

Territory and/or may license or appoint another person to service that partnership in your Protected Territory (including another SYNERGY HomeCare franchisee or a company that is not affiliated with us).

Your Protected Territory is exclusive and we will not operate locations or grant franchises for other SYNERGY HomeCare Businesses within your Protected Territory unless you fail to meet your Minimum Monthly Average Sales Quota as described below or are in breach of any other terms of the Franchise Agreement.

You must achieve and maintain the minimum levels of average monthly Gross Sales (the “**Minimum Monthly Average Sales Quota**”) set forth below for each Protected Territory during the following Months of Operation:

For a Protected Territory with 20,000 or more people age 65 or older:

<b>Year of Operation</b>	<b>Minimum Monthly Average Gross Sales</b>
Year 1 Monthly Average	\$10,000
Year 2 Monthly Average	\$20,000
Year 3 Monthly Average	\$30,000
Year 4 Monthly Average	\$40,000
Year 5 Monthly Average	\$50,000

For a Protected Territory with less than 20,000 or more people age 65 or older:

<b>Year of Operation</b>	<b>Minimum Monthly Average Gross Sales</b>
Year 1 Monthly Average	\$5,000
Year 2 Monthly Average	\$10,000
Year 3 Monthly Average	\$15,000
Year 4 Monthly Average	\$20,000
Year 5 Monthly Average	\$25,000

“Year of Operation” will be defined by the 12 calendar month periods that commence on the first day of the first full calendar month after your grand opening. After the last month of each Year of Operation period in the above chart, we will evaluate if you have satisfied the Monthly Average Sales Quota for that year. If you have failed to satisfy the Minimum Monthly Average Sales Quota for the Year of Operation, we have the right to reduce the size or eliminate the Protected Territory, establish other franchises within the territory, permit other franchisees to provide services to clients in the Protected Territory, fashion some other remedy, or terminate the Franchise Agreement, as we determine to be appropriate.

For any Successor Franchise Agreement, the Minimum Monthly Average Sales Quota for each Year of Operation for each Protected Territory will be the greater of the Year 5 Monthly Average or the highest Minimum Monthly Average Sales Quota in our then current Successor Franchise Agreement.

The Minimum Monthly Average Sales quota is not intended to be a financial performance representation. See Item 19 of this Franchise Disclosure Document for the financial performance representations.

You do not have any rights of first refusal or similar rights to acquire additional franchises or any Additional Protected Territories. In addition, we do not have to provide you with any notice or offer you

the right to acquire Protected Territories adjacent or near your Protected Territory prior to entering into a Franchise Agreement with another franchisee for such Protected Territories.

If after you sign the Franchise Agreement, you wish to purchase additional Protected Territories and we have approved your request pursuant to Sections 2.4 and 3.1 of the Franchise Agreement (which request may be granted or denied for any reason or no reason at all), you will pay us an additional fee (each being an “Expansion Fee”). The Expansion Fee shall be 80% of our then current Initial Franchise Fee.

If we do not approve your request within 30 days after you have submitted the request, (unless Franchisor has notified you in writing that we need additional time to consider the request), then your request to add Additional Protected Territories will be deemed to have been denied.

If you purchase an Additional Protected Territory, you will be required to open and staff a separate office to service that Additional Protected Territory if that Additional Protected Territory is not contiguous with your existing Territory. If the Additional Protected Territory is contiguous, you may be required to open and staff a separate office.

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

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

- a. you have been operating each of the current Protected Territories for at least one (1) year each;
- b. you have met or exceeded the Minimum Monthly Average Sales Quota for each Year of Operation for each Protected Territory;
- c. you provide us with a written request that you wish to expand into a third territory;
- d. you have the commercially reasonable financial ability to expand into an additional territory; and,
- e. We approve your written request. Any such request can be approved or denied by us for any reason or for no reason at all.

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

Except as described below, or in connection with our express written permission in connection with servicing a national partnership, you may not directly market to or solicit, or provide services to, clients whose principal residence is inside the protected territory of any other SYNERGY HomeCare Business. If you have our prior written approval, you have the right to accept orders for services and perform services for clients whose principal residence is outside of your Protected Territory so long as: (a) the client’s principal residence is not inside the protected territory of any other SYNERGY HomeCare Business; and (b) the Franchised Business is able to perform services for the client according to the standards described

in the Manual. Except as part of Cooperative Advertising, you may not advertise in any media whose primary circulation does not include or overlap with your Protected Territory without our prior written approval. We retain the sole right to market on the Internet, and you may not establish a presence on, or market using, the Internet in connection with the Franchised Business without our prior written consent, which approval we may rescind if you are not in compliance with the Franchise Agreement. Our approval may be conditioned upon your using only our approved vendor. You may not use any alternative channels of distribution, such as catalog sales, to market or make sales, whether inside or outside your Protected Territory.

Except with our prior written approval, you may not solicit potential sources of client referrals or directly market to National Partnerships outside of the Protected Territory. A “National Partnership” is a referral partners who is a customer or a group of customers or an entity acting on behalf of a customer group or membership that operate (as under common ownership or control) under the same trademarks or service marks through independent franchise or some other association or entity, for which Franchisor has arranged to provide services at multiple locations. National Partnerships may include: corporations, organizations, federal, state, and local government entities and organizations, employee assistance programs, memberships, back up care plans, Medicare Advantage plans, and other persons or entities that may have a need for products and services from Franchised Businesses at multiple locations. The locations of some National Partnerships and the locations at which some of the National Partnerships may require services of a Franchised Business may be located within or outside the Protected Territory.


Franchisor has the right to amend the list of approved National Partnerships at any time without prior notice to Franchisee. If any client’s principal residence later becomes part of another SYNERGY HomeCare Business’s protected territory, you may continue to perform services for that client, but you must refer any new clients who are within another SYNERGY HomeCare Business’s protected territory to that SYNERGY HomeCare Business.

If you wish to relocate the Franchised Business, you must obtain our approval for a substitute Approved Location. We follow the same general site selection and evaluation criteria as for approval of your initial site, and consider the condition of the premises, proximity to other SYNERGY HomeCare Businesses, proximity to major roads and overall suitability.

### **ITEM 13** **TRADEMARKS**

You must operate the Franchised Business under the name “SYNERGY HomeCare.” You may also use any other current or future Mark to operate the Franchised Business that we designate in writing, including the logo on the front of this Disclosure Document. By “Mark,” we mean any trade name, trademark, service mark or logo used to identify SYNERGY HomeCare Businesses. The Marks are owned by us.

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

Mark	Filing Date	Registration Number	Registration Date
SYNERGY HomeCare (standard character mark)	July 16, 2004	3066796	March 7, 2006
SYNERGY HomeCare (standard character mark)	October 25, 2010	4147375	May 22, 2012
 SYNERGY HomeCare (design plus words)	April 17, 2014	4702669	March 17, 2015

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

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

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

You must immediately notify us as soon as you become aware of any apparent infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you may not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We may take whatever action we deem appropriate in these situations; we have exclusive control over settlement, litigation or PTO or other proceeding arising out of any alleged infringement, challenge or claim or otherwise concerning any Mark. You must take any actions that, in the opinion of our counsel, may be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks. We have no obligation to indemnify you or reimburse you for your expenses incurred in connection with any litigation or proceeding in connection with your use of the Mark.

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

You must use the Marks as the sole trade identification of the Franchised Business, but you may not use any Mark or part of any Mark as part of your corporate name in any modified form. You may not use any Mark in connection with the sale of any unauthorized products or services, or in any other manner

that we do not authorize in writing. You must obtain fictitious or assumed name registrations as required by applicable law.

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

You may not establish, create or operate an Internet site or website using any domain name containing the words "SYNERGY HomeCare" or any variation thereof without our prior written consent.

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

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

No patents are material to the Franchise Agreement.

We own certain copyrights in all Manuals, marketing materials and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights and need not do so to protect them. You may use these items only as we specify while operating the Franchised Business and you must stop using them if we direct you to do so.

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

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

Certain individuals with access to Confidential Information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements the same as or similar to the form attached as Exhibit E to the Franchise Agreement.

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

You must immediately notify us as soon as you become aware of any apparent infringement of or challenge to your use of, any copyright, or any claim by any person of any rights in any copyrights, and

you may not communicate with any person other than us and our counsel regarding any infringements, challenges, or claims unless you are legally required to do so, however, you may communicate with your own counsel and your own expense. We may take whatever action we deem appropriate in these situations; we have exclusive control over settlement, litigation, or Copyright Office or other proceeding arising out of any alleged infringement, challenge, or claim or otherwise concerning any copyright. You must take any actions that, in the opinion of our counsel, may be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the copyrights. We have no obligation to indemnify you or reimburse you for your expenses incurred in connection with any litigation or proceeding in connection with your use of the copyrights.

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

As to the above copyrights, there are currently no effective material determinations of the Copyright Office, or a court regarding the copyrights. 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.

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

The Franchised Business must always be under the direct full-time supervision of a Designated Manager, which is you if you are an individual, or is an individual you select if you are a business entity. The Designated Manager does not need to have an equity ownership interest in the franchise, but may if you so desire. You and your Designated Manager must attend and satisfactorily complete our initial training program before opening the Franchised Business. If you are a corporation or other business entity and the Franchised Business is under the supervision of a Designated Manager, he or she does not have to be one of your owners, but you must at all times maintain direct supervision of the Designated Manager and the Franchised Business.

As described in Item 11, all shareholders (and members of their immediate families and households), officers, directors, partners, members, managers, executives, employees and staff, and other individuals having access to Confidential Information may be required to sign nondisclosure and non-competition agreements the same as or similar to the form attached as Exhibit E to the Franchise Agreement. We will be a third party beneficiary with the right to enforce the agreements.

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

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

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

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

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

From time to time, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based upon such factors as we determine, including test marketing, your qualifications, and regional or local differences. You will be required to participate in test marketing no more than 1 time every 3 years. You will not be required to make any payments to us for test marketing and if any goods are to be purchased as a component of any test marketing program, they will be sold to you at our cost. Any costs associated with test marketing will not apply to the Minimum Local Advertising Requirement.

You have the sole discretion as to the prices to be charged to your customers, but we will offer you guidelines and advice. For certain national partnerships, however, we may set the maximum price that you may charge for defined services. You have the option not to participate in any national account program. If you elect not to participate, we may authorize another party, including another System Franchisee, to perform the work in your Protected Territory requested by a national account.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

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

**The Franchise Relationship**

Provision	Section in the Franchise Agreement	Summary
a. Length of the franchise term	Section 4.1	The initial term is 5 years.
b. Renewal or extension of the term	Section 4.2	You may extend your rights to operate the Franchised Business for 5 additional terms of 5 years each, subject to (c) below.

Provision	Section in the Franchise Agreement	Summary
c. Requirements for you to renew or extend	Section 4.2	You may extend your rights to operate the Franchised Business if you: have substantially complied with the provisions of the Franchise Agreement; have the right to maintain possession of the Approved Location or an approved substitute location for the Subsequent Term; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us or any Affiliate; (you or any of your employees) have not been the subject of any criminal investigation or civil or administrative proceedings arising from providing in-home services; have not had fidelity/crime insurance revoked or terminated, and your insurance has not paid any claims against the fidelity/crime insurance; have met the Minimum Monthly Average Sales Quota; are not in default of any provision of the Franchise Agreement or any other agreement between you and us; have given timely notice of your intent to extend your rights to operate the Franchised Business; sign a then-current Successor Franchise Agreement which may have materially different terms and conditions than your original franchise agreement; comply with current qualifications and training requirements; and sign our form of general release.
d. Termination by you	Section 16.1	You may terminate the Franchise Agreement if you are in compliance with it and we materially breach it and we fail to begin to cure our breach within 90 days of receiving your written notice. Provisions regarding termination by the franchisee may be subject to state law.
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	Section 16.2	We may terminate the Franchise Agreement only if you default.
g. "Cause" defined-curable defaults	Section 16.3	<p>You can avoid termination of the Franchise Agreement if you cure the following defaults within:</p> <p>You have cure period of forty-eight (48) hours to cure defaults of your violations of any law, regulation, or order.</p> <p>You have five (5) days to cure any defaults regarding your failure to (1) pay us monies owing to us, or (2) maintain insurance.</p> <p>You have fourteen (14) days to cure other defaults if there is no time specified, except those which have no cure period.</p> <p>You have thirty (30) days to cure after receiving a notice of default that you failed to meet the Minimum Monthly Average Sales Quota.</p> <p>If a statute in a state or municipality in which your SYNERGY HomeCare Franchised Business is located requires application of that state or municipal law, and that statute requires a cure period for the applicable default which is longer than the cure period listed in the Franchise Agreement, the statutory cure period will apply.</p>

Provision	Section in the Franchise Agreement	Summary
h. "Cause" defined-non-curable defaults	Section 16.2	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to establish and equip the Franchised Business; fail to satisfactorily complete training; make a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Franchised Business; or any fidelity/crime insurance required to be procured and maintained by you is revoked or terminated; use the Manual or Confidential Information in an unauthorized manner; abandon the Franchised Business for 5 or more consecutive days; surrender or transfer of control of the Franchised Business in an unauthorized manner; fail to maintain the Franchised Business under the supervision of a Designated Manager if you die or become disabled; submit reports on 2 separate occasions understating any amounts due by more than 3%; fail on 2 or more occasions to follow any term of the agreement, are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use of the Marks, copyrights or Confidential Information; fail on 2 occasions within any 12 months to submit reports or records or to pay any fees due us or any Affiliate; fail to meet the Minimum Monthly Average Sales Quota; violate any health, safety or other laws or conduct the Franchised Business in a manner creating a health or safety hazard, or allow a license or permit necessary for the operation of the Franchised Business to lapse or providing SYNERGY HomeCare services to be revoked or suspended for a period exceeding 10 days; engage in conduct which reflects materially and unfavorably upon the operations and reputation of SYNERGY HomeCare, or default under any other agreement between you and us (or our Affiliates) such that we (or our Affiliates) have the right to terminate the Franchise Agreement; and/or service the client of another franchisee without permission.
i. Your obligations on termination/non-renewal	Section 17.1	If the Franchise Agreement is terminated or we do not extend your rights to operate the Franchised Business, you must: stop operating the Franchised Business; stop using any Confidential Information, the System and the Marks; if requested, assign your interest in the Approved Location to us; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the termination provisions of the Franchise Agreement; return or destroy the Manual and all other Confidential Information at our direction, including electronic files; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of contract by us	Section 18.1	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by you-definition	Section 18.2	"Transfer" includes transfer of ownership in the franchise, the Franchise Agreement, the Approved Location, the Franchised Business's assets or the franchisee entity.
l. Our approval of transfer by you	Section 18.2	You may not transfer your interest in any of the above without our prior written consent.

Provision	Section in the Franchise Agreement	Summary
m. Conditions for our approval of transfer	Section 18.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed our form of general release; the prospective transferee meets our then-current business and financial standards; the transferee and all persons owning any interest in the transferee sign the then-current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee of 50% of our then-current initial franchise fee, provide training to the transferee and reimburse us for our administrative expenses and legal fees; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed our form of non-competition agreement; you agree to stay on and help operate the Franchised Business for at least a period of thirty (30) days after the transferee completes the initial training program, and before assuming management of the operation of the Franchised Business, the transferee's Designated Manager has completed the initial training program.
n. Our right of first refusal to acquire your Franchised Business	Section 19	We may match an offer for your Franchised Business or an ownership interest you propose to sell.
o. Our option to purchase your Franchised Business	Section 17.5	Except as described in (n) above, we do not have the right to purchase your Franchised Business; however, when the Franchise Agreement expires or terminates, we may purchase assets at fair market value, less the value of any goodwill associated with our trademarks and other intangible assets.
p. Your death or disability	Section 18.6	If you (or one of you owners) die or become incapacitated, your representative must transfer, subject to the terms of the Franchise Agreement, your interest in the Franchised Business within 180 days of death or incapacity or we have the option to terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 7.3	You, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff or employees are prohibited from: attempting to divert any business or customer of the Franchised Business to a Competitive Business or causing injury or prejudice to the Marks or the System or owning or working for a Competitive Business. These provisions may be subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.2	For 2 years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives managers, professional staff and employees (excluding caregivers) are prohibited from: owning or working for a Competitive Business operating within the Protected Territory or within 35 miles of the Protected Territory. These provisions may be subject to state law.
s. Modification of the agreement	Section 22.8	The Franchise Agreement can be modified only by written agreement between you and us. We may unilaterally modify the Manual if the modification does not materially alter your fundamental rights.