used in connection with the franchised business and authorize the transfer of the telephone numbers and directory listings to Franchisor or its designee. Franchisee acknowledges that, as between Franchisor and Franchisee, Franchisor has the sole right to all telephone numbers and directory listings used in connection with the franchised business, and Franchisee hereby authorizes Franchisor, and appoints Franchisor and any officer designated by Franchisor, as Franchisee's attorney-in-fact, to direct the telephone company and all listing agencies to transfer the telephone numbers and directory listings to Franchisor or Franchisor's designee if Franchisee fails or refuses to do so. The telephone company and all listing agencies may accept such direction or this agreement as conclusive of Franchisor's exclusive rights in the telephone numbers and directory listings and Franchisor's authority to direct their transfer.

(g) At Franchisor's option, cancel or assign to Franchisor or Franchisor's designee all of Franchisee's right, title and interest in and to any and all (i) telephone numbers of

Franchisee's franchise and all related Yellow Pages, White Pages and other business listings, and (ii) Web sites, Web pages, listings, banners, URLs, advertisements or any other services and links related to Franchisee's business or use of Franchisor's trademarks, service marks or other logos, on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines or other similar services.

(h) Franchisee shall take such action as may be necessary to modify or cancel any listings relating to the Franchised Business on or with any directory (including online directories), Web site, web log, and social media platform, to remove the Marks, and shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty days after the termination or expiration of this Agreement.

(i) Delete all proprietary software and data relating to the franchised business from all computers owned or controlled by Franchisee or its employees.

(j) Immediately pay all sums due and owing to Franchisor, including any unpaid National Branding Fees.

(k) Take such action as may be necessary to cancel any fictitious or assumed name or equivalent registration that contains the trademark DIRECT LINK or any of the other Marks, and furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after the termination or expiration of this Agreement.

(l) Cease to use all Supplier accounts established by Franchisor.

14.2 Power of Attorney. Franchisee does hereby irrevocably constitute and appoint Franchisor as the true and lawful attorney-in-fact and agent for Franchisee to carry out Franchisee's obligations under this Article 14. Franchisee agrees to promptly execute, acknowledge and deliver to Franchisor any and all such documents as may be required to carry out Franchisee's obligations hereunder. The provisions of this Article 14 shall survive the expiration, termination or cancellation of this Agreement.

ARTICLE 15

COVENANTS

15.1 Management of Franchised Business. At all times during the term of this Agreement, Franchisee, or a person designated by Franchisee who has successfully completed the initial training program required by Section 7.1 hereof and all other training programs designated by Franchisor as mandatory, shall devote his/her/its full time, energy, and best efforts to the management and operation of the franchised business.

15.2 Covenants During Term of Franchise Agreement. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the design, development and operation of the franchised business, and the sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, during the term of this Agreement, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with, any person, partnership, limited liability company, corporation, or other entity:

- (a) divert or attempt to divert any business or customer of the franchised business or of any other franchisee of Franchisor to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System;
- (b) aid, assist, or provide goods or services to, any competitor of the franchised business, Franchisor, or any other franchisee in the System;
- (c) employ or seek to employ any person who is at that time employed by Franchisor or any franchisee of Franchisor, or otherwise directly or indirectly induce, or attempt to induce, such person to leave his or her employment;
- (d) own, maintain, engage in, or have any interest in any business offering personal emergency response, medication management, and vital signs monitoring products or services or any other products or services that are offered in the franchised business, unless otherwise consented to in writing by Franchisor;
- (e) own, maintain, engage in, or have any interest in any business offering home care aide, home maker, personal care aide assistance, companion services, skilled medical services or any other products or services offered by Home Helpers Franchises, unless permitted under the terms of another agreement with Franchisor or otherwise consented to in writing by Franchisor;
- (f) promote, sell, or provide for compensation any Permitted Products and Services, or otherwise operate the franchised business, within a franchise territory licensed to another franchisee of Franchisor (except as may be expressly permitted by this Agreement or the Manual), or otherwise infringe upon rights granted under franchise agreements with other franchisees of Franchisor; or
- (g) take any action injurious or prejudicial to the System.

15.3 Covenants After Termination of Franchise Agreement. Franchisee further covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, directly or indirectly, for itself or through, on behalf of, or in conjunction with any person, partnership, limited liability company, corporation, or other entity:

- (a) own, maintain, operate, engage in, or have any interest in any business offering personal emergency response, medication management, and vital signs monitoring products or services companion services, skilled medical services or any other products or services that had been offered by the franchised business, that is or is intended to be located or which operates in or within 15 miles of the geographical boundaries of Franchisee's Territory or in or within 15 miles of the geographical boundaries of any other Direct Link franchisee's Territory;
- (b) promote, sell, procure, provide or solicit referrals for, or offer to sell, procure, provide or solicit referrals for, any Permitted Products and Services, or any other products or services that are offered in the franchised business, from any Shared Referral Sources (as defined in Section 8.7 above) in or within 15 miles of the

geographical boundaries of Franchisee's Territory or in or within 15 miles of any other Direct Link franchisee's Territory; or

(c) own, maintain, operate, engage in, or have any interest in any business offering home care aide, home maker, personal care aide assistance, companion services, skilled medical services or any other services offered by Home Helpers Franchises, that is or is intended to be located or which operates in or within 15 miles of the geographical boundaries of any Home Helpers franchisee's Territory. Franchisee and Franchisor agree that the time period referred to in this Section 15.3 shall be stayed during any violation or breach of the terms of this Section, and that the covenants contained in this Section 15.3 shall survive the expiration, termination or cancellation of this Agreement.

Paragraphs (a), (b), and (c) above are severable and contain different but overlapping restrictions that shall be enforced simultaneously whenever permitted by applicable law. If any paragraph shall be held to be invalid or unenforceable in any respect, Franchisor and Franchisee agree that such provision shall be modified to the extent necessary to permit its enforcement, and the remaining provision shall be unaffected thereby. Franchisee specifically acknowledges and agrees that the geographic and temporal restrictions on Franchisee's ability to compete with Franchisor and Franchisor's franchisees are reasonable and necessary to protect Franchisor's business interests in the relevant markets.

15.4 Exclusion for Publicly Traded Company. Section 15.3 shall not apply to the beneficial ownership by Franchisee of less than one percent (1%) of the outstanding equity securities of any corporation that is registered under the Securities and Exchange Act of 1934.

15.5 Independent Covenants; Severability. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenants subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this Article 15.

15.6 Reduction of Covenants by Franchisor. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section 15.2 or 15.3 of this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 18.1 hereof.

15.7 Claims Against Franchisor No Defense. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 15.

15.8 Injunctive Relief. Franchisee acknowledges that Franchisee's violation of the terms of this Article 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available; and Franchisee accordingly consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article 15.

15.9 Restrictive Covenant Agreements. Franchisee shall provide Franchisor with an executed “Restrictive Covenant Agreement”, containing covenants similar in substance to those set forth in this Article 15 (including covenants applicable upon the termination of a person’s relationship with Franchisee), from each of the Principals, officers, and directors of Franchisee, and the Principals, officers, and directors of any non-individual Principal of Franchisee. With respect to each person who becomes associated with Franchisee in one of the capacities enumerated above subsequent to the execution of this Agreement, Franchisee shall require and obtain a Restrictive Covenant Agreement from them and promptly provide Franchisor with an executed copy thereof. In no event shall any person enumerated above be granted access to any confidential aspect of the System or the franchised business prior to their execution of a Restrictive Covenant Agreement. All Restrictive Covenant Agreements required by this Section 15.9 shall be in form satisfactory to Franchisor, including, without limitation, the specific identification of Franchisor as a third-party beneficiary of such agreement with the independent right to enforce the terms thereof. The failure by Franchisee to obtain the execution of the Restrictive Covenant Agreements required by this Section 15.9 and provide the same to Franchisor shall constitute a material breach of this Agreement.

ARTICLE 16

ENFORCEMENT AND REMEDIES

16.1 Injunctive Relief. Notwithstanding the provisions of Section 16.2 requiring the arbitration of all disputes, Franchisor expressly reserves the right to seek temporary and permanent injunctions and orders of specific performance, without bond, from a court of competent jurisdiction, to enforce the provisions of this Agreement relating to: (a) Franchisee’s use of the Marks; (b) Franchisee’s obligations upon the termination or expiration of this Agreement; (c) Franchisee’s obligations under Section 15.2 or 15.3 of this Agreement; (d) an assignment of this Agreement or any ownership interest therein; or (e) as necessary to prohibit any act or omission by Franchisee or its agents: (i) that would constitute a violation of any applicable law, ordinance, or regulation; (ii) that is dishonest or misleading to Franchisor and/or Franchisor’s other franchisees; or (iii) that, in Franchisor’s reasonable judgment, may harm, tarnish, impair or reflect unfavorably upon the reputation, name, services or operation of the franchised business, Franchisor, the System or the Marks.

16.2 Arbitration.

(a) Except as otherwise provided in this Article 16, any and all disputes between the parties, whether or not arising out of or related to this Agreement, shall be submitted to a panel of three (3) arbitrators as provided in this paragraph. Each claim or controversy shall be arbitrated on an individual basis and shall not be consolidated in any arbitration action with the claim of any other franchisee. The arbitration proceeding shall be administered by the American Arbitration Association (AAA) in accordance with the Federal Arbitration Act and the then prevailing Commercial Arbitration Rules of the AAA. The award shall be in writing and shall be accompanied by a reasoned opinion. Within thirty (30) days after receipt of the award (which shall not be binding if either party requests a new hearing as provided herein), either party, by notifying the AAA and the other party, may appeal the decision of the initial arbitration panel by requesting a hearing de novo before a second panel of three arbitrators, constituted in accordance with the Commercial Arbitration Rules of the AAA. None of the arbitrators who served on the original panel shall serve on the second tribunal. The second tribunal shall conduct a hearing de novo and may adopt the initial award as its own, modify the initial award, or substitute its own award for the initial award. The award of the second tribunal shall be binding upon both Franchisor and Franchisee upon the

confirmation of the award by a court of competent jurisdiction. Each party shall bear its own costs and expenses in connection with the arbitration, including travel expenses, out-of-pocket expenses such as copying and telephone charges, court costs, witness fees, and attorney and accounting fees. The administrative fees and arbitrators' fees shall be allocated equally between the parties. The arbitration proceedings shall take place in Hamilton County, Ohio.

(b) A party shall not have the right to appeal an award under subparagraph (a) of this Section unless the party: (i) fully cooperated in the exchange of information and discovery as ordered by the arbitration panel in the initial arbitration; (ii) attended all evidentiary hearings after due notice in the original arbitration; and (iii) paid all administrative fees, arbitrators' compensation, and other charges assessed or allocated to the party by the AAA in the original arbitration.

16.3 Exception to Arbitration. Notwithstanding the provisions of Section 16.2 above, if the amount in controversy in any dispute between Franchisor and Franchisee exceeds \$100,000 in the aggregate, Franchisor shall have the right to require that the matter be adjudicated in either the Common Pleas Court of Hamilton County, Ohio or the United States District Court for the Southern District of Ohio, in lieu of arbitration. If an arbitration demand has already been filed in connection with such a dispute, Franchisor shall have the right to remove the matter to such court.

16.4 **WAIVER OF JURY TRIAL. EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.**

16.5 Punitive Damages. The parties agree to waive, to the fullest extent permitted by law, the right to or claim of any multiple, punitive, or exemplary damages against the other and agree that, in the event of a dispute between them, each will be limited to the recovery of actual damages sustained by it.

16.6 Limitation of Claims. Except for:

- (a) claims against Franchisee concerning the payment National Branding Fees,
- (b) claims against Franchisee by Franchisor relating to third party claims or suits brought against Franchisor as a result Franchisee's operation of the franchised business, and
- (c) claims for injunctive relief to enforce the provisions of this Agreement relating to Franchisee's use of the Marks, Franchisee's obligations upon the termination or expiration of this Agreement, Franchisee's obligations under Articles 9, 10 or 15 of this Agreement, or an assignment of this Agreement or any ownership interest therein,

any and all claims arising out of or relating to this Agreement or the relationship among the parties hereto shall be barred unless an arbitration or legal proceeding is commenced within one (1) year from the date Franchisee or Franchisor knew or should have known of the facts giving rise to such claims.

16.7 Franchisee Remedies for Delivery Delays or Rejections. Franchisor shall deliver to Franchisee any order for PERS Equipment or other goods accepted by Franchisor, except where failure or delay of delivery is due, in whole or in part, to any act of God or any cause beyond the control of Franchisor. Causes beyond the control of Franchisor shall include, without limitation,

material transportation or utility shortages or curtailments, or labor disputes involving Franchisor's suppliers. If Franchisee rightly rejects or rightly revokes acceptance of any delivery, Franchisee's sole and exclusive remedy in this event shall be the recovery of any expense incurred by it in returning the goods (after first obtaining Franchisor's prior written consent to such return, which consent shall not be unreasonably withheld) to Franchisor and so much of the purchase price, if any, paid by Franchisee to Franchisor for such goods. Franchisor may, at its option, correct or remedy any deficiencies in such goods at Franchisee's premises in lieu of consenting to such return. In no event shall Franchisor be liable for any incidental, consequential or special damages arising out of any failure to deliver any goods to Franchisee, for any delay in the delivery thereof, or for any rejection or revocation of acceptance thereof by Franchisee.

ARTICLE 17

RELATIONSHIP OF PARTIES; INDEMNIFICATION; DISCLAIMER OF WARRANTIES

17.1 Independent Contractor. It is understood and agreed that nothing in this Agreement shall create a partnership, employment, or agency relationship between Franchisor and Franchisee, or authorize Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name. Franchisor shall in no event assume liability for, or be deemed liable as a result of, any such action by Franchisee. Franchisor shall not be liable to any third party for any act or omission of Franchisee in any of its operations hereunder (including, without limitation, any claim or action against Franchisee for negligent hiring, sexual harassment, or employment discrimination) or any claim or judgment arising therefor against Franchisee. FRANCHISEE SHALL DISPLAY PROMINENTLY AT ITS PLACE OF BUSINESS, ON ALL CORRESPONDENCE WITH THIRD PARTIES, AND IN ANY PRINTED MATERIALS BEARING ITS NAME OR BUSINESS LOCATION, A STATEMENT THAT THE FRANCHISED BUSINESS IS INDEPENDENTLY OWNED AND OPERATED BY FRANCHISEE.

17.2 Indemnification. Franchisee shall indemnify and hold Franchisor harmless from and against any and all claims, debts, liabilities or obligations arising directly or indirectly from, as a result of or in connection with Franchisee's operation of the franchised business, and shall pay all costs (including, without limitation, attorney and accounting fees) incurred by Franchisor in defending against and/or responding to them.

17.3 Disclaimer of Warranties. Franchisee acknowledges that Franchisor does not manufacture any of the PERS Equipment or other goods sold to Franchisee (the "Products"), and that Franchisor does not modify, change, improve, or otherwise alter any of the Products prior to delivering possession thereof to Franchisee.

(a) **DISCLAIMER OF WARRANTIES.** FRANCHISOR EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER AS TO ANY PRODUCT FURNISHED TO FRANCHISEE, INCLUDING, BUT NOT LIMITED TO, WARRANTIES AS TO MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSES, DESCRIPTION OR QUALITY OF THE PRODUCTS FURNISHED HEREUNDER.

Nothing herein contained shall be deemed a representation or warranty that the Products will prevent any personal injury or loss of life. Franchisee acknowledges that Franchisor can give no assurance of the elimination of the risks for which the Products are designed to monitor.

(b) Limitation of Liability. The limitation of liability provisions herein shall apply to any and all claims or suits brought against Franchisor including any claim based upon negligence, breach of contract, breach of warranty, strict liability or any other legal theories upon which liability may be asserted against Franchisor.

(c) Disclaimer as to Incidental, Consequential or Special Damages. Under no circumstance shall Franchisor be liable for any incidental, consequential or special damages to any person or entity, directly or indirectly, as a result of any defect in the Products or in the correction or alteration thereof made or furnished by Franchisor or others. "Incidental, consequential or special damages," as used herein, includes, but is not limited to, costs of transportation, lost sales, lost orders, lost profits, lost income, increased overhead, labor and material costs, and costs of manufacturing variances and operational inefficiencies.

(d) Franchisee's Warranties. If Franchisee shall make any warranty or promise of any sort in connection with any sale, lease or other disposition of any Product, Franchisee shall conspicuously preface such warranty or promise with the following language:

"Your local DIRECT LINK® dealer is an independently owned and operated franchisee of H.H. Franchising Systems, Inc. The following warranty is made solely by your local DIRECT LINK® dealer, and H.H. Franchising Systems, Inc. expressly disclaims all responsibility and assumes no liability for such warranty."

Franchisee agrees to indemnify, defend, and hold harmless Franchisor and each of its officers, directors, employees, agents, insurers, successors, assigns and affiliates (collectively referred to in this paragraph as "Indemnitees"), against any and all losses, damages, liabilities, costs and expenses (including costs of defense of every kind whatsoever and the aggregate amount paid in the settlement of any action, suit, proceeding or claim) which Indemnitees may incur or for which Indemnitees may become liable on account of any such warranty given by Franchisee.

ARTICLE 18

MISCELLANEOUS

18.1 Nature of Agreement. This Agreement and Franchisor's Disclosure Document, together with the exhibits attached thereto, constitutes the entire agreement between the parties hereto and supersedes any prior agreements between such parties. This Agreement may not be modified or amended except by written instrument signed by each of the parties hereto, expressing such amendment or modification. No failure on the part of any party hereto to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercises thereof or the exercise of any other right, power or remedy. Nothing in this agreement is intended to disclaim any representation in the franchise disclosure document provided to Franchisee prior to Franchisee's purchase of the Franchise.

18.2 Effect of Agreement; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns. This Agreement shall not be assigned by Franchisee without first complying with the provisions of Section 12.2 hereof.

18.3 Construction. This Agreement was accepted and executed by Franchisor in Ohio. Except to the extent governed by the U.S. Trademark Act of 1946, the Federal Arbitration Act, with the laws of the State of Ohio (without reference to Ohio conflict of laws principles) govern all aspects of this agreement, excluding any law regulating the sale of franchises or business opportunities, or governing the relationship between a franchisor and a franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this section; provided, however, that if any of the covenants contained in Article 15 of this Agreement would not be enforceable under the laws of Ohio and the franchised business is located outside of Ohio, then such covenants shall be interpreted and construed under the laws of the state in which the franchised business is located. Ohio law shall prevail in the event of any conflict of law, except as specifically provided otherwise by any applicable state franchise investment laws, rules or regulations. If any provision of this Agreement relating to termination, nonrenewal or assignment of the franchise or choice of law, jurisdiction or venue is inconsistent with any applicable state franchise investment law, rules or regulations, such applicable state law shall apply. Any addendum to this Agreement required by the regulatory authorities of any state for the purpose of disclosing salient provision of such state's law is hereby made a part hereof.

18.4 Jurisdiction and Venue. Subject to the provisions of Section 16.2 relating to the arbitration of disputes, each party hereby irrevocably agrees that all lawsuits between the parties and/or their affiliates shall be litigated only in courts having situs in Hamilton County, Ohio. Each party agrees that the following courts have personal jurisdiction over it in all lawsuits between the parties and/or their affiliates, irrevocably submits to the jurisdiction of these courts, and irrevocably waives any defense based upon lack of personal jurisdiction in any lawsuit filed in these courts: (a) all courts included within the state court system of the State of Ohio; and (b) all courts of the United States of America sitting within the State of Ohio, including, without limitation, all United States District Courts within the State of Ohio. Each party agrees that venue shall be proper in any of the following courts in all lawsuits between the parties and/or their affiliates and irrevocably waives any right to transfer or change the venue in any lawsuit filed in these courts: (a) the state court of the county where Franchisor has its principal place of business (presently Hamilton County, Ohio); and (b) the United States District Court for the Southern District of Ohio, Western Division. If any of these courts are abolished, venue shall be proper in the state or federal court in Ohio that most closely approximates the subject matter jurisdiction of the abolished court as well as any of these courts that are not abolished. All lawsuits filed by either party or its affiliate against the other or its affiliate (whether or not in breach of the arbitration provisions of this agreement) must be filed exclusively in one of these courts, except that claims for injunctive relief may be brought where the defendant is located. These exclusive choice of jurisdiction and venue provisions shall not restrict the ability of the parties to confirm or enforce arbitration awards in any appropriate jurisdiction. In all lawsuits between the parties and/or their affiliates, Franchisee and its Principals consent to be served with process outside the State of Ohio in the same manner that service may be made within the State of Ohio by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction. Franchisee and its Principals hereby waive any defense they may have based upon insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits, but shall be available in addition to any other method of service allowed by law.

18.5 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of any provision of this Agreement.

18.6 Notices. All payments shall be made to the addresses listed below. All notices, requests, demands and other communications hereunder shall be in writing, shall be addressed as provided in this Section, shall be made by personal delivery, by certified mail, postage prepaid, return receipt requested, by overnight delivery service with proof of delivery, or by electronic mail, and shall be effective upon receipt or refusal thereof or, if unclaimed, 48 hours after deposit in the United States mail or with such overnight delivery service, as the case may be.

(a) Address of Franchisor:

H.H. Franchising Systems, Inc.
10700 Montgomery Road, Suite 300
Cincinnati, Ohio 45242

or to such other persons or address as Franchisor may from time to time furnish to Franchisee;

(b) Address of Franchisee:

or to such other persons or address as Franchisee may from time to time furnish to Franchisor.

18.7 Severability.

(a) In the event that any provision of this Agreement, in whole or in part (or the application of any provision to a specific situation), shall be held, by the final judgment of a court of competent jurisdiction after appeal or the time for appeal has expired, to be invalid, unenforceable or in violation of any federal, state or local law, regulation or ordinance applicable to this Agreement, such invalidity shall be limited to such specific provision or portion thereof (or to such situation), and this Agreement shall be construed and applied in such manner as to minimize such invalidity. All other provisions of this Agreement shall otherwise remain in full force and effect.

(b) If any applicable and binding law or regulation of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or regulation of any jurisdiction any provision of this Agreement or any specification, standard, or operating procedure prescribed by Franchisor is invalid or unenforceable, then the prior notice and/or other action required by such law or regulation shall be substituted for the comparable provisions hereof, and Franchisor shall have the unlimited right to modify such invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisor agrees to be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, or from any specification, standard, or operating procedure prescribed by Franchisor, any portion or portions that a court may hold to be unreasonable and

unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order. Any such modifications to this Agreement shall be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions.

18.8 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18.9 Survival of Covenants. All provisions of this Agreement which, by their terms, are intended to survive the termination or expiration of this Agreement (such as, by way of illustration and not limitation, the provisions relating to confidential information, indemnification, post-termination competition, and the Marks), and all provisions hereof necessary to enforce and interpret such provisions (such as, by way of illustration and not limitation, the provisions relating to arbitration and injunctive relief), shall survive the termination, expiration or cancellation of this Agreement or the franchise granted hereunder.

18.10 No Third Party Beneficiaries. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or entity not a party hereto.

18.11 Acknowledgment of Franchisee.

(a) Franchisee acknowledges receipt of Franchisor's Franchise Disclosure Document for Prospective Franchisees and exhibits thereto (including a list of franchisees, Franchisor's financial statements, and a copy of this Agreement) at least fourteen (14) business days prior to the execution of this Franchise Agreement.

(b) Franchisee acknowledges and agrees that Franchisor's salesmen are not authorized to bind Franchisor in any way.

(c) FRANCHISEE ACKNOWLEDGES THAT THERE HAVE BEEN NO REPRESENTATIONS, WARRANTIES, INDUCEMENTS, PRO FORMAS, FORECASTS, ESTIMATES OR ANY OTHER INDUCEMENT OR STATEMENT MADE BY FRANCHISOR OR ITS AGENTS, SALESMEN, DIRECTORS, OFFICERS, OR EMPLOYEES, OR ANY OTHER SALESMEN OR OTHER PERSON OR ENTITY REGARDING FINANCING, NET PROFITS, GROSS PROFITS, NET SALES, GROSS SALES, COSTS OR EXPENSES OF FRANCHISOR'S FRANCHISES GENERALLY OR OF ANY SPECIFIC DIRECT LINK FRANCHISE, NOR HAS FRANCHISEE RELIED UPON ANY REPRESENTATIONS, WARRANTIES, INDUCEMENTS, PRO FORMAS, FORECASTS, ESTIMATES OR ANY OTHER INDUCEMENT OR STATEMENT MADE BY FRANCHISOR OR ITS AGENTS, DIRECTORS, OFFICERS, EMPLOYEES OR SALESMEN OR OTHER ASSOCIATES REGARDING FINANCING, NET PROFITS, GROSS PROFITS, NET SALES, GROSS SALES, COSTS OR EXPENSES OF FRANCHISOR'S FRANCHISES GENERALLY OR OF ANY SPECIFIC DIRECT LINK FRANCHISE OR WITH RESPECT TO ANY OTHER MATERIAL FACT RELATING TO THE DEVELOPMENT OF FRANCHISOR'S FRANCHISES IN THE AREA WHEREIN THE FRANCHISEE INTENDS TO LOCATE ITS DIRECT LINK FRANCHISE OR ANY OTHER MATTER PERTAINING TO FRANCHISOR.

(d) THERE IS NO OTHER AGREEMENT, REPRESENTATION OR WARRANTY MADE BY FRANCHISOR OR ANY OTHER ENTITY OR PERSON ASSOCIATED WITH FRANCHISOR OTHER THAN CONTAINED IN THIS AGREEMENT OR FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES.

18.12 "Franchisee" Defined. The term "Franchisee" includes all persons and/or who succeed to the interest of the original Franchisee by permitted transfer or operation of law, and will be deemed to include not only the individuals or entity defined as the "Franchisee" on the attached Exhibit A, but also all Principals of the entity that executes this Agreement. By signing this Agreement, each of the Principals of the entity that executes this Agreement as Franchisee acknowledges and accepts the duties and obligations imposed upon each of them, individually, by this Agreement. All Principals of the entity that executes this Agreement must, by separate agreement, personally guarantee all of Franchisee's obligations to Franchisor. If two or more individuals are the "Franchisee" under this Agreement, their liability to Franchisor is joint and several.

The parties are signing this Agreement on the dates written below, the latest of which shall be the "Effective Date" of this Agreement.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

By: _____ Date: _____

Its: _____

INDIVIDUAL/PARTNERSHIP FRANCHISEE(S):

Signature Date: _____

Signature Date: _____

CORPORATE/LIMITED LIABILITY COMPANY FRANCHISEE:

[Name of Franchisee]

By: _____ Date: _____

Its: _____

EXECUTION BY FRANCHISEE(S) MUST BE NOTARIZED

STATE OF _____, COUNTY OF _____, Ss.

On _____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged that they executed the same.

WITNESS my hand and official seal.

NOTARY PUBLIC

FRANCHISE AGREEMENT
EXHIBIT A

IDENTIFICATION OF FRANCHISEE(S)

INDIVIDUAL FRANCHISEE(S)

Name: _____ Date of Birth: _____

Home Address (P.O. Box not acceptable): _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Date of Birth: _____

Home Address (P.O. Box not acceptable): _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

ORGANIZATION FRANCHISEE

Check One: Corporation Limited Liability Company Partnership

Name of Organization: _____

Address: _____

City: _____ State: _____ ZIP: _____

Telephone: _____ EIN: _____

Date of Organization: _____ State of Organization: _____

Statutory/Registered Agent: _____

Address of Agent: _____

City: _____ State: _____ ZIP: _____

Officers

President: _____ Vice President: _____

Treasurer: _____ Secretary: _____

Shareholders/Members/Partners

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

The undersigned individual Franchisee, or each of the Principals of a non-individual Franchisee, hereby certify that the foregoing information is accurate and complete to the best of their knowledge and agree to notify Franchisor promptly of any change in any such information during the term of the Franchise Agreement to which this Exhibit A is attached.

Signature

Signature

Print Name

Print Name

Date: _____

Date: _____

Signature

Signature

Print Name

Print Name

Date: _____

Date: _____

FRANCHISE AGREEMENT
EXHIBIT B

FRANCHISE LOCATION NO. _____

The Territory described in section 1.2 of the Franchise Agreement to which this Exhibit B is attached shall consist of the following Postal ZIP Codes located in the State of _____:

This Exhibit B is to be attached to, incorporated in and made a part of the Franchise Agreement between Franchisor and Franchisee. Franchisor and Franchisee agree that the total population of the Territory is approximately _____.

The parties are signing this Exhibit B on the date(s) set forth below.

FRANCHISEE(S):

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

Signature

By: _____

Print Name

Date: _____

Signature

Print Name

Date: _____

ADDITIONAL TERRITORY RIDER
FRANCHISE LOCATION NO. _____

This rider is between H.H. FRANCHISING SYSTEMS, INC., an Ohio corporation ("Franchisor"), and _____ ("Franchisee").

Concurrently herewith, Franchisor and Franchisee are entering into a franchise agreement (the "Franchise Agreement").

Franchisor and Franchisee desire to modify the terms of the Franchise Agreement as set forth herein.

Therefore the parties agree to modify the Franchise Agreement as follows:

1. In addition to the area described on Exhibit B to the Franchise Agreement, Franchisee's Territory under the Franchise Agreement shall include the following postal ZIP Codes located in the State of _____:

Franchisor and Franchisee agree that the area described above has an aggregate population of not more than _____.

2. Concurrently with the execution of this rider, Franchisee shall pay Franchisor an additional franchise fee in the amount of \$_____ in cash or by check, money order or bank draft. Franchisee acknowledges that the additional franchise fee is fully earned upon the execution of this rider in consideration of Franchisor's grant of the additional territory described in section 1 of this rider. The additional franchise fee is not refundable under any circumstances.

3. In the event of a conflict between the Franchise Agreement and this rider, the terms of this rider control. Franchisor and Franchisee hereby ratify and affirm the Franchise Agreement in all other respects.

The parties are signing this rider to be effective as of and from the latest date written below.

H.H. FRANCHISING SYSTEMS, INC., Franchisor

By: _____ Date: _____

Its: _____

INDIVIDUAL/PARTNERSHIP FRANCHISEE(S):

Signature Date: _____

Signature Date: _____

CORPORATE/LIMITED LIABILITY COMPANY FRANCHISEE:

[Name of Franchisee]

By: _____ Date: _____

Its: _____

EXECUTION BY FRANCHISEE(S) TO BE NOTARIZED

STATE OF _____, COUNTY OF _____, Ss.

On _____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged that they executed the same.

WITNESS my hand and official seal.

NOTARY PUBLIC

INSTALLMENT NOTE

Principal Amount: \$_____

Date: _____

For value received, the undersigned promises to pay to the order of H.H. FRANCHISING SYSTEMS, INC. ("Payee"), the principal amount of _____ Thousand _____ Hundred _____ and ____/100 Dollars (\$_____), together with interest thereon from the date hereof at the rate of ten percent (10%) per annum on the unpaid principal amount until all amounts due hereunder are paid in full. This Note shall be payable in _____ monthly installments of \$_____ each. The first installment shall be due on the first day of the month immediately following the first full month in which Franchisee completes the Payee's initial training program. Successive installments are due on the first day of each subsequent month thereafter, until all principal and interest have been paid in full. All payments received after the fifth day of the month will incur a late fee of \$50.00. All payments due under this Note shall be payable at 10700 Montgomery Road, Suite 300, Cincinnati, Ohio, 45242, or at such other place as the holder hereof may designate in writing. Payments made under this Note shall each be credited first against late fees, if any, second against accrued interest, and third against unpaid principal. Payments made under this Note shall be payable in lawful money of the United States of America.

In the event the undersigned is in default of any of its obligations under its Franchise Agreement with Payee, including, without limitation, its obligation to timely submit required Sales Reports to Payee, or if the undersigned's Home Helpers Franchise is terminated, or if any of the aforesaid installments is not paid when due, the entire unpaid principal amount, together with accrued interest and late fees, if any, shall become immediately due and payable at the option and upon demand of the holder of this Note.

The undersigned agrees to pay all costs, including reasonable attorneys' fees, incurred by the holder to collect or otherwise enforce the terms of this Note, and hereby waives presentment for payment, demand, protest, and/or further notice of dishonor of any kind. This Note has been delivered in the State of Ohio, and shall be construed and enforced in accordance with the laws thereof. Jurisdiction and venue in any action to enforce this Note shall be in any state or federal court within the State of Ohio in the judicial district where the holder hereof has its principal place of business. The undersigned consents to the exercise of personal jurisdiction by any such court and waives any defense of lack of personal jurisdiction or improper venue.

FRANCHISEE

FRANCHISEE

PERSONAL GUARANTY

IN CONSIDERATION of, and as an inducement for, H.H. Franchising Systems, Inc. ("Franchisor") entering into the Franchise Agreement (and, if applicable, the Installment Note) to which this Guaranty is attached (collectively the "Franchise Documents"), the undersigned ("Guarantors") hereby jointly and severally guarantee to the Franchisor, and to the Franchisor's successors and assigns: (a) the timely payment of all franchise and other fees, charges, and interest provided for in the Franchise Agreement; (b) the timely payment of all principal, interest and other charges provided for in the Installment Note; and (c) the timely performance of all of the provisions of the Franchise Documents including the restrictions on competition imposed by sections 15.2 and 15.3 of the Franchise Agreement (and including all renewals of the Franchise Agreement, if any). Guarantors further specifically agree to be individually bound by all covenants, obligations and commitments of the Franchisee contained in the Franchise Documents to the same extent as if each of the Guarantors had individually executed the Franchise Documents as Franchisee.

Guarantors understand and agree that any modification of the Franchise Documents, including any addendum or addenda thereto, or waiver by the Franchisor of the performance by the Franchisee of its obligations thereunder, or the giving by the Franchisor of any extension of time for the performance of any of the obligations of the Franchisee thereunder, or any other forbearance on the part of the Franchisor or any failure by the Franchisor to enforce any of its rights under the Franchise Documents, including any addendum or addenda thereto, shall not in any way release Guarantors from liability hereunder or terminate, affect or diminish the validity of this Guaranty, except to the same extent, but only to such extent, that the liability or obligation of the Franchisee is so released, terminated, affected or diminished. Notice to Guarantors of any such modification, waver, extension or forbearance under the terms thereof is hereby waived.

Guarantors hereby waive any and all notice of default on the part of the Franchisee; waive exhausting of recourse against the Franchisee; and consent to any assignment of the Franchise Documents, in whole or in part, that the Franchisor or its assignees may make. Guarantors agree to pay all costs, including reasonable attorneys' fees, incurred by Franchisor to collect or otherwise enforce the terms of this Guaranty. This Guaranty has been delivered in the State of Ohio, and shall be construed and enforced in accordance with the laws thereof. Jurisdiction and venue in any action to enforce this Guaranty shall be in any state or federal court within the State of Ohio in the judicial district where Franchisor has its principal place of business. Guarantors consent to the exercise of personal jurisdiction by any such court and waive any defense of lack of personal jurisdiction or improper venue.

Guarantor

Guarantor

Print Name

Print Name

Franchisee: _____ Franchise Location No. _____

RESTRICTIVE COVENANT AGREEMENT¹

This agreement is between, _____ (“Franchisee”), a [corporation] [partnership] [limited liability company] organized under the laws of the State of _____, and _____ (“Covenantor”), an individual resident of the State of _____.

Pursuant to a[n] [Assignment Agreement dated evenly herewith,] or [Franchise Agreement dated _____,] H.H. Franchising Systems, Inc. (“Franchisor”) licensed Franchisee to operate a business providing home care aide, personal care aide assistance, companion care services and skilled medical services, and personal emergency response, medication management, and vital signs monitoring products or services products and services (the “Franchise”), using Franchisor’s unique franchise system and Franchisor’s proprietary service marks, including, but not limited to *Home Helpers*® and *Direct Link*®

Covenantor is the owner of _____% of the total outstanding voting stock of Franchisee.

[or Covenantor is the _____ [President, Vice President, Treasurer, Secretary, or other officer] of Franchisee.]

[or Covenantor is the owner of a _____% general partnership interest in Franchisee.]

[or Covenantor is the owner of a _____% membership interest in Franchisee.]

Franchisor has expended substantial amounts of time and money in developing the Marks (as hereinafter defined) and Franchisor’s distinctive franchise system, including, without limitation, unique sales and marketing methods, pricing techniques, promotional materials, new product development, financial information, and procedures for the efficient operation of a home care aide, home maker, personal care aide assistance, companion care services and skilled medical services, and personal emergency response, medication management, and vital signs monitoring products and services franchises, all of which Covenantor acknowledges to be confidential and proprietary information.

In connection with the operation of the Franchise, Covenantor will have access to such confidential and proprietary information.

As a condition precedent to granting the Franchise to Franchisee, all shareholders, officers, partners or members of Franchisee must execute the covenants contained herein.

Covenantor hereby agrees as follows:

1. Confidentiality. Covenantor acknowledges the proprietary and confidential nature of Franchisor’s Operations Manual, which Franchisee has received on loan from Franchisor, unique sales and marketing methods, pricing techniques, promotional materials, new product development, financial information, customer or referral lists, procedures for the efficient operation of a Franchise, and any other methods, procedures, processes, techniques, information, knowledge, or know-how concerning Franchisor’s franchise system or Franchisee’s Franchise in

¹ The Restrictive Covenant provided herein governs both Home Helpers and Direct Link franchises. Franchisor may require Franchisee to execute a separate Restrictive Covenant for each Home Helpers and Direct Link Franchise, which will be substantially similar in content and format to the one herein.

particular that may not be commonly known to the public or to Franchisor's or Franchisee's competitors and that Franchisor or Franchisee have identified or may identify as proprietary and confidential information ("Trade Secrets"). Covenantor shall use such Trade Secrets solely for Franchisee's benefit and shall not, during the term of the Franchise Agreement between Franchisor and Franchisee (the "Franchise Agreement"), or at any time thereafter, communicate, divulge, or use any Trade Secrets to or for the benefit of any other person, persons, partnership, association or corporation.

2. Proprietary Marks. Covenantor acknowledges Franchisor's right, title, and interest in and to the service marks Home Helpers® and Direct Link®, Franchisor's logo, and certain other proprietary service marks, logos, symbols, and trade names presently used by Franchisor or that Franchisor may hereafter use or provide for use by Franchisee, and the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in Franchisor's franchise system (the "Marks"). Covenantor further acknowledges that any use of the Marks outside the scope of the Franchise Agreement without Franchisor's prior written consent would be an infringement of Franchisor's rights in the Marks. Covenantor expressly covenants that he/she shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or take any other action in derogation thereof during the term of the Franchise Agreement or after the expiration or termination thereof.

3. Non-solicitation. Covenantor covenants that he/she shall not, during the term of the Franchise Agreement, and for a continuous and uninterrupted period commencing upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for one year thereafter, either directly or indirectly, for him/herself or through, on behalf of, or in conjunction with, any person(s), partnership, association, or corporation:

(a) divert or attempt to divert any business or customer of Franchisee's business or of any other franchisee of Franchisor to any competitor or to Covenantor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that may be injurious or prejudicial to the goodwill associated with the Marks and Franchisor's franchise system;

(b) employ or seek to employ any person who is at that time employed by Franchisee, Franchisor, or any other franchisee of Franchisor, or otherwise directly or indirectly attempt to induce such person to leave his or her employment; or

(c) promote, sell, procure, provide or solicit referrals for, or offer to sell, procure, provide or solicit referrals for home care aide, home maker, personal care aide assistance, companion care services, and skilled medical services, and personal emergency response, medication management, and vital signs monitoring products and services franchises, any Permitted Products and Services, or any other services that are offered in the franchised business, from an Shared Referral Sources (as defined in Article 8.7 of the Franchise Agreement) relating to Franchisee's Territory.

4. Non-competition. Covenantor covenants that, during the term of the Franchise Agreement and for a continuous and uninterrupted period commencing upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, directly or indirectly, for him/herself or through, on behalf of, or in conjunction with, any person(s), partnership, association, or corporation, own, maintain, operate, engage in, or have any interest in, any business offering care aid assistance, home maker, companion care services and

skilled medical services, and personal emergency response, medication management, and vital signs monitoring products or services or other products or services that had been offered by Franchisee, which is or is intended to be located in or within 15 miles of Franchisee's Territory (as defined in the Franchise Agreement). This restriction shall not apply to the beneficial ownership by Covenantor of less than one percent (1%) of the outstanding equity securities of any corporation whose securities are registered under the Securities and Exchange Act of 1934.

5. Remedies. Covenantor acknowledges that his/her violation of any of the covenants contained in this Agreement would result in irreparable injury to Franchisor and Franchisee, for which no adequate remedy at law may be available, and accordingly consents to the issuance of, and agrees to pay all court costs and reasonable attorney fees incurred by Franchisor or Franchisee in obtaining, an injunction enjoining any conduct by Covenantor prohibited by the terms of this Agreement. This remedy shall be in addition to any and all other remedies that may be available to Franchisor or Franchisee.

6. Severability. The parties agree that each of the covenants contained in this Agreement shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant contained herein is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Covenantor expressly agrees to be bound by any lesser covenants subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this Agreement.

7. Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns.

8. Construction. The parties agree that this Agreement shall be deemed to have been entered into in, and shall be governed by and construed in accordance with the laws of, the State of _____.

9. Jurisdiction. The parties agree that any action based upon this Agreement brought by any party hereto against any other party hereto may be brought within the State of Ohio in the judicial district in which Franchisor has its principal place of business, and hereby consent to the exercise of personal jurisdiction by any such court and waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

10. Franchisor Third-Party Beneficiary. Covenantor and Franchisee acknowledge and intend that the covenants contained in this Agreement shall directly benefit Franchisor, who shall be a third-party beneficiary thereof, entitled to enforce the provisions thereof in Franchisor's own name without Franchisee as a party in any action filed for such purpose, and shall further be entitled to all remedies provided in Section 5 hereof.

The parties are signing this agreement as of the dates below.

FRANCHISEE:

Date: _____

By: _____
President

Date: _____

COVENANTOR

DURABLE IRREVOCABLE POWER OF ATTORNEY
[Individual Franchisee]

THIS POWER OF ATTORNEY is executed by each of the undersigned individual(s) (the "Principals") in favor of H.H. FRANCHISING SYSTEMS, INC., an Ohio corporation ("Franchisor").

PREAMBLE:

- A. Franchisor does business under, and licenses independently-owned franchisees to use, the names HOME HELPERS and DIRECT LINK.
- B. Franchisor owns and has registered the trademarks HOME HELPERS and DIRECT LINK with the United States Patent and Trademark Office (Reg. Nos. 2202376 and 2356367, respectively).
- C. Under a Franchise Agreement dated _____, Franchisor granted the Principals the limited right to operate a senior care and home health care business (a "Home Helpers Franchise") using Franchisor's Marks (defined in the last paragraph of this instrument) and unique business format.
- D. The Principals' use of Franchisor's Marks under the Franchise Agreement is conditioned upon, among other things, the execution of this Power of Attorney by all the Principals.
- E. Each of the Principals acknowledges that Franchisor has the right and the obligation to control the use of its trademarks, and that the purpose of this Power of Attorney is to protect Franchisor's rights in its Marks.

THEREFORE, to induce Franchisor's execution of the Franchise Agreement and as additional consideration for the rights granted to the Principals thereunder, each Principal does hereby irrevocably constitute and appoint Franchisor as its true and lawful attorney-in-fact and agent, in the Principal's individual name, place and stead, to do or cause to be done all things, and to execute, acknowledge, certify, deliver, accept, record and file all agreements, certificates, instruments and documents, as may be necessary or advisable for the purpose of transferring to Franchisor, or to any person or entity designated by Franchisor in its sole and unfettered discretion, all of the Principal's rights and interest in, title to, and control over:

- 1. Each of the following telephone numbers, each of which is or has been used in connection with the Home Helpers Franchise operated by the Principal:

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- 2. All other telephone numbers that, at any time after the date of this Power of Attorney, have been used in connection with a Home Helpers Franchise operated by the Principal;
- 3. All Yellow Pages, White Pages, online directories, and other business listings that display or contain any of the telephone numbers listed or described in paragraphs 1 or 2 above;
- 4. All web sites, web pages, social media pages, web logs, banners, URLs, domain names, advertisements (including pay-per-click and Google keyword search programs and similar advertising programs), and other services and hyperlinks that (i) contain or display any of Franchisor's Marks, or (ii) use any of Franchisor's Marks as search keywords or metatags, or (iii) promote or relate to any Home Helpers Franchise, or (iv) link to or from Franchisor's web site (currently www.homehelpers.cc) or any other web

site or web page owned, established, or controlled by Franchisor or its other franchisees;
and

5. All comments or postings by the Principal on any web site, web page, social media site, web log, forum or discussion group, if the comment or posting contains or references any of Franchisor's Marks or a hyperlink to or from Franchisor's web site (currently www.homehelpers.cc) or any other web site or web page owned, established, or controlled by Franchisor or its other franchisees.

Each Principal hereby grants Franchisor full power and authority to transfer, modify, cancel or remove any service, listing, link, registration or posting described above and to execute and deliver on the Principal's behalf any Transfer of Service Agreement and all other transfer documentation required by any telephone service provider, Internet service provider, electronic mail service, domain registrar, online directory, communication provider, search engine, regulatory agency or other provider of services, or any other party.

Each Principal further grants Franchisor full power and authority to cancel, revoke and remove any trade name, assumed name, fictitious name, business name, trademark or equivalent registration filed in the name of the Principal with the Secretary of State, Attorney General, Department of Commerce, or other agency or office of any state, or filed with the clerk or recorder of any county of any state, or the National Provider Identification Registry of the National Plan & Provider Enumeration System established by the Centers for Medicare & Medicaid Services, if the registration includes the names HOME HELPERS or DIRECT LINK or any of Franchisor's other Marks, and to execute and deliver on the Principal's behalf any cancellation, termination or modification request and all other documentation required by any such state or county office or any other party.

Each Principal further grants Franchisor full power and authority to do and perform any and all acts and things that, in Franchisor's sole and unfettered discretion, are necessary or advisable to be done in order to carry out the purposes of this Power of Attorney, as fully to all intents and purposes as the Principal might or could itself do, hereby ratifying and affirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney, and regardless of whether a Principal has designated any other person to act as its attorney-in-fact or agent, no one dealing with Franchisor is required to ascertain the Franchisor's authority, see to the performance of the agency, or be responsible in any way for the proper application of funds or property paid or delivered to Franchisor or for the proper exercise of the authority granted to Franchisor hereunder. Anyone dealing with Franchisor shall be fully protected in acting and relying on Franchisor's certification that this Power of Attorney has not been revoked and is in full force and effect as of the date of such certification, and no Principal shall take any action against anyone who acts in reliance on such a certification or a copy of this Power of Attorney. Any instrument or document executed by Franchisor on behalf of any Principal will be deemed to include such a certification by Franchisor, whether or not expressed. This paragraph will survive the expiration of this Power of Attorney.

This Power of Attorney will expire on the twelfth anniversary of the date of the Franchise Agreement (indicated in paragraph C of the Preamble above). The expiration of this Power of Attorney will not affect the validity of any act of Franchisor that occurred before the date of expiration.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest. This Power of Attorney is a durable Power of Attorney and shall not be affected

by the disability of any Principal or the lapse of time. The death of a Principal shall not revoke the power, authority or acts and actions of Franchisor who, without knowledge of the Principal's death, continues to act in good faith under this Power of Attorney, and any such actions so taken shall inure to the benefit of and be binding upon the Principal's heirs, successors, personal representatives and assigns. This Power of Attorney is delivered in the State of Ohio and the laws of the State of Ohio govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

As used in this instrument, the term "Franchisor's Marks" means Franchisor's registered HOME HELPERS and DIRECT LINK trademarks and other trademarks owned by Franchisor. Throughout this instrument the singular includes the plural and vice versa and the masculine includes the feminine or neuter and vice versa, wherever and whenever the context may require.

PRINCIPALS

Signature

Signature

Print Name

Print Name

Date: _____

Date: _____

EXECUTION OF THIS INSTRUMENT BY EACH PRINCIPAL MUST BE NOTARIZED

STATE OF _____, COUNTY OF _____

On _____, before me, a Notary Public in and for said county and state, personally appeared _____, known to me or proven to me by satisfactory evidence to be the person whose name is subscribed to the foregoing instrument as Principal, and acknowledged the signing thereof to be his/her voluntary act and deed for the uses and purposes described therein.

NOTARY PUBLIC

STATE OF _____, COUNTY OF _____

On _____, before me, a Notary Public in and for said county and state, personally appeared _____, known to me or proven to me by satisfactory evidence to be the person whose name is subscribed to the foregoing instrument as Principal, and acknowledged the signing thereof to be his/her voluntary act and deed for the uses and purposes described therein.

NOTARY PUBLIC

H.H. FRANCHISING SYSTEMS, INC.,
Franchisor

By: _____

Title: _____

Date: _____

OPTION TO PURCHASE FRANCHISE¹

This agreement is between H.H. FRANCHISING SYSTEMS, INC. an Ohio corporation (“Franchisor”), and _____ and its individual Principal(s) _____ and _____ (collectively “Franchisee”).

RECITALS:

- A. Pursuant to a HOME HELPERS franchise agreement effective on or about _____ and identified as Franchise Number _____ and a DIRECT LINK franchise agreement effective on or about _____, and identified as Franchise Number _____ (collectively, the “Franchise Agreement”), Franchisor licensed Franchisee to operate franchised businesses (collectively, the “Franchise”) using Franchisor’s trademarks and unique business format in the geographical area described in Exhibit B to the Franchise Agreement (the “Territory”).
- B. Franchisee desires to sell its Franchise.
- C. Franchisor is willing to permit Franchisee to suspend the operation of the Franchise upon the terms of this agreement until the Franchise is sold to a third party or until the Franchise Agreement expires, whichever occurs first.
- D. Franchisee is willing to grant Franchisor an option to purchase Franchisee’s rights under the Franchise Agreement upon the terms of this agreement.

THEREFORE the parties agree as follows:

1. Definitions. In order to make this agreement easier to read and understand, certain terms have been defined below and will be capitalized throughout this agreement. Capitalized terms not defined below are defined in the section in which they are first used.

(a) “Business Numbers” means all telephone numbers (whether landline or mobile) controlled by Franchisee and either used for incoming calls in connection with the operation of the Franchise or listed under any of the Marks in any online or printed telephone directory or promotional materials.

(b) “Business Organization” means an organization formed for a commercial purpose, and includes corporations, limited liability companies, limited liability partnerships, limited companies, partnerships of any kind, joint ventures and unincorporated associations.

(c) “Claims” means debts, claims (including tort claims), demands, damages (including actual, consequential, punitive, or exemplary), fines, losses, liabilities, rights, actions, causes of action, expenses, judgments, awards, suits, and costs reasonably incurred in the defense of any of the foregoing, including reasonable accountants’, attorneys’, attorney assistants’, and expert witness fees, costs of investigation and proof of facts, court costs and fees, other litigation expenses, and travel and living expenses related to any of the foregoing.

(d) “Competitive Business” means a business: (1) that offers or provides any or all of the following goods or services, whether or not in conjunction with medical services: non-medical care, companion care, personal care, home health aide, or nursing services, or

¹ This agreement is for exemplary purposes only and may be modified at any time.

emergency monitoring or medication management products or services; (2) that offers or sells any products or services similar to those offered as part of Franchisor's franchise system; (3) in which Franchisor's confidential or proprietary information or trade secrets could be used to the disadvantage of Franchisor or its franchisees; (4) that is competitive with the goods or services offered by Franchisor or its franchisees; or (5) that franchises or licenses others to operate a business that does any of the foregoing.

(e) "Marks" means the registered service marks HOME HELPERS and DIRECT LINK, the unregistered service mark MAKING LIFE EASIER, and all other trade names, business names, service marks, trademarks, slogans, designs, logos and commercial symbols presently used by Franchisor to identify its business, the businesses of its franchisees, or the goods or services offered by Franchisor or its franchisees.

(f) "Ownership Interest" means: (1) a share of capital stock in any corporation, a partnership interest in any partnership, or a membership interest in any limited liability company, or a right to a share of the revenues, profits, or assets of any other Business Organization (other than Franchisor's right to receive Royalties from its franchisees under a franchise agreement); (2) direct or indirect community property rights in an asset or property; and (3) with respect to Franchisee, in addition to the foregoing, any other equitable or legal right in the revenues, profits, rights or assets of Franchisee or the Franchise (other than Franchisor's right to receive Royalties from Franchisee under the Franchise Agreement).

(g) "Person" (whether or not capitalized) includes a corporation, limited liability company, partnership of any kind, joint venture, unincorporated association, estate, trust, charitable organization, government, governmental body and agency, commission, and any other entity and organization, as well as an individual.

(h) "Principal" means a legal or beneficial owner of an Ownership Interest in a Business Organization, and includes the partners of a partnership, the members of a limited liability company, and the shareholders of a for-profit corporation.

(i) "Released Parties" means Franchisor and its affiliates, shareholders, directors, officers, employees, agents, legal representatives, insurers, successors and assigns.

(j) "Time of Transfer" means the moment when all of Franchisee's rights and interest under the Franchise Agreement are conveyed to Franchisor under section 2(d) or 10. The Franchise Agreement will be deemed to be terminated automatically at the Time of Transfer.

2. Irrevocable Option.

(a) Franchisee hereby grants Franchisor an option (the "Option") to purchase all of Franchisee's rights and interest under the Franchise Agreement. Franchisor has the right to exercise the Option at any time by notifying Franchisee in writing in accordance with section 20(e). The Option is irrevocable except as provided in sections 3 and 4.

(b) The "Option Price" equals the Franchise Fee paid by Franchisee under Article 4 of the Franchise Agreement less the following amounts: (1) the transfer fee and other amounts payable by Franchisee upon a transfer under section 12.2 of the Franchise Agreement; (2) all outstanding Royalties and National Branding Fees owed by Franchisee under Article 5 of the Franchise Agreement; (3) the unpaid balance of the Franchise Fee payable under Article 4 of the Franchise Agreement; (4) the unpaid balance of any

instrument payable by Franchisee to Franchisor; (5) any fees or other amounts owed to Franchisor by Franchisee under this agreement; (6) late charges and interest on any of the foregoing; (7) any commission paid to Franchisor's sales personnel and marketing expenses incurred by Franchisor in connection with the sale of the Franchise to another person; and (8) any amounts owed by Franchisee to Franchisor under any other agreement or instrument.

(c) If Franchisor exercises the Option in connection with the sale by Franchisor of all or part of the Territory to a third-party purchaser (other than an affiliate of Franchisor), then Franchisor shall pay Franchisee the Option Price within thirty days after Franchisor receives the entire then-current initial franchise fee from the purchaser. If the purchaser purchases less than the entire Territory, the amount payable under this paragraph will be pro-rated based upon the ratio that the population of the portion of the Territory acquired by the purchaser bears to the population of the entire Territory. The balance of the Option Price (or, if less than the entire remaining Territory is sold, a pro-rated portion in accordance with the preceding sentence) will be payable within thirty days after Franchisor receives the then-current initial franchise fee from third-party purchaser(s) of the remainder of the Territory. If Franchisor exercises the Option in any other case, Franchisor shall pay Franchisee the entire Option Price simultaneously with the written notice in section 2(a).

(d) If Franchisor exercises the Option, the Time of Transfer will be when Franchisee receives the notice required by section 2(a).

(e) Franchisee hereby consents to the sale by Franchisor of all or any part of the Territory directly to any person after Franchisor exercises the Option. Franchisee acknowledges that Franchisor has the right to exercise the Option at any time (even after Franchisor has procured a ready, willing and able purchaser for all or any part of the Territory) unless Franchisor's right to exercise the Option is suspended under section 3. Franchisor has no obligation to refer to Franchisee any prospective purchaser of the Franchise or any part of the Territory. Franchisee shall cooperate and assist Franchisor as necessary to complete the sale of the Territory to a third party.

3. Sale of Franchise by Franchisee. After the Effective Date, Franchisee shall make continuous good faith efforts to sell the Franchise to a third party. At a minimum, Franchisee shall advertise the Franchise for sale no less frequently than monthly and provide Franchisor with proof of the publication of each advertisement. So long as Franchisor has not exercised the Option, Franchisee has the right to offer, sell and contract to sell the Franchise. Before selling or entering into a contract to sell the Franchise, Franchisee shall provide Franchisor with written notice thereof, the name, address and telephone number of the proposed purchaser, and a complete copy of the proposed purchase contract. Upon Franchisor's receipt of the notice, Franchisor's right to exercise the Option will be suspended pending the sale of the Franchise to the proposed purchaser. If Franchisee fails to close the sale to the purchaser identified in the notice within 60 days after Franchisor received the notice (unless the failure is due to circumstances beyond the control of either Franchisee or the purchaser, in spite of their diligent, good faith efforts to close, in which case Franchisor, upon Franchisee's request, shall grant Franchisee an additional thirty days to close), or if the purchase contract is terminated or cancelled for any reason, whichever occurs first, then Franchisor's right to exercise the Option automatically will be revived and Franchisor will again have the right to exercise the Option. The Option will automatically terminate upon the closing of Franchisee's sale of the Franchise to a third party. Any sale or other transfer of the Franchise by Franchisee must comply with the provisions of Article 12 of the Franchise Agreement.

4. Term. This agreement and the Option granted in section 2 will expire simultaneously with the Franchise Agreement. The expiration of this agreement will simultaneously cancel Franchisor's obligation to pay any outstanding portion of the Option Price, except for pro-rated portions attributable to parts of the Territory already included in franchise agreements executed before the expiration of this agreement.

5. Cancellation of Franchisee's Renewal Option. The parties hereby cancel, as of the Effective Date, Franchisee's right under section 2.2 of the Franchise Agreement to renew the Franchise Agreement or the licenses granted thereunder.

6. Closure of Franchise. Franchisor hereby waives Franchisee's obligation under section 7.6 of the Franchise Agreement to maintain the Franchise in continuous operation after the Effective Date. If Franchisee closes the Franchise, then:

(a) In lieu of Franchisee's obligation to pay the Minimum Royalty under section 5.1 of the Franchise Agreement, Franchisee shall pay Franchisor \$200 on the first day of every month while this agreement is in effect.

(b) Subject to the performance of Franchisee's obligations under this agreement, Franchisor hereby waives Franchisee's obligation under section 5.2 of the Franchise Agreement to pay National Branding Fees. However, in the event of a Default by Franchisee, Franchisor's waiver under this paragraph will be revoked effective upon notice to Franchisee and all previously waived National Branding Fees will immediately become payable and due.

(c) Franchisor will have no obligation to provide Franchisee with any operational assistance, including identification on Franchisor's Website, access to Franchisor's intranet site, and access to franchisee meetings, conventions and training.

(d) Other franchisees of Franchisor will have the right to offer and sell goods and services to clients in the Territory without any payment or obligation to Franchisee.

(e) If Franchisee offers or sells any goods or services to any client or otherwise conducts business after closing the Franchise, then the provisions of sections 6(a) and 6(b) will not apply thereafter and Franchisee again shall comply with sections 5.1 and 5.2 of the Franchise Agreement.

7. Compliance with Franchise Agreement. Except as explicitly waived or suspended by section 6 or other sections of this agreement, Franchisee shall pay all Royalties required by the Franchise Agreement and comply with all of Franchisee's other obligations thereunder.

8. Direct Link Clients and Equipment. If Franchisor exercises the Option, then:

(a) Franchisee shall offer to sell, to Franchisor or to another person designated by Franchisor, all Direct Link monitoring equipment it owns for 50% of the then-current price for equipment of like kind. Franchisee shall warrant that all monitoring equipment sold under this paragraph is in good working condition, that Franchisee is aware of no defects in the equipment, and that Franchisee has good and marketable title thereto free and clear of any security interests, liens and other encumbrances. There are no returns on Direct Link monitoring equipment.

(b) Franchisee shall offer to assign, to Franchisor or to another person designated by Franchisor, all of Franchisee's rights and benefits under its contracts with clients to provide Direct Link monitoring products and/or services.

9. Default by Franchisee. Any one or more of the following events will constitute a breach of this agreement by Franchisee (a “Default”):

- (a) Franchisee fails to make, within five days after the due date, any payment required under this agreement, the Franchise Agreement, or any instrument payable by Franchisee to Franchisor;
- (b) Franchisee fails to comply with any of its other obligations under this agreement, and the failure is not cured within fifteen days after Franchisee receives written notice thereof;
- (c) Franchisor notifies Franchisee that a representation made by Franchisee in this agreement is false or incomplete; or
- (d) a default by Franchisee under the Franchise Agreement (other than a default for nonpayment as described in section 9(a)) after being given notice and an opportunity to cure if required by Article 13 thereof.

10. Conveyance of Franchise to Franchisor Upon Default. In the event of a Default, all of Franchisee’s interest in the Franchise Agreement will automatically be conveyed to Franchisor. The Time of Transfer for purposes of this paragraph will be 12:01 a.m. Eastern Time on the day after Franchisee’s default (or after the last day of any applicable cure period, if Franchisee fails to cure the Default). Unless applicable law requires otherwise, no further notice will be necessary to effect the conveyance, and the terms of this section are to be strictly enforced. As consideration for the conveyance, Franchisor will be deemed to have waived all claims against Franchisee for Royalties and National Branding Fees becoming due after the date of the conveyance. Franchisee will receive no other consideration for the conveyance of its interest in the Franchise Agreement to Franchisor under this paragraph. Franchisee shall remain liable for all payment obligations that accrued before the Time of Transfer. The conveyance of Franchisee’s interest in the Franchise Agreement to Franchisor under this paragraph will not affect any of Franchisor’s rights and remedies upon Default, including the right to collect any outstanding obligations of Franchisee.

11. Release of Claims.

- (a) Franchisee, for itself and for its agents, employees, legal representatives, shareholders, members, heirs and assigns, and the successors, heirs and assigns of each of them, hereby releases the Released Parties, individually and collectively, from and waives any and all Claims that Franchisee now has or may hereafter have against any of the Released Parties, individually or collectively, based upon, arising from, or relating to: (1) Franchisor’s sale of the Franchise to Franchisee or any Principal of Franchisee; (2) Franchisor’s breach or nonperformance of any provision of the Franchise Agreement; (3) any right, duty or obligation granted or imposed by the Franchise Agreement; or (4) Franchisee’s sale of, opportunity to sell, or failure to sell the Franchise to a third party.
- (b) The parties intend this release, as it pertains to Claims by Franchisee or to anyone claiming through or under Franchisee, to cover, encompass, relinquish, and extinguish all Claims against the Released Parties. Without limiting the generality of the preceding sentence or section 11(a), the released Claims include all Claims arising from, based upon, or derived from: (1) any action of Franchisor or its agents that causes a prospective purchaser not to purchase the Franchise or to default on any purchase of or agreement to purchase the Franchise; (2) Franchisor’s refusal to approve the sale of the Franchise to any person; (3) any misrepresentation in or omission from any disclosure document received by Franchisee or any Principal of Franchisee; or (4) a violation of the Federal

Trade Commission Act, the Federal Trade Commission Trade Regulation Rule entitled Disclosure Requirements and Prohibitions Concerning Franchising (16 C.F.R. 436), the Ohio Business Opportunity Plans Act, any predecessor, amendment, or successor to any of the foregoing statutes or regulations, any other statute, regulation, or rule that regulates the sale of franchises, franchise investments, or business opportunities, or any other federal or state securities, franchise, business opportunity, antitrust, consumer protection, or unfair or deceptive trade practices law or regulation.

(c) Franchisee acknowledges and agrees that the Claims it is releasing include any and all claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, accrued or contingent, intentional or unintentional, and liquidated or unliquidated. Franchisee specifically waives the protection afforded by any statute or law in any jurisdiction, the purpose, substance, or effect of which is to provide that a general release does not extend to claims, material or otherwise, which do not exist or which the person giving the release does not know or suspect to exist at the time of executing the release. Franchisee intends for this release to be as broad as is permitted by law and unqualifiedly general in scope and effect, and that any Claims against any of the Released Parties are hereby forever canceled and forgiven.

(d) Franchisee expressly assumes the risk: (1) of a mistake of fact, (2) of a fact of which it may be unaware, or (3) that the true facts may be other than any facts now known or believed to exist by Franchisee. It is Franchisee's intention to forever settle, adjust and compromise any and all present and future disputes with respect to all matters from the beginning of time to the effective dates of this release, finally and forever, and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by Franchisee are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action that exist, or might have existed, on the effective dates of this release. Franchisee represents and warrants that it has made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this release as Franchisee, in its independent judgment, believes necessary or appropriate. Franchisee has not relied on any statement, promise, or representation, whether of fact or law, or lack of disclosure of any fact or law, by any of the Released Parties or anyone else, not expressly set forth herein, in executing this document and the related releases.

(e) The releases granted in this section 11 will be deemed effective as of the date this agreement is signed by Franchisee and again as of either the Time of Transfer, the termination of the Option under section 3, or the expiration of the Option under section 4, whichever is applicable. Franchisee acknowledges that the releases given by Franchisee in this section 11 are material parts of the consideration for Franchisor's obligations under this agreement.

(f) Notwithstanding anything to the contrary in this agreement, the Claims released by Franchisee in this section 11 do not include Claims based upon Franchisor's express obligations under this agreement.

12. Franchisee's Representations and Warranties. Franchisee represents and warrants that: (1) its interest under the Franchise Agreement is free and clear of all security interests, liens and encumbrances; (2) there are no claims, actions or other proceedings pending or threatened against Franchisee by any person relating to the Franchise or that might affect Franchisee's interest in the Franchise Agreement; (3) all information provided to Franchisor by Franchisee in

or in connection with this agreement is true and correct; (4) such information does not include any information that is misleading and does not fail to disclose any information necessary to render the remaining information non-misleading; and (5) Franchisee has used its best efforts to provide true and meaningful disclosure of such information. All representations made by Franchisee in this agreement will be deemed to be repeated at the Time of Transfer with the same force and effect as if made at that time, and will be true and correct in all respects as though made at and as of the Time of Transfer.

13. Indemnification. Franchisee shall indemnify and defend Franchisor and its affiliates against, hold them harmless from, and reimburse them for, any and all Claims brought or asserted by any prospective third-party purchaser of the Franchise or in any other action in which Franchisor or any of its affiliates is named as a defendant by reason of, arising from, or in connection with the sale of the Franchise by Franchisee or any statement or representation made by Franchisee in connection therewith.

14. Covenants of Franchisee. Franchisee hereby agrees as follows:

(a) Franchisee acknowledges Franchisor's exclusive right, title, and proprietary interest in and to (1) the Marks; (2) all standards, specifications, lists, procedures, processes, methods, techniques, ideas, and concepts used or embodied in Franchisor's franchise system; (3) the initial management training program for new franchisees attended by Franchisee or by any designee of Franchisee, together with all information provided therein; and (4) all training, instruction, or operating manuals, guides and policies (collectively, the "Manuals") provided to Franchisee by Franchisor. Franchisee disclaims any right, title, or interest in, and shall not use, for his own benefit or for the benefit of others, or disclose to any other person or entity, any of the foregoing or, in the case of the Marks, any confusingly similar derivatives or variations thereof.

(b) Because of the confidential and proprietary information and unique and specialized training received by Franchisee, Franchisee shall not, for a period of two years after the Time of Transfer or the date of the consummation of the sale of the Franchise to a third party, whichever occurs first, directly or indirectly, for itself or through, on behalf of, or in conjunction with any person (including the spouse or children of Franchisee or any Principal of Franchisee), own, maintain, operate, engage in, have any interest in, or act as a consultant to a Competitive Business that is located or operates in or within 15 miles of the Territory or the protected territory of any other franchisee of Franchisor.

(c) At the Time of Transfer, Franchisee shall comply with all of its obligations under Article 14 of the Franchise Agreement within the time periods specified therein.

(d) If Franchisee sells the Franchise to a third party, Franchisee shall, at the purchaser's option, either cancel the Business Numbers or transfer Franchisee's right to use them to the purchaser. If Franchisor acquires the Territory under section 10 or exercises the Option, Franchisee shall transfer its right use the Business Numbers to Franchisor or any person designated by Franchisor. The transfer will become effective automatically at the Time of Transfer without any further action by either party, however, Franchisee shall execute all documents and take all steps necessary to effect the transfer. Franchisee shall take all necessary steps to permanently discontinue its use of any of the Marks in all telephone directories after the Time of Transfer.

15. Disclaimer of Franchisor's Obligations. Franchisor is not an agent, broker, or representative of Franchisee in connection with this agreement or the offer or sale of the Franchise. Franchisor

has no duty of disclosure or loyalty to Franchisee. Franchisor has no obligation to make any effort to sell the Franchise or to procure a prospective purchaser of the Franchise, other than responding to inquiries in its normal course of business. Franchisor does not guarantee or warrant that it will procure a prospective purchaser for the Franchise, that Franchisee will be able to sell the Franchise, or that Franchisor will exhaust its sales leads in attempting to sell the Franchise. Any prospective purchaser of the Franchise must demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards, possesses good moral character, business reputation, and credit rating, and has the aptitude, ability and adequate financial resources and capital to operate the Franchise, and the sale must otherwise comply with section 12.2 of the Franchise Agreement.

16. Non-disparagement. Neither party shall make any disparaging remarks about the other party or the other party's employees, officers, directors, agents, owners, affiliates, products or services. Each party shall use its best efforts to ensure that its representatives, agents, officers, directors, subsidiaries and employees, refrain from making negative or disparaging comments about the other party or the other party's employees, officers, directors, agents, owners, affiliates, products or services. Neither party shall provide any information or make any statement that, in the mind of a reasonable person, may be construed to be disparaging or critical of the other party or the other party's employees, officers, directors, agents, owners, affiliates, products or services.

17. Legal Representation. The parties acknowledge and represent that they have consulted independent legal counsel, or have waived the opportunity to be represented by independent legal counsel, in connection with their review and execution of this agreement, that they have read and understand the terms of this agreement, and that they sign the same willingly and without undue influence.

18. WAIVER OF JURY TRIAL. EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.

19. LIMITATION OF ACTIONS. ANY ACTION BASED UPON AN ALLEGED BREACH OF THIS AGREEMENT MUST BE COMMENCED WITHIN ONE YEAR AFTER THE BREACH, WITHOUT REGARD TO THE DATE THE BREACH IS DISCOVERED. ANY ACTION NOT BROUGHT WITHIN THE ONE-YEAR TIME PERIOD WILL BE BARRED, WITHOUT REGARD TO ANY OTHER LIMITATION PERIOD ESTABLISHED BY STATUTE OR CASE LAW.

20. Miscellaneous

(a) If any provision of this agreement is held invalid or unenforceable for any reason, the remainder of this agreement will not be affected and will remain in full force and effect in accordance with its terms.

(b) The language of this agreement is to be construed according to its plain meaning as if the parties had drafted it jointly, not strictly against a party because it was responsible for drafting one or more provisions of this agreement.

(c) No waiver of any provision of this agreement will be valid unless in writing and signed by the person against whom it is sought to be enforced. The failure by either party to insist upon strict performance of any provision will not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same provision at any other time, or any other provision of this agreement.

(d) Franchisor has the unrestricted right to assign, subcontract, or transfer this agreement and any or all of Franchisor's rights and obligations hereunder to any person. This agreement is binding upon and inures to the benefit of the parties and their successors, assigns, heirs and legal representatives, except that Franchisee may not assign this agreement or any of Franchisee's rights and obligations hereunder without Franchisor's prior written consent.

(e) All notices or consents must be in writing to be effective. Notices will be deemed received by the addressee when actually delivered, if delivered in person, or 3 days after being deposited in the United States mail, certified mail, return receipt requested, postage prepaid, or with a reputable airborne courier (e.g. Federal Express) and addressed to the receiving party as follows:

To Franchisor: H.H. Franchising Systems, Inc.
10700 Montgomery Road, Suite 300
Cincinnati, Ohio 45242
FAX: 513-563-2691
Attn: Legal Dept.

To Franchisee: _____

(f) The laws of the State of Ohio, without regard to its conflict of laws principles, govern all aspects of this agreement. The federal and state courts located within Hamilton County, Ohio have exclusive jurisdiction in any controversy relating to or arising out of this agreement. Each party hereby submits to the personal jurisdiction of any such court and waives any and all defenses based upon lack of personal jurisdiction or venue for the purpose of carrying out this provision.

(g) This written agreement, together with the Franchise Agreement, any exhibits and amendments thereto, and any agreements and instruments ancillary to the Franchise Agreement executed simultaneously therewith, constitute the entire agreement between the parties relating to the subject matter of this agreement. All other prior agreements, proposals, representations, arrangements and commitments, whether written or oral, are hereby superseded and merged into this agreement. This agreement may only be amended by a written instrument signed by all the parties.

(h) All obligations of the parties that expressly or by their nature survive the expiration or termination of this agreement will continue in full force and effect after and regardless of the expiration or termination of this agreement, until they are satisfied or by their nature expire.

(i) Franchisor will not, because of this agreement or by virtue of any approvals, advice or services provided, be liable to any person who is not a party to this agreement. No third party will have any rights because of this agreement.

(j) Any and all remedies available to the parties in the event of the breach of this agreement by the other party will be cumulative. The exercise of any particular remedy will not be exclusive to the ability to seek other remedies for any breach of this agreement.

(k) The section headings in this agreement are for reference purposes only and do not affect the meaning or interpretation of any provision of this agreement. All references to section numbers mean section numbers of this agreement unless another document (such as the Franchise Agreement) is specified. References to sections and articles of the Franchise Agreement include any successor section or article.

(l) This agreement may be executed in separate parts and photocopies or facsimile copies are to be deemed as legally binding and enforceable as original signed copies.

(m) Throughout this agreement, the words "includes" and "including" are to be construed to include the words "without limitation."

21. Effective Date. This agreement becomes effective when signed by all the parties, and the date it is signed by the last party to do so is the "Effective Date".

The parties are signing this agreement on the dates below.

H.H. FRANCHISING SYSTEMS, INC.

By: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Title: _____

Date: _____

PRINCIPAL OF FRANCHISEE:

Signature

Date: _____

PRINCIPAL OF FRANCHISEE:

Signature

Date: _____

DISCLAIMER OF REPRESENTATIONS

H.H. Franchising Systems, Inc.
10700 Montgomery Road, Suite 300
Cincinnati, OH 45242

Sir or Madam:

Concurrently herewith we are entering into a Franchise Agreement with you. By means of this letter, we are certifying that no representations, warranties or promises concerning the franchise we are acquiring have been made by H.H. Franchising Systems, Inc. or anyone acting on its behalf, other than those contained in the Franchise Agreement and the Franchise Disclosure Document for Prospective Franchisees. In particular, without limiting the foregoing, no representations or promises have been made to us concerning the financial prospects of the franchise we have acquired and we have received no information from H.H. Franchising Systems, Inc. or anyone acting on its behalf concerning financial results of other franchisees. Also, in particular, without limiting the foregoing, no representations or promises have been made to us concerning the amount of money necessary for our initial investment to acquire and operate our franchise other than those contained in the Franchise Agreement and the Franchise Disclosure Document for Prospective Franchisees.

Very truly yours,

FRANCHISEE(S):

Date: _____

Signature

Signature

Print Name

Print Name

Address:

Address:

Operations Manual

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Preparing for a Meeting

HOME HELPERS® AND DIRECT LINK® ASSIGNMENT AGREEMENT¹¹⁸

THIS ASSIGNMENT AGREEMENT, executed this ____ day of _____, 20____ by and among **H.H. FRANCHISING SYSTEMS, INC.**, an Ohio corporation (“Franchisor”), _____, individual residents of the State of _____ (“Assignor”), and _____, a(n) _____ corporation [or limited liability company] (“Assignee”);

W I T N E S S E T H:

WHEREAS, Franchisor and Assignor entered into certain Franchise Agreements effective on or about _____, 20____ (collectively, the “Franchise Agreement”), pursuant to which Franchisor licensed Assignor to operate a business providing home care aide, personal care aide assistance, companion care services and medical services, and personal emergency response, medication management, and vital signs monitoring products or services products and services using Franchisor’s registered service marks and trade names “*Home Helpers®*” and “*Direct Link®*” and Franchisor’s business; and

WHEREAS, Assignor owns ____% of the issued and outstanding stock [or ownership units] of Assignee; and

WHEREAS, Assignor desires to assign, transfer, and delegate to Assignee all of Assignor’s rights and obligations under the Franchise Agreement; and

WHEREAS, Assignee desires to assume all of Assignor’s rights and obligations under the Franchise Agreement;

NOW THEREFORE, in consideration of the mutual promises and conditions contained herein, the parties agree as follows:

1. **Assignment.** Assignor assigns, conveys, and transfers to Assignee all of Assignor’s rights, title, and interest in and to the Franchise Agreement and the franchise granted therein. Assignee assumes and undertakes to perform all of Assignor’s obligations and liabilities under the Franchise Agreement and agrees to comply with and be bound by all the terms and conditions thereof.

2. **Consent of Franchisor.** Franchisor consents to the assignment, in accordance with the terms contained herein, to Assignee of Assignor’s interest in the Franchise Agreement and the franchise granted therein.

3. **Guaranty by Assignor.** The assignment to Assignee of Assignor’s interest in the Franchise Agreement shall not relieve Assignor from any liability or obligation contained therein. Assignor specifically guarantees to Franchisor the prompt payment of all royalty and other fees required to be paid by the Franchisee under the Franchise Agreement, and the performance of all the provisions of the Franchise Agreement for and during the term thereof (including any renewals or extensions thereof). Assignor acknowledges that he/she shall continue to be bound by all covenants, obligations, and commitments of the Franchisee contained in the Franchise Agreement including, without limitation, those covenants contained in Article 15 of the Franchise Agreement.

¹¹⁸ This Assignment Agreement is required only if you sign your franchise agreement individually rather than in the name of a business entity.

4. **Representations of Assignee.** In order to induce Franchisor to consent to the assignment by Assignor, Assignee represents as follows:

(a) The assumption of Assignor's obligations under the Franchise Agreement and the execution of this Assignment Agreement have been duly authorized and approved by Assignee's Board of Directors [*or* Managing Member]; and

(b) Assignor is the owner of _____% of the issued and outstanding capital stock [*or* ownership units] of Assignee.

IN WITNESS WHEREOF, the parties executed this Assignment Agreement, or caused it to be executed by their duly authorized agent, as of the date first set forth above.

H.H. FRANCHISING SYSTEMS, INC.

By: _____

ASSIGNOR(S)

[Individual(s)]

[Individual(s)]

ASSIGNEE

Print Corporation or Company Name

President [*or* Managing Member]

AUTHORIZATION FOR ELECTRONIC FUND TRANSFER

The undersigned depositor ("DEPOSITOR") hereby authorizes H.H. FRANCHISING SYSTEMS, INC. ("PAYEE") to initiate debit entries and/or credit correction entries to the DEPOSITOR's checking account designated below, and authorizes the financial institution designated below ("BANK") to debit such account pursuant to PAYEE's instructions.

_____		_____	
Name of Financial Institution		Branch	
_____		_____	_____
Address of Financial Institution	City	State	ZIP Code
_____		_____	
Account Number		Bank Transit/Routing Number	

This authority will remain in effect until BANK receives a written cancellation notification from DEPOSITOR in such time as to afford BANK a reasonable opportunity to act on it. DEPOSITOR may stop payment of any entry by notifying BANK at least three (3) business days before the entry is charged to DEPOSITOR'S account. DEPOSITOR may have the amount of any erroneous entry immediately credited to DEPOSITOR'S account by notifying BANK within fifteen (15) calendar days after BANK issues DEPOSITOR'S account statement containing the erroneous entry or forty-five (45) days after posting, whichever occurs first. These rights are in addition to any rights DEPOSITOR may have under federal and state banking or consumer protection laws.

Name of DEPOSITOR: _____

By: _____ Date: _____

Title: _____

A voided check must be attached to this form.

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you are aware, you have or are preparing to enter into a Franchise Agreement with H.H. FRANCHISING SYSTEMS, INC. ("Franchisor") for the operation of a Home Helpers® and/or Direct Link® franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you, either verbally or in writing, that Franchisor did not authorize and that may be untrue, inaccurate, or misleading. Please read each of the following questions carefully and provide honest and complete responses to each question.

1. Did you receive a copy of Franchisor's Franchise Disclosure Document at least 14 days before you signed the Franchise Agreement or paid any consideration for the franchise?

Yes _____ No _____

2. Did you read the franchise contracts and their exhibits?

Yes _____ No _____

3. Did you understand everything in the franchise contracts and their exhibits?

Yes _____ No _____

If "No," what parts of the franchise contracts or their exhibits do you NOT understand? (Attach additional pages if necessary.)

4. Have you discussed your purchase of a Home Helpers and/or Direct Link franchise with an attorney, accountant, or other professional advisor?

Yes _____ No _____

5. If you answered "No" to question 4, do you understand that you may discuss your purchase of a Home Helpers and/or Direct Link franchise with an attorney, accountant, or other professional advisor?

Yes _____ No _____

6. Do you understand the risks of investing in and operating a Home Helpers and/or Direct Link franchise?

Yes _____ No _____

7. Do you understand that the success or failure of your Home Helpers and/or Direct Link franchise will depend in large part upon your skills and abilities, the number of hours you are willing to work, competition from other businesses, interest rates, the general state of the economy, inflation, labor and supply costs, and other general economic and business factors?

Yes _____ No _____

8. Do you understand that your franchise must be under the direct supervision of a designated individual that has completed the initial training program for new franchisees and who must devote his or her full time and energy to the operation of the franchised business?

Yes _____ No _____

NOTE: QUESTIONS 9 THROUGH 14 DO NOT APPLY TO ANY INFORMATION YOU WERE GIVEN DIRECTLY BY A HOME HELPERS AND/OR DIRECT LINK FRANCHISEE.

Has any employee of Franchisor or other person speaking on behalf of Franchisor made any written or oral statement or promise regarding:

9. . . . the actual revenue or profits of a Home Helpers and/or Direct Link franchise that is contrary to or different from that disclosed in the Franchise Disclosure Document?

Yes _____ No _____

10. . . . the amount of money you can earn operating a Home Helpers and/or Direct Link franchise that is contrary to or different from that disclosed in the Franchise Disclosure Document?

Yes__ No__

11. . . . the amount of sales revenue you can earn operating a Home Helpers and/or Direct Link franchise that is contrary to or different from that disclosed in the Franchise Disclosure Document?

Yes _____ No _____

12. . . . your initial investment to open a Home Helpers and/or Direct Link franchise or the costs you may incur in operating a Home Helpers and/or Direct Link franchise, that is contrary to or different from the information in the Disclosure Document?

Yes _____ No _____

13. . . . the advertising, marketing, training, support services, or assistance that Franchisor will provide you that is contrary to or different from the information in the Franchise Disclosure Document?

Yes _____ No _____

14. . . . any other aspect of a Home Helpers and/or Direct Link franchise that is contrary to or different from the information in the Disclosure Document?

Yes _____ No _____

If you answered "Yes" to any of Questions 9 through 14, please provide a full explanation of your answer in the following space (attach additional pages if necessary and refer to them in the space below). If you answered "No" to every Question 9 through 14, please leave the following space blank.

You understand that your answers are important to us and that we will rely on them in entering into the Franchise Agreement(s) with you.

NOTHING IN THIS DOCUMENT IS TO BE CONSTRUED AS A RELEASE, ESTOPPEL OR WAIVER OF ANY LIABILITY OR OBLIGATION IMPOSED BY A STATE FRANCHISE OR INVESTMENT LAW.

By signing below, you represent that you have responded truthfully to the above questions.

Date: _____

Signature

Print Name

Date: _____

Signature

Print Name

STATE-SPECIFIC ADDITIONAL DISCLOSURES AND RIDERS

The following are additional disclosures and/or riders required by certain state franchise laws. A particular state's disclosures/riders only apply if you are covered by that state's franchise law.

CALIFORNIA

The following additional disclosures are required by the California Franchise Relations Act:

We will comply with all appropriate laws governing any direct financing offered by us to you, including, if applicable, the California Finance Lenders Law.

California law may require an interest rate lower than 18%, in which case the interest rate will be the highest rate allowed by law.

The maximum rate of interest permitted in California may fluctuate below 10%.

California Business and Professions Code Sections 20000 through 22243 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 contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Hamilton County, Ohio, and the fees and expenses for arbitration shall be paid by the losing party. This provision may not be enforceable under California law. California Business and Professions Code Sections 20000 through 22243 provide rights to the franchisee concerning the arbitration of disputes between the franchisee and franchisor. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

California Business and Professions Code Sections 20000 through 22243 provide rights to the franchisee concerning the choice of forum for disputes between the franchisee and the franchisor. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement requires application of the laws of the State of Ohio. This provision may not be enforceable under California law. California Business and Professions Code Sections 20000 through 22243 provide rights to the franchisee concerning the choice of which state's law governs your Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The following URL address is for the franchisor's website: www.homehelpers.cc

THE 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.

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.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this Addendum is attached is hereby amended as follows to comply with the California Franchise Relations Act:

1. Section 16.2 is amended by the addition of the following sentences:

“California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning the arbitration of disputes between the franchisee and franchisor. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.”

2. Section 18.3 is amended by the addition of the following sentences:

“California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning the choice of which state’s law governs your franchise agreement. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.”

3. Section 18.4 is amended by the addition of the following sentences:

“California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning the choice of forum for disputes between the franchisee and the franchisor. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.”

4. Franchisor and Franchisee hereby ratify and affirm the Franchise Agreement in all other respects.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

H.H. FRANCHISING SYSTEMS, INC.

Signature

By: _____

Signature

Its: _____

HAWAII

The following additional disclosures are required by the Hawaii Franchise Investment Law:

1. The following list reflects the status of our franchise registrations in the states which have franchise registration laws:
 - This registration is effective in the states of California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin.
 - There are no other states in which a proposed registration or filing is or will be on file.
 - There are no states which have refused, by order or otherwise, to register these franchises.
 - There are no states which have revoked or suspended the right to offer these franchises.
2. The release required as a condition of renewal, assignment, and transfer will not apply to any liability arising under the Hawaii Franchise Investment Law.

HAWAII ADDENDUM TO FRANCHISE AGREEMENT

This addendum, executed and agreed to concurrently with the Franchise Agreement to which it is attached, amends the Franchise Agreement as follows:

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq.*, the Franchise Agreement is amended as follows:

- (a) The Hawaii Franchise Investment Law provides rights to you concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- (b) A general release required as a condition of the renewal, assignment, or transfer of the Franchise Agreement or the franchise granted thereunder shall not apply to any claim or liability arising under the Hawaii Franchise Investment Law.

2. Each provision of this addendum is effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this addendum. To the extent this addendum is deemed to be inconsistent with any terms or conditions of the Franchise Agreement or any exhibit or attachment thereto, the terms of this addendum shall govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

Signature

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

By: _____

Its: _____

ILLINIOS

The following additional disclosures are required by the Illinois Franchise Disclosure Act of 1987, as amended, and the Illinois Disclosure Rules and Regulations:

815 ILCS 705/41 provides that any condition, stipulation or provision in the franchise agreement that requires you to waive any of your rights under, or the franchisor's obligation to comply with any provision of, the Illinois Franchise Disclosure Act of 1987, as amended, the Illinois Disclosure Rules and Regulations, or any other law of Illinois, is void.

Nonrenewal of your franchise must comply with 815 ILCS 705/20. Termination of your franchise must comply with 815 ILCS 705/19.

Any provision in the franchise agreement that requires the application of the laws of another state is void with respect to a claim otherwise enforceable under the Illinois Franchise Disclosure Act.

Any provision in the franchise agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void with respect to any cause of action that otherwise is enforceable under the Illinois Franchise Disclosure Act.

To the extent this Addendum is inconsistent with any terms or conditions of the disclosure document or exhibits or attachments thereto, the terms of this Addendum shall govern.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the Illinois Franchise Disclosure Act of 1987, as amended, and the Illinois Disclosure Rules and Regulations:

1. Section 2.2 is amended by adding the following language: "Nonrenewal must comply with 815 ILCS 705/20."
2. Section 2.2(d) is deleted in its entirety.
3. Section 12.2(b)(3) is deleted in its entirety.
4. Section 13.1 is amended by adding the following language: "Termination must comply with 815 ILCS 705/19."
5. The waiver of jury trial in section 16.4 is void to the extent it violates 815 ILCS 705/41.
6. Section 18.3 is amended by the addition of the following language:

"Any provision in this Agreement that requires the application of the laws of another state is void with respect to a claim otherwise enforceable under the Illinois Franchise Disclosure Act."
7. Section 18.4 is amended by the addition of the following language:

"Any provision in this Agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void with respect to any cause of action that otherwise is enforceable under the Illinois Franchise Disclosure Act."
8. Section 18.11(a) is deleted in its entirety.
9. Section 18.11(c) is deleted in its entirety.
10. To the extent this addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

Signature

By: _____

Signature

Its: _____

INDIANA

The following additional disclosures are required by the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law:

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The franchise agreement does not expressly give you the right to terminate, but Indiana law may give you the right to terminate if we commit a substantial breach of the franchise agreement.

In any arbitration involving a franchise purchased in Indiana, the arbitration site will be in the State of Indiana.

Litigation may be brought in any court having jurisdiction over the parties and the subject matter of the suit.

In the event of a conflict of laws, the provisions of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law shall prevail.

INDIANA ADDENDUM TO FRANCHISE AGREEMENT

The following terms amend the Franchise Agreement to which this addendum is attached, for the purpose of complying with the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law, and are hereby incorporated into the Franchise Agreement by this reference. The terms in this addendum control in the event of conflicting terms in the Franchise Agreement.

1. A general release required as a condition of renewal, assignment, or transfer shall not apply to any claim or liability arising under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law.

2. Any provision of this Agreement restricting jurisdiction or venue to a forum outside the State of Indiana or requiring the application of the laws of a state other than Indiana is void with respect to a claim otherwise enforceable under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law.

3. Section 7.9 is amended as follows:

“Franchisee’s obligation to indemnify Franchisor hereunder shall not extend to liabilities caused by (i) Franchisee’s proper reliance on or use of procedures or materials provided by Franchisor or (ii) Franchisor’s negligence.”

4. Section 10.2 of the Franchise Agreement shall be deleted in its entirety, and in its place shall be substituted the following:

“10.2 Remedies. Franchisee acknowledges that any failure to comply with Section 10.1 of this Agreement will cause Franchisor irreparable injury. Accordingly, Franchisor shall have the right to seek specific performance of, or an injunction against a violation of, the requirements of Section 10.1. Franchisee agrees to pay all court costs and reasonable attorneys’ fees incurred by Franchisor in successfully obtaining any such specific performance or injunctive relief.”

5. Section 15.8 of the Franchise Agreement shall be deleted in its entirety, and in its place shall be substituted the following:

“15.8 Injunctive Relief. Franchisee acknowledges that Franchisee’s violation of the terms of this Article 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Accordingly, Franchisor shall have the right to seek specific performance of, or an injunction against a violation of, the requirements of this Article 15. Franchisee agrees to pay all court costs and reasonable attorneys’ fees incurred by Franchisor in successfully obtaining any such specific performance or injunctive relief.”

6. Sections 16.4, 16.5, and 16.6 are deleted in their entirety.

7. Article 17 is amended as follows:

“Franchisee’s obligation to indemnify Franchisor hereunder shall not extend to liabilities caused by (i) Franchisee’s proper reliance on or use of procedures or materials provided by Franchisor or (ii) Franchisor’s negligence.”

8. Section 18.3 is amended as follows:

“In the event of a conflict of laws, the provisions of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law shall prevail.”

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

Signature

By: _____

Signature

Its: _____

MARYLAND

The following additional disclosures are required by the Maryland Franchise Registration and Disclosure Law:

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The release required as a condition of renewal and/or assignment/transfer will not apply to any liability arising under the Maryland Franchise Registration and Disclosure Law.

MARYLAND ADDENDUM TO HOME HELPERS AND DIRECT LINK FRANCHISE AGREEMENTS

The following terms and conditions amend the Franchise Agreement to which this Addendum is attached, for the purpose of complying with the Maryland Franchise Registration and Disclosure Law, and are hereby incorporated into the Franchise Agreement by this reference. The terms of this Addendum control in the event of conflicting terms in the Franchise Agreement.

1. A general release required as a condition of renewal and/or assignment/transfer shall not apply to any claim or liability arising under the Maryland Franchise Regulation and Disclosure Law.
2. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
4. Section 18.11 of the Home Helpers franchise agreement and Section 18.11 of the Direct Link franchise agreement are amended by adding the following sentence:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

Signature

By:_____

Signature

Its:_____

MICHIGAN

The following additional disclosures are required by the Michigan Franchise Investment Law:

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

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

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

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

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

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

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

Any questions regarding the notice of this offering on file with the attorney general should be directed to the Department of Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913 (517) 373-7117.

MINNESOTA

The following additional disclosures are required by the Minnesota Franchise Act:

1. GOVERNING LAW, CHOICE OF FORUM, JURISDICTION AND VENUE

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit HHFS from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or 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. NOTICE OF TERMINATION AND NON-RENEWAL

With respect to franchises governed by Minnesota law, HHFS 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 for non-renewal of the franchise agreement.

3. RIGHT TO USE TRADEMARKS, SERVICE MARKS TRADE NAMES, LOGOTYPES OR OTHER COMMERCIAL SYMBOLS

HHFS will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

4. WAIVING OF RIGHTS, POSTING BOND

Minnesota law prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties, or judgment notes. The franchisee cannot consent to HHFS obtaining injunctive relief, although HHFS may seek injunctive relief. A court will determine if a bond is required. Any language to the contrary in the disclosure document or franchise agreement is null and void.

5. GENERAL RELEASE

Minn. Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. Any provision in the Franchise Agreement to the contrary is void.

6. STATUTE OF LIMITATIONS

Minn. Stat. Sec. 80C.17, Subd. 5 provides that an action may be commenced to enforce any provision of the Minnesota Franchise Act (Minn. Stat. Secs. 80C.01 to 80C.22, inclusive) or any rule or order thereunder within three years after the cause of action accrues. Any language to the contrary in the Franchise Disclosure Document or the Franchise Agreement is null and void.

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

This addendum is attached to and incorporated in H.H. Franchising Systems, Inc.'s ("HHFS") Franchise Disclosure Document and Franchise Agreement as required by the Minnesota Franchise Act and the administrative rules and regulations relating thereto. The terms of this addendum shall control in the event of conflicting terms in the Franchise Disclosure Document or Franchise Agreement.

1. GOVERNING LAW, CHOICE OF FORUM, JURISDICTION AND VENUE

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit HHFS from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or 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. NOTICE OF TERMINATION AND NON-RENEWAL

With respect to franchises governed by Minnesota law, HHFS will comply with Minn. Stat. Sec. 80C14, 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 for non-renewal of the franchise agreement.

3. RIGHT TO USE TRADEMARKS, SERVICE MARKS TRADE NAMES, LOGOTYPES OR OTHER COMMERCIAL SYMBOLS

HHFS will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

4. WAIVING OF RIGHTS, POSTING BOND

Minnesota law prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties, or judgment notes. The franchisee cannot consent to HHFS obtaining injunctive relief, however, HHFS may seek injunctive relief. A court will determine if a bond is required. Any language to the contrary in the disclosure document or franchise agreement is null and void.

5. GENERAL RELEASE

Minn. Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. Any provision in the Franchise Agreement to the contrary is void.

6. STATUTE OF LIMITATIONS

Minn. Stat. Sec. 80C.17, Subd. 5 provides that an action may be commenced to enforce any provision of the Minnesota Franchise Act (Minn. Stat. Secs. 80C.01 to 80C.22, inclusive) or any rule or order thereunder within three years after the cause of action accrues. Any language to the contrary in the Franchise Disclosure Document or the Franchise Agreement is null and void.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

Signature

By: _____

Signature

Its: _____

NEW YORK

The following additional disclosures are required by the New York General Business Law and the New York State Franchise Regulations:

Item 3. LITIGATION

Except as disclosed in Item 3 of the disclosure document, neither Home Helpers, its predecessor, any of the persons identified in Item 2, nor any affiliate offering franchises under Home Helpers' principal trademark:

A. Has an administrative, criminal or civil action 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.

B: Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the date of this disclosure document, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 4. BANKRUPTCY

Neither Home Helpers, nor any affiliate, predecessor, officer or general partner of Home Helpers, during the ten-year period immediately before the date of this disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

You may terminate the franchise agreement upon any grounds available by law.

The release required as a condition of renewal and/or assignment/transfer will not apply to any liability arising under the New York State Franchise Act or Regulations.

THE STATE OF NEW YORK MAY HAVE STATUTES WHICH SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. THE STATE OF NEW YORK ALSO HAS COURT DECISIONS WHICH MAY SUPERSEDE THE FRANCHISE AGREEMENT

IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. A PROVISION IN THE FRANCHISE AGREEMENT WHICH TERMINATES THE FRANCHISE UPON THE BANKRUPTCY OF THE FRANCHISEE MAY NOT BE ENFORCEABLE UNDER TITLE 11, UNITED STATES CODE SECTION 101. THE STATE OF NEW YORK MAY HAVE COURT DECISIONS RESTRICTING THE IMPOSITION OF LIQUIDATED DAMAGES. THE IMPOSITION OF LIQUIDATED DAMAGES IS ALSO RESTRICTED BY FAIR PRACTICE LAWS, CONTRACT LAW, AND FEDERAL COURT DECISIONS. THE STATE OF NEW YORK HAS COURT DECISIONS LIMITING THE FRANCHISOR'S ABILITY TO RESTRICT YOUR ACTIVITY AFTER THE FRANCHISE AGREEMENT HAS ENDED.

The Franchisor represents that this prospectus does not knowingly omit any material fact or contain any untrue statement of a material fact.

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

The following terms and conditions amend the Franchise Agreement to which this addendum is attached, for the purpose of complying with the New York General Business Law and the New York State Franchise Regulations, and are hereby incorporated into the Franchise Agreement by this reference.

Sections 2.2(d) and 12.2(b)(3) of the Franchise Agreement shall be amended by adding the following language:

“Provided, however, that all rights arising in Franchisee’s favor from the provisions of Article 33 of the General Business Laws of the State of New York (“GBL”) and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, sections 687.4 and 687.5 be satisfied.”

To the extent this addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

Signature

By: _____

Signature

Its: _____

NORTH DAKOTA

The following additional disclosures are required by the North Dakota Franchise Investment Law:

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

Non-competition covenants such as the one mentioned in Item 17(r) are generally considered unenforceable in the State of North Dakota.

The release required as a condition of renewal and/or assignment/transfer will not apply to any liability arising under the North Dakota Franchise Investment Law.

Any provision of the franchise agreement restricting jurisdiction or venue to a forum outside the State of North Dakota or requiring the application of the laws of a state other than North Dakota is void.

Any provision of the franchise agreement requiring you to waive the right to a trial by jury is void.

Any provision of the franchise agreement requiring you to waive exemplary or punitive damages is void.

Any provision of the franchise agreement requiring you to consent to a statute of limitations that is shorter than the applicable North Dakota statute of limitations is void.

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the North Dakota Franchise Investment Law:

1. A general release required as a condition of renewal and/or assignment/transfer shall not apply to any claim or liability arising under the North Dakota Franchise Investment Law.
2. Any provision of this Agreement restricting jurisdiction or venue to a forum outside the State of North Dakota or requiring the application of the laws of a state other than North Dakota is void.
3. Section 15.3 shall be amended by adding the following sentence:

“Covenants not to compete such as the one described above are generally considered unenforceable in the State of North Dakota.”
4. Sections 16.4, 16.5, and 16.6 are deleted in their entirety.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

Signature

By: _____

Signature

Its: _____

RHODE ISLAND

The following additional disclosures are required by the Rhode Island Franchise Investment Protection Act:

The general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Rhode Island Franchise Investment Act.

Section 19-28.1-14 of the Rhode Island Franchise Investment Act 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 this Act.”

To the extent this Addendum is inconsistent with any terms or conditions of the Franchise Disclosure Document, the Franchise Agreement, or any exhibits or attachments thereto, the terms of this Addendum shall control.

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

The following terms amend the Franchise Agreement to which this addendum is attached, for the purpose of complying with the Rhode Island Franchise Investment Act, and are hereby incorporated into the Franchise Agreement by this reference. The terms in this addendum shall control in the event of conflicting terms in the Franchise Agreement.

1. A general release required as a condition of renewal and/or assignment/transfer shall not apply to any claim or liability arising under the Rhode Island Franchise Investment Protection Act.
2. Any provision of this Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Protection Act.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

Signature

By: _____

Signature

Its: _____

SOUTH DAKOTA

The following additional disclosures are required by the South Dakota Franchise Act:

Covenants not to compete upon the termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provided by law.

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act. Issues regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, all provisions of the franchise agreement will be subject to the governing law of the State of Ohio.

Pursuant to SDLC 37-5B, any condition, stipulation or provision purporting to waive compliance with any provision of this chapter or any rule or order thereunder is void. Any acknowledgement provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this chapter or a rule or order under this chapter.

In the event that either party shall make demand for arbitration, such arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

SOUTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement to which this addendum is attached is amended as follows to comply with the South Dakota Franchise Act, South Dakota Codified Laws, Title 37, Chapter 37-5B:

1. Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provided by law.
2. In the event that either party shall make demand for arbitration, the arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.
3. The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this Agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of the State of Ohio. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.
4. To the extent this addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

Signature

By: _____

Signature

Its: _____

VIRGINIA

THE FOLLOWING DISCLOSURES ARE REQUIRED UNDER THE VIRGINIA RETAIL FRANCHISING ACT, AND SHALL SUPERSEDE ANY INCONSISTENT DISCLOSURES CONTAINED IN THE FRANCHISE DISCLOSURE DOCUMENT.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

In addition to the other curable defaults listed in row (g) of the table in Item 17 of the franchise disclosure document, you also have 30 days to cure any failure to comply with the franchise agreement, operations manual, or operating standards.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for H.H. Franchising Systems, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground 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.

WASHINGTON

The following additional disclosures are required by the Washington Franchise Investment Protection Act:

The State of Washington has a statute, R.C.W. 19.100.180, which may supersede the franchise agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 R.C.W., shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

The parties hereby amend the following provisions of the Franchise Agreement to which this addendum is attached to comply with the Washington Franchise Investment Protection Act:

1. Any provision of the Franchise Agreement restricting jurisdiction or venue to a forum outside the State of Washington or requiring the application of the laws of a state other than Washington is void with respect to a claim otherwise enforceable under the Washington Franchise Investment Protection Act.
2. Sections 16.4, 16.5, and 16.6 of the Franchise Agreement are deleted in their entirety.
3. Termination and renewal of the Franchise Agreement shall comply with the Washington Franchise Investment Protection Act, Chapter 19.100 RCW.
4. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of arbitration, or as determined by the arbitrator.
5. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
6. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel.
7. Transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.
8. To the extent this addendum is inconsistent with any terms or conditions of the Franchise Agreement or exhibits or attachments thereto, the terms of this addendum shall govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

Signature

By: _____

Signature

Its: _____

WISCONSIN

The following additional disclosures are required by the Wisconsin Franchise Investment Law and the Wisconsin Fair Dealership Law:

THE WISCONSIN FAIR DEALERSHIP LAW SUPERSEDES ANY PROVISION OF THE FRANCHISE AGREEMENT THAT IS INCONSISTENT WITH THAT LAW. THE STATE OF WISCONSIN MAY ALSO HAVE COURT DECISIONS WHICH MAY SUPERSEDE THE FRANCHISE RELATIONSHIP IN RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. THE STATE OF WISCONSIN MAY HAVE COURT DECISIONS WHICH RESTRICT THE IMPOSITION OF LIQUIDATED DAMAGES. THE IMPOSITION OF LIQUIDATED DAMAGES IS ALSO RESTRICTED BY FAIR PRACTICE LAWS, CONTRACT LAW, AND STATE AND FEDERAL COURT DECISIONS. A PROVISION IN THE FRANCHISE AGREEMENT WHICH TERMINATED THE FRANCHISE UPON THE BANKRUPTCY OF THE FRANCHISEE MAY NOT BE ENFORCEABLE UNDER TITLE 11, UNITED STATES CODE §101. THE STATE OF WISCONSIN MAY HAVE COURT DECISIONS LIMITING THE FRANCHISOR'S ABILITY TO RESTRICT YOUR ACTIVITY AFTER THE FRANCHISE AGREEMENT HAS ENDED.

We may revoke our approval of any previously approved supplier at any time if the quality of the product or the supplier's financial condition or ability to satisfy your requirements do not continue to meet our satisfaction.

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

The following terms amend the Franchise Agreement to which this addendum is attached, for the purpose of complying with the Wisconsin Fair Dealership Law, and are hereby incorporated into the Franchise Agreement by this reference. The terms in this addendum shall control in the event of conflicting terms in the Franchise Agreement.

Franchisor and Franchisee agree that Chapter 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement inconsistent with that law.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

FRANCHISEE(S):

FRANCHISOR:

H.H. FRANCHISING SYSTEMS, INC.

Signature

By: _____

Its: _____

Signature

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$							***

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Any item above containing "****" has been omitted due to text length limitations.

Borrower:

Lender:

Principal Amount: \$

Date of Note:

PROMISE TO PAY. _____ ("Borrower") jointly and severally promise to pay to COMPANY ("Lender"), or order, in lawful money of the United States of America, the principal amount of _____ Dollars (\$ _____), together with interest on the unpaid principal balance from _____, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 7.000% per annum based on a year of 360 days, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in ____ payments of \$ _____ each payment and an irregular last payment estimated at \$ _____. Borrower's first payment is due _____, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on _____, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any unpaid collection costs; then to any late charges; then to any accrued unpaid interest; and then to principal. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

FEE. Borrower shall pay Company a fee of \$150.00 due at closing.

PREPAYMENT PENALTY. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. **Upon prepayment of this Note, Lender is entitled to the following prepayment penalty: Prepayment of this note in its entirety or in part during the First through Fifth loan years will result in the following prepayment premium becoming due and payable to the holder:**

- FIRST LOAN YEAR is 5% of the principal amount prepaid
- SECOND LOAN YEAR is 4% of the principal amount prepaid
- THIRD LOAN YEAR is 3% of the principal amount prepaid
- FOURTH LOAN YEAR is 2% of the principal amount prepaid
- FIFTH LOAN YEAR is 1% of the principal amount prepaid.

Prepayment is defined as receipt by the holder prior to the Maturity Date of all or a part of the principal balance and the outstanding interest due under the note irrespective of the source of such payment and irrespective of whether same was paid by the undersigned "voluntarily" or "involuntarily." Without limiting the generality of the foregoing, prepayment shall include prepayment from the undersigned, irrespective of whether before or after the occurrence of an Event of Default. Notwithstanding the foregoing, in the event that all of or part of any Mortgaged Property (as may be defined in a hereafter referenced Mortgage) shall be taken by any governmental authority by exercise of eminent domain, or shall be conveyed to a grantee in lieu of such taking, and the holder exercises its option that the award, proceeds or compensation for such taking or conveyance be paid to the holder as prepayment of this Note, such shall not be considered a prohibited prepayment, provided there does not exist an Event of Default. Similarly, in the event of damage to the collateral, which damage is covered by fire and other insurance required to be maintained by the undersigned pursuant to the Business Loan Agreement and/or Commitment Letter, any insurance proceeds which are paid to the holder and are applied by the holder to reduce this Note shall not be deemed to be a prohibited prepayment hereunder, provided there does not exist an Event of Default. The monthly payments hereunder shall remain unaffected by any partial prepayment pursuant to this paragraph, the effect of which shall be, rather, to reduce the principal balance remaining upon maturity, or, if there be no such principal balance remaining, the term of this Note.

Notwithstanding anything to the contrary contained herein, the undersigned may prepay up to 10% of the loan principal without incurring any penalties on an annual basis during the term of the loan. Except for the foregoing, Borrower may pay all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar

language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: STOCK YARDS BANK & TRUST COMPANY, P. O. BOX 39511 LOUISVILLE, KY 40233.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged **5.000% of the unpaid portion of the regularly scheduled payment or \$30.00, whichever is greater.**

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased by 5.000 percentage points. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Ohio without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Ohio.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Hamilton County, State of Ohio.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: deposit accounts described in an Assignment of Deposit Account dated _____.

FINAL AGREEMENT. The undersigned represents and agrees that: (A) this agreement, together with the other documents executed in connection herewith and/or referred to herein collectively, the "Loan Documents" which represent the final agreement between the undersigned and the lender with respect to the subject matter thereof; (B) there are no unwritten oral agreements between the parties; and (C) the loan documents may not be contradicted by evidence of any

prior, contemporaneous, or subsequent oral agreements or understandings of the parties. The term "Parties" means Stock Yards Bank & Trust Company and any and all entities or individuals who are obligated, directly or indirectly to repay the indebtedness represented by the Note or any applicable guaranty agreements or have pledged property as security for the indebtedness represented by the Promissory Note.

ATTORNEYS' FEES: EXPENSES. Borrower shall be liable for and must reimburse Lender for any and all costs incurred (A) by Lender to collect from and enforce payment of any and all amounts owed on the Note or any other loan document, (B) by Lender to defend itself in any and all legal proceedings from claims alleged by Borrower or any Guarantor against Lender relating to the Note, and (C) by Lender in any and all legal proceeding related to the Note. The costs incurred by Lender that Borrower shall be liable for and must reimburse Lender shall include any and all costs incurred before, during, in and after any and all legal proceeding in any forum, including but not limited to legal proceedings in state, federal and bankruptcy courts, both for trial and appeal. The costs incurred by Lender shall include attorneys' fees, court fees, and other expenses, taxable and non-taxable, incurred by or on behalf of the Lender, including but not limited to expenses for service of subpoenas transcripts and documents, and expert witnesses, both consulting and testifying.

BORROWER'S FINANCIAL STATEMENTS. Borrower agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than one-hundred-twenty (120) days after the end of each fiscal year, Borrower's balance sheet and profit and loss statement for the year ended, (prepared / compiled / reviewed / audited) by (the Borrower / a tax professional / a certified public accountant) satisfactory to Lender.

Interim Statements. As soon as available, but in no event later than thirty days (30) days after the end of each (quarter / month), Borrower's balance sheet and profit and loss statement for the (quarter / month) ended, (prepared / compiled / reviewed / audited) by (the Borrower / a tax professional / a certified public accountant) satisfactory to Lender.

Business Tax Returns. As soon as available, but in no event later than one-hundred-twenty (120) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by (the Taxpayer / a certified public accountant / an accountant / a tax professional) satisfactory to Lender.

All financial reports required to be provided above shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Borrower as being true and correct.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Ohio (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Each Borrower understands and agrees that, with or without notice to Borrower, Lender may with respect to any other Borrower (a) make one or more additional secured or unsecured loans or otherwise extend additional credit; (b) alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of any indebtedness, including increases and decreases of the rate of interest on the indebtedness; (c) exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any security, with or without the substitution of new collateral; (d) apply such security and direct the order or manner of sale thereof, including without limitation, any non-judicial sale permitted by the terms of the controlling security agreements, as Lender in its discretion may determine; (e) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; and (f) determine how, when and what application of payments and credits shall be made on any other indebtedness owing by such other Borrower. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, EACH BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. EACH BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

X _____ X _____

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

H.H. FRANCHISING SYSTEMS, INC. ("we," "us," "our," or "Franchisor") and the undersigned franchise, _____ ("you," "your," or "Franchisee"), currently are parties to a certain franchise agreement(s) dated _____ (the "Franchise Agreement") for the operation of a Home Helpers and/or Direct Link franchised business designated franchise no. _____. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation] _____

. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action nor agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our current and former officers, directors, shareholders, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "Franchisor Parties") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims") that you and any of the other Releasing Parties now have, ever had, or, but for this document, hereafter would or could have against any of the Franchisor Parties (1) arising out of or related to the Franchisor Parties' performance of their obligations under the Franchise Agreement before the date of your signature below or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Franchisor Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity that is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signature below, your transferring owners likewise grant to us the release and covenant not to sue provided above.

The following language applies only to transaction governed by the Maryland Franchise Registration and Disclosure Law

Notwithstanding the above, nothing contained herein shall act as a release, estoppel or waiver of any claim or liability arising under the Maryland Franchise Registration and Disclosure Law.

HIPAA BUSINESS ASSOCIATE AGREEMENT

THIS AGREEMENT is between NAME OF FRANCHISEE ("Covered Entity") and H.H. FRANCHISING SYSTEMS, INC. ("Business Associate") as of _____ [effective date of this agreement].

RECITALS:

- A. Covered Entity and Business Associate are parties to a HOME HELPERS franchise agreement (hereinafter the "Franchise Agreement").
- B. The nature of the relationship contemplated by the Franchise Agreement, and the services provided or made available by Business Associate to Covered Entity thereunder, require that Business Associate have access to Protected Health Information (as defined below).
- C. The Health Insurance Portability and Accountability Act, Public Law 104-191 ("HIPAA") and the Privacy Rule and Security Rule (as defined below) promulgated thereunder govern the uses and disclosures of Protected Health Information by and between Covered Entity and Business Associate.
- D. The parties have entered into this agreement for the purpose of setting forth their respective obligations with respect to Protected Health Information, pursuant to the requirements of HIPAA and the Privacy Rule and Security Rule.

THEREFORE the parties agree as follows:

Article 1: Definitions

- 1.1. Terms used but not otherwise defined in this agreement have the same meaning as those terms have in the Privacy Rule and the Security Rule as in effect or as amended.
- 1.2. "Electronic Protected Health Information" or "ePHI" has the same meaning as the term "electronic protected health information" in 45 CFR 160.103.
- 1.3. "Individual" has the same meaning as the term "individual" in 45 CFR 160.103 and includes a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
- 1.4. "Privacy Rule" means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- 1.5. "Protected Health Information" or "PHI" has the same meaning as the term "protected health information" in 45 CFR 160.103, limited to the information created or received or accessed by Business Associate from or on behalf of Covered Entity, and includes, but is not limited to, all ePHI created, received or accessed by Business Associate from or on behalf of Covered Entity.
- 1.6. "Required By Law" has the same meaning as the term "required by law" in 45 CFR 164.501.
- 1.7. "Secretary" means the Secretary of the Department of Health and Human Services or his or her designee.
- 1.8. "Security Rule" means the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR part 160 and part 164, subparts A and C.

Article 2: Obligations and Activities of Business Associate

2.1. Business Associate shall not use or disclose PHI other than as permitted or required by this agreement or as Required By Law.

2.2. Business Associate shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this agreement.

2.3. Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this agreement.

2.4. Business Associate shall report to Covered Entity any use or disclosure of PHI not provided for by this agreement of which it becomes aware.

2.5. Business Associate shall ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this agreement to Business Associate with respect to such PHI.

2.6. Business Associate shall make internal practices, books and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to Covered Entity, or at the request of Covered Entity, to the Secretary, in a time and manner as designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

2.7. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528.

2.8. Business Associate shall provide to Covered Entity or an Individual, in the time and manner as agreed by the parties, information collected in accordance with section 2.7 above, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528.

2.9. If Business Associate has PHI in a Designated Data Set, Business Associate shall provide access, at the request of Covered Entity and in the time and manner as agreed by the parties, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR 164.524.

2.10. If Business Associate has PHI in a Designated Data Set, Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526 at the request of Covered Entity or an Individual, and in the time and manner as agreed by the parties.

2.11. With respect to ePHI, Business Associate shall:

(a) Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the ePHI it creates,

receives, maintains, accesses or transmits on behalf of Covered Entity as required by the Security Rule;

(b) Ensure that any agent, including a subcontractor, to whom it provides such ePHI agrees to implement reasonable and appropriate safeguards to protect it; and

(c) Report to Covered Entity any security incident of which it becomes aware, including, without limitation, any attempted or successful unauthorized access, use, disclosure, modification or destruction of ePHI or interference with system operations in an information system.

Article 3: Permitted Uses and Disclosures by Business Associate

3.1. Except as otherwise limited in this agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Franchise Agreement or which are otherwise provided to Business Associate's Home Helpers franchise system generally, provided that such use or disclosure would not violate the Privacy Rule or the Security Rule if done by Covered Entity or the minimum necessary policies and procedures of Covered Entity.

3.2. Except as otherwise limited in this agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

3.3. Except as otherwise limited in this agreement, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached.

3.4. Except as otherwise limited in this agreement, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 42 CFR 164.504(e)(2)(i)(B).

3.5. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 42 CFR 164.502(j)(1).

Article 4: Obligations of Covered Entity

4.1. Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity in accordance with 45 CFR 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

4.2. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by any Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.

4.3. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI

Article 5: Permissible Requests by Covered Entity

5.1. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or the Security Rule if done by Covered Entity.

Article 6: Term and Termination

6.1. This agreement is effective as of the date hereof, and shall terminate on the later of (i) the termination for any reason of the Franchise Agreement, or (ii) when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such PHI, in accordance with the termination provisions in this Article 6.

6.2. Notwithstanding any other provision of this agreement, upon Covered Entity's knowledge of a material breach of this agreement by Business Associate, Covered Entity shall, at its option:

(a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

(b) Immediately terminate this agreement if Business Associate has breached a material term of this agreement and cure is not possible; or

(c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

6.3. Except as provided in (d) below, upon termination of this agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

6.4. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon its determination that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

Article 7: Miscellaneous

7.1. A reference in this agreement to a section in the Privacy Rule or the Security Rule means the section as in effect or as amended.

7.2. The Parties shall take such action as is necessary to amend this agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule, the Security Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191. This agreement may be modified or amended only by a written instrument signed by both parties.

7.3. The respective rights and obligations of Business Associate under Article 6 of this agreement will survive the termination of this agreement.

7.4. Any ambiguity in this agreement is to be resolved to permit Covered Entity to comply with the Privacy Rule and the Security Rule, as applicable.

7.5. All notices to be given under this agreement are to be in writing, delivered by personal delivery, overnight delivery, facsimile, electronic mail, or first class mail, to the recipient's principal place of business (which may be changed by written notice provided in accordance with this section). Notices of changes of addresses must be given at least ten business days in advance of any notification contemplated under this provision or the prior address on file will be deemed valid. Notice will be considered given at the time delivered by personal or overnight delivery, or one business day after sending by facsimile or electronic mail, or four business days after being placed in first class mail.

7.6. The terms of this agreement will be binding upon and will inure to the benefit of each of the parties and their respective legal representatives, heirs, successors and assigns.

7.7. The laws of the State of Ohio govern all aspects of this agreement.

7.8. Either party may institute an action against the other arising out of or relating to this agreement only in a state or federal court of general jurisdiction in the judicial district in which Business Associate's principal office is located, presently Hamilton County, Ohio. Each party hereby irrevocably submits to the jurisdiction of any such court and waives any objection or defense it may have to either jurisdiction or venue in such court.

The parties are signing this agreement to become effective on the date in the first paragraph.

NAME OF FRANCHISEE

H.H. FRANCHISING SYSTEMS, INC.

By: _____

By: _____

Print Name

Print Name

Title: _____

Title: _____

DEPOSIT REMITTANCE FORM
(Keep this copy for your records)

H.H. Franchising Systems, Inc.
10700 Montgomery Road, Suite 300
Cincinnati, Ohio 45242

Date: _____

Sir or Madam:

I am enclosing my check in the amount of \$5,000 as a deposit to be applied toward the initial Franchise Fee for a [*check one*]

- HOME HELPERS® DIRECT LINK®
 BOTH HOME HELPERS® AND DIRECT LINK®

franchise(s). I understand and agree that you will reserve, for 30 days after your receipt of my deposit, all portions of the territory I have selected below not previously sold or otherwise reserved as of the date you receive my deposit. I further understand and agree that this deposit is fully-earned and non-refundable, in consideration of your removal of the territory from the market for 30 days and your lost or deferred opportunity to franchise it to others.

Please reserve the following territory for me: _____(insert *County/State(s)*)

I understand and agree that the final boundaries of my territory will be determined within the next 30 days after your receipt of this Deposit Remittance Form accompanied by my deposit, and that the final territory will be subject to availability as of the date you receive this deposit and the population guidelines described in Item 5 of your Franchise Disclosure Document (FDD), a copy of which I have already received. I agree that if I do not enter into a Franchise Agreement with you within 30 days after your receipt of this deposit you may keep my deposit and sell the territory described above without further obligation to me. This Deposit Remittance Form constitutes the entire agreement between us relating to my deposit, and supersedes all prior agreements and representations, oral or otherwise. This agreement is governed by the laws of the state of Ohio, without regard to its conflict of laws principles. The federal and state courts located within Hamilton County, Ohio have exclusive jurisdiction in any controversy relating to or arising out of this agreement. I understand and certify that no representations concerning the franchise we are acquiring have been made by H.H. Franchising Systems, Inc. other than those contained in the FDD. In particular, no representations have been made to us concerning the financial prospects of the franchise we are acquiring other than those in the FDD. Nothing contained in this remittance form shall act as a release, estoppel, or waiver of any liability arising under any state franchise registration or disclosure law.

Signature

Signature

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10700 Montgomery Road, Suite 300
Cincinnati, Ohio 45242

Date: _____

Sir or Madam:

I am enclosing my check in the amount of \$5,000 as a deposit to be applied toward the initial Franchise Fee for a [*check one*]

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Signature

Signature

Item 23. RECEIPT
(Keep this copy for your records)

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 H.H. Franchising Systems, Inc. (HHFS) offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. Under Illinois, Iowa, Maine, Nebraska, New York, Oklahoma, Rhode Island or South Dakota law, if applicable, HHFS must provide this disclosure document to you at your first personal meeting to discuss the franchise, if earlier.

If HHFS does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on Exhibit B.

The name, principal business address, and telephone number of each franchise seller offering the franchise are: Emma Dickison (President); Wes Sattler (VP Franchise Development); and _____ (Franchise Business Consultant), all at 10700 Montgomery Rd., Ste. 300, Cincinnati, Ohio 45242, 513-563-8339; and _____.

The issuance date of this Franchise Disclosure Document is April 15, 2014.

We authorize the respective state officials listed on Exhibit A to receive service of process for us in each particular state.

I have received a Franchise Disclosure Document dated April 15, 2014 that included the following Exhibits:

- | | |
|--|--|
| A Agents for Service of Process | L Power of Attorney |
| B List of State Administrators | M Option to Purchase Agreement |
| C Financial Statements | N Disclaimer of Representations |
| D Franchisee List | O Table of Contents of Operations Manual |
| E Franchisees Who Have Left the System | P Assignment Agreement |
| F Home Helpers Franchise Agreement | Q EFT Authorization |
| G Direct Link Franchise Agreement | R Disclosure Questionnaire |
| H Additional Territory Rider | S State-Specific Additional Disclosures/Riders |
| I Installment Note | T Promissory Note |
| J Personal Guaranty | U Form of General Release |
| K Restrictive Covenant Agreement | V Business Associate Agreement |
| | W Deposit Remittance Form |

Date: _____

Signature of Prospective Franchisee

Print Name

Signature of Prospective Franchisee

Print Name

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| | W Deposit Remittance Form |

Date: _____

Signature of Prospective Franchisee

Print Name

Signature of Prospective Franchisee

Print Name

