

Minimum Performance

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

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

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

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

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

Restrictions on Marketing and Sales Activities

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

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

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

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

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

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

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


Competitive Businesses Under Different Marks

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

ITEM 13 TRADEMARKS

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

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

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

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

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

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

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

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

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights:

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

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

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

Confidential Information:

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

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

Improvements

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

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

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

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

You also must employ at all times a sales professional who will dedicate full time efforts to: (i) marketing your Business to referral sources within your Territory; (ii) developing relationships and building the HomeWell Care Services brand within your community; and (iii) otherwise actively promoting and advertising your Business locally. The sales professional also must sign a Brand Protection Agreement. The Managing Owner may not serve as your sales professional.

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

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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

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

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

We may offer you advice or guidance about recommended prices you may wish to charge for products and services that we believe are reasonable, but you are free to set your own prices. The only exception to this is when we specify a maximum price that you may charge for a product or service, which we may do in general or for a limited

time such as the duration of an ad or promotion. You then must follow the maximum price we specify (to the extent permissible by applicable law).

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

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

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

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

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

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

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

The financial performance information presented in Table 1 is based on the historical results of HomeWell franchisees for the 2023 and 2024 calendar years, and the financial performance information presented in Tables 2 and 3 are based on historical results of HomeWell franchisees for the 2024 calendar year. As of December 31, 2024, there were a total of 93 open and operating HomeWell businesses representing a total of 179 Territories. (There were no company-operated businesses.) The financial performance representation in Table 1 is based on data for all 93 HomeWell businesses that were open as of December 31, 2024 – even if a business opened during 2024 and therefore had not been open for a full 12 months as of December 31, 2024. The financial performance representations in Tables 2 and 3 is based on data for the 64 HomeWell businesses that had been open for more than one year as of December 31, 2024. There were no outlets that both opened and closed in the 2024 fiscal year.

We used the following definitions for Tables 1, 2, and 3:

- A “HomeWell business” includes all of the Franchised Businesses operated by a single franchisee and may be operated within a single Territory or multiple Territories, depending upon the number of Franchise Agreements that the franchisee has signed with us. We have presented the Annual Gross Revenue information in this Item 19 by “HomeWell business” rather than by individual Franchised Businesses since our franchisees report Gross Revenue to us for their overall HomeWell business and not always by Territory.
- “Gross Revenues” means the total amount generated by the participating HomeWell businesses (regardless of collection) arising from, connected with or related to the sale of all goods, merchandise or services and all business transacted at, from or through your Franchised Business, directly or indirectly, excluding only (a) sales taxes and other taxes separately stated that you collect from clients and pay to taxing authorities; (b) refunds and credits made in good faith to arm’s-length clients according to our standards and specifications for issuing refunds or credits; and (c) the discount value of any coupon, voucher or other allowance that we authorize at the time you redeem the client’s coupon, voucher or allowance. The Gross Revenues information was provided to us through required reports received from

franchisees using a uniform system of reporting. The data has not been audited.

Table 1 Annual Gross Revenues for All HomeWell Businesses for the Calendar Years 2023 and 2024

HomeWell Business	Year First Opened	Number of Territories	Annual Gross Revenues - 2023	Annual Gross Revenues - 2024
Business #001	2005	11	\$18,484,436	\$22,456,344
Business #002	2006	1	\$3,349,903	\$4,177,109
Business #003	2006	1	\$1,361,612	\$1,446,503
Business #004	2006	7	\$3,411,905	\$3,488,177
Business #005	2011	4	\$4,426,508	\$4,284,851
Business #006	2011	1	\$1,005,775	\$1,819,324
Business #007	2012	2	\$4,437,994	\$4,623,961
Business #008	2012	5	\$3,006,782	\$2,738,565
Business #009	2012	8	\$3,470,385	\$4,584,905
Business #010	2013	1	\$1,024,803	\$999,942
Business #011	2015	4	\$2,071,367	\$2,083,728
Business #012	2015	3	\$4,361,391	\$5,006,231
Business #013	2016	1	\$2,124,436	\$3,273,709
Business #014	2016	4	\$1,655,793	\$1,660,967
Business #015	2016	4	\$1,502,132	\$2,202,967
Business #016	2017	3	\$1,061,651	\$1,343,818
Business #017	2017	3	\$2,615,200	\$2,886,995
Business #018	2018	3	\$794,973	\$1,319,519
Business #019	2019	3	\$3,190,993	\$3,518,633
Business #020	2019	5	\$2,232,725	\$2,101,789
Business #021	2019	3	\$978,635	\$1,274,123
Business #022	2019	4	\$1,778,505	\$2,351,491
Business #023	2019	1	\$1,402,769	\$1,718,338
Business #024	2019	2	\$1,267,427	\$313,543
Business #025	2020	2	\$1,227,315	\$1,878,515
Business #026	2020	1	\$1,123,855	\$1,188,490
Business #027	2020	1	\$6,539,708	\$8,644,318
Business #028	2020	3	\$1,881,399	\$1,540,676
Business #029	2020	1	\$1,850,707	\$2,764,468
Business #030	2020	3	\$804,374	\$1,285,768
Business #031	2020	4	\$3,562,439	\$5,282,282
Business #032	2020	1	\$359,624	\$382,832
Business #033	2021	3	\$875,986	\$1,453,958
Business #034	2021	1	\$644,475	\$749,634
Business #035	2021	1	\$1,363,519	\$1,798,756
Business #036	2021	2	\$1,336,295	\$2,241,597
Business #037	2021	1		
Business #038	2021	3	\$1,446,976	\$2,389,536
Business #039	2021	4	\$882,098	\$944,625
Business #040	2021	2	\$2,865,856	\$5,542,198
Business #041	2021	1	\$1,142,365	\$1,406,505
Business #042	2021	1	\$552,313	\$674,088
Business #043	2021	1	\$846,407	\$1,056,333
Business #044	2022	1	\$539,967	\$860,613
Business #045	2022	1	\$576,797	\$743,112
Business #046	2022	1	\$846,701	\$1,342,698
Business #047	2022	4	\$267,962	\$954,195