



Handyman Professionals | Home Improvements

FRANCHISE DISCLOSURE DOCUMENT

SALTIRE BRANDS LLC
an Ohio limited liability company
400 TechneCenter Drive
Suite 101
Milford, OH 45150
(513) 831-0100
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www.housedoctors.com

A House Doctors franchise sells residential and commercial property maintenance, repair, and remodeling services.

The total investment necessary to begin operation of a House Doctors franchise ranges from \$86,000 to \$112,500. This includes \$49,000 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 with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact House Doctors at (513) 831-0100; 400 TechneCenter Drive, Suite 101, Milford, OH 45150.

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: December 1, 2012

STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION ONLY IN OHIO. OUT-OF-STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH US IN OHIO THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT OHIO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

Effective dates on the following page.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Documents be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

The 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:

| | |
|----------|---------|
| Indiana | Pending |
| Michigan | Pending |

DISCLOSURE APPLICABLE TO FRANCHISEES
COVERED 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 or subfranchisor.

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

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

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

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any question regarding the notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Franchise Section, P.O. Box 30213, Lansing, Michigan, 48909; Telephone (517) 373-7117.

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SALTIRE BRANDS LLC

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

The Franchisor, Business Form, Names, Address. In order to make this disclosure document easier to understand, “House Doctors”, “we” or “Saltire Brands” means the franchisor, Saltire Brands LLC. “You” means the person, corporation, partnership, or other entity that buys the franchise. If the franchise is purchased by a corporation, partnership or limited liability company, certain provisions of the franchise agreement will also apply to the owners and will be noted.

House Doctors is an Ohio limited liability company that was organized on May 25, 2012 as H.D. Acquisition Enterprises LLC. On June 29, 2012, the franchisor changed its name to Saltire Brands LLC. Our principal business address is 400 TechneCenter Drive, Suite 400, Milford, Ohio 45150. We do business under the name HOUSE DOCTORS. Our agents for service of process are listed in Exhibit H.

Our Business Activities and the Franchises to be Offered in this State. We offer franchises to operate a business under the trade name HOUSE DOCTORS (or HOUSE MEDIC in certain markets). As a House Doctors franchisee, you will provide residential and commercial property maintenance, repair, and remodeling services. You will offer services such as carpentry, painting, drywall installation and repair, and wall papering, for example. You will offer your services to businesses and to the general public, particularly homeowners and owners of residential rental properties, through direct mail advertising and through referral sources such as real estate agents, relocation companies, and mortgage lenders. You will compete with specialty contractors (such as painters and carpenters) as well as other home repair services in the same geographic area, including those that may be franchised by other national franchise companies. House Doctors franchisees distinguish themselves from their competitors by offering a professional service and by building brand recognition within their local communities. Therefore you must be prepared to follow all of our standards and specifications for the quality of the services you will provide, customer relations, vehicles and employee uniforms. Unless your franchise is located in a southern state with mild winters, you may experience a decline in sales during the months of December, January and February.

We will train you to operate the franchised business. Although not required, prior experience in general construction or building trades is helpful. The role of a House Doctors franchisee is not to perform the services themselves, but to manage the daily operations of the franchised business. The services will be performed by your employees. You may operate the franchised business from an office in your home or from leased office space.

House Doctors does not operate businesses of the type being franchised. Our business activities consist of selling and supporting franchises that offer residential and commercial property maintenance, repair, and remodeling services. We have begun offering franchises of this type since our organization and the preparation of this disclosure document. We have never operated any franchises. We have never offered franchises in any other business.

Industry Regulations. Each state, county, or municipality may have different licensing requirements for performing repair and/or remodeling services. We are aware of the following states which may require a license for performing some types of home repairs and/or remodeling: Arizona, Florida, California, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, Oregon, Utah, Virginia, Washington, and certain counties in Florida. There may be other states, counties, or municipalities that also require a license. In addition, local building permits may be required for certain home improvement projects. You will be responsible for investigating and complying with the licensing requirements that 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 consult with your attorney and local, state, and federal government agencies before entering into an agreement to buy a House Doctors franchise to determine all legal requirements with which you must comply, in order to evaluate their effects on you and the cost of compliance.

Parents and Affiliates. We do not have any parent or affiliate companies.

Predecessors. We have one predecessor, H.D. Franchising Systems, LLC ("HDFS"), whose principal business address is 575 Chamber Drive, Milford, Ohio 45150. Saltire Brands purchased the franchise assets of HDFS as of June 14, 2012. These assets included the House Doctors franchise agreements and related agreements held by HDFS at that time. We did not assume any liabilities of HDFS except for obligations under certain agreements (such as franchise agreements) accruing on or after June 14, 2012. HDFS offered House Doctors franchises of the same type that we are offering, but, upon the sale of assets to us, HDFS is no longer in that business. HDFS offered these House Doctors franchises since 1997. HDFS never offered franchises in any other line of business, but HDFS had and, to our knowledge, still does have, an affiliate, the HomeTeam Inspection Service, Inc. ("HomeTeam") that franchises home inspection services. HDFS has offered these home inspection franchises since 1992. We do not offer home inspection franchises.

Historic information provided in this disclosure document about HDFS in Items 1, 6, 8, 11 and 20 was provided to us by HFDS.

Except as disclosed above, we do not have any predecessors.

This disclosure document describes the terms and conditions on which we currently offer franchises in this state. We reserve the right, in our sole discretion, to grant, or not to grant, a House Doctors franchise to any prospective franchisee, regardless of the stage of the franchise contract process, costs expended by the prospective franchisee or otherwise. We may offer House Doctors franchises in other states or countries, on economic and/or other terms, which differ from those offered by this disclosure document and there may be instances where we have varied, or will vary, the terms on which we offer franchises to suit the circumstances of a particular transaction. We strongly urge you to carefully review all documents, including a comparison to any prior agreement if a Successor Franchise or the transfer of an existing franchise agreement is involved, as well as this disclosure document, with independent advisors retained by you and who can provide legal, business and economic guidance, such as a lawyer or accountant.

You should understand that every detail of your franchise will be important not only to you, but also to us and to all franchisees. Therefore, during the term of the franchise agreement, you must, at all times, develop and operate your franchised business in compliance with all system standards, as we may modify them in the future. Note that changes in the system standards may require additional investments by you in your franchised business.

This disclosure document contains a summary of various provisions of our program and the franchise agreement and other documents. We have summarized the main features of our program above and further information appears at appropriate points throughout this disclosure document. Of course, the descriptions in this disclosure document are required to be brief and are for general informational purposes only. In many cases, the disclosure document contains only excerpts or summaries of other

documents. The actual provisions of these documents will control in every case and you should refer to the franchise agreement and other documents for more complete information.

The franchised business involves substantial business risks that cannot be eliminated. Significant investment beyond that outlined in this disclosure document may be required to succeed. Your volume, profit and possible success are primarily dependent on your financial, management, and other resources, your interpersonal, marketing, management, judgment, and other skills, your dedication and willingness to work hard, and your proper use of our system. We cannot and do not guarantee your success.

Item 2. BUSINESS EXPERIENCE

President: James Hunter

Mr. Hunter has been President of House Doctors since June 2012. Prior to that, he was the President and CEO of HDFFS and HomeTeam since July 2007. He has been the CEO of Brand Leaders Corporation, a franchise consulting company in Mississauga, Ontario, Canada, since its formation in August 2003 until June 2007 and from June 2004 to July 2006, he was Vice President of Mr. Handyman, the Canadian master franchisor of the MR. HANDYMAN brand of handyman franchises.

Vice President of Operations: Mark Dodenhoff

Mr. Dodenhoff has been our Vice President Of Operations since June 2012. Prior to that he was Director of Shared Services for HDFFS in Cincinnati, Ohio from August 2009 until June 2012. Prior to that from April 2001 to January 2009, he was Vice President Franchise Ops, with Adecco Employment Services in Cincinnati, Ohio in the Staffing and Recruitment Industry.

Brand Marketing Manager: Michelle Southworth

Ms. Southworth has been our Brand Marketing Manager since June 2012. Prior to that she was Brand Manager for HDFFS in Cincinnati, Ohio from October 2009 to June 2012. Prior to that, she was Graphics & Marketing Coordinator for HDFFS in Cincinnati, Ohio from July 2007 until October 2009. Ms. Southworth graduated from Marshall University with a bachelor's degree in Graphic Design in December 2006.

Director of Franchise Development: Terry McGee

Terry McGee has been our Director of Franchise Development since November 2012. Prior to that he was the Franchise Development Manager for the Allegra Network in Plymouth, Michigan from July 2011 to November 2012. Before that he was Director of Franchise Development for ReBath in Tempe, AZ from August 2009 to July 2011 and from November 2008 to August 2010 he was Vice President of Franchise Development for Strategic Franchising in Cincinnati, Ohio. From 2007-2008 he was Director of Franchise Development with Safeguard Franchise Systems in Dallas, Texas.

Item 3. LITIGATION

No litigation is required to be disclosed in this Item.

Item 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5. INITIAL FEES

License Fee and Territory Fee. You must pay an initial License Fee of \$9,800 and a Territory Fee of \$30,000. (All dollar figures are in U.S. currency.) Both fees are entirely non-refundable and are uniform for all franchises currently being offered. Both fees become part of our general funds with no limit on their use. You must pay the License Fee and at least \$10,000 of the Territory Fee in a lump sum when you sign the franchise agreement and the remaining balance of the Territory Fee at least 1 week before you begin the initial training program.

Your franchise territory will contain approximately 60,000 qualified households. The precise definition of a “qualified household” will differ from one market to another depending upon the unique demographic characteristics of each market. We have the right to specify a larger or smaller territory according to market size, demographic data, or other relevant factors, but we also have the right to charge a higher Territory Fee if we grant you a larger territory. We obtain our demographic information from U.S. Census Bureau data and a geographic information system application licensed by Environmental Systems Research Institute, Inc.

Start-up Package Fee. You must also pay us a Start-up Package Fee of \$9,200 when you sign the franchise agreement. The Start-up Package Fee is uniform for all franchises currently being offered. The Start-up Package includes your computer equipment package, including QuickBooks® Pro (an accounting program), the first year’s license fees for the *ServiceCEO* software (a web-based enterprise management program), marketing and promotional materials, business cards, stationery, uniforms, the attendance fee for your first annual franchisee convention, and other supplies you will need for the operation of the franchised business. (QUICKBOOKS® is a registered trademark of Intuit, Inc. or its subsidiaries in the United States and other countries. House Doctors will not derive revenue from purchases from Intuit, Inc.) The contents of the Start-up Package may change without notice as quantities change, items are retired and/or replaced with new items, and program availability may vary from one market to another. The current contents are listed in Exhibit C of the franchise agreement, which is attached to this disclosure document as Exhibit A. If your franchise agreement terminates before you begin operations, we will repurchase any unopened, unused items in saleable condition from the Start-up Package (excluding customized marketing materials and supplies) and provide you with a refund for the returned items. You are responsible for the transportation costs to return Start-up Package items. The Start-up Package Fee is not refundable under any other circumstances.

VetFran Discount. We participate in the Veterans Transition Franchise Initiative, also known as “VetFran.” VetFran is a voluntary effort of International Franchise Association members to encourage franchise ownership by veterans of the U.S. military by offering financial incentives. If you are a honorably-discharged U.S. military veteran and otherwise meet the VetFran requirements, we will discount the License Fee by 25%.

(Item 6 follows this sentence)

Item 6. OTHER FEES

OTHER FEES (Note 11)

| Name of Fee | Amount | Due Date | Remarks |
|---|--|---|---|
| Royalty Fee (Note 1) | 6% of Gross Sales (Note 2) from labor and 4% of Gross Sales from goods | Thursday of each week by electronic funds transfer | The reporting week begins each Sunday and ends on the following Saturday, and sales reports are due by the following Wednesday. |
| Quarterly Minimum Royalty (Note 1) | 5½% of your Minimum Quarterly Gross Sales (Note 3) | January 15, April 15, July 15 and October 15 based upon your Minimum Quarterly Gross Sales for the preceding calendar quarter | If the total weekly Royalty Fees that you pay each calendar quarter are less than 5½ % of your Minimum Quarterly Gross Sales, you must pay the difference within 15 days after the end of each calendar quarter. |
| Advertising Contribution (Note 4) | 2% of Gross Sales | Thursday of each week by electronic funds transfer | The reporting week begins each Sunday and ends on the following Saturday, and sales reports are due by the following Wednesday. |
| Quarterly Minimum Advertising Contribution (Note 1) | 2% of your Minimum Quarterly Gross Sales | January 15, April 15, July 15 and October 15 based upon your Minimum Quarterly Gross Sales for the preceding calendar quarter | If the total weekly Advertising Contributions that you pay each calendar quarter are less than 2% of your Minimum Quarterly Gross Sales, you must pay the difference within 15 days after the end of each calendar quarter. |
| Local Advertising (Notes 4 and 5) | \$20,000 per calendar half year for first three years, then 8% of Gross Sales | Each calendar half year | Each calendar half year, you must spend a minimum amount for local advertising and promotion directly related to your franchise. See Item 11 for a more detailed explanation. |
| Cooperative Advertising (Note 6) | Variable | Monthly | If an advertising cooperative is established or operating in your area, you must contribute. |
| Transfer Fee (Note 1) | Currently \$9,800 (it will be our then-current License Fee at the time of the transfer); \$3,000 if you transfer to another House Doctors franchisee | Before the consummation of the transfer | Payable when you sell your franchise. Some House Doctors franchisees signed a different form of franchise agreement with HDFS (generally those effective before May 1, 2007) in which the transfer fee is a different amount. |

| Name of Fee | Amount | Due Date | Remarks |
|--------------------------------|--|--|--|
| Broker Commission | Variable | Upon the sale of your franchise | If you authorize us to retain the services of a business or franchise broker to procure a buyer for your franchise, you must pay the broker a commission. The amount of the commission will vary, but it is typically a percentage of the sale price of the franchised business. |
| Successor License Fee (Note 1) | Currently \$2,450 (it will be 25% of our then-current Initial License Fee) | At least 6 months before your franchise agreement expires | A "Successor Franchise" is a House Doctors franchise that you may be granted under section 2.2 of the franchise agreement, as a successor to your initial House Doctors franchise, for a ten-year term after the expiration of your original term. Some House Doctors franchisees signed a different form of franchise agreement with HDFS (generally those effective before October 1, 2007) that does not require them to pay a Successor License Fee. |
| Convention Fee | Variable, but was \$699 for the 2012 HDFS convention | Annually before our franchisee convention, typically held in February or March each year | If we host an annual convention for our franchisees, we will charge each franchisee a fee to attend. You must pay the convention fee each year regardless of whether you attend the convention. Some franchisees have a franchise agreement that does not require them to pay the fee unless they attend. |
| Late Fee (Note 7) | \$20 for late payments; \$25 for late reports. | On demand | You must pay a late fee each time we receive any report after its due date or any payment more than 5 days after its due date. |
| Interest (Note 8) | 18% (Note 9) | On demand | In addition to the late fee above, late royalty fee and advertising contribution payments accrue interest at an annual rate of 18% per year beginning 30 days after their due date. |

| Name of Fee | Amount | Due Date | Remarks |
|---------------------------|--|--|--|
| Audit Fee (Note 1) | Cost of audit plus 18% interest on underpayment (Note 9) | 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 10) | Variable | Payable with your royalty fee or advertising contribution payments | You must pay any state or local sales or use tax that may be assessed on the royalties, advertising contributions, or other fees you pay to House Doctors. |
| 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 do so, such as rent, taxes, client refunds, or other liabilities. |
| 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:

1. Imposed by and payable to House Doctors.
2. "Gross Sales" means all income (recognized on an accrual basis), whether cash or credit (and regardless of collection), less all refunds and discounts to customers and any sales or excise taxes.
3. You will be required to achieve a minimum sales volume each quarter ("Minimum Quarterly Gross Sales"). If you fail to achieve the Minimum Quarterly Gross Sales for 2 consecutive calendar quarters, we have the right to terminate your franchise agreement or reduce the geographic size of your territory. The Minimum Gross Quarterly Sales are listed in the following table:

| Year | 1 | 2 | 3 | 4 | After 4 |
|-------------------------------|-------|-----------|-----------|-----------|-----------|
| Minimum Quarterly Gross Sales | - 0 - | \$ 32,500 | \$ 45,000 | \$ 60,000 | \$ 80,000 |

The figures in the table above are not financial performance representations or projections or estimates of potential earnings, sales, or revenues. See Item 19 of this disclosure document for our disclaimer regarding financial performance representations.

If you are entering into an agreement for a Successor Franchise, the Minimum Quarterly Gross Sales will be \$80,000 for the entire term of your franchise agreement.

4. Payable to House Doctors national advertising fund. See Item 11 of the disclosure document for an explanation of the national advertising fund.
5. To generate customers for your franchised business, you must conduct, at your expense, advertising and promotion directly related to your franchised business within your local trading area (“Local Advertising”). During the first 3 years after you open the franchised business, you must spend at least \$20,000 for Local Advertising each calendar half year. After your first 3 years of operation, you must spend at least 8% of your Gross Sales from the previous calendar half year. You must give us an itemized report of your monthly Local Advertising expenditures within thirty days after the end of each calendar half year. If you fail to spend at least the minimum amount required for Local Advertising for 2 consecutive calendar half years, you will be in default of your franchise agreement, and we will have the right to terminate your franchise unless you cure the default by paying the deficiency to the national advertising fund within 1 month after notice from us. A “calendar half year” is the six-month period from January 1 through and including June 30, and from July 1 through and including December 31 of each year.
6. Either House Doctors or the advertising cooperative will determine the amount of your monthly cooperative advertising contribution, but it cannot exceed 4% of your Gross Sales unless a majority of the cooperative members agree on a higher contribution. Your cooperative contribution will be credited toward your required local advertising expenditure, but not toward your advertising contribution. Each member of an advertising cooperative will have one vote per franchise. Each franchise operated by House Doctors or an affiliate of House Doctors 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. See Item 11 under the subheading “Advertising Cooperatives” for a more detailed explanation.
7. Late fees on royalty payments are payable to House Doctors. Late fees on advertising contribution payments are payable to the national advertising fund.
8. Interest on royalty payments is payable to House Doctors. Interest on advertising contribution payments is payable to the national advertising fund.
9. Interest accrues from the date payment was due.
10. The royalties, advertising contributions, or other fees you pay to us may be all 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 fees or advertising contributions.
11. All fees are non-refundable and uniformly imposed on all new franchisees. Some House Doctors franchisees signed a different form of franchise agreement that may not require them to pay the quarterly minimum royalty, quarterly minimum advertising contribution, minimum local advertising, cooperative advertising, or successor license fees. In addition, some franchisees signed a different form of franchise agreement that requires them to pay a different transfer fee.

(Item 7 follows this sentence.)

Item 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

| Description | Amount | Method of Payment | When Due | To Whom Payment is to be Made |
|---|----------------------------|---|---|--|
| Initial License Fee (Note 1) | \$9,800 | Lump Sum | Upon signing franchise agreement | House Doctors |
| Territory Fee (Note 1) | \$30,000 | (Note 1) | (Note 1) | House Doctors |
| Start-up Package Fee (Note 2) | \$9,200 | Lump Sum | Upon signing franchise agreement | House Doctors |
| Service Vehicles (Note 3) | \$1,000 to 4,000 | As Incurred | Before opening | Suppliers |
| Tools and Equipment (Note 4) | \$ 400 to 1,000 | As Incurred | Before opening | Suppliers |
| Furniture and Office Equipment | \$ 500 to 1,000 | As Incurred | Before opening | Suppliers |
| Initial Telephone (Note 5), Bank and Other Deposits | \$ 500 to 1,000 | As Incurred | Before opening | Suppliers |
| Initial Marketing (Note 6) | \$10,500 to 16,000 | As Incurred | Before opening and 1st 3 months after opening | Suppliers |
| Travel & Living Expenses While Training (Note 7) | \$1,000 to 2,000 | As Incurred | At time of training | Hotel, airline, restaurants, employees |
| Real Estate and Improvements | (Note 8) | (Note 8) | (Note 8) | (Note 8) |
| Insurance (Note 9) | \$1,500 to 5,000 | Lump Sum | Before the effective date of the policy | Insurance Company |
| Permits & Licenses (Note 10) | \$ 100 to 1,000 | As Incurred | Before opening | State and/or local regulatory authorities |
| Additional Funds - 3 months (Note 11) | \$21,500 to 32,500 | As Incurred | As expenses are incurred | Employees, taxing authorities, suppliers, etc. |
| Total (Note 12) | \$86,000 to 112,500 | (Does not include real estate costs) | | |

Notes:

1. License Fee and Territory Fee. You must pay the License Fee and at least \$10,000 of the Territory Fee in a lump sum when you sign the franchise agreement and the balance of the Territory Fee at least 1 week before you begin the initial training program. The initial License Fee and the Territory Fee are discussed in detail in Item 5 above.

2. Start-up Package. The Start-up Package is discussed in detail in Item 5 above, and the current contents of the Start-up Package are listed in Exhibit C of the franchise agreement, which is attached to this disclosure document as Exhibit A. If your franchise agreement terminates before you begin operations, we will repurchase any unopened, unused items in saleable condition from the Start-up Package (excluding customized marketing materials and supplies) and provide you with a refund for the returned items. Items in the Start-Up Package will be modified from time-to-time with some items be retired and eliminated from the Start-Up Package and some new items being added to the Start-Up Package. You are responsible for the transportation costs in returning Start-up Package items. The Start-up Package Fee is not refundable under any other circumstances.
3. Service Vehicles. Before you open the franchised business, you must purchase or lease one van that meets our system standards and specifications. You will need a separate van for each of your 1st 3 service technicians. You will need to acquire additional vans as your franchised business grows. You should consult your personal financial advisor to determine whether you should lease or purchase your vans. We estimate the cost of purchasing and outfitting a van will range from \$16,000 to \$25,000. If you lease, you will be required to pay a deposit, the amount of which will vary. The low figure in the above chart represents 4 months' lease payment (a deposit equal to 1 month's lease payment and the first 3 monthly lease payments). The high figure represents the estimated downpayment required if you purchase the van and the first 3 monthly payments.
4. Tools and Equipment. You may purchase tools and equipment such as ladders and hand tools from any approved supplier, which are listed in the operations manual, which also contains a list of the tools and equipment you will need to operate your franchised business.
5. Telephone Deposit. Your telephone service provider will typically require a normally refundable deposit for commercial service. You are required to have a separate business telephone land line for your House Doctors franchise and either an employee to answer your line or a manned answering service at all times during regular business hours.
6. Initial Marketing. Your initial marketing consists of placing advertisements in local media, distributing promotional brochures, internet advertising, SEO and SEM, home and trade shows, and a direct mail campaign.
7. Training. We do not charge a 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 \$1,000 to \$2,000, depending upon the distance and method of travel and the availability and quality of your hotel accommodations and living expenses during the training program.
8. Real Estate and Improvements. You may operate your franchise from an office in your home if permitted by local zoning laws, so the chart above does not include any expenses for purchasing or renting office or warehouse space or improvements. You may also operate your franchise from rented office or warehouse space in a commercial or light industrial area. You can anticipate requiring no more than 150 square feet for an office, a 100 square foot storage bay, and a parking space for each service vehicle. Based upon a combined range of \$9.60 to \$24.00 per square foot, you should expect to pay \$2,400 to \$6,000 per year for rent. It is difficult to estimate lease acquisition costs because of the wide variation in these costs from one location to another. Lease costs will vary based upon variance in square footage, cost per square foot and required maintenance costs. The estimates do not include real estate taxes. The terms of your lease will depend on the size, location, condition and desirability of the premises. Rent payments may or may not include site preparation and build-out costs, which will depend on the arrangements that you negotiate with your landlord. You should not require significant, or perhaps any, build-out or improvements. You should expect the landlord to require the first month's rent and a security deposit equal to one month's rent. Amounts paid as rent are typically

not refundable, but a security deposit may be refunded. If you purchase and/or construct a site for the franchised business, your initial costs will be significantly greater than the estimates above.

9. Insurance. 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 annual cost for the required insurance coverage will be between \$1,500 and \$5,000. The premium is typically due prior to the effective date of the coverage unless your insurance company offers installment payment terms. Insurance costs will vary depending upon the location and size of your office, the number of employees, the amount of your payroll, 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. The cost for worker’s compensation coverage and other insurance is not included in the above chart.
10. Permits and Licenses. We are aware of the following states that require a license for performing some types of home repairs and/or remodeling: Arizona, Florida, California, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, Oregon, Utah, Virginia, Washington, and certain counties in Florida. There may be other states, counties, or municipalities that also require a license. You will be responsible for investigating and complying with the licensing requirements that apply in your territory. The cost will vary from one locality to another.
11. Additional Funds. You should have approximately \$21,500 to \$32,500 of additional funds for such items as payroll expenses, initial supplies and operating expenses for the first 3 months of operation. In formulating the amount required for additional funds, we relied upon our experience and that of our predecessor in franchising home repair, maintenance, and remodeling businesses since 1995. These figures are estimates and House Doctors 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; 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.
12. Total. The total figure listed in the above chart does not include compensation for your time or labor. Neither does the total figure take into account any finance charges, interest, debt service, or other costs which you may incur to finance all or any portion of your investment. In addition to the initial investment itemized in the chart above, 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 your business (see Note 11 above). You should review these figures carefully with a business advisor before making any decision to purchase the franchise.
13. Non-Refundable. All expenditures are non-refundable unless specifically noted otherwise.
14. Successor Franchise. A “Successor Franchise” is a House Doctors franchise that you may be granted under section 2.2 of the franchise agreement, as a successor to your initial House Doctors franchise, for an additional ten-year term upon the expiration of this agreement. The disclosures in the above table refer only to the investment required to begin the operation of your franchise when you originally purchase it. Except for the Successor License Fee disclosed in Item 6, there is no additional investment required for a Successor Franchise.

Item 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

System Standards. You should understand that every detail of your franchised business will be important, not only to you, but to us and to every other House Doctors franchisee as well, in order to develop and maintain high and uniform operating standards based on the concepts of quality, consistency, reliability and professionalism; increase the demand for the services sold by House Doctors franchises; and establish and maintain a reputation for offering uniform services exemplifying high customer service standards, ethical business practices, and integrity. A fundamental requirement of your joining and remaining a part of the House Doctors system will be your commitment to the operation of your franchise in accordance with our system standards. During the term of the franchise agreement, you must, at all times, develop, maintain and operate your House Doctors franchise in full compliance with all House Doctors system standards, as we may modify and supplement them in the future.

We may require you to purchase from us or from our affiliate or designated suppliers any equipment, supplies, materials, products and services that you use in operating your House Doctors franchise. We will provide you, in the operations manual or other written or electronic form, with a list of services and products that must be purchased from designated sources and, if required, a list of designated suppliers (which might include us, an affiliate of ours, or another supplier we designate) after you sign your franchise agreement, and we have the right to add or delete services, products, or suppliers from the list. If we or one of our affiliates is an approved supplier, you may be required to sign a purchase, lease, or supply agreement. We formulate and modify our specifications and standards for products and services based upon our research of the optimal products and services you will need to operate your House Doctors franchise, our investigation of the available suppliers for each product and service, and our general business experience.

Suppliers. We will provide you with a list of approved suppliers for the products and services you will need to operate your House Doctors franchise. 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. We are not required to notify you of our approval or disapproval within a specific time period, but we will use our best efforts to notify you within 15 days after we receive all the necessary information. We will base our approval of suppliers upon a variety of factors, including their ability to meet our standards and specifications, their quality controls, their capacity to supply our franchisees' needs promptly and reliably, and their prices. Because of price discounts, benefits or other legitimate sales incentives, we may require you to participate with us or with other House Doctors franchisees when purchasing certain products or services to be sold or used in your House Doctors franchise. 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. Except as disclosed in this Item 8, neither we nor any affiliate of ours is currently an approved supplier. There are no suppliers in which an officer of ours owns an interest.

Materials Bearing Our Marks. Your marketing and promotional materials, business cards, business stationery, and other items bearing our service marks, logos and names, must comply with specifications for content, size, typeface, color, and material. These specifications are contained in the manuals. You may purchase these items from any approved supplier, which are listed in the manuals.

You may purchase certain marketing materials and specialty items (such as clothing, coffee cups, golf towels, etc.) bearing our service marks, logos and names from a company named Prograde, Inc., in Cincinnati, Ohio. Prograde specializes in implementing corporate print management and marketing programs. Prograde offers our franchisees web-based procurement services to order the marketing and promotional materials and printing services online. Neither we nor any affiliate of our will derive revenue from your purchases of marketing materials and specialty items.

Yellow Pages Advertising. You must maintain, at a minimum, a business listing in the white pages and Yellow Pages directory serving your territory. To assure that we maintain consistency in Yellow Pages advertising, you must place your listing through an agency of our choice.

Service Vehicles. Your service vehicles must meet our system standards and specifications. Our current system standards specify a Ford E-150 van or similar model, either new or no older than 2 model years old. You will need a separate van for each of your 1st 3 service technicians. You will need to acquire additional vans as your franchised business grows.

Start-up Package. You are required to purchase a Start-up Package consisting of the computer hardware and software, marketing and promotional materials, business cards, stationery, uniforms, and other supplies you will need for the operation of the franchised business. Items in the Start-Up Package will be modified from time-to-time with some items be retired and eliminated from the Start-Up Package and some new items being added to the Start-Up Package. Included in the Start-Up Package is your first year's attendance fee to our annual franchisee convention. See Item 11 for more information about our annual franchisee convention. You must purchase the Start-up Package from us. The contents of the Start-up Package may change without notice as quantities change, items are retired and/or replaced with new items, and program availability may vary from one market to another. The current contents are listed on Exhibit C of the franchise agreement, which is attached to this disclosure document as Exhibit A. We will derive revenue equal to the Start-up Package Fees that you and other franchisees pay.

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 covering claims for bodily and personal injury, death, and property damage with a minimum per occurrence limit of \$1,000,000 and a minimum general aggregate limit of \$2,000,000.
- Automobile Liability Insurance for owned, hired, and non-owned vehicles with a minimum combined single limit of \$1,000,000.
- Employee Dishonesty Insurance with a minimum limit of \$10,000.
- 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.

All insurance policies must name House Doctors as an additional insured, and no policy may have a deductible of more than \$5,000. You cannot open your franchise 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. We have the right to increase the minimum coverage, decrease the maximum 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' written notice. Neither we nor any affiliate of ours will derive revenue from your insurance purchases.

Computer Hardware and Software. To operate your House Doctors franchise, you will need a computer system and certain required computer programs. The specifications for the computer system are contained in the operations manual and listed in Item 11 of this disclosure document. You will be required to use third-party, web-based operations software, *ServiceCEO*. The computer system, including the license fees for the *ServiceCEO* software for the first year, is included in your Start-up Package. In

the future, you may be required to purchase or lease other proprietary software from us or from a third party designated by us.

As a result of the sale of all required purchases and leases of products and services to House Doctors franchisees in calendar year 2011, our predecessor HDFS derived \$64,000 in revenue, representing about 9.2% of the total revenue of HDFS of \$702,299 as reflected on the audited statement of operations of HDFS for the year ended December 31, 2011.

In 2011, none of the revenues of HDFS was derived from vendor or suppliers that sell products or service to House Doctors franchisees. Some suppliers make payments to the NAF administered by HDFS for sponsorships or display space at the annual convention of HDFS. We anticipate that such arrangements will continue with us as the current franchisor. We may use these fees to defray the costs for the convention, but there are no specific restrictions on their use. In calendar year 2011, the NAF received \$7,333.33 from suppliers for sponsorships or display space at the national convention held by HDFS. All of the fees were contributed to the Marketing Fund.

The *ServiceCEO* software you will use to manage your House Doctors franchise was developed by a company named ServiceCEO, Inc. Under an agreement between HDFS and ServiceCEO, HDFS agreed to pay ServiceCEO \$10,000 ("Import Service Fees") to convert all of its franchisees from the management software they were previously using to the *ServiceCEO* software. In order to recoup the Import Service Fees HDFS paid, ServiceCEO agreed to pay HDFS 17¢ for each estimate and 18¢ for each work order its franchisees purchased through the *ServiceCEO* software. The payments are scheduled to end December 31, 2021, or when HDFS has been reimbursed for all of the Import Service Fees it paid, whichever occurs first. As of December 31, 2011, HDFS had not received any payments from ServiceCEO. We, as the franchisor, have succeeded to the rights of HDFS under this agreement.

We estimate that the cost of goods purchased in accordance with the specifications described above will represent approximately 20% to 30% of your initial investment to commence the operation of your House Doctors franchise (the exact percentage will depend upon the amount of your other variable start-up expenses), and approximately 12% to 20% of your operating expenses. Except as described above, we have not established any other specifications or designated suppliers for the equipment and supplies necessary to operate your House Doctors franchise. We will provide you with a list of approved suppliers and suggested equipment and supplies after you purchase your franchise. Except as described above, we do not offer or sell equipment or supplies to franchisees or derive revenue from franchisees' purchases of equipment or supplies from other suppliers, although we have the right to and may do so in the future. We do not receive any payments or other benefits from suppliers as a result of purchases by franchisees. We do not provide material benefits to a franchisee based upon the franchisee's use of designated or approved sources. Except as described above, you are not required to purchase any goods or services from any particular supplier. As the date of this disclosure document, there are no purchasing or distribution cooperatives.

Arrangements With Vendors. We have negotiated arrangements with certain vendors to provide products and services to our franchisees at reduced prices. Although full retail prices for these products and services will vary from one area of the country to another, the prices applicable to House Doctors franchisees are generally more favorable than full retail prices. These arrangements, which are briefly described below, are subject to change without notice:

1. BCI Acrylic Bath Systems. BCI is one of the nation's largest manufacturers of custom and premium acrylic bath system overlays. Our franchisees have the opportunity to be an approved supplier and receive discounts on their training and product offerings.

2. The Sherwin-Williams Company. Our franchisees receive a discount of 20-40% on paints, wall coverings, tools and equipment from their local Sherwin-Williams Paints location. The Sherwin-Williams Company is a national manufacturer and retailer of paint, wall coverings and ancillary supplies.
3. FranchiseXpress. The Gannett Retail Advertising Group, a division of Gannett Co. Inc., developed Franchise Xpress®, a newspaper insert program, exclusively for the franchise industry. Each month Franchise Xpress® offers full color magazine quality inserts for franchisees, and “gangs” the press run together to offer the best pricing available. Our franchisees pay \$30 to \$65 per thousand pieces depending on the market. Gannett Co. Inc., a diversified news and information company, is the nation’s largest newspaper publisher in terms of circulation.
4. Prograde, Inc. Prograde is a Cincinnati, Ohio, company that specializes in implementing corporate print management and marketing programs. Prograde offers our franchisees web-based procurement services to order marketing and promotional materials and printing services.
5. RSVP. Our franchisees receive a guaranteed rate of \$0.04 per post card on an annual agreement and \$0.042 for single issue regardless of the location. RSVP® is an upscale cooperative direct mailer. They use glossy, full color postcards to attract attention, and generate high response rates.
6. Decal Impressions. Our franchisees receive discount rates of up to 30% on select vinyl signage, display booths and other advertising products. They are located in Cincinnati, Ohio.
7. Valassis. “Redplum is the Valassis shared mail package that provide House Doctors with affordable advertising options such as the 8.5" x 11" Value Sheet flyer for \$67.80/M, or 6.78 cents per piece. Rural areas are \$82.50/M. Both price points offer excellent value compared to First Class Mail.”
8. iContact. iContact.com is an Email Marketing service that allows franchisees to easily track sends, opens, clicks and more while. iContact is subsidized by the NAF and is free for our franchisees to use.
9. Money Mailer. Money Mailer is a direct mail vendor that optimizes direct marketing results through integrated shared mail, one-to-one, and interactive solutions. Money Mailer offers efficient services by hosting House Doctors artwork, provided by the corporate marketing department, on their national internal server, making it available to all locations nationwide.
10. Valpak. Valpak offers efficient services by hosting House Doctors artwork, provided by the corporate marketing department, on their national internal server, making it available to all locations nationwide. Valpak is a direct mail vendor that optimizes direct marketing results through integrated shared mail, one-to-one, and interactive solutions.
11. Dell, Inc. Dell and its subsidiaries engage in the design, development, manufacture, marketing, sale, and support of computer systems and services worldwide. Our franchisees receive discounted pricing on computers and peripherals.
12. Hewlett-Packard. Hewlett-Packard and its subsidiaries engage in the design, development, manufacture, marketing, sale, and support of computer systems and services worldwide. Our franchisees receive discounted pricing on computers and peripherals.
13. DCE Bathing Systems. Our franchisees have the opportunity to become dealers or perform installation services for DCE Bathing Systems, a national manufacturer and distributor of walk-in bathtubs and bathing equipment for the physically disabled and elderly located in Ft. Worth, Texas. DCE Bathing Systems manufactures the Walk-In Tub and the BathLifter and distributes the ACCESSABATH®5 and AMERIWALL® tub and shower systems.
14. ShadeTree. Our franchisees have the opportunity to become dealers or perform installation services for ShadeTree Retractable Deck & Patio Canopies, a national manufacturer and distributor of retractable deck and patio canopies located in Columbus, Ohio.

15. Yodle. Yodle is a search engine marketing company that develops, maintains, tracks and analyzes local Internet advertising campaigns for our franchisees. The initial set-up fee is currently paid by the national advertising fund.

16. ServiceMagic. Service Magic is the nation’s largest online marketplace connecting consumers to prescreened and customer-rated professionals. ServiceMagic offers targeted leads across more than 650 home improvement and commercial project categories and process 600,000 service requests each month. With your relationship with House Doctors you receive free enrollment and 25% off pre-paid bundle packages.

17. American Gutter Filter. Our franchisees receive a discount from American Gutter Filter who is a national manufacturer and retailer of foam gutter debris filter products.

18. Online Image. Online Image is an Internet Marketing and Search presence Management firm based out of Salt Lake City, Utah. They specialize in SEO, specifically Local and Organic Optimization. Our franchisees receive discounted rates and pricing for their services.

19. Network Solutions. Network Solutions is a search engine optimization company that develops, maintains, tracks and analyzes search engine optimization programs for our franchisees. The initial setup fee is currently paid by the national advertising fund.

20. Card Payment Solutions and Noble Pay Systems are leading providers of credit card processing, merchant accounts, and shopping carts for small and medium sized merchants located across the United States. Their payment processing services enable merchants to process both traditional card-present, or "swipe" transactions, as well as "card-not-present" transactions.

21. AGI Group owns a collection of online outlets that give homeowners access to manufacturer-direct pricing on a wide selection of quality home improvement products. House Doctors is the preferred installer for DecorativeShutters.com, StormShutters.com, BuyPlantationShutters.com, AwningTime.com and Screen-Time.com.

22. E•Z Breathe Systems is the manufacturer of maintenance-free ventilations units that helps protect homes from excess moisture, molds, toxins, allergies and poor air quality resulting in a cleaner, healthier living environment. House Doctors is a preferred installer for E•Z Breathe.

23. Patio Pacific Inc. has specialized in the sale of pet doors for over 36 years and have combined all the best features into their pet door products. House Doctors is the preferred installer for PetDoors.com.

We receive the same discounts on products from Hewlett-Packard that our franchisees receive. Except as disclosed above, we do not receive any payments or other benefits from suppliers as a result of purchases by franchisees, although we have the right to and may do so in the future. Although each of the suppliers listed above are approved suppliers, you are not required to purchase any goods or services from them

Item 9. FRANCHISEE’S OBLIGATIONS

FRANCHISEE’S OBLIGATIONS

This 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.

| Obligation | Section in Franchise Agreement | Item in Disclosure Document |
|---|--------------------------------|-----------------------------|
| a. Site selection and acquisition/lease | § 1.2, Art 3 | 11, 12 |
| b. Pre-opening purchases/leases | § 4.3 | 5, 7, 8 |

| Obligation | Section in Franchise Agreement | Item in Disclosure Document |
|--|--|-----------------------------|
| c. Site development and other pre-opening requirements | None | Not applicable |
| d. Initial and ongoing training | § 7.1 | 11 |
| e. Opening | § 7.6 | 11 |
| f. Fees | Art 4, 5, 17, §§ 2.2, 7.9(g), 11.8, 11.9, 12.2(b)(11), 12.3(i), 13.3, 16.7 | 5, 6 |
| g. Compliance with standards and policies/operating manual | § 7.2, Art 9 | 8, 11, 12, 16 |
| h. Trademarks and Proprietary information | Art 8, 9, 10 | 13, 14 |
| i. Restrictions on products/services offered | § 7.3 | 16 |
| j. Warranty and customer service requirements | §§ 7.3, 7.15 | 6 |
| k. Territorial development and sales quotas | § 7.7 | 6, 12, 17 |
| l. Ongoing product/service purchases | §§ 7.3, 7.18(c) & (d), 11.8 | 8 |
| m. Maintenance, appearance and remodeling requirements | §§ 7.4(b), 9.3 | Not applicable |
| n. Insurance | § 7.11 | 7, 8 |
| o. Advertising | Art 11 | 8, 11 |
| p. Indemnification | Art 17 | 17 |
| q. Owner's participation/ management/staffing | §§ 7.8, 7.17, 7.20 | 15, 17 |
| r. Records/reports | § 7.10 | 17 |
| s. Inspections/audits | § 7.10(i) | 6, 17 |
| t. Transfer | Art 12 | 17 |
| u. Renewal | § 2.2 | 17 |
| v. Post-termination obligations | Art 14, §§ 15.2, 15.3 | 17 |
| w. Non-competition covenants | §§ 15.1, 15.2, 15.3 | 17 |
| x. Dispute resolution | Art 16 | 17 |
| y. Other | None | Not applicable |

Item 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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 provide the following assistance:

1. We will approve or disapprove the boundaries that you submit for your franchise territory. The boundaries will be designated by Postal ZIP Code. (ZIP CodeSM is a service mark of the United States Postal Service in the United States and other countries.) Your franchise territory must be a single, undivided geographic area, and will contain approximately 60,000 qualified households, although we have the right to specify a larger or smaller territory according to market size or other relevant factors (see Item 12 of this disclosure document for a detailed explanation of the territorial restrictions). If the U.S. Postal Service alters the boundary or number of any of the ZIP Code(s) assigned to you, we will re-define the boundaries of your franchise territory to correspond as nearly as possible to your original territory. Our decision on this matter will be final. (Franchise Agreement § 1.2). You must submit and we will approve the boundaries of your territory before you sign your franchise agreement (Franchise Agreement §§ 7.1, 13.1).
2. We will provide you with a Start-up Package consisting of the computer hardware and software, marketing and promotional materials, business cards, stationery, uniforms, and other supplies you will need for the operation of the franchised business. The contents of the Start-up Package are listed on Exhibit C of the franchise agreement, which is attached to this disclosure document as Exhibit A. The Start-up Package is discussed in more detail in Item 5 of this disclosure document (Franchise Agreement § 6.1).
3. We will provide written specifications and a list of approved vendors for all equipment and supplies necessary to operate your franchise (Franchise Agreement § 6.1).
4. We will provide a set of templates for advertisements, marketing materials, business cards and stationary (Franchise Agreement § 6.1). We will either provide you with copies of these items at the time of your initial training or provide you with instructions for downloading them from our franchisee intranet after you complete the initial training program.
5. We will loan you a copy of our operations manual, which contains mandatory and suggested specifications, standards, and procedures (Franchise Agreement § 6.3). This manual is confidential and remains our property. You will receive a copy of the manual when you begin the initial training program. In the future, we may give you the manuals on a compact disk instead of paper. The manuals are also accessible on our franchisee intranet. We may modify the manual from time to time, but the modification will not alter your status and rights under the franchise agreement. The total number of pages in the manuals is 187. The table of contents is listed on Exhibit M.
6. We will provide you with the forms you will use to report your sales, order supplies, and otherwise communicate with us (Franchise Agreement § 6.2).
7. We will provide an initial training program at our training facility in Milford, Ohio for up to 2 people, one of which must be the Franchisee or a principal of the Franchisee, or Designated Manager who is responsible for the general oversight and management of the franchised business (Franchise Agreement §§ 6.1 and 7.1).

Paragraphs 1 through 7 above refer to assistance and materials we provide to new franchisees before they open their franchise. If you are acquiring a Successor Franchise, you already received these materials and assistance before you opened your House Doctors franchise. You will be permitted to continue to use our operations manual and proprietary operations software, on loan or under license, respectively, to operate your Successor Franchise.

Length of Time to Open Franchise. Franchisees typically begin operating their franchises 3 to 6 months after they sign a franchise agreement or pay the initial License Fee, whichever occurs first. The factors that affect this time are the availability and timing of your financing, your previous employment commitments (if any), and your ability to complete our training program, hire and train personnel, and schedule your initial marketing campaign. You must open your franchise within 6 months after you sign the franchise agreement or we have the right to terminate your franchise without refunding any fees you have paid (Franchise Agreement §§ 7.6, 13.1).

During the operation of the franchised business, we will provide the following assistance:

1. We will provide you with assistance to the extent we deem necessary (Franchise Agreement § 6.1).
2. We will provide you with periodic communications including emails, newsletters and such other materials, information, and assistance as we may deem necessary (Franchise Agreement § 6.1).

Advertising. You are required to conduct advertising and promotion directly related to your franchised business within your local trading area, and to spend a certain amount for these expenses each month (Franchise Agreement § 11.8). See Note 5 following the “Other Fees” table in Item 6 for a more detailed explanation of the local advertising requirements. We are not required to advertise the services offered by House Doctors franchisees, and we are not required to spend any amount on advertising in your territory. We will provide you with a number of pre-approved advertisements 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, or advertise in a medium or with an advertiser that has not been previously approved, you must submit it to us by certified mail, return receipt requested, for approval. Unless we notify you that the advertisement is not acceptable within 15 days after we receive it, you may assume that it is acceptable. 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 House Doctors franchise automatically becomes our property, and we may use it for our other franchisees without compensating you (Franchise Agreement §§ 8.8, 11.6). There is no advertising council that advises us specifically on advertising policies.

House Doctors Web Site. Although not required to do so by the franchise agreement, we maintain a web site to promote our franchisees’ services and the sale of our franchises and to provide contact information for House Doctors locations. We will include your franchise contact information on separate pages on the House Doctors web site at no cost to you. You may not establish your own web site, web page, or URL for your franchised business or that uses any of our trademarks. You may not advertise your services or use our trademarks in any listing, banner, advertisement, or any other service or link on or to the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or similar services, without our prior written approval (Franchise Agreement §§ 8.5, 11.6, 11.7).

Advertising Cooperatives. We have the power to form, change, dissolve, or merge local or regional marketing and advertising cooperatives in geographical areas with 2 or more House Doctors franchises. Advertising cooperatives may be established for areas covered by advertising media relevant to particular geographic markets, Metropolitan or Micropolitan Statistical Areas, the home repair industry, or our advertising strategy, 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 be credited toward your required local advertising expenditure, but not toward your national advertising contribution. Either House Doctors or the cooperative will determine the amount of your monthly contribution, but it cannot exceed 4% of your Gross Sales 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 franchisor-owned location 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 (Franchise Agreement § 11.9).

Local Advertising. You must spend at least \$20,000 per calendar half year during the first three years after opening the Franchised Business, and thereafter 7% of your Gross Sales for the preceding calendar half year on local advertising. The Local Advertising Amount will be pro-rated for partial calendar half years. Local Advertising expenditures must be made directly by you. Within one month after the end of each calendar half year, you must furnish us with an itemized report of your Local Advertising expenditures for the previous half year. Franchise Agreement § 11.8

National Advertising Fund. Each franchisee is required to pay a weekly advertising contribution of 2% of Gross Sales to a national advertising fund (the "Fund"). If the weekly advertising contributions that you pay in a calendar quarter total less than 2% of your Minimum Quarterly Gross Sales for that quarter, you must also pay the difference to the Fund within 15 days after the end of the calendar quarter (see Item 6). All advertising contributions are maintained in a separate account and must be spent on advertising, promotion and marketing of the services provided by House Doctor franchises, the development of the House Doctors brands, plus administrative costs associated with the maintenance of the Fund. House Doctors is reimbursed for any postage or labor provided to the Fund. Each franchisor-owned location, if any, will contribute to the Fund on the same basis as franchisees (Franchise Agreement §§ 5.3, 5.4 and 11.2).

The Fund is administered by us. The Fund is not and will not be an asset of ours. The Fund is not audited, but an unaudited annual financial statement of the Fund is available to any franchisee after March 1 of each year. During the one-year period ending on December 31, 2011, while the Fund was administered by HDFFS, the Fund's total receipts were \$198,009 and total expenses were \$174,938, of which 16% for administrative expenses, 6.5% was spent for advertising on behalf of franchisees, 0.002% for creative costs, 0.006% for dues and subscriptions, 12.2% for franchisee meetings, 39.1% for Internet costs, .0006% for marketing materials, 0.008% for postage, 0.005% for promotional programs and sponsorships, 12.1% for public relations, and .005% rebates to franchisees.

Our current policy is to use the Fund for the development of new advertising, promotional and marketing materials, to advertise the services provided by franchisees in certain print media and on the Internet, and to work with an outside public relations firm to develop the House Doctors brands. However, we have the right to change this policy at any time and to use the Fund to place advertising in any national, regional, or local media (including broadcast, print, or other medium). We are not required to spend any amount on advertising in your territory. No portion of the Fund is used for advertising that is principally

a solicitation for the sale of franchises. If all advertising contributions are not spent in the fiscal year in which they accrue, expenditures made from the 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. Except as disclosed above, neither we nor any affiliate of ours receives any payment from the Fund.

Computer System. To operate your House Doctors franchise, you will need a desktop or notebook computer with Windows 7 Professional, a CD/DVD drive, a laser printer, Microsoft Office 2010 and QuickBooks® Pro. The minimum hardware and software specifications are listed in the operations manual. In most cases a more recent version of a required software application will be acceptable. We provide the computer hardware and software listed above in your Start-up Package.

You will also need a high-speed Internet connection. (such as DSL, cable, or satellite) for communication and file transfer. Neither House Doctors nor any affiliate of House Doctors will derive revenue from the required Internet connection.

In addition to the software listed above, you are required to subscribe to and use web-based enterprise management software developed specifically for the handyman services industry and marketed under the brand name ServiceCEO by a company named ServiceCEO, Inc. located in Boston, Massachusetts. ServiceCEO Inc. is not affiliated with House Doctors. You will use the ServiceCEO software to maintain information about your customers, prepare job proposals and invoices, manage your service technicians, and maintain the financial records of the franchised business. You will be required to enter into a terms of use agreement with ServiceCEO Inc. and pay ServiceCEO Inc. a license fee of 35¢ per estimate and 65¢ per work order, with a minimum of \$10 per month. The total monthly cost will vary depending on the number of proposals and work orders you generate. There is no charge for set-up or installation of the ServiceCEO software. HDFS entered into an agreement (which has been assigned to us as the new franchisor) with ServiceCEO Inc. that prohibits it from increasing the license fees payable by our franchisees during the initial term of the agreement, which ends on December 31, 2012. The agreement will automatically renew for additional one-year periods at the end of the initial term and each renewal term unless House Doctors or ServiceCEO Inc. elects not to renew it at least 60 days before the end of the then-current term. After the initial term, ServiceCEO Inc. may not increase the license fees by more than 5% over the rate charged during the previous term.

Because the ServiceCEO software is web-based (which means you will access it via the Internet instead of loading it onto your computer), your terms of use agreement will require ServiceCEO Inc. to use commercially reasonable means to provide round-the-clock access to the software. ServiceCEO Inc. will have no other obligation to provide ongoing maintenance, repairs, upgrades, or updates for the ServiceCEO software.

You will use your computer system to maintain information about your customers, prepare job proposals and invoices, manage your employees, maintain your financial records, access Internet sites, and communicate with prospective and current customers, suppliers, us, and others via e-mail. We will have independent access to the information that will be generated and stored on the ServiceCEO software. You must provide us with independent access to all of the information that will be generated and stored on your computer system if we request it. There are no contractual limitations on our right to access the information. You are contractually required to upgrade and update your computer system as we require during the term of the franchise. There are no limits on the costs you may incur to upgrade or update. We currently do not require you to purchase a maintenance, repair, update, or upgrade service contract for your computer system, but we have the right to do so in the future. We do not know the annual cost of any optional or required maintenance, repair, updating, upgrading, or support contracts. Neither we nor any of our affiliates or any third party is obligated to provide ongoing maintenance, repairs, upgrades, or

updates to your computer system. Although the cost of the computer system (including the license fees for the ServiceCEO software for the first year, which we estimate will be between \$250 and \$400), is included in your Start-up Package (Franchise Agreement §§ 7.18 and 9.3, Exhibit C), we estimate that it would cost \$4,700 if you purchased all the components separately.

Location of Franchised Business. You will operate the franchised business from a single office site. We do not select or approve a site, or provide you with assistance in selecting a site, for the franchised business. We do not impose any restrictions upon the location of your office. We recommend that, initially, you operate your franchise from your home, provided that doing so will not violate any zoning or building code or other ordinance. After your business matures and grows, you may wish to rent modest office or warehouse space. If you elect not to operate your franchise from your home, the location should be geographically convenient to the more densely populated areas of your territory and to major thoroughfares. You are not required to operate the franchised business from a site within your territory, but you must maintain a business address in your territory, the telephone number for your franchise must be listed under an address or other location in your territory, and you are not permitted to advertise, solicit, offer, provide, or sell any goods or services in another franchisee’s territory (see Item 12 below for a detailed explanation of the territorial restrictions). You must provide us with the address of the location and notify us promptly of any change (Franchise Agreement Article 3).

Training. Before you open your franchised business, we will provide 5 days of training for up to 2 people at our corporate headquarters in Milford, Ohio. The initial training program is mandatory either the franchisee or a principal of the franchisee designated as responsible for the general oversight and management of the franchised business must complete the initial training program to our satisfaction within 6 months after you sign the franchise agreement, or we have the right to terminate your franchise without refunding any fees you have paid. Training is typically scheduled on a monthly basis subject to demand. We do not charge a fee for the initial training program, but you are responsible for paying the costs of travel, lodging, meals and compensation for you and your employees during the training program. The agenda of the initial training program is listed below.

TRAINING PROGRAM

| Subject | Hours of Classroom Training | Hours of On-the-Job Training | Location |
|---------------------|-----------------------------|------------------------------|---------------|
| Introduction | 1 | 0 | Milford, Ohio |
| Self Development | 4 | 0 | Milford, Ohio |
| House Doctors Model | 4 | 0 | Milford, Ohio |
| Vendors | 3 | 0 | Milford, Ohio |
| Advertising | 3 | 0 | Milford, Ohio |
| Personnel | 3 | 0 | Milford, Ohio |
| Internet Marketing | 2 | 0 | Milford, Ohio |
| Risk Management | 1 | 0 | Milford, Ohio |
| Financial Elements | 5 | 0 | Milford, Ohio |
| ServiceCEO | 7 | 0 | Milford, Ohio |
| Legal Overview | 1 | 0 | Milford, Ohio |
| A Day in the Life | 2 | 0 | Milford, Ohio |
| Business Plan | 4 | 0 | Milford, Ohio |

TRAINING PROGRAM

| Subject | Hours of Classroom Training | Hours of On-the-Job Training | Location |
|---------|-----------------------------|------------------------------|----------|
| TOTAL | 41 | - 0 - | |

Our operations manual serves as the instructional material for the initial training program. The names and qualifications of the training instructors are:

- Jim Hunter has been our President since June 2012 and was CEO of HDFFS from 2007 to 2012. He owned and operated a KWIK KOPY printing franchise in Glasgow, Scotland, for 10 years, and was Vice President of the Canadian master franchisor of one of our competitors, the MR. HANDYMAN brand handyman franchises.
- Mark Dodenhoff is our Vice President of Operations. From August 2009 until June 2012, he was Director of Shared Services for HDFFS. He has held field, management and executive positions with several companies during his 33-year corporate career, most recently 16 years with Adecco USA, Inc., an international staffing firm – 8 years as Vice President of Franchise Operations and 8 years as a regional franchise consultant. Mark graduated from State University College of New York at Oswego in 1975 with a bachelor's degree in business administration.
- Michelle Southworth is our Brand Marketing Manager. She was Brand Manager for HDFFS from October 2009 to June 2012 and Graphics Coordinator for HDFFS from July 2007 to October 2009. She works with our franchisees on local initiatives as well as applying her design skills to our national campaigns. Michelle graduated from Marshall University with a bachelor's degree in graphic design in December of 2006.

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, although we have the right to require additional training and to charge you a reasonable fee for it (Franchise Agreement §§ 7.1, 13.1).

Annual Convention. Although we are not required to do so by the franchise agreement, we plan to hold an annual convention for House Doctors franchisees, typically in February or March, to discuss sales techniques, operation procedures, and marketing methods, and to introduce new software, marketing programs, and promotional items. We charge a fee to attend the convention. The attendance fee for your first annual franchisee convention is included in your Start-Up Package. The convention fee for the February 2012 convention held by HDFFS was \$699, but we have the right to change the amount of the fee. You must also pay all your travel and living expenses to attend the convention. Since our conventions are designed to benefit your business and introduce you to any new improvements in the House Doctors model, you are required to attend the annual convention and you must pay the convention fee every year even if you do not attend the annual convention. (Franchise Agreement § 7.19).

Item 12. TERRITORY

We will grant you a protected territory delineated by Postal Codes. You may not provide products or services at a job site located in another franchisee's territory. Although you have no right 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 the territory of another House Doctors franchisee. You do not acquire any rights to any areas outside your territory, however, and you must immediately stop operating your franchise in any area that becomes part of another franchisee's territory. You may not establish a web site, web page or URL

for your franchised business or using any of our trademarks. You may not advertise your services or use our trademarks in any listing, banner, advertisement, or any other service or link on or to the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or similar services, without our prior written approval. There are no other restrictions on your right to solicit or accept orders from customers outside of your territory.

We will grant you an exclusive territory. We are prohibited by the franchise agreement from licensing another House Doctors franchisee to provide products or services at a job site located in your territory. Nor may we, either directly or through an affiliate, provide products or services (using any channel of distribution) under the Marks at a job site located in your territory. We have the right to operate or franchise a business in your territory that uses any channel of distribution to sell goods or services similar to those that you will offer, so long as it does so under different trademarks from the ones you will use under the franchise agreement. However, neither we nor any affiliate of ours presently operates or franchises, or plans to operate, franchise or acquire, a business under a different trademark that sells or will sell goods or services similar to those that you will offer. Your territorial protection also does not include marketing, advertising and promotional activities—other House Doctors franchises (no matter who owns them) may advertise and promote their services in media that are distributed, circulated or broadcast in your territory. Similarly, you may advertise and promote your services in media that are distributed, circulated or broadcast outside your territory (including territories of other House Doctors franchisees), so long as you do not provide products or services at a job site located in another franchisee's territory.

We have the exclusive right to control business with Special Accounts, subject to your right to participate in Special Account business in your territory. A "Special Account" is a business or other organization with offices, stores, plants, buildings or other physical facilities that are not confined to the territory of a single House Doctors franchisee or company-owned or affiliated business. If we negotiate a contract or arrangement with a Special Account, you will have the option to provide the services to the facilities of the Special Account in your territory at the prices and subject to the contract requirements we negotiate with the Special Account. If you accept the project, we will collect amounts due from the Special Account and pay you the amount due for services you provided to the Special Account, less the amount of the royalties and advertising contributions you owe us on the amount collected, which we will retain for our own account. All amounts you receive from Special Account work are included in Gross Sales for purposes of calculating your royalties. If you decline to service a Special Account, we have the unfettered right to fulfill the contract requirements to the Special Account in the territory in any manner we choose, including through another House Doctors franchisee, a company-owned or affiliated business, or a third party contractor. If a Special Account requests that someone other than you provide services in the territory, we may revoke your right to provide the services and may fulfill the contract requirements to the Special Account in the territory in any manner we choose.

We retain all rights not specifically granted to you by your franchise agreement, including the right to operate a House Doctors outlet anywhere *outside* your franchise territory, or license other House Doctors outlets or other businesses substantially similar to a House Doctors outlet (whether under the HOUSE DOCTORS or HOUSE MEDIC trademark or other trademarks) to operate anywhere *outside* your franchise territory, regardless of the proximity of those office locations to you or your office, or the impact those outlets may have upon your franchised business. Except as described in the preceding paragraphs of this Item 12, there are no other restrictions on us from soliciting or accepting orders from customers inside your territory.

Your franchise territory will contain approximately 60,000 qualified households. The precise definition of a "qualified household" will differ from one market to another depending upon the unique demographic characteristics of each market. We have the right to specify a larger or smaller territory

according to market size, demographic data, or other relevant factors, but we also have the right to charge a higher Territory Fee if we grant a larger territory. We obtain our demographic information from U.S. Census Bureau data and a geographic information system application licensed by Environmental Systems Research Institute, Inc.

You will be required to achieve a minimum sales volume, or “Minimum Quarterly Gross Sales,” each quarter. The Minimum Quarterly Gross Sales are listed in the following table:

| Year | 1 | 2 | 3 | 4 | After 4 |
|-------------------------------|-------|-----------|-----------|-----------|-----------|
| Minimum Quarterly Gross Sales | - 0 - | \$ 32,500 | \$ 45,000 | \$ 60,000 | \$ 80,000 |

The figures in the table above are not financial performance representations or projections or estimates of potential earnings, sales, or revenue. See Item 19 of this disclosure document for our disclaimer regarding financial performance representations.

If you are entering into an agreement for a Successor Franchise, the Minimum Quarterly Gross Sales will be \$80,000 for the entire term of your successor franchise agreement.

If you fail to achieve the Minimum Quarterly Gross Sales for 2 consecutive quarters, we have the right to terminate your franchise agreement or reduce the size of your territory. Except for that, your rights to your territory are not dependent upon your achievement of a certain sales volume, market penetration, or other contingency. If the U.S. Postal Service alters the boundary or number of any Postal Code(s) assigned to you, we will re-define the boundaries of your territory to correspond as nearly as possible to your original territory. Our decision on this matter will be final. We do not have any other right to alter your territory without your consent. You maintain the rights to your territory even if the population increases. We will not change the boundaries of your territory if we grant you a Successor Franchise, even if the number of qualified households in your territory has increased or decreased since you originally purchased your franchise. There are no other circumstances that would permit us to modify your territorial rights.

You will operate the franchised business from a single office site. We do not select or approve a site, or provide you with assistance in selecting a site, for your office. We do not impose any restrictions upon the location of 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 ordinance. You may also operate your franchise from rented office or warehouse space. Your office is not required to be located within your territory, but you must maintain a business address in your territory, and the telephone number for your franchise must be listed under an address or other location in your territory. Your office should be geographically convenient to the more densely populated areas of your territory and to major thoroughfares. You may relocate your office at any time without our approval, so long as you promptly provide us with the address of the new location. Although, given the geographic size of a typical territory, it is neither necessary nor advisable to operate your franchised business from more than one location, we do not prohibit you from doing so long as you provide us with the address of each location.

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

Item 13. TRADEMARKS

If you purchase a House Doctors franchise, you will use our trademarks to identify your residential and commercial property maintenance, repair and remodeling franchise. You may use no other name or

trademark without our written approval. Our principal trademarks are the word marks HOUSE DOCTORS and HOUSE MEDIC (you will use one or the other, but not both—HOUSE MEDIC is used only in markets where someone else’s prior use of the HOUSE DOCTORS name precludes us from using it or licensing its use) and the logo on the cover of this disclosure document. We have registered all of our Principal trademarks on the Principal Register of the U.S. Patent and Trademark Office (see the table below), except that, while we have registered the word mark HOUSE MEDIC HANDYMAN SERVICE on this Principal Register, we have not registered the mark HOUSE MEDIC with the U.S. Patent and Trademark Office.

We have registered the following marks on the Principal Register of the U.S. Patent and Trademark Office. We have filed all required affidavits in connection with the registrations listed below.

| Registration Number | Description of Mark | Registration Date |
|---------------------|---|--------------------|
| 1,940,058 | HOUSE DOCTORS Word Mark | December 5, 1995 |
| 2,040,516 | HOUSE MEDIC HANDYMAN SERVICE Word Mark | February 25, 1997 |
| 3,207,734 | A HANDYMAN. EVERY HOME NEEDS ONE. Word Mark | February 13, 2007 |
| 3,207,733 | A GOOD HANDYMAN...TODAY, EVERYBODY NEEDS ONE. Word Mark | February 13, 2007 |
| 3,207,732 | THE BIG NAME IN SMALL JOBS Word Mark | February 13, 2007 |
| 3,509,622 | HOUSE DOCTORS HANDYMAN PROFESSIONALS HOME IMPROVEMENTS Design Mark with Color Claim | September 30, 2008 |

We have registered the following mark on the Supplemental Register of the U.S. Patent and Trademark Office. We have filed all required affidavits in connection with the registration listed below.

| Registration Number | Description of Mark | Registration Date |
|---------------------|--|-------------------|
| 3,175,694 | AMERICA’S TRUSTED NAME IN HOME REPAIR. Word Mark | November 21, 2006 |

You must follow our rules when you use these marks. You may not use a name or mark as part of a corporate name. You may not use a name or mark with modifying words, designs or symbols other than those which we license to you. 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 House Doctors. You may not 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. You may not register a name or mark as a trademark, service mark, or Internet domain name. You must not use, in advertising or any other form of promotion, any of our trademarks or commercial symbols without the appropriate notices which we or the law may require, including ®, **SM**, or other trademark notice.

You must notify us immediately when you learn about any infringement of or challenge to your use of any of our marks. We will take whatever action we think appropriate—we are not required to take any affirmative action. We are not required to protect your right to use our marks or protect you against

claims of infringement or unfair competition arising out of your use of our marks. We are not required to participate in your defense or indemnify you for your expenses or damages if you are a party to an administrative or judicial proceeding involving any of our marks, or if the proceeding is resolved unfavorably to you. We have the right to control any administrative proceedings or litigation involving any of our marks.

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.

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 House Doctors franchise.

The following agreements limit our rights to use or license the use of trademarks listed in this Item 13:

No other agreements significantly limit our right to use or license the use of our marks in a manner material to your franchise.

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 Professional House Doctors, Inc. claims to have been operating a home inspection/environmental engineering business under the name PROFESSIONAL HOUSE DOCTORS in Des Moines, Iowa since 1994. They have claimed a superior prior right to use the name in their trading area, which they claim consists of the greater Des Moines, Iowa area. Although we have not agreed upon or established the exact boundaries of their trading area, they may be able to prevent us from using or licensing the use of the HOUSE DOCTORS mark in certain areas.

2. A company named House Doctor, Inc. claims to have been operating a home repair business under the name HOUSE DOCTOR in Omaha, Nebraska since 1992. They have claimed a superior prior right to use the name in their trading area, which they claim extends for a radius of approximately 60 miles around Omaha, Nebraska. Although we have not agreed upon or established the exact boundaries of their trading area, they may be able to prevent us from using or licensing the use of the HOUSE DOCTORS mark in certain areas.

3. An individual named John Dawson claims to have been operating a home improvement and/or repair business under the name THE HOUSE DOCTOR at 175 Walnut Street, Manitou Beach, Michigan, 49253, since the late 1990's. He has claimed a superior prior right to use the name in his trading area, which he claims consists of Lenawee County, Michigan. Although we have not agreed upon or established the exact boundaries of his trading area, he may be able to prevent us from using or licensing the use of the HOUSE DOCTORS mark in certain areas.

4. An individual named Glenn Quinton operates a home improvement and/or repair business under the name DOCTOR OF THE HOUSES at 140 Gate Road, Inman, South Carolina, 29349. We believe that this use infringes upon our rights in our HOUSE DOCTORS mark and that our rights are superior so as to enable us to prevent his use of the name.

5. An individual named Arnold Burleson operated a home improvement and/or repair business under the name HOUSE DOCTOR at 5600 Irvine Drive, Edmund, Oklahoma, 73003. On September 25, 2001, we filed an action against Mr. Burleson in the United States District Court for the Western District of Oklahoma, Case No. 01-CV-1513, seeking damages for trademark infringement, unfair competition, and use of false designation in interstate commerce, and seeking an injunction to prohibit Mr. Burleson from using the HOUSE DOCTOR name in connection with his home improvement and/or repair business. In January 2003, Mr. Burleson agreed to pay House Doctors \$50,000 in damages and stop using the HOUSE DOCTORS name.

6. A company named A-1 Roofing and/or an individual named Michael O'Donnell operate a home improvement, remodeling, and/or repair business under the name THE HOUSE DOCTOR at 1120 Beaver Brook Canyon Road, Evergreen, Colorado, 80439. We believe that this use infringes upon our rights in our HOUSE DOCTORS mark and that our rights are superior so as to enable us to prevent his use of the name.

7. An individual named John H. Robert operates a home improvement, remodeling, and/or repair business under the name THE HOUSE DOCTOR OF BRADENTON in the Bradenton, Florida, area. We believe that this use infringes upon our rights in our HOUSE DOCTORS mark and that our rights are superior so as to enable us to prevent his use of the name.

8. An individual named Phillip J. Severson operates a home improvement, remodeling, and/or repair business under the name THE HOUSE DOCTOR in the Seville, Ohio, area. We believe that this use infringes upon our rights in our HOUSE DOCTORS mark and that our rights are superior so as to enable us to prevent his use of the name.

9. An individual named Robert E. Vecchio claims to have been operating a home improvement and/or repair business under the name THE HOUSE DOCTOR in the greater Cleveland area since 1975. He has claimed a superior prior right to use the name in his trading area. Although we have not agreed upon or established the exact boundaries of his trading area, he may be able to prevent us from using or licensing the use of the HOUSE DOCTORS mark in certain areas.

10. An individual named James Sowers claims to have been operating a home improvement and/or repair business under the name HOUSE DOCTOR in Williamson and Travis counties, Texas, since 1994. He has reasonably established a superior prior right to use the mark in his trading area. His continued use of the mark prevents us from using or licensing the use of the HOUSE DOCTORS mark in his market. Our franchisees in Williamson and Travis counties, Texas, will use the HOUSE MEDIC mark unless and until Mr. Sowers abandons his use of the HOUSE DOCTOR mark.

11. An individual named William R. Dean claims to have been operating a home improvement or repair business under the name HOUSE MEDIC in Williamsburg, Virginia, since 1987. He has reasonably established a superior prior right to use the mark in his trading area. His continued use of the mark prevents us from using or licensing the use of the HOUSE MEDIC mark in his market.

12. An individual named John Savetski claims to have been operating a home remodeling business under the name OLD HOUSE DOCTOR in Cleveland, Ohio, since 1983. He has reasonably established a superior prior right to use the mark in connection with remodeling services in his trading area. His continued use of the mark may prevent us from using or licensing the use of the HOUSE DOCTORS mark in his market.

13. An individual named Dennis Nord claims to have been operating a home improvement or repair business under the name THE HOUSE DOCTOR in Rockford, Illinois, since 1987. He has reasonably established a superior prior right to use the mark in his trading area. His continued use of the mark may prevent us from using or licensing the use of the HOUSE DOCTORS mark in his market.

14. An individual named Ron Shadwell claims to have been operating a home improvement or repair business under the name THE HOUSE MEDIC in New Castle, Delaware, since 1991. He has reasonably established a superior prior right to use the mark in his trading area. His continued use of the mark may prevent us from using or licensing the use of the HOUSE MEDIC mark in his market.

15. An unknown individual operates a home improvement or repair business under the name THE HOUSE DOCTOR in Nashua, New Hampshire. Although we have been unable to ascertain his date of first use, we believe that his use infringes upon our rights in our HOUSE DOCTORS mark and that our rights are superior so as to enable us to prevent his use of the name.

16. A company named The Whole House Doctor, LLC operates a home improvement, remodeling, and/or repair business at 1827 Lake Point Drive, Winston Salem, North Carolina, 27103. We believe that this use may infringe upon our rights in our HOUSE DOCTORS mark and that our rights are superior so as to enable us to prevent his use of the name.

17. An unknown individual operates a home improvement or repair business under the name HOUSE DOCTOR in Raleigh, North Carolina. That business has claimed a superior prior right to use the name in the Raleigh market. Although we have not agreed upon or established the exact boundaries of its trading area, it may be able to prevent us from using or licensing the use of the HOUSE DOCTORS mark in that area.

18. An individual named Antonius Van Belkom claims to have been operating a home improvement business under the name HOUSE DOCTORS in Appleton, Wisconsin, since 1991. He has reasonably established a superior prior right to use the mark in connection with home improvement services in his trading area. His continued use of the mark may prevent us from using or licensing the use of the HOUSE DOCTORS mark in Outagamie County, Wisconsin.

19. An individual named Vince Crowley claims to have been operating a home improvement business under the name THE HOUSE DOCTOR HOME IMPROVEMENT in Lewiston, Maine, since 1995. He has reasonably established a superior prior right to use the mark in connection with home improvement services in his trading area. His continued use of the mark may prevent us from using or licensing the use of the HOUSE DOCTORS mark in Maine.

20. An Individual named Luther Hicks operates a home improvement, remodeling, and/or repair business at 710 Ligon Street NW, Aiken, South Carolina 29801. We believe that this use may infringe upon our rights in our HOUSE DOCTORS mark and that our rights are superior so as to enable us to prevent his use of the name.

Except as disclosed above, we do not have actual knowledge of any infringing uses that could materially affect your use of our marks. Except as disclosed above, no agreements limit our right to use or license the use of our marks. We believe that there may be other home improvement and/or repair businesses using the name HOUSE DOCTOR or HOUSE DOCTORS whose use predates our first use of the name HOUSE DOCTORS. We and our franchisees may not be able to use the name HOUSE DOCTORS in the market areas of other home improvement and/or repair businesses using the name HOUSE DOCTOR or similar names.

Item 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise.

We have not obtained any copyright registrations, but we claim common law copyrights in our operations manual (which contains proprietary information), marketing materials, and any other original or proprietary works we have developed. All such materials will bear copyright notices. We will retain all rights and interests in such materials. There are no agreements currently in effect which significantly limit our rights to use or license the use of these 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 House Doctors franchise.

You must notify us immediately when you learn about any infringement of or challenge to your use of any item or information in which we claim a copyright. We will take whatever action we think appropriate. We are not required to defend you against a claim against your use of any item or information in which we claim a copyright 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 not use, in advertising or any other form of promotion, any of our copyrighted materials, trademarks, or commercial symbols without the appropriate notices which we or the law may require, including © or other copyright registration notice. 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 such 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.

We have a distinctive system for the operation of a residential and commercial property maintenance, repair, and remodeling business. Our system includes pricing methods, management techniques, proposal and management forms/formats, specifications, procedures, knowledge and expertise in the operation of a home repair, maintenance, and remodeling business, 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 which 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. All shareholders, officers, directors, partners, members, managers, or trustees of the franchisee are presumed to have access to proprietary and confidential information, and must sign a Nondisclosure and Noncompetition Agreement to maintain the confidentiality of the proprietary and confidential information

and conform with the noncompetition covenants described in Item 15 below. A copy of the Nondisclosure and Noncompetition Agreement is attached to this disclosure document as Exhibit D.

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

At all times you or a designated manager shall devote his or her full time, energy, and best efforts to the management and operation of the Franchised Business. The Franchised Business must at all times be under the direct supervision of you or designated manager. The manager must be approved by us and must have successfully completed our training program. No individual franchisee or owner of a non-individual franchisee may compete with us or own an interest in any competitor of ours anywhere during the term of your franchise agreement or within your franchise territory for one year after the expiration or termination of your franchise agreement. Each owner of a non-individual franchisee must sign a Guaranty and Assumption of Obligations (a copy is attached to this disclosure document as Exhibit C) personally guaranteeing all of the franchisee’s obligations under the franchise agreement, and a Nondisclosure and Noncompetition Agreement (Exhibit D) to maintain the confidentiality of any confidential information about us, our system, or your franchised business that may be disclosed to him or her.

Item 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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

You must operate your franchised business under the trade name HOUSE DOCTORS (or, in certain markets, HOUSE MEDIC). You may use no other names for your franchised business without our approval.

You may not use the premises on which the franchised business is located for any purpose other than the operation of a House Doctors franchise and the sale of authorized products and services without our approval (this restriction does not apply if you operate the franchised business from your home).

You may offer and sell only those goods and services that we have approved in writing. You must offer all goods and services that we designate as required for all franchisees. These required services are residential and commercial property maintenance, repair, and remodeling services. We have the unlimited right to add additional authorized goods and services that you are required to offer. We may designate some services as optional for franchisees in certain markets.

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

| Provision | Section in Franchise Agreement | Summary |
|--------------------------------|--------------------------------|--|
| a. Term of the Franchise | 2.1 | 10 years |
| b. Renewal or extension of the | 2.2 | There is no right to renew your franchise, but, if |

| Provision | Section in Franchise Agreement | Summary |
|---|--------------------------------|--|
| term | | you meet certain requirements, we will sell you a successor franchisor for another 10-year term for 25% of our then-current initial license fee or \$2,000, whichever is greater. |
| c. Requirements for you to renew or extend | 2.2 | You must: have complied with the franchise agreement throughout the term; give notice 6 to 12 months before franchise agreement expires; execute then-current form of franchise agreement; complete any refresher training required; sign general release of claims; and pay a successor license fee of 25% of the then-current initial license fee for new franchisees or \$2,000, whichever is greater. You may be asked to sign a contract with materially different terms and conditions than your original contract. |
| d. Termination by you | None | You have no right to terminate your franchise. |
| e. Termination by us without cause | None | Not applicable |
| f. Termination by us with cause | 13.1 & 13.2 | We can terminate only if you default. |
| g. "Cause" defined - defaults which can be cured | 13.2 | You have 30 days to cure: non-payment of fees or notes, failure to submit reports, understatement of Gross Sales, failure to attain Minimum Quarterly Gross Sales for 2 consecutive quarters; failure to spend the minimum local advertising amount for 2 consecutive half years; failure to operate the franchised business in compliance with franchise agreement, the operations manual, and the system standards, and any other default not listed in section 13.1. |
| h. "Cause" defined - defaults which cannot be cured | 13.1 | Non-curable defaults: failure to complete initial training program to our satisfaction and open franchise within 6 months after franchise agreement signed; failure to maintain franchised business in continuous operation; certain assignments; failure to comply with applicable law; unapproved transfers; misrepresentation; knowingly submitted false report or maintaining false books or records; 4th breach of same term within 1 year; 3rd breach of section 15.1; bankruptcy; seizure of or execution against your franchise; unsatisfied or unappealed judgment against franchisee; certain criminal misconduct; |

| Provision | Section in Franchise Agreement | Summary |
|---|--------------------------------|--|
| | | conduct which reflects negatively on the system; danger to public. |
| i. Your obligations on termination/nonrenewal | Article 14 | Cease operating franchise, cease use of confidential information and marks, return manuals, software, records, files, and all materials containing marks, complete de-identification, cancel assumed name registration, assign or cancel telephone numbers and web sites, pay outstanding amounts and damages, obtain tail coverage for insurance, comply with restrictions on post-termination competition (also see r. below). |
| j. Assignment of contract by us | 12.1 | No restriction on our right to assign. |
| k. "Transfer" by you - definition | 12.2 | Includes transfer of contract or assets, ownership change, and encumbrance. |
| l. Our approval of transfer by you | 12.2 | We have the right to approve all transfers but may not unreasonably withhold consent. |
| m. Conditions for our approval of transfer | 12.2 | All your financial obligations and transfer fee paid, new franchisee qualifies, purchase contract is submitted to us for review and approval, you release claims, transferee attends discovery day, signs current agreement, releases claims against us for your representations, completes initial training program, purchases Start-up Package, and assumes your customer warranties (also see r, below). You may not transfer to a competitor or grant any security interest in your franchise. |
| n. Our right of first refusal to acquire your business | 12.4 | We can match any offer for your business. |
| o. Our option to purchase your business | None | Not applicable |
| p. Your death or disability | 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 | 15.1 | No involvement in a competing business; cannot assist or deal with a competing business; cannot operate in another franchisee's territory; cannot employ our or another franchisee's employees. |
| r. Non-competition covenants after the franchise is terminated or expires | 15.2 | No involvement in competing business for 1 year within your franchise territory; no solicitation of customers of your franchise for 2 years. |
| s. Modification of the agreement | 7.7, 9.3, 11.9(e) | A majority of the members of an advertising |

| Provision | Section in Franchise Agreement | Summary |
|---|--------------------------------|---|
| | & 18.3 | cooperative may impose a cooperative contribution greater than 4% of Gross Sales; we have the right to reduce the size of your territory if you fail to achieve the Minimum Quarterly Gross Sales for 2 consecutive quarters; we may modify the franchise agreement only by a written agreement, but we may modify the manual so long as it does not change your fundamental status and rights. |
| t. Integration/merger clause | 18.1 | Only the terms of the 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 waives or disclaims the disclosures made in this disclosure document. |
| u. Dispute resolution by arbitration or mediation | 16.2 – 16.4 | Except for certain claims, all disputes must be mediated in Milford, Ohio before resorting to litigation; claims may not be consolidated with claims of other franchisees; parties waive right to jury trial and punitive damages. |
| v. Choice of forum | 16.6 | Except for claims arising under a franchise law of the state where the franchised business is located, all litigation must take place where we are located, presently Clermont County, Ohio (subject to state law). |
| w. Choice of law | 16.5 | Ohio law applies (subject to state law). |

A provision in your franchise agreement that terminates the franchise on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. § 101 *et seq.*).

Item 18. PUBLIC FIGURES

We do not use any public figure to promote our franchises.

Item 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose 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 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 Jim Hunter, President, at 400 TechneCenter Drive, Suite 101, Milford, Ohio 45150), (513) 831-0100, the Federal Trade Commission, and the appropriate state or territorial regulatory agencies.

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Item 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEMWIDE OUTLET SUMMARY (Note 1)
 For Years 2009 to 2011

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|--------------------|------|----------------------------------|--------------------------------|------------|
| Franchised Outlets | 2009 | 88 | 71 | -17 |
| | 2010 | 71 | 57 | -14 |
| | 2011 | 57 | 52 | -5 |
| Company-Owned | 2009 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 |
| Total Outlets | 2009 | 88 | 71 | -17 |
| | 2010 | 71 | 57 | -14 |
| | 2011 | 57 | 52 | -5 |

Note 1: The outlets and experience listed in this table reflect the outlets and experience of HDFS. Saltire Brands purchased the franchise assets of HDFS as of June 14, 2012. These assets included the House Doctors franchise agreements and related agreements. As of October 31st, 2012, we had 45 franchise outlets and 0 company owned outlets.

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (Note 1)
 (Other than the Franchisor)
 For Years 2009 to 2011

| State | Year | Number of Transfers |
|-------|------|---------------------|
| Total | 2009 | 0 |
| | 2010 | 0 |
| | 2011 | 0 |

Note 1: The transfers (or lack of transfers) listed in this table reflect the transfers (or lack of transfers) of HDFS. Saltire Brands purchased the franchise assets of HDFS as of June 14, 2012.

Table No. 3
STATUS OF FRANCHISED OUTLETS (Note 1)
For Years 2009 to 2011*

| 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 | 2009 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2010 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2011 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Arizona | 2009 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2010 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2011 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Arkansas | 2009 | 2 | 0 | 1 | 0 | 1 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| California | 2009 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2010 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2011 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Colorado | 2009 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2010 | 3 | 0 | 0 | 1 | 0 | 0 | 2 |
| | 2011 | 2 | 0 | 2 | 0 | 0 | 0 | 0 |
| Connecticut | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Delaware | 2009 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2010 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2011 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Florida | 2009 | 3 | 1 | 0 | 0 | 1 | 0 | 3 |
| | 2010 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2011 | 3 | 0 | 0 | 0 | 1 | 0 | 2 |
| Georgia | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| Hawaii | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Idaho | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Illinois | 2009 | 6 | 0 | 0 | 1 | 0 | 0 | 5 |
| | 2010 | 5 | 0 | 2 | 1 | 2 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Indiana | 2009 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2010 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2011 | 4 | 0 | 0 | 0 | 2 | 0 | 2 |
| Iowa | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kentucky | 2009 | 4 | 0 | 0 | 1 | 0 | 0 | 3 |
| | 2010 | 3 | 0 | 0 | 0 | 1 | 0 | 2 |
| | 2011 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Louisiana | 2009 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2010 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2011 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Maryland | 2009 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |

| 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 |
|----------------|------|--------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| Massachusetts | 2010 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2011 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2009 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Michigan | 2010 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2011 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2009 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Minnesota | 2010 | 2 | 0 | 0 | 1 | 0 | 0 | 1 |
| | 2011 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2009 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Mississippi | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Missouri | 2010 | 3 | 0 | 1 | 0 | 0 | 0 | 2 |
| | 2011 | 2 | 1 | 1 | 0 | 0 | 0 | 2 |
| | 2009 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Montana | 2010 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2011 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2009 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| New Hampshire | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Jersey | 2010 | 4 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2011 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| | 2009 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| New York | 2010 | 2 | 0 | 0 | 0 | 1 | 0 | 1 |
| | 2011 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2009 | 1 | 0 | 1 | 0 | 0 | 0 | 2 |
| North Carolina | 2010 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2011 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2009 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Ohio | 2010 | 5 | 1 | 0 | 0 | 3 | 0 | 3 |
| | 2011 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2009 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Oklahoma | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Oregon | 2010 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2011 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2009 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Pennsylvania | 2010 | 5 | 0 | 1 | 0 | 1 | 0 | 3 |
| | 2011 | 3 | 2 | 0 | 0 | 1 | 0 | 5 |
| | 2009 | 5 | 0 | 0 | 0 | 1 | 0 | 4 |
| Rhode Island | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Carolina | 2010 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2011 | 2 | 0 | 0 | 1 | 1 | 0 | 0 |
| | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| 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 |
|---------------|------|--------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| South Dakota | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tennessee | 2009 | 5 | 0 | 0 | 0 | 2 | 0 | 5 |
| | 2010 | 3 | 0 | 0 | 1 | 1 | 0 | 1 |
| | 2011 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Texas | 2009 | 7 | 0 | 1 | 0 | 1 | 0 | 5 |
| | 2010 | 5 | 0 | 0 | 0 | 1 | 0 | 4 |
| | 2011 | 4 | 1 | 0 | 2 | 0 | 0 | 3 |
| Utah | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Virginia | 2009 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2010 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2011 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Washington | 2009 | 5 | 0 | 0 | 0 | 1 | 0 | 4 |
| | 2010 | 4 | 0 | 3 | 0 | 0 | 0 | 1 |
| | 2011 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| West Virginia | 2009 | 3 | 0 | 0 | 1 | 2 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wisconsin | 2009 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2010 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2011 | 2 | 0 | 0 | 0 | 1 | 0 | 1 |
| Puerto Rico | 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2009 | 88 | 3 | 4 | 3 | 13 | 0 | 71 |
| | 2010 | 71 | 4 | 6 | 3 | 7 | 0 | 57 |
| | 2011 | 57 | 5 | 3 | 2 | 5 | 0 | 52 |

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Note 1: The outlets and experience listed in the table reflect the outlets and experience of HDFFS. Saltire Brands purchased the franchise assets of HDFFS as of June 14, 2012. These assets included the House Doctors franchise agreements and related agreements. As of October 31st, 2012, we (Saltire Brands) had the following franchise outlets in the following states:

| | |
|-------------|---|
| Alabama | 1 |
| Arizona | 1 |
| Arkansas | 0 |
| California | 1 |
| Colorado | 0 |
| Connecticut | 0 |
| Delaware | 1 |
| Florida | 1 |
| Georgia | 2 |
| Hawaii | 0 |
| Idaho | 0 |
| Illinois | 0 |
| Indiana | 2 |

| | |
|----------------|----|
| Iowa | 0 |
| Kentucky | 3 |
| Louisiana | 2 |
| Maryland | 1 |
| Massachusetts | 2 |
| Michigan | 1 |
| Minnesota | 1 |
| Mississippi | 0 |
| Missouri | 2 |
| Montana | 1 |
| New Hampshire | 0 |
| New Jersey | 5 |
| New York | 0 |
| North Carolina | 4 |
| Ohio | 1 |
| Oklahoma | 0 |
| Oregon | 1 |
| Pennsylvania | 4 |
| Rhode Island | 0 |
| South Carolina | 1 |
| South Dakota | 0 |
| Tennessee | 0 |
| Texas | 3 |
| Utah | 1 |
| Virginia | 2 |
| Washington | 0 |
| West Virginia | 0 |
| Wisconsin | 1 |
| Puerto Rico | 0 |
| Total | 45 |

Table No. 4
STATUS OF COMPANY-OWNED OUTLETS (Note 1)
For Years 2009 to 2011

| State | Year | Outlets at Start of Year | Outlets Opened | Reacquired from Franchisees | Outlets Closed | Outlets Sold to Franchisees | Outlets at End of the Year |
|--------|------|--------------------------|----------------|-----------------------------|----------------|-----------------------------|----------------------------|
| Totals | 2009 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2010 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2011 | 0 | 0 | 0 | 0 | 0 | 0 |

Note 1: The outlets and experience listed in this table reflect the outlets and experience of HDFS. Saltire Brands purchased the franchise assets of HDFS as of June 14, 2012. As of October 31st, we had 0 company-owned outlets.

Table No. 5
PROJECTED OPENINGS (Note 1)
As of October 31st, 2012

| State | Franchise Agreements Signed but Outlet Not Opened | Projected New Franchised Outlets in the Next Fiscal Year | Projected Company-Owned Outlets in the Fiscal Year |
|----------------|---|--|--|
| Kentucky | 0 | 1 | 0 |
| Indiana | 0 | 1 | 0 |
| Georgia | 0 | 1 | 0 |
| Hawaii | 0 | 1 | 0 |
| Illinois | 0 | 1 | 0 |
| New Jersey | 0 | 1 | 0 |
| North Carolina | 0 | 1 | 0 |
| Ohio | 0 | 2 | 0 |
| Tennessee | 0 | 1 | 0 |
| Texas | 0 | 1 | 0 |
| Wisconsin | 0 | 1 | 0 |
| Totals | 0 | 12 | 0 |

Note 1: This table reflects projected openings by us (Saltire Brands) as of October 31st, 2012, for our fiscal year ended December 31, 2012.

No company-owned locations are projected to be opened in our current fiscal year (2012). The number of new franchised locations projected to be opened in our current fiscal year (2012), as presented in the table above, is an estimate based on the best information we have as of the date of this disclosure document. There is no assurance that the actual number of openings, or the states in which we projected the openings, will be the same as our estimates.

A list of the name, address and telephone number of all House Doctors franchisees is attached to this disclosure document as Exhibit K. A list of the name, last known city, state, and business telephone number of every House Doctors franchisee who has had their franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the date of this disclosure document, is attached as Exhibit L. (Exhibit L reflects the experience of HDFFS, except that the list of franchisors who have not communicated with us within 10 weeks of the date of this disclosure document, reflects the experience of both HDFFS and Saltire Brands) If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the House Doctors system. While we encourage you to speak with current and former franchisees, be aware that not all such franchisees will be able to communicate with you. Some franchisees have signed confidentiality clauses in the last 3 years.

As of the date of this disclosure document, there are no other trademark-specific franchisee organizations associated with the House Doctors franchise system that we have created, sponsored, or endorsed, and there

are no independent trademark-specific franchisee organizations that have asked to be included in our disclosure document.

Item 21. FINANCIAL STATEMENTS

Our unaudited opening balance sheet as of November 8, 2012 is attached to this disclosure document as Exhibit J.

The franchisor has not been in business for three years or more, and cannot include all financial statements otherwise required by the Federal Trade Commission Franchise Rule.

Our fiscal year ends on December 31.

Item 22. CONTRACTS

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

| | |
|------------------|---|
| <u>Exhibit A</u> | Franchise Agreement |
| <u>Exhibit B</u> | Irrevocable Power of Attorney |
| <u>Exhibit C</u> | Guaranty and Assumption of Obligations |
| <u>Exhibit D</u> | Nondisclosure and Noncompetition Agreement |
| <u>Exhibit E</u> | Intranet Terms of Use Agreement |
| <u>Exhibit F</u> | Franchisee Disclosure Questionnaire |
| <u>Exhibit G</u> | The addendum to our franchise agreement that you will sign if you are acquiring a Successor Franchise |
| <u>Exhibit N</u> | State Specific Addendums |

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.

720590.5



HouseDoctors[®]

Handyman Professionals | Home Improvements

**EXHIBIT A TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

FRANCHISE AGREEMENT

SALTIRE BRANDS LLC
FRANCHISE AGREEMENT

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THIS FRANCHISE AGREEMENT is between SALTIRE BRANDS LLC, an Ohio limited liability company (“Franchisor”), and the Franchisee identified on Exhibit A attached hereto and by this reference incorporated herein.

PREAMBLE:

A. Franchisor has a system and is in the process of further developing a system for the establishment and operation of a distinctive type of business that offers residential and commercial property maintenance, repair and remodeling services.

B. The System (as defined in section 19.47) consists of distinctive methods for marketing and advertising; specially designed business forms and procedures for the efficient operation of a Franchise (as defined in section 19.24); operating manuals and a training course; proprietary software; and procedures for the provision of the Franchisee’s services.

C. Franchisor has registered the service mark HOUSE DOCTORS®, and other Marks (as defined in section 19.29) with the United States Patent and Trademark Office, uses other Marks that are not registered with the United States Patent and Trademark Office and claims the right to use the Marks, any derivatives of the Marks, and certain other logos, designs, trade names, business names, trademarks, and commercial symbols 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 through the System, and to represent the System’s standards of quality, appearance and services.

E. Franchisor has granted and will continue to grant other parties the right and license to operate a Franchise and to use the Marks and the System under other franchise agreements.

F. Franchisee understands and acknowledges the importance of Franchisor’s standards of quality, service and appearance, of operating a Franchise in conformity with Franchisor’s standards and specifications as presented in Franchisor’s manuals and updates, and of preserving the confidentiality of the System.

G. Franchisee desires to purchase and operate a 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 in this agreement, the right and franchise, and Franchisee undertakes the obligation, to operate the Franchised Business (as defined in section 19.15) using the System, and a non-exclusive license to use the Marks and the System as they may be changed, improved and further developed from time to time, only within the Territory (as defined in section 1.2). Franchisee specifically acknowledges that its Franchise is non-exclusive and is granted subject to the conditions in sections 1.2 through 1.5.

1.2 Territory. The “Territory” is the geographical area described in Exhibit B of this agreement. Franchisor has the right to reduce the size of the Territory in accordance with section 7.7. If for any reason the boundaries or numbers of any ZIP Code(s) that comprise the Territory are moved, altered or eliminated, or any other boundary of the Territory changes (such as the re-routing of a road used as a boundary, for example), Franchisee shall promptly notify Franchisor and Franchisor shall re-define the

boundaries of the Territory to correspond as nearly as possible, in Franchisor's Business Judgment, to the original Territory. Franchisor's decision will be final and binding upon Franchisor and Franchisee.

1.3 Territorial Rights and Limitations. So long as Franchisee is in Good Standing (as defined in section 19.22) during the term of this agreement, Franchisor shall not operate or establish or authorize another to operate or establish a House Doctors Franchise in the Territory.

1.4 Reserved Rights of Franchisor. Franchisor specifically reserves all rights not expressly granted to Franchisee in this agreement. Without limiting the generality of the preceding sentence, Franchisor has the right to: (i) own, acquire, establish and operate, and license others to establish and operate, businesses substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, at any location outside the Territory; (ii) acquire a system of Competitive Businesses with units located in the Territory, so long as those units do not use the Marks; and (iii) offer and provide services to Special Accounts (subject only to the provisions of section 1.5 below). Other House Doctors Franchisees (as defined in section 19.25) may conduct or participate in advertising and promotional activities that target or are directed to potential customers who reside or work in the Territory (including commercials on television and radio stations that broadcast, and advertisements in newspapers and magazines that circulate, in the Territory).

1.5 Special Accounts. Franchisor has the exclusive right to contract with any Special Account (as defined in section 19.41) for provision of Special Account Services (as defined in section 19.42) regardless of where the account is headquartered and regardless of whether Franchisee or any other House Doctors Franchisee has provided services to the Special Account before Franchisor entered into the contract with the Special Account. If Franchisor establishes a contract for the provision of Special Account Services that include facilities of the Special Account located in the Territory, Franchisor shall offer Franchisee the first option of providing the services to the Special Account at those facilities in the Territory at the prices and subject to the contract requirements negotiated by Franchisor with the Special Account. If Franchisee accepts the project, unless otherwise agreed by Franchisor, Franchisor will collect all amounts due from the Special Account and remit to Franchisee the amount due for services the Franchisee provided to the Special Account, less the amount of Royalties and Advertising Contributions due Franchisor on the amount collected, which Franchisor will retain for its own account. All amounts collected from Special Accounts on Franchisee's behalf or by Franchisee from Special Accounts will be included in Franchisee's Gross Sales for purposes of calculating Royalties and Advertising Contributions due under this agreement. If Franchisee declines to accept the project, Franchisor will have the unfettered right to fulfill the contract requirements to the Special Account in the Territory in any manner it deems suitable in its Business Judgment, including through another House Doctors Franchisee, a Franchisor- or Affiliate-owned business, or a third-party contractor. Additionally, if at any time a Special Account for any reason requests that services in the Territory be provided by someone other than Franchisee, Franchisor may revoke Franchisee's option or right to provide or continue to provide the services, and may fulfill the contract requirements to the Special Account in the Territory in any manner Franchisor deems suitable in its Business Judgment.

ARTICLE 2

TERM; SUCCESSOR FRANCHISE

2.1 Term. Unless earlier terminated as provided in this agreement, the term of this agreement is ten years commencing on the Effective Date (as defined in section 19.13) and ending on the Expiration Date (as defined in section 19.14).

2.2 Successor Franchise. Except for the Post-Termination Provisions (as defined in section 19.37), Franchisee's rights and Franchisor's obligations under this agreement terminate at the Expiration Date.

Nothing in this agreement gives Franchisee any right to renew this agreement for an additional term, but, subject to subparagraphs (a) through (f) of this section 2.2, for a period of one year before the Expiration Date, Franchisee will be eligible for a Successor Franchise (as defined in section 19.45) for the Territory, also for a ten-year term to commence the day after the Expiration Date of this agreement. Any Successor Franchise will be on the terms of Franchisor's then-current franchise agreement (which may materially differ, in economic and other aspects, from this agreement and its requirements), but start-up terms (*e.g.*, initial training, phase in of Minimum Quarterly Gross Sales, etc.) will not apply, and Franchisee will not be required to pay another Initial License Fee or Territory Fee (although Franchisee will be required to pay a Successor Franchise Fee). Franchisor will not award Franchisee a Successor Franchise unless and until Franchisee complies with the following conditions:

- (a) Franchisee gives Franchisor a written request for a Successor Franchise at least six months, but not more than one year, before the Expiration Date. Within thirty days after its receipt of a timely request, Franchisor shall confirm, in writing, Franchisee's eligibility or ineligibility for a Successor Franchise. If Franchisee has failed to comply with all of the conditions listed in this section 2.2 at the time Franchisor receives the request, Franchisor has the right to refuse to grant Franchisee a Successor Franchise. If Franchisee is ineligible to obtain a Successor Franchise, but the ineligibility is caused by a non-compliance that can be cured, and Franchisor, in its Business Judgment, is willing to consider granting Franchisee a Successor Franchise, Franchisor will notify Franchisee accordingly. Franchisee will be eligible for a Successor Franchise if Franchisee cures the noncompliance within thirty days after Franchisor notifies Franchisee of its ineligibility. Neither Franchisee's request to obtain a Successor Franchise nor Franchisor's failure to advise Franchisee of its ineligibility will affect or impair Franchisor's right to terminate this agreement under Article 13.
- (b) Franchisee is in Good Standing and has substantially complied with all of the material terms and conditions of all agreements between Franchisee (or its Principals or Affiliates, as defined in sections 19.38 and 19.1, respectively) and Franchisor (or any of the Franchisor-Related Persons, as defined in section 19.20) during the respective terms thereof.
- (c) At least sixty days before the Expiration Date, Franchisee executes Franchisor's then-current form of franchise agreement, which will supersede this agreement in all respects.
- (d) At least sixty days before the Expiration Date, unless prohibited by the laws of the state in which Franchisee resides or the Franchised Business is located, Franchisee and each of its Principals and Remote Principals (as defined in section 19.39) signs and delivers to Franchisor its then-current form of General Release (as defined in section 19.21).
- (e) At least thirty days before the Expiration Date, Franchisee complies with Franchisor's then-current qualification and training requirements, including any training requirements specifically designed for Successor Franchisees.
- (f) Franchisee pays Franchisor the Successor Franchise Fee (as defined in section 19.46) at the same time that Franchisee gives Franchisor the written request required by section 2.2(a). If Franchisor refuses to grant Franchisee a Successor Franchise, Franchisor shall, at the same time Franchisor notifies Franchisee of the refusal, refund the Successor Franchise Fee paid by Franchisee. The Successor Franchise Fee is not refundable under any other circumstances.

2.3 Continued Operation Following Expiration. Franchisee has no right to continue to operate the Franchised Business after the Expiration Date unless Franchisee is granted a Successor Franchise in accordance with section 2.2. If Franchisor permits Franchisee to continue to operate the Franchised Business after the Expiration Date but before the execution of a Successor Franchise Agreement as required by section 2.2(c), 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 or the Franchised Business are 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.

ARTICLE 3

LOCATION OF BUSINESS

Franchisee shall lease, purchase or otherwise secure a suitable Franchise Premises (as defined in section 19.19) for the operation of the Franchised Business. Franchisee may operate the Franchised Business from Franchisee's residence (whether or not Franchisee resides within the Territory) if permitted by, and so long as Franchisee fully complies with, all applicable building, zoning and licensing laws, ordinances, requirements and restrictions. If Franchisee resides outside the Territory, Franchisee must obtain, before opening the Franchised Business, and maintain at all times during the term of this agreement, a mailing address located within the Territory. If Franchisee does not operate the Franchised Business from Franchisee's residence, the Franchise Premises must be located within the Territory. Franchisee shall provide Franchisor with the address of the Franchise Premises prior to opening the Franchised Business, and shall notify Franchisor promptly of any change in the location of the Franchise Premises.

ARTICLE 4

INITIAL FEES

4.1 Initial License Fee. Franchisee shall pay Franchisor an Initial License Fee of \$9,800. The Initial License Fee is fully earned, due and payable to Franchisor upon the execution of this agreement. The Initial License Fee is not refundable.

4.2 Territory Fee. Franchisee shall pay Franchisor a Territory Fee of \$30,000, payable as follows: Franchisee shall pay \$10,000 upon the execution of this agreement, and shall pay the balance no later than one week before Franchisee begins the initial training program described in section 7.1. The Territory Fee is fully earned upon the execution of this agreement and is not refundable.

4.3 Start-up Package Fee. Franchisee shall pay Franchisor a Start-up Package Fee of \$9,200 for the Start-up Package described in section 6.1(a). The Start-up Package Fee is due upon Franchisee's execution of this agreement. If this agreement is terminated before Franchisee opens the Franchised Business, Franchisor shall repurchase any unopened, unused items in saleable condition from the Start-up Package (excluding customized promotional materials and supplies) and provide Franchisee with a refund for the returned items. Franchisee shall pay all transportation costs to return Start-up Package items. The Start-up Package Fee is not refundable under any other circumstances.

ARTICLE 5

RECURRING FEES

5.1 Royalty. Solely in consideration of Franchisee's continued right to use the Marks, Franchisee shall pay Franchisor, as a weekly Royalty:

- (a) 6% of Franchisee's Gross Sales attributable to sales of services (labor), and
- (b) 4% of Franchisee's Gross Sales attributable to sales of goods (materials).

All Royalty payments for each weekly reporting period are due by the following Thursday. The weekly reporting period begins on Monday and ends the following Sunday.

5.2 Quarterly Minimum Royalty. Franchisee shall pay Franchisor, on a quarterly basis, the Royalties payable under section 5.1 or a Minimum Royalty of 5½% of Franchisee's Minimum Quarterly Gross Sales, whichever is greater. If the Royalties payable on Franchisee's actual Gross Sales during each calendar quarter are less than 5½% of Franchisee's Minimum Quarterly Gross Sales, then Franchisee shall pay Franchisor the difference by the fifteenth day of the next calendar quarter. Minimum Royalty payments are due on January 15, April 15, July 15, and October 15 of each year based upon Franchisee's Minimum Quarterly Gross Sales for the preceding calendar quarter.

5.3 Advertising Contribution. Franchisee shall pay to Franchisor, or to any Advertising Fund established under Article 11, a weekly Advertising Contribution of 2% of Franchisee's Gross Sales. All Advertising Contributions for each weekly reporting period are due by the following Thursday.

5.4 Quarterly Minimum Advertising Contribution. Franchisee shall pay Franchisor, on a quarterly basis, the Advertising Contribution payable under section 5.3 or a Minimum Advertising Contribution of 2% of Franchisee's Minimum Quarterly Gross Sales, whichever is greater. If the Advertising Contribution payable on Franchisee's actual Gross Sales during each calendar quarter is less than 2% of Franchisee's Minimum Quarterly Gross Sales, then Franchisee shall pay Franchisor the difference by the fifteenth day of the next calendar quarter. Minimum Advertising Contribution payments are due on January 15, April 15, July 15, and October 15 of each year based upon Franchisee's Minimum Quarterly Gross Sales for the preceding calendar quarter.

5.5 Late Payments and Reports.

(a) Franchisee shall pay to Franchisor (or to the Advertising Fund, as the case may be) a \$20.00 late fee on each payment of any kind that is not received by Franchisor within five days after its due date.

(b) Any payment of any kind that is not received by Franchisor within thirty days after its due date will bear interest at the rate of 18% per annum, or the highest rate allowed by law, whichever is lower, from the date payment was due until the date the payment is received by Franchisor, regardless of any subordinate agreement that may be in effect to postpone payment of any fees.

(c) Franchisee shall pay Franchisor a \$25.00 late fee each time any report required by section 7.10 or otherwise by this agreement is not received by Franchisor by its due date and time.

5.6 Gross Sales. The term "Gross Sales" means all sales and other income, whether cash or credit (and regardless of collection in the case of credit), less (i) refunds and discounts made to customers in good faith and in accordance with Franchisor's policies, and (ii) sales or excise taxes that are separately stated and that Franchisee may be required to and does collect from customers and pays to any federal, state, or local taxing authority.

5.7 Electronic Funds Transfer.

(a) Franchisee shall make all payments to Franchisor, the Advertising Funds, or any Affiliate of Franchisor, including Royalties, Advertising Contributions, interest, late fees and legal expenses, through an electronic depository transfer account ("EDT Account") established at a national banking institution approved by Franchisor. Within six months after the Effective Date and before opening the Franchised Business, Franchisee shall establish the EDT Account and execute and deliver to Franchisor an authorization for electronic funds transfer (in substantially the form attached to this agreement as Exhibit E or a form prescribed by or acceptable to

Franchisor's and Franchisee's bank) 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, Advertising Contributions, legal expenses, interest, late fees and other any amounts payable to Franchisor or any Affiliate of Franchisor. Franchisee shall make funds available in 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 pay Franchisor a \$25.00 charge-back fee and reimburse Franchisor for all bank and transaction charges incurred by Franchisor as the result of the charge-back. Once established, Franchisee may not close the EDT Account without Franchisor's consent.

(b) If Franchisee has not timely reported Franchisee's Gross Sales to Franchisor for any reporting period, then Franchisor shall debit Franchisee's EDT Account an amount equal to the late fee prescribed by section 5.5(c), plus 125% of the amounts payable by Franchisee for the Royalty and Advertising Contribution for the last reporting period for which Franchisee reported its Gross Sales. If the amounts debited are less than the amounts Franchisee actually owes (once Franchisor determines Franchisee's true Gross Sales for the reporting period), Franchisor shall debit the EDT Account for the balance of the Royalty and Advertising Contribution 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 Sales for the reporting period), Franchisor shall credit the excess (without interest) against the amount Franchisor otherwise would debit from the EDT Account the week after Franchisor determines Franchisee's true Gross Sales for the reporting period. 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 Sales when due constitutes grounds for the termination of this agreement, notwithstanding this paragraph.

5.8 Convention Fee. If Franchisor holds a national convention for House Doctors Franchisees as described in section 7.19, Franchisee shall pay Franchisor the convention fee in the amount and at the time required by Franchisor, regardless of whether Franchisee or the Designated Manager actually attends the convention.

5.9 Taxes on Amounts Paid to Franchisor. All payments required to be made by Franchisee to Franchisor 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 on the payments 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, or other taxes (other than income 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.

5.10 Application of Payments. As to Franchisee and any Affiliate of Franchisee, Franchisor has the right to: (i) apply any payments received to any past due, current, future or other indebtedness of any kind in Franchisor's Business Judgment, regardless of how payment is designated by Franchisee or any other person; (ii) set off, from any amounts that may be owed by Franchisor, any amount owed to Franchisor or any Advertising Funds; and (iii) retain any amounts received for Franchisee's account (and/or that of any Affiliate of Franchisee), whether rebates from suppliers or otherwise, as a payment against any amounts owed to Franchisor. Franchisor can exercise any of the foregoing rights in connection with amounts owed to or from Franchisor, any Franchisor-Related Person, and/or any Advertising Funds.

5.11 Currency. Unless otherwise specified, all references to money in this agreement mean United States Dollars.

ARTICLE 6

DUTIES OF FRANCHISOR

6.1 Assistance by Franchisor. Franchisor, at its sole expense and cost, shall provide the following assistance and materials to Franchisee:

- (a) a Start-up Package containing the computer equipment, marketing and promotional materials, business cards, stationery, uniforms, the attendance fee for your first annual franchisee convention, and other supplies required for the operation of the Franchised Business, as detailed in Exhibit C;
- (b) the initial training described in section 7.1 for up to two individuals, one of whom must be either Franchisee or the Designated Manager;
- (c) a list of all equipment necessary to operate the Franchised Business;
- (d) a current set of advertising and promotional templates;
- (e) 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;
- (f) periodic assistance to the extent Franchisor deems necessary in its Business Judgment; and
- (g) periodic newsletters, bulletins, and such other materials, information and assistance as Franchisor may from time to time deem necessary in its Business Judgment.

6.2 Business Forms. Franchisor shall furnish Franchisee with the business and reporting forms for use by Franchisee in the Franchised Business. Upon request, Franchisor will provide Franchisee with specifications for the proper preparation of the business and reporting forms, which Franchisee may purchase from a supplier who has complied with Franchisor's supplier approval guidelines as described in section 7.5. Because all business and reporting forms will bear the Marks, Franchisor may require any supplier to execute a license agreement specifying the manner in which the Marks are to be imprinted, the required text on the forms, and other necessary specifications and standards for the preparation of the forms.

6.3 Manual. Franchisor shall loan Franchisee, at no charge to Franchisee, one copy of Franchisor's current Manual as described in Article 9, which may consist of one or more volumes and may be provided digitally via the Franchisee Intranet, compact disk, DVD or other medium.

ARTICLE 7

DUTIES OF FRANCHISEE

7.1 Training. Within six months after the Effective Date and before opening the Franchised Business, either Franchisee or the Designated Manager shall complete, to Franchisor's satisfaction, Franchisor's initial training program for new franchisees at Franchisor's corporate headquarters or other facility designated by Franchisor. If Franchisee or the Designated Manager fails to complete the initial training program to Franchisor's satisfaction within six months after the Effective Date, then Franchisor may terminate this agreement without refunding any money paid by Franchisee. Franchisee or the Designated Manager also shall attend and complete, to Franchisor's satisfaction, all additional training programs reasonably required by Franchisor from time to time. Franchisor, at its option, may charge Franchisee a fee for any additional training. Training programs may be held, in Franchisor's Business Judgment, at Franchisor's corporate headquarters, a convention or national or regional meeting site, or any other facility designated by Franchisor. In connection with all such training, Franchisee is responsible for all expenses incurred by Franchisee or its trainees, including the cost of travel, lodging, meals, wages and training fees 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 House Doctors Franchisees, in order to develop and maintain high and uniform operating standards, to increase the demand for the products and services sold by all House Doctors Franchisees, to establish and maintain a reputation for providing uniform, efficient, and high-quality services, and to protect the goodwill of all House Doctor franchises. Franchisee further acknowledges and agrees that a fundamental requirement of the System, this agreement, and other House Doctors Franchises is adherence by all House Doctors Franchisees to the System Standards (as defined in section 19.48). Accordingly, Franchisee shall comply with each and every System Standard, as periodically modified and supplemented by Franchisor in its Business Judgment, 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 will 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 Authorized Products and Services. Franchisee shall offer and sell all Authorized Products and Services (as defined in section 19.5) and only Authorized Products and Services. Franchisor may unilaterally add products or services to the Authorized Products and Services in its Business Judgment at any time. Franchisor may also designate any Authorized Products and Services as optional. Franchisee shall offer and honor a one-year warranty on Franchisee's services as described in the Manual from time to time.

7.4 Equipment.

(a) Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, signs, the Communication and Information System described in section 7.18, the service vehicles described in section 7.4(b), and other equipment specified by the System Standards as modified from time to time; and shall not permit the installation of any fixtures, furnishings, signs, software, or equipment that does not conform to the System Standards as modified from time to time.

(b) To protect the best interests of all franchisees, Franchisor has established specifications and guidelines for the acceptable appearance and use of all House Doctors service vehicles and signage, including the color and use of the House Doctors logo decals. Franchisee shall use the service vehicles solely for the operation of the Franchised Business in compliance with this

agreement. Franchisee shall ensure that its service vehicles present a professional image in conformance with the System Standards, and shall maintain them in good repair and safe condition, which may include the repair or replacement of damaged, worn-out or obsolete equipment, signs and service vehicles. Franchisee shall modify, re-equip and refurbish its service vehicles at reasonable intervals as Franchisor directs, to accommodate changes in the System Standards as required of new House Doctors Franchisees (provided that Franchisee will have a reasonable time period remaining under this agreement to amortize the costs of service vehicle improvements). Franchisee shall place or display on the service vehicles only signs, emblems, lettering, logos, and display and marketing materials approved by Franchisor. If at any time in Franchisor's Business Judgment, the general state of repair, appearance or cleanliness of Franchisee's service vehicles, or any fixtures, equipment, or signs used in the Franchised Business, do not meet Franchisor's standards, Franchisor will notify Franchisee, specifying the action required to correct the deficiency. If Franchisee does not correct the deficiency within thirty days, Franchisor has the right (in addition to Franchisor's rights under Article 13) to prohibit Franchisee from using any substandard service vehicle, and the right, but not the obligation, to correct the deficiencies on Franchisee's behalf, and Franchisee shall reimburse Franchisor upon demand for all costs incurred by Franchisor to correct the deficiencies.

7.5 Supplier Approval. Franchisee shall purchase all furnishings, fixtures, signs, supplies and other products, materials and services required for the operation of the Franchised Business solely from suppliers (including manufacturers, distributors, wholesalers and brokers) who have been approved or designated by Franchisor. Franchisor will base its approval of suppliers upon a variety of factors, including their ability to meet Franchisor's then current standards and specifications; their quality controls; their capacity to supply Franchisee's needs promptly and reliably; and their prices. Franchisee recognizes that because of price discounts, benefits or other legitimate sales incentives, Franchisor may require Franchisee to participate with Franchisor or other House Doctors Franchisees when purchasing certain items, products or services to be sold or utilized in the Franchised Business. If Franchisee desires to purchase any items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for approval or 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 use its best efforts to notify Franchisee of Franchisor's approval or disapproval within fifteen days after Franchisor receives all information requested by Franchisor. Franchisor has the right, in its Business Judgment, to reinspect the facilities and products of any approved supplier, and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's criteria. Franchisor and 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 House Doctors Franchisees, which Franchisor is entitled to retain and use without restriction for any purpose and without accounting to Franchisee.

7.6 Business Operation. Franchisee shall open the Franchised Business within six months after the Effective Date, or, with Franchisor's prior written approval, such longer period as may be required to comply with governmental licensing requirements. 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 Franchise Premises for any purpose or activity other than the operation of the Franchised Business without first obtaining the written consent of Franchisor. This restriction does not apply if the Franchise Premises is located in Franchisee's residence.

7.7 Minimum Quarterly Gross Sales.

(a) Franchisee’s Gross Sales for each calendar quarter must equal or exceed the applicable “Minimum Quarterly Gross Sales” in the table below. Franchisee’s failure to achieve or exceed the Minimum Quarterly Gross Sales for two consecutive calendar quarters is a material breach of this agreement, for which Franchisor, in addition to its other legal and equitable remedies, may terminate this agreement in accordance with section 13.2 or reduce the geographic size of the Territory.

| | <u>Year 1</u> | <u>Year 2</u> | <u>Year 3</u> | <u>Year 4</u> | <u>After Year 4</u> |
|--------------------------------|---------------|---------------|---------------|---------------|---------------------|
| Minimum Quarterly Gross Sales: | - 0 - | \$ 32,500 | \$ 45,000 | \$ 60,000 | \$ 80,000 |

For example, Franchisee’s Gross Sales for each calendar quarter during Year 3 must equal or exceed \$45,000. For purposes of the table above, “Year 1” is the period that begins on the Effective Date and ends on and includes last day of the calendar quarter in which the first anniversary of the Effective Date occurs; “Year 2” is the one-year period that begins on and includes the first day of the calendar quarter following the one in which the first anniversary of the Effective Date occurs; etc. For example, for an Effective Date of May 23, 2009, Year 1 begins on that date and ends on June 30, 2010; Year 2 begins on July 1, 2010 and ends on June 30, 2011; Year 3 begins on July 1, 2011 and ends on June 30, 2012; and so on.

(b) Franchisee acknowledges that the Minimum Quarterly Gross Sales amounts in the above table do not constitute, and are not in the nature of, “earnings claims” or “financial performance representations.” Franchisor disclaims any representation, warranty, or guarantee that Franchisee can or will achieve levels of sales necessary to comply with the Minimum Quarterly Gross Sales amounts above, or any other level or range of sales, income, or other measures of performance. As a practical business matter, Franchisor is unable to reliably estimate or predict the future financial or other results of any House Doctors Franchisee, and is unable to reliably estimate or predict Franchisee’s potential results.

Franchisee specifically understands that section 7.7 above permits Franchisor to terminate this agreement or reduce the size of Franchisee’s Territory if Franchisee fails to achieve or exceed the applicable Minimum Quarterly Gross Sales for two consecutive calendar quarters.

_____ **Initials of Franchisee or individual signing on behalf of Franchisee**

7.8 Management of Franchised Business. At all times during the term of this agreement, Franchisee or the Designated Manager shall devote his or her full time, energy, and best efforts to the management and operation of the Franchised Business. The Franchised Business must at all times be under the direct supervision of Franchisee or the Designated Manager.

7.9 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 shall hold Franchisor harmless therefrom. All taxes shall be paid directly to the appropriate taxing authority prior to the delinquent date. If Franchisee fails to pay any such obligations promptly as they become due, or if any taxes become delinquent, Franchisor, in addition to its other remedies provided in this agreement, may pay any obligation or tax on behalf of Franchisee, together with any late charges, penalties, and interest, if any, and Franchisee shall, upon demand, reimburse Franchisor for any sums Franchisor has paid, together

with interest at the rate of 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 and Reports. Franchisee shall maintain and preserve, for at least six years after the date of their preparation, full, complete and accurate books and records of account, prepared in accordance with generally accepted accounting principles, and customer files and records, 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, by 5:00 p.m. Eastern Time on Wednesday of each week, a Gross Sales report in the form prescribed by Franchisor, certified by Franchisee or by the Designated Manager, accurately reflecting Franchisee's Gross Sales during the preceding weekly reporting period ending on Sunday, and such other data or information as Franchisor may require;
- (b) Submit to Franchisor, by the last day of each calendar month, an income statement, certified by Franchisee or by the Designated Manager as accurately reflecting the results of operations of the Franchised Business for the preceding calendar month;
- (c) Submit to Franchisor, by April 30 of each year, an income statement and balance sheet, certified by Franchisee or by the Designated Manager as accurately reflecting the results of operations of the Franchised Business for the preceding calendar year and the financial condition of the Franchised Business as of December 31 of the preceding calendar year, together with such other information as may be prescribed by Franchisor;
- (d) Submit to Franchisor signed copies of the federal income tax return for the previous tax year, as filed with the Internal Revenue Service, of Franchisee and of any Affiliate of Franchisee, on or before April 30 of each year or, if the taxpayer has received an extension of time to file and Franchisee submits to Franchisor a signed, file-stamped copy of IRS Form 4868 or 2688, as applicable, by April 30, then within fifteen days after the final due date for such return, but in no event later than October 30 of each year;
- (e) Submit to Franchisor, within one month after the end of each calendar quarter, an itemized report of Franchisee's Local Advertising expenditures for the calendar quarter (and, if requested by Franchisor, receipts for all Local Advertising expenditures) as required by section 11.8;
- (f) Submit to Franchisor, within ten days after request, such other forms, reports, bank statements, customer files, records, information and data as Franchisor may reasonably request;
- (g) Use only the chart of bookkeeping accounts prescribed by Franchisor in the Manual or otherwise communicated to Franchisee;
- (h) 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 Internet or intranet reporting and pre-authorization of electronic funds transfer or bank debit; and
- (i) 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, customer files, federal, state and local income tax, sales tax, and payroll tax returns, and any other information or records pertaining to the Franchised Business or which Franchisee is required to maintain under this agreement (hereafter referred to as Franchisee's "Business Records"). If, as a

result of any inspection, Franchisor determines that Franchisee has understated its Gross Sales (as defined in section 5.6) in any report to Franchisor, then Franchisee shall immediately pay the Royalty and Advertising Contribution payable on the amount of the understatement, plus the late fee and interest imposed by section 5.5. In addition, if, as a result of any inspection, Franchisor determines that Franchisee has understated its Gross Sales by 3% or more for any weekly period, 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 reimburse Franchisor for all costs and expenses of the inspection (including wages paid by Franchisor to its employees, travel expenses, and reasonable accounting and legal expenses). The foregoing remedies are in addition to any other remedies Franchisor may have under this agreement or at law or in equity. Franchisor may also, at all times during the term of this agreement and for a period of three years after the termination or expiration of this agreement, retain an independent party to audit Franchisee's Business Records. The terms of this paragraph will survive the expiration, termination or cancellation of this agreement.

7.11 Insurance.

(a) Before opening the Franchised Business and thereafter at all times during the entire term of this agreement, Franchisee, at its own expense, shall obtain and keep in force by advance payment of premium:

- (1) All-Risk Insurance on all furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business, for its full replacement cost;
- (2) Commercial General Liability Insurance covering claims for bodily and personal injury, death, and property damage with a minimum per occurrence limit of \$1,000,000 and a minimum general aggregate limit of \$2,000,000;
- (3) Automobile Liability Insurance for owned, hired, and non-owned vehicles with a minimum combined single limit of \$1,000,000;
- (4) Employee Dishonesty Insurance with a minimum limit of \$10,000; and
- (5) 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.

(b) 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 as may be required by any lease to which Franchisee is a party. All policies of insurance that Franchisee is required to maintain hereunder shall contain a separate endorsement naming Franchisor as an additional insured, as its interest may appear, and shall have a deductible of not more than \$5,000. 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 ten days written notice to Franchisor. Franchisee shall submit to Franchisor, before opening the Franchised 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 Franchisee has complied with all of the requirements of this paragraph. If Franchisee fails to comply with these requirements, Franchisor has the right (but is not obliged) 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 18% per annum, or the highest rate allowed by law, whichever is less. Franchisor, upon not less than thirty 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 will survive the expiration, termination or cancellation of this agreement.

7.12 Non-Individual Franchisee. If Franchisee is not an individual, it shall comply with the following requirements before its execution of this agreement:

(a) Franchisee shall be newly organized and its articles of incorporation or organization, bylaws, partnership agreement, or operating agreement shall provide that its activities are confined exclusively to operating the Franchised Business.

(b) Franchisee shall provide Franchisor with written information about each Principal of Franchisee and the interest of each on Exhibit A hereto, and shall promptly notify Franchisor of any changes in any such information during the term of this agreement;

(c) All Principals of Franchisee shall enter into a Guaranty and Assumption of Obligations, 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 must 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 Saltire Brands LLC.”

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 (as defined in section 19.53) of any Ownership Interest in Franchisee (as defined in section 19.35) 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) Franchisee shall furnish Franchisor for its approval copies of Franchisee's articles of incorporation or organization, by-laws, partnership agreement, and/or operating agreement, as the case may be, and other organizational documents, including the resolutions of its Principals or governing board authorizing the execution of this agreement.

(f) Franchisee's name may not contain any of the Marks or any colorable variation thereof.

7.13 Compliance with Law. Franchisee shall comply with all laws, regulations and requirements of federal, state, municipal, and other governmental entities and agencies (including fictitious or assumed name statutes, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, and any other federal, state or local employment laws), and 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 agrees and acknowledges that Franchisee alone is responsible for compliance with the obligations under this paragraph and that Franchisor has no obligation to Franchisee or any other person for Franchisee's compliance under this paragraph. Franchisee specifically acknowledges and agrees that its indemnification responsibilities in Article 17 include Franchisee's obligations under this paragraph. In

connection with its obligations under this paragraph, Franchisor hereby consents for Franchisee to disclose to Franchisee's legal counsel, for the purpose of ensuring compliance with and enforceability under state and local law, any and all forms, agreements and other documents provided by Franchisor for use in the Franchised Business.

7.14 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," which is available at <http://www.treasury.gov/offices/enforcement/ofac/sdn>.) 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 (as defined in section 19.4). 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 in Article 17 include Franchisee's obligations under this section 7.14. 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 and any other agreement between any Franchisor-Related Person and Franchisee or any of its Affiliates, Principals or employees.

7.15 Customer Dispute Resolution. Franchisee acknowledges that customer satisfaction is essential to Franchisee's success as well as the reputation and success of the Marks, the System and other House Doctors Franchisees. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the satisfaction of each of Franchisee's customers; (ii) use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; (iii) respond to customer complaints in a courteous, prompt, and professional manner; (iv) use its best efforts to promptly and fairly resolve customer disputes in a mutually-agreeable manner; and (v) honor, in accordance with their terms, all written product and service warranties provided by Franchisee in connection with its Franchised Business. If Franchisee fails to resolve a dispute with a customer, for any reason whatsoever, Franchisor, in its Business Judgment and for the sole purpose of protecting the goodwill and reputation of the Marks, may (but shall not be obligated to) investigate the matter and require Franchisee to take such actions as Franchisor may deem necessary or appropriate to resolve the dispute fairly and promptly. Nothing contained in this section or in 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.

7.16 Background Review of Employees. Franchisee acknowledges and understands that Franchisee's employees will be entering the homes of Franchisee's customers and other persons to sell and provide Authorized Products and Services. Accordingly, to ensure the safety of Franchisee's customers and other persons, before hiring any prospective employee, Franchisee shall conduct a background review of the prospective employee's criminal, motor vehicle and credit history, and update each employee's background review at least every two years. Franchisee shall not hire any individual or retain any employee for any position involving entrance to any residence if the prospective employee's background review indicates, in Franchisee's reasonable judgment, a propensity for violence, dishonesty, or negligent, reckless or careless behavior. Franchisor is not liable to Franchisee, any employee or prospective employee of Franchisee, or any other person for any act or omission of Franchisee or any employee or agent of Franchisee. Franchisee specifically acknowledges and agrees that its indemnification responsibilities in Article 17 include Franchisee's (i) obligations under this paragraph (ii) any claims, demands or actions arising from any act or omission of Franchisee or any employee or agent of

Franchisee relating to refusal to hire, negligent hiring, or employment discrimination, and (iii) claims asserted by third parties for intentional torts allegedly committed by any employee or agent of Franchisee.

7.17 Designated Manager. Franchisee shall designate, subject to Franchisor's reasonable approval, a "Designated Manager" who will be responsible for general oversight and management of the operations of the Franchised Business on behalf of Franchisee. The Designated Principal 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 has the right to rely upon the Designated Manager to have been given, by Franchisee, decision-making authority and responsibility regarding all aspects of the Franchised Business. If the person designated as the Designated Manager 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 Manager, subject to Franchisor's reasonable approval.

7.18 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 Franchised Business, and shall maintain and utilize during the term of this agreement, the Communication and Information System specified by the System Standards from time to time.

(a) As used in this agreement, the term "Communication and Information System" means: computer hardware (including one or more computers and/or other computer components); computer software for the management and operation of the Franchised Business and reporting and sharing information with Franchisor; and communication systems (including digital and analog modems, satellite, cable and other systems).

(b) Franchisee shall lease and/or purchase its Communication and Information System only from suppliers that Franchisor has approved in writing pursuant to section 7.5. 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 computer applications for use in the System, which Franchisee may be required to purchase and/or license and use in the operation of the Franchised Business. Franchisee shall execute any license, sublicense or maintenance agreement required by Franchisor or any other approved licensor or supplier of proprietary computer applications designated by Franchisor. Franchisee agrees that Franchisor has no liability to Franchisee or any other person for any damages, costs or expenses caused by Third-Party Software (as defined in section 19.52).

(d) If required by Franchisor, Franchisee shall obtain and maintain a contract with a supplier that Franchisor has approved in writing for software maintenance, support, and upgrade services for Franchisee's Communication and Information System and to provide Franchisee with such assistance as Franchisee and Franchisee's employees may require. Franchisee acknowledges that Franchisor may be one of, or the only, approved supplier for such services, and if Franchisee obtains these services from Franchisor, then Franchisee shall pay Franchisor any fees, if any, required by Franchisor for the services. Notwithstanding Franchisor's right to provide such services, this paragraph does not obligate Franchisor to provide any such services or support for the hardware or software used in the Communication and Information System.

(e) Franchisor may modify the Communication and Information System specifications as needed from time to time to maximize the operation of the software, to maintain access to the Franchisee Intranet, or to foster the efficient operation and management of the Franchised

Business. Franchisee shall make all Enhancements to its Communication and Information System in the manner and when specified by Franchisor in accordance with section 9.3.

(f) 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.

(g) Franchisee shall: (a) promptly enter into its Communication and Information System and maintain all information required to be entered and maintained by Franchisor; (b) provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained, and (c) permit Franchisor to access Franchisee's Communication and Information System at all times by any commercially available 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 in this section are in addition to and not in lieu of the reporting requirements in section 7.10.

(h) 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.

(i) Franchisee shall maintain at least one dedicated telephone line for use exclusively by the Franchised Business. Each telephone line shall have service features as required by Franchisor in the Manual or otherwise communicated to Franchisee from time to time. Franchisor may require Franchisee to provide a full-time employee or answering service to answer Franchisee's telephone during regular business hours. All lines shall be operational and functional before opening the Franchised Business and thereafter at all times. The telephone number for the Franchised Business must be listed in a white-pages telephone directory under the Trade Name and an address or other location within the Territory.

(j) Before opening the Franchised Business and thereafter at all times, Franchisee shall obtain and maintain a high speed Internet connection. Franchisee hereby authorizes Franchisor to communicate with Franchisee via electronic mail.

(k) Franchisor has the right, but not the obligation, to establish a Franchisee Intranet (as defined in section 19.17) in its Business Judgment. If required by Franchisor, Franchisee shall establish and maintain access to and use the Franchisee Intranet in the manner specified by Franchisor. Franchisor may, in its Business Judgment, use the Franchisee Intranet to provide various forms of training and other assistance to Franchisee, to provide access to the Manual and updates thereto, for House Doctors Franchisees to file financial and other reports required by Franchisor, for general communications between Franchisor and House Doctors Franchisees and among House Doctors Franchisees, and for such other purposes as Franchisor may authorize or require from time to time. Franchisee shall use the Franchisee Intranet for those purposes designated by Franchisor and shall execute the Terms of Use Agreement (as defined in section 19.49), as it may be modified by Franchisor from time to time. Franchisee understands that the Franchisee Intranet may be inaccessible if Franchisee does not agree to or abide by any required

Terms of Use, maintain the required Communication and Information System, or maintain a high-speed connection to the Franchisee Intranet. Franchisor is not responsible for any damages incurred by Franchisee in such event or that may arise due to any Internet service provider failing to provide service.

7.19 Attendance at Franchisee Meetings and Conventions. Franchisor may, but is not obligated to, hold a national convention and national and/or regional meetings with Franchisor's personnel and House Doctors Franchisees at locations designated by Franchisor, to provide additional training, exchange sales, operating and marketing ideas and methods, introduce new software, marketing programs, promotional items and/or products, and for any other purpose determined by Franchisor. Franchisee or the Designated Manager shall attend all national and/or regional meetings designated by Franchisor as mandatory. Since our conventions are designed to benefit the franchise businesses and introduce franchisees to any new improvements in the House Doctors model, attendance at the conventions is mandatory and Franchisee shall pay the convention attendance fees, regardless of whether Franchisee attends the convention. The attendance fee for the annual national convention held within one year after the Franchised Business opens is included in your Start-Up Package. Nothing in this agreement is to be construed to require Franchisor to hold, provide, sponsor, host or organize any conventions or meetings.

7.20 Covenants of Employees and Agents. Franchisee shall require each of its management employees (except those individuals required to execute a Nondisclosure and Noncompetition Agreement pursuant to section 15.9), at the time of the commencement of their association with Franchisee, to execute an "Engagement 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 House Doctors Franchisee to any Competitive Business (as defined in section 19.9), 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 House Doctors 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) a Competitive Business.

Franchisee shall provide Franchisor with executed copies of all Engagement 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 Engagement Agreement. All Engagement

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 Engagement Agreements required by this section and provide copies thereof to Franchisor is a material breach of this agreement.

7.21 Disclosure of Information About Franchisee. 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 personally identifiable information such as names, addresses, and telephone numbers, and information collected by Franchisor under sections 7.10, 7.18, and other provisions of this agreement. Franchisee hereby consents to Franchisor's collection, use, and disclosure of any information pertaining to the Franchised Business (including personally identifiable 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 personally identifiable 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 federal and state franchise disclosure and/or registration laws, and to otherwise comply with any applicable law; (ii) the transfer of any information (including personally identifiable 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 personally identifiable information of Franchisee's employees and customers. If Franchisor discloses financial information of Franchisee in a franchise disclosure document, Franchisor shall not identify Franchisee or disclose any personally identifiable information of Franchisee in connection with the financial information. "Personally identifiable information" is any information about a person that can be used to uniquely identify, contact or locate the person.

ARTICLE 8

INTELLECTUAL PROPERTY

8.1 Use by Franchisee. Franchisee's right to use Franchisor's Marks, any proprietary software provided by Franchisor, other materials in which Franchisor claims a copyright, trademark, or other right to exclusive use, trade secrets, and other Intellectual Property (as defined in section 19.27) as granted in this agreement is limited to their use in connection with the operation of the Franchised Business within the Territory, and otherwise as described in this agreement and as authorized in the Manual or as may be prescribed in writing by Franchisor from time to time. Franchisee shall use only the name listed on Exhibit B (the "Trade Name") as the trade name of the Franchised Business, shall use only the trademark listed on Exhibit B as its primary trademark to identify and distinguish the services offered by Franchisee, and shall use no other trade name, business name, or trademark in connection with the Franchised Business without Franchisor's prior written consent.

8.2 Exclusive Property of Franchisor. Franchisee acknowledges Franchisor's exclusive right, title and interest in and to its Intellectual Property, and 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 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

Intellectual Property shall inure exclusively to Franchisor's benefit. Upon the expiration or termination of this agreement, no monetary amount will be designated as attributable to goodwill associated with Franchisee's use of the System or the Intellectual Property.

8.3 Infringement by Franchisee. Franchisee acknowledges that its use of the Intellectual Property outside of the scope of this agreement without Franchisor's prior written consent is an infringement of Franchisor's rights, title and interest in and to its Intellectual Property, and that its use of the Marks after the expiration or termination of this agreement without Franchisor's prior written consent constitutes trademark counterfeiting. During the term of this agreement and after its expiration or termination, Franchisee shall not, directly or indirectly, commit an act of infringement or counterfeiting or contest, or aid in contesting, the validity or ownership of the Intellectual Property or take any other action in derogation thereof. The provisions of this paragraph will survive the expiration, termination or cancellation of this agreement.

8.4 Infringement by Others. Franchisee shall promptly notify Franchisor of any use of any Intellectual Property, any colorable variation thereof, or any other property in which Franchisor has or claims a proprietary interest, by any person other than Franchisor, its representatives and agents, or other House Doctors Franchisees. Franchisee shall promptly notify Franchisor of any litigation instituted by any person against Franchisor or Franchisee involving the Intellectual Property. If Franchisor, in its Business Judgment, undertakes the defense, prosecution, or settlement of any litigation relating to the Intellectual Property, Franchisee shall execute all documents and render any assistance as Franchisor, in its Business Judgment, determines necessary to carry out such defense, prosecution or settlement. Franchisee acknowledges that the nature of trademark and intellectual property 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 may 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 person. If any person demonstrates, to Franchisor's sole satisfaction, a superior right to use any of the Intellectual Property, Franchisee shall, upon demand by Franchisor, discontinue its use of such Intellectual Property and, in the case of the Trade Name or any of the Marks, adopt, at Franchisee's sole cost and expense, any replacement trade name or mark(s), if any, selected by Franchisor, and Franchisor will have no liability to Franchisee therefor.

8.5 Improper Use of Marks. Franchisee shall not use any of the Marks, or any derivative or colorable variation thereof: (i) as part of Franchisee's corporate, company, or partnership name; (ii) on or as part of any Website (as defined in section 19.55), 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, social media sites, or other similar services; (iii) with any prefix, suffix, or other modifying words, terms, designs, or symbols (including the word "Inc."); (iv) after the expiration or termination of this agreement; or (v) 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 which may harm, tarnish, or impair Franchisor's reputation, name, service 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. The provisions of this paragraph will survive the expiration, termination or cancellation of this agreement.

8.6 Non-exclusive Use. Franchisee expressly acknowledges and agrees that its license to use the Intellectual Property is non-exclusive, and Franchisor reserves all rights not expressly granted to Franchisee in this agreement, including those described in section 1.5.

8.7 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, at Franchisor's option, requiring the party to execute a license agreement as specifically described in section 6.2.

8.8 Ownership of Future Intellectual Property. All rights to any Intellectual Property that Franchisee acquires, obtains, develops, or creates for, in connection with, or which relates to, the Franchised Business during the term of this agreement (including all advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, materials, or Websites proposed or developed by Franchisee for the Franchised Business, whether or not they bear the Marks) are the sole property of Franchisor, free and clear of any claim by Franchisee or anyone claiming under Franchisee. Franchisor may use and authorize the use of any Intellectual Property to which this paragraph applies by other House Doctors Franchisees without any compensation to Franchisee. If for any reason, Franchisee and not Franchisor is deemed to own any rights to any Intellectual Property to which this paragraph applies, then this agreement will operate as an agreement to irrevocably transfer and assign all rights in and to that Intellectual Property. Franchisee hereby irrevocably transfers and assigns to Franchisor all rights, title and interest in and to all Intellectual Property to which this paragraph applies (including copyrights, as "works made for hire" under the U.S. Copyright Act). Franchisee shall take no steps to appropriate for itself any Intellectual Property to which this paragraph applies. Franchisee shall, at Franchisor's request, execute all assignments, certificates or other instruments (and, if necessary, require its 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 its rights, title or interest in or to Intellectual Property to which this paragraph applies, or to otherwise effect the provisions of this paragraph.

ARTICLE 9

OPERATIONS 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 the Manual (as defined in section 19.30), as the same may be amended or modified from time to time. Franchisor will provide a copy or electronic access to thereof during the of this Agreement.

9.2 Confidentiality. The Manual shall at all times remain the sole property of Franchisor. Franchisor treats as confidential and proprietary the Manual and all information contained therein. Franchisee also shall treat as confidential and proprietary the Manual and all information contained therein, and shall use all reasonable efforts to maintain such information as confidential and proprietary. Franchisee shall also ensure that its employees treat as confidential and proprietary the Manual and all information contained therein. Franchisee shall not at any time copy, duplicate, record, or otherwise make the same available to any unauthorized person. The provisions of this paragraph will survive the expiration, termination or cancellation of this agreement.

9.3 Modification. Franchisor has the right to add to or otherwise modify the Manual from time to time in its Business Judgment to reflect changes in the industry, marketing techniques or any of the System Standards, or advances in computer technology, so long as no addition or modification alters Franchisee's fundamental status and rights under this agreement. Without limiting the generality of the foregoing sentence, Franchisor has the right, during the term of this agreement, to require Franchisee to make Enhancements to 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 120 days after receipt of written notice from Franchisor, the Enhancement specified by Franchisor

and to take all actions as may be necessary to enable it to operate as specified by Franchisor. Any Enhancement 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 or Enhancements to the Communication and Information System or other items, and that any maintenance or Enhancement 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 will be controlling. Upon Franchisor's request, Franchisee shall cooperate in the efficient return of all Manuals that have been identified by Franchisor as obsolete. As used in this agreement, "Enhancement" is a defined term that includes any modification, upgrade, update, enhancement or replacement of all or any part of the Communication and Information System.

ARTICLE 10

CONFIDENTIAL INFORMATION

10.1. Definition. "Confidential Information" means any confidential and/or proprietary information and/or trade secrets relating to Franchisor, the System, the Franchised Business, or other House Doctors Franchisees, and includes the following overlapping categories of information: (a) System business methods, techniques, specifications, standards, procedures, and formats; (b) Franchisor policies, procedures, information, concepts, systems, and knowledge of and experience in franchise development and operation, including the information comprising the System; (c) marketing programs for House Doctors Franchises; (d) the Communication and Information System, each component thereof (including all aspects—including code, functions, menus, and screen views—of any proprietary software developed or owned by Franchisor or any Affiliate of Franchisor), and all future Enhancements thereto; (e) the financial condition, results of operations, and other financial information about Franchisor, Franchisee, the Franchised Business, and/or other House Doctors Franchisees; and (f) all information about all past, present and future customers and suppliers of the Franchised Business, including contact, statistical, financial, and personally identifiable information, and all lists. Franchisee may acquire Confidential Information from Franchisor through the Manual, through training, guidance, and assistance provided by Franchisor, through the operation of the Franchised Business, or from other House Doctors Franchisees. Confidential Information is not intended to include any information that: is or subsequently becomes publicly available other than by the breach of a legal obligation; was known to Franchisee before becoming a House Doctors Franchisee; or became known to Franchisee independently of Franchisee's relationship with Franchisor and other than through Franchisee's breach of a legal obligation.

10.2. Ownership of Confidential Information. Franchisee agrees that Franchisor owns and controls (i) all domain names and uniform resource locators ("URLs") containing any of the Marks (or any derivative or colorable variation thereof) or relating to any House Doctors Franchise (including the Franchised Business), and (ii) all Confidential Information (which may include trade secrets belonging to Franchisor). Franchisee's only interest in any Confidential Information or proprietary information (even if not Confidential Information) is the right to use it pursuant to this agreement.

10.3. Use of Confidential Information. Franchisee agrees that Franchisee's relationship with Franchisor does not give Franchisee the right to use the Confidential Information for any purpose other than the development and operation of the Franchised Business in accordance with this agreement, and that the use of the Confidential Information in any other business would constitute unfair competition. Franchisee shall: (a) not use the Confidential Information in any other business or capacity; (b) maintain the absolute secrecy and confidentiality of the Confidential Information during and after the term of this

agreement; (c) not make unauthorized copies of any portion of the Confidential Information; and (d) adopt and implement all reasonable procedures Franchisor prescribes from time to time to prevent unauthorized use or disclosure of or access to the Confidential Information. Franchisee shall divulge the Confidential Information only to those employees and agents of Franchisee who must have access to it in order to operate the Franchised Business in accordance with this agreement or to provide professional services or advice to Franchisee. In connection therewith, Franchisee is fully responsible for ensuring that its employees and agents comply with this section. The provisions of this paragraph will survive the expiration, termination or cancellation of this agreement.

10.4. Remedies. Franchisee acknowledges that any failure to comply with section 10.3 will cause Franchisor irreparable injury, and Franchisee consents to the issuance of, and agrees to pay all reasonable legal expenses incurred by Franchisor in obtaining, specific performance of or any injunction by a court of competent jurisdiction against a violation of, the requirements of section 10.3.

10.5. Preservation of Confidentiality. Franchisee shall require Franchisee's Principals, Remote 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 Confidential Information that may be acquired by or imparted to such persons 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, of the license granted under this agreement, or of any interest in Franchisee, before disclosing any Confidential Information to such person, to execute a confidentiality agreement, in a form approved by Franchisor, requiring that all 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.

ARTICLE 11

ADVERTISING

Recognizing the value of marketing and the importance of consistency of advertising and promotion to the furtherance of the goodwill and public image of the System and the development of Franchisor's brands, the parties agree that Franchisor shall conduct, determine, maintain, and administer all national and/or regional marketing funds that are or may hereafter be established under section 11.2, and has sole discretion over the concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout, and content of all national, regional, and local advertising, and accordingly agree as follows:

11.1 Advertising Contribution. As required in sections 5.3 and 5.4, Franchisee shall contribute to such national and/or regional marketing funds (collectively, the "Advertising Funds") as Franchisor may establish for marketing for the System.

11.2 Advertising Funds. Franchisor has the right, in its Business Judgment, to establish one or more Advertising Funds, both national and/or regional, and to designate any geographical area as a region for establishing regional Advertising Funds. Franchisor shall maintain and administer the Advertising Funds as follows:

- (a) Franchisee agrees and acknowledges that the Advertising Funds are intended to maximize general public recognition and acceptance of the Marks for the benefit of all Franchises within the System or within a region, as the case may be, and that Franchisor is not obligated in administering the Advertising Funds to make expenditures for Franchisee that are equivalent or

proportionate to Franchisee's contributions or to ensure that any particular House Doctors Franchisee benefits directly or pro rata from the placement of advertising.

(b) The Advertising Funds are not and will not be assets of Franchisor. The Advertising Funds, 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, including the costs of preparing and conducting marketing campaigns in various media; direct mail and outdoor billboard advertising; marketing surveys and other public relations activities; employing advertising agencies to assist therein; product development; and developing and providing promotional and other marketing materials for House Doctors Franchisees.

(c) Franchisor shall, for each of its company-owned locations (if any), make contributions to the Advertising Funds on the same basis as assessments required of comparable House Doctors Franchisees.

(d) Franchisee shall contribute to the Advertising Funds by separate check made payable to HOUSE DOCTORS NATIONAL ADVERTISING FUND or such other designation as Franchisor may from time to time prescribe. All contributions by Franchisee to the Advertising Funds shall be maintained in an account separate from the other moneys of Franchisor. The contributions may not be used to defray any of Franchisor's general expenses, except for reasonable salaries, overhead and administrative, accounting, legal (including the defense of any claims against Franchisor and/or Franchisor's designee regarding the management of the Advertising Funds) and other costs, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Advertising Funds or marketing programs for House Doctors Franchisees and the System, including the costs of enforcing contributions to the Advertising Funds required under this agreement and the costs of preparing a statement of operations. The Advertising Funds and their earnings will not otherwise inure to the benefit of Franchisor. Franchisor shall maintain separate bookkeeping accounts for each Advertising Fund. Franchisor may loan money to the Advertising Funds.

(e) It is anticipated that all contributions to and earnings of the Advertising Funds shall be expended for marketing and/or promotional purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the Advertising Funds 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) will have no direct or indirect liability or obligation to Franchisee, the Advertising Funds, or otherwise with respect to the management, maintenance, direction, or administration of the Advertising Funds. Franchisee further agrees that Franchisor will not be liable for any act or omission, whether with respect to the Advertising Funds or otherwise, that is consistent with this agreement or other information provided to Franchisee, or that 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 Advertising Funds and all related matters are governed solely by this agreement, and that neither this agreement nor the Advertising Funds 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 Termination of Advertising Funds. Although Franchisor intends the Advertising Funds to be of perpetual duration, Franchisor has the right to terminate any Advertising Fund. No Advertising Fund may be terminated, however, until all moneys in the Advertising Fund have been expended for marketing and/or promotional purposes or returned to House Doctors Franchisees in Good Standing on the basis of their respective contributions during the one-year period immediately preceding the termination.

11.4 Marketing Materials. 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.

11.5 Delegation of Franchisor's Duties. Franchisor has the right to delegate and redelegate its responsibilities and duties under this agreement to any designee(s) of its choosing, but shall retain the right of final approval of all marketing programs at all times.

11.6 Approval of Advertising. All advertising by Franchisee in any medium must be conducted in a dignified manner, conform to such standards and requirements as Franchisor may specify from time to time in writing, conform to all applicable laws and regulations relating to consumer advertising, be completely accurate and truthful, and 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. Unless Franchisee receives a written objection thereto from Franchisor within fifteen days after Franchisor's receipt thereof, Franchisor will be deemed to have given the required approval. 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. The word "advertising" as used in this agreement includes signs (including signs on vehicles), uniform resource locators ("URLs"), e-mail addresses, Internet listings, banners, advertisements, pay-per-click programs, and other services or links on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines (including Google.com and Yahoo.com), social media sites (including FaceBook, LinkedIn, Plaxo, MySpace, Twitter and Naymz) and similar services. Additionally, in order to present a unified and consistent image to consumers, Franchisor has the sole and exclusive right, but not the obligation, to own and control any and all Internet Websites or web pages relating to or bearing the Marks, the System, or the Franchised Business, and to control other advertising, marketing and promotional activities relating to the Marks, the System, or the Franchised Business that are national or international in scope.

11.7 Website. Franchisee specifically acknowledges and agrees that a Website is "advertising" under this agreement, and is subject to (among other things) Franchisor's approval under section 11.6. In connection with any Website, Franchisee agrees to the following:

(a) Franchisor has the right, but is not obligated, to establish and maintain a Website, which may, without limitation, promote the Marks, the System, any or all of the Authorized Products and Services, House Doctors franchised or company-owned locations, and/or the offer and sale of House Doctors Franchises. Franchisor has the sole right to control all aspects of the Website, including its design, content, functionality, links to the websites of third parties, legal notices and policies and terms of usage. Franchisor also has the right to discontinue the operation of the Website at any time.

(b) Franchisee shall not establish a separate Website.

(c) Franchisee shall not establish or permit or aid any other person to establish any links to any Website or any other electronic or computer-generated advertising or communication arrangement that Franchisor may establish.

(d) Franchisor has the right, but is not obligated, 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 Website. Franchisee shall comply with Franchisor's policies and terms of use with respect to the creation, maintenance and content of any such web pages, and Franchisor has the right to limit and/or discontinue the content and/or operation of such Website and web pages.

(e) Franchisor has the right to modify the provisions of this section 11.7 relating to Websites as Franchisor in its Business Judgment determines is necessary or appropriate for the best interests of the System.

11.8 Local Advertising. Franchisee shall spend at least the Minimum Local Advertising Amount during each calendar half year for Local Advertising. The "Minimum Local Advertising Amount" is \$20,000 per calendar half year during the first three years after opening the Franchised Business, and thereafter 7% of Franchisee's Gross Sales for the preceding calendar half year. The Minimum Local Advertising Amount will be pro-rated for partial calendar half years. Local Advertising expenditures must be made directly by Franchisee. Within one month after the end of each calendar half year, Franchisee shall furnish Franchisor with an itemized report of Franchisee's Local Advertising expenditures for the previous half year. Franchisee's failure to spend at least the Minimum Local Advertising Amount for two consecutive calendar half years will constitute a material default of this agreement. Franchisee may cure the default by paying to the Advertising Fund, within one month after notice from Franchisor, the difference between the Minimum Local Advertising Amount for the relevant periods less Franchisee's actual Local Advertising expenditures for the same periods. Franchisee may not use any advertising or promotional plans or materials (including circulars, brochures, flyers, newspaper and direct mail advertisements, and radio and television commercials) without Franchisor's prior approval pursuant to the procedures in section 11.6. For purposes of this agreement, the term "calendar half year" means the six-month periods from January 1 through and including June 30, and from July 1 through and including December 31.

11.9 Advertising Cooperatives. Franchisor may, in its Business Judgment, designate any geographical area in which at least two House Doctors Franchises are located for the purpose of establishing a local or regional marketing and advertising cooperative (a "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 the Cooperative or other House Doctors Franchisees in 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 marketing 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 11.6.
- (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 be credited towards Franchisee's monthly Minimum Local Advertising Amounts required by section 11.8, but will not be credited towards the Advertising Contribution required by section 11.1.
- (e) Franchisor or 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 4% of Franchisee's Gross Sales 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 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 House Doctors 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 has the right to transfer or assign all or any part of its rights and/or obligations under this agreement to any person, including a subfranchisor specifically responsible for assisting Franchisee. Franchisee shall 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 its rights and duties 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, any Principal or Remote Principal of Franchisee, or any immediate or remote successor to any part of Franchisee's interest in the Franchise granted under this agreement, may Transfer any interest in this agreement, in the Franchised Business or the Franchise granted under this agreement, or in Franchisee, without the prior written consent of Franchisor. Any purported Transfer, by operation of law or otherwise, not having the written consent of Franchisor, is null and void and constitutes

a material breach of this agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Article 13.

(b) Except as provided in sections 12.2(c) and (d), Franchisor shall not unreasonably withhold its consent to a Transfer, but Franchisor, in its Business Judgment, may require as conditions to Franchisor's consent:

(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 obligations under any promissory note in favor of Franchisor or its Affiliates) must be satisfied.

(2) The transferee must attend a discovery day at Franchisor's headquarters.

(3) Franchisee, its Principals, and Remote Principals must execute a General Release effective as of the date of Transfer.

(4) The transferee must execute a General Release of any and all claims against Franchisor with respect to any representations regarding the Franchise, the business conducted pursuant thereto, or any other matter, which may have been made to the transferee by Franchisee or any of its Principals, Remote Principals, directors, officers, employees, or agents.

(5) The transferee must 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 must execute Franchisor's then-current form of franchise agreement and such ancillary agreements as Franchisor may require, for a term ending on the Expiration Date or two years from the effective date of the Transfer, whichever is later.

(7) The transferee or its Designated Manager must successfully complete, within a reasonable period of time after the closing of the Transfer but before the transferee assumes the day-to-day operation of the Franchised Business, Franchisor's initial training program for new franchisees or similar training program then in effect for House Doctors Franchisees. Franchisor shall provide initial training program and all related materials at no cost to the transferee, but the transferee will be responsible for all transportation, lodging, meals and other expenses related to initial training program.

(8) Franchisor must approve the material terms and conditions of the Transfer, including that the price and terms of payment are not so burdensome as to adversely affect the operation of the Franchised Business by the transferee.

(9) Franchisee has provided Franchisor with an opportunity to exercise Franchisor's right of first refusal under section 12.4 of this agreement, and Franchisor has declined to exercise that right.

(10) The transferee must purchase a Start-up Package (or such components thereof as Franchisor may reasonably determine necessary) from Franchisor and pay the then-current Start-up Package Fee charged by Franchisor.

(11) All of the transferee's obligations to Franchisee must be subordinated to transferee's obligations to Franchisor (whether arising before or after the date of the Transfer), and Franchisee and the transferee must execute any and all instruments reasonably required by Franchisor to evidence the subordination.

(12) The transferee must assume, for a period of one year after the Transfer, all of Franchisee's customers warranty obligations for work performed before the Transfer.

(13) Franchisee must comply with the requirements of section 10.5 relating to the disclosure of Confidential Information to a prospective transferee.

(14) Either Franchisee or the transferee must pay Franchisor the Transfer Fee (as defined in section 19.54) plus Franchisor's actual legal expenses, to cover the administrative, legal and other expenses incurred by Franchisor in connection with the Transfer. No Transfer Fee will be required if the transferee is: (i) a spouse, domestic partner, parent or direct lineal descendant or sibling of Franchisee or one of its Principals; (ii) a Principal of Franchisee; or (iii) a Business Organization formed solely for the convenience of ownership or tax purposes or to limit Franchisee's liability for debts of the Franchised Business in accordance with section 12.3, if the entire Franchised Business and all of Franchisee's interest in this agreement are Transferred to the Business Organization and, immediately after the Transfer, Franchisee or one or more of the individuals listed in clause (i) of this subparagraph will beneficially own 100% of the Ownership Interests in the Business Organization.

(c) Notwithstanding any other provision of this section 12.2, neither Franchisee, any Principal or Remote Principal, or any immediate or remote successor to any part of Franchisee's interest in the Franchise granted under this agreement, shall pledge, mortgage, grant a security interest, or otherwise encumber any interest in this agreement, in the Franchise granted under this agreement, or in Franchisee (whether or not in connection with an absolute Transfer of an interest in the Franchised Business). Franchisor is not obliged to consent to any such Transfer.

(d) Notwithstanding any other provision of this section 12.2, neither Franchisee, any Principal or Remote Principal, or any immediate or remote successor to any part of Franchisee's interest in the Franchise granted under this agreement, shall Transfer any interest in this agreement, in the Franchise granted under this agreement, or in Franchisee to a person that owns, operates, franchises, develops, consults with, manages, is involved in, or controls an Competitive Business. If Franchisor refuses to permit a Transfer under this paragraph, the sole remedy of Franchisee, its Principals and Remote Principals will be to have a mediator or court determine whether the proposed transferee's business is a Competitive Business.

(e) In connection with any proposed Transfer, Franchisee shall comply with any laws that apply to the Transfer, including state and federal laws governing the offer and sale of franchises. Franchisee shall indemnify and defend the Franchisor-Related Persons and hold them harmless against any and all claims arising and expenses incurred (including attorney fees) directly or indirectly from, as a result of, or in connection with any alleged failure on Franchisee's part to comply with any franchise law or other law applicable to a Transfer.

(f) 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 any 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, Principals, Remote Principals, directors, officers, employees or agents. Franchisee hereby

specifically consents to such disclosure by Franchisor and absolutely releases and agrees to hold Franchisor harmless from and against any claim, loss or injury resulting therefrom.

12.3 Transfer to Controlled Entity. Franchisee may Transfer all of its interest in the Franchised Business to a Business Organization formed solely for the convenience of ownership or tax purposes, or to limit Franchisee's liability for debts of the Franchised Business, without Franchisor's consent, upon Franchisee's written notice to Franchisor and compliance with the following requirements:

(a) The transferee entity must be newly organized and its articles of incorporation or organization, bylaws, partnership agreement, or operating agreement must provide that its activities are confined exclusively to operating the Franchised Business.

(b) Franchisee shall beneficially hold 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, partner, or member.

(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 Manager in compliance with section 7.17.

(e) Franchisee, the transferee entity and all of its Principals shall enter into an agreement, in a form satisfactory to Franchisor, under which Franchisee assigns and the transfer entity assumes all of Franchisee's rights and obligations under this agreement.

(f) All Principals of the transferee entity must enter into a Guaranty and Assumption of Obligations, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of the transferee entity's obligations to Franchisor.

(g) Each ownership certificate of the transferee entity must 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 Saltire Brands LLC."

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.

(h) Franchisee shall furnish Franchisor for its approval 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 Principals or governing board authorizing the execution of this agreement.

(i) The name of the transferee entity may not consist of or contain any of the Marks.

(j) 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. Before Franchisee may complete a Transfer, Franchisee or its Principals 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 the offer to Franchisor, Franchisor will have the right, exercisable by written notice to Franchisee or any of its Principals, to purchase the rights or interests to be transferred in the offer for the same price and on the same terms and conditions contained in the offer, except that Franchisor may substitute equivalent cash for any form of payment proposed in the 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 Principals may complete the Transfer to the bona fide purchaser, subject to Franchisor's approval of the purchaser as provided in section 12.2. If the sale to that purchaser is not completed within one hundred twenty days after the delivery of the offer to Franchisor, Franchisor will 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 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. The Transfer must be made within one hundred eighty days after the death, disability or dissolution of Franchisee or Franchisee's Principal, as the case may be. Any subsequent Transfer by any Involuntary Transferees will be subject to Franchisor's right of written approval under section 12.2 and to Franchisor's right of first refusal under section 12.4. A Transfer to Involuntary Transferees does not require the payment of the Transfer Fee required by section 12.2(b)(14), but Franchisee shall pay any legal costs incurred by Franchisor to approve and effect the Transfer.

ARTICLE 13

TERMINATION

13.1 Termination Without Opportunity to Cure. Franchisor may terminate this agreement upon notice to Franchisee, with immediate effect and without opportunity to cure, upon the occurrence of any of the following events:

- (a) Franchisee or the Designated Manager fails to complete the initial training program described in section 7.1 to Franchisor's satisfaction within six months after the Effective Date;
- (b) Franchisee fails to open the Franchised Business within six months after the Effective Date (or, with Franchisor's prior written approval, such longer period as may be required to comply with governmental licensing requirements);
- (c) after opening the Franchised Business, Franchisee abandons it or otherwise fails to maintain it in continuous operation;
- (d) Franchisee is declared bankrupt or insolvent or Franchisee is the debtor in a voluntary or involuntary bankruptcy proceeding under the U.S. Bankruptcy Code;
- (e) a receiver is appointed for Franchisee or for any part of its property, or Franchisee makes any assignment for the benefit its creditors, if not dismissed within fifteen days;

- (f) after Franchisee's receipt of a notice of noncompliance (regardless of the source of the notice) applicable to the Franchised Business, Franchisee fails, within the time limit stated in the notice (or, if no time limit is stated or referred to in the notice, within thirty days) to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business, unless Franchisee in good faith and with due diligence disputes the allegation of noncompliance;
- (g) any Transfer or attempted Transfer that fails to comply with the provisions of Article 12;
- (h) Franchisee maintains false books or records or submits any false report, record or document to Franchisor, knowing the same to be false;
- (i) the Franchised Business or Franchise Premises are seized, taken over, or foreclosed by a government official in the exercise of his duties or by a creditor, lienholder or lessor of Franchisee;
- (j) a final judgment against Franchisee remains unsatisfied for thirty days (unless a supersedeas or other appeal bond has been filed);
- (k) a levy of execution has been made upon the license granted by this agreement or upon any property used in the Franchised Business, which is not discharged within fifteen days;
- (l) a material misrepresentation by Franchisee relating to the acquisition of its Franchise;
- (m) any conduct or activity by Franchisee or any Principal, Remote Principal, director, or officer of Franchisee, that is reasonably likely to have an adverse effect or reflect unfavorably on the Franchised Business, Franchisor, the System, the Marks, or the goodwill associated therewith, including a felony conviction of Franchisee or any Principal, Remote Principal, director or officer of Franchisee;
- (n) within the same one-year period, Franchisee breaches any term of this agreement after having breached the same term three times (provided that Franchisee was given notice of the first three breaches and an opportunity to cure as required herein);
- (o) Franchisee breaches section 15.1 after having breached that section (though not necessarily the same subsection thereof) twice at any time (provided that Franchisee was given notice of the first two breaches and an opportunity to cure as required herein); or
- (p) Franchisor reasonably determines that the continued operation of the Franchised Business by Franchisee will result in immediate danger to public health or safety.

13.2 Termination With Opportunity to Cure. This agreement will automatically terminate thirty days (or such longer period as may be required by applicable law) after Franchisee's receipt of written notice of any of the following events of default, unless Franchisee cures the default within the thirty-day period (or such longer period as may be required by applicable law):

- (a) Franchisee fails to pay when due any sum it is required to pay under this agreement or any other agreement or instrument between Franchisee and any Franchisor-Related Person;
- (b) Franchisee fails to furnish when due any report required by this agreement;
- (c) Franchisee fails to attain the Minimum Quarterly Gross Sales quotas required by section 7.7 for two consecutive calendar quarters (unless the parties mutually agree on a reduction of the size of the Territory in lieu of termination);

- (d) Franchisee fails to spend at least the Minimum Local Advertising Amount for two consecutive calendar half years (unless cured as provided in section 11.8);
- (e) Franchisee fails to operate its Franchise in compliance with the terms of this agreement, the Manual, or the System Standards;
- (f) Franchisee breaches or fails to perform any provision of this agreement not otherwise described in section 13.1, or breaches or fails to perform any provision of any other agreement between Franchisee and any Franchisor-Related Person; or
- (g) Franchisee understates its Gross Sales in any report submitted to Franchisor.

13.3 Failure to Cure Default. If Franchisee fails to cure any default within the applicable time period stated in section 13.2, Franchisee shall indemnify Franchisor for all damages, costs and expenses incurred by Franchisor as a result of Franchisee's default, including reasonable attorney and accounting fees. This paragraph applies regardless of whether or not Franchisor exercises its right to terminate this agreement. Termination of this agreement by Franchisor in accordance with this Article 13 does not prejudice any other legal or equitable rights or remedies Franchisor may have. This paragraph will survive the expiration, termination or cancellation of this agreement.

ARTICLE 14

OBLIGATIONS UPON TERMINATION

14.1 Upon the termination or expiration of this agreement, for any reason, Franchisee shall take the following actions:

- (a) Franchisee shall immediately and permanently 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 House Doctors Franchisee.
- (b) Franchisee shall immediately and permanently cease all use of the Marks and any derivative or confusingly similar variation thereof.
- (c) 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 which 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 (i) permanently discontinuing all Internet advertising, including 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, and (ii) permanently removing or obscuring from the exterior of all vehicles belonging to Franchisee or used in the operation of the Franchised Business, the Trade Name, the Marks, and all telephone numbers used in connection with the Franchised Business.
- (d) Franchisee shall make such modifications or alterations to the Franchise Premises (including changing all telephone numbers), including the improvements thereon, as may be necessary or requested by Franchisor to prevent the operation of any business on the Franchise Premises that might be deemed substantially similar to that of Franchisor or any other House Doctors Franchisee. If Franchisee fails or refuses to comply with the requirements of this section, Franchisor has the right to enter the Franchise 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 (this sentence does not apply if the Franchise Premises is located in Franchisee's residence).

(e) Franchisee shall promptly turn over to Franchisor, at Franchisee's expense, all sales literature, brochures, mailers, advertisements, commercials and promotional materials bearing any of the Marks, and complete, accurate and legible copies of all customer lists, records, correspondence and agreements, and all financial and other business records relating to the Franchised Business, in the same medium as the information was stored by Franchisee.

(f) Franchisee shall promptly return to Franchisor, at Franchisee's expense, all training and operating Manuals, computer disks, policies, procedures, bulletins, memoranda, notices and instructions provided to Franchisee by Franchisor under Articles 6 and 9 or otherwise relating to the Franchised Business (all of which Franchisee acknowledges to be Franchisor's sole property), together with all copies thereof.

(g) Franchisee shall promptly delete all Confidential Information (including proprietary software) relating to the Franchised Business from all computers (whether or not owned by Franchisee and including computers owned by Principals, Remote Principals, officers, directors, employees, and relatives of Franchisee or any of the foregoing persons) and return to Franchisor the original disks for all proprietary software.

(h) At Franchisor's option, Franchisee shall either cancel or assign to Franchisor or Franchisor's designee, all of Franchisee's right, title and interest in and to all (i) telephone numbers used for the Franchised Business or otherwise listed under the Trade Name or any of the Marks, and all related Yellow Pages, White Pages and other business listings, and (ii) Websites, web pages, listings, banners, URLs, advertisements or any other services and links related to the Franchised Business or use of the Marks on or with the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, social media sites, search engines or other similar services.

(i) Franchisee shall immediately pay all sums due and owing to Franchisor, whether pursuant to this agreement or otherwise, including any unpaid Advertising Contributions and Royalties.

(j) Franchisee shall promptly take such action as may be necessary to cancel any fictitious or assumed name or equivalent registration that contains the Trade Name or any of the other Marks, and furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty days after the termination or expiration of this agreement.

(k) If Franchisee's general liability insurance policy required by section 7.11 is a "claims made" policy, Franchisee shall obtain and maintain in effect tail coverage for the insurance policy to extend the period in which claims may be asserted for a period of time not less than the applicable statute of limitations in the jurisdiction in which the Franchised Business is located, or for two years, whichever is less, and furnish Franchisor with a certificate of insurance evidencing compliance with this obligation within thirty days after the termination or expiration of this agreement and at least thirty days before each renewal date thereafter.

14.2 Franchisee does hereby irrevocably constitute and appoint Franchisor as the true and lawful agent and attorney-in-fact, coupled with an interest, 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 will survive the expiration, termination or cancellation of this agreement.

ARTICLE 15

RESTRICTIVE COVENANTS

15.1 Franchisee's Covenants During Term of Franchise Agreement. Franchisee specifically acknowledges that, pursuant to this agreement, Franchisee will receive valuable specialized training and Confidential Information, including 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 (including the spouse or children of Franchisee or any Principal or Remote Principal):

- (a) divert or attempt to divert any business or customer of the Franchised Business or of any other House Doctors Franchisee to any Competitive Business, 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) employ or seek to employ any person who is at that time employed by Franchisor or any other House Doctors Franchisee, or otherwise directly or indirectly induce or attempt to induce such person to leave his or her employment;
- (c) own, maintain, engage in or have any interest in any Competitive Business;
- (d) offer, sell, or provide any Authorized Products or Services at site located within a franchise territory licensed to another House Doctors Franchisee, or otherwise infringe upon rights granted under franchise agreements with other House Doctors Franchisees; or
- (e) aid, assist or provide goods or services to any Competitive Business.

15.2 Post-Termination Noncompetition. 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 ONE YEAR thereafter, 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 or Remote Principal), own, maintain, operate, engage in, or have any interest in, any Competitive Business that is located or operates within the geographical boundaries of the Territory. This covenant will survive the expiration, termination or cancellation of this agreement. The time period referred to in this section will be stayed during any violation or breach of the terms of this section.

15.3 Post-Termination Nonsolicitation. 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 YEARS thereafter, Franchisee shall not, 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 or Remote Principal), solicit, contact, or otherwise communicate with any person who was a customer of the Franchised Business at any time, for the purpose of promoting, advertising, or offering Authorized Products and Services or other products or services that had been offered by the Franchised Business. The time period referred to in this section will be stayed during any violation or breach of the terms of this section. The provisions of this section will survive the expiration, termination or cancellation of this agreement.

15.4 Exception for Publicly Traded Company. Section 15.2 does not apply to the beneficial ownership of less than 1% of the outstanding equity securities of any Business Organization that is registered under the Securities and Exchange Act of 1934.

15.5 Covenants Independent and Severable. Each of the covenants in sections 15.1 through 15.3 is to be construed as independent of any other 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 the unreasonable or unenforceable 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. Franchisor has the right, in its Business Judgment, to reduce the scope of any covenant in this Article 15, 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 18.3 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, will 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 legal expenses incurred by Franchisor in obtaining, an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article 15.

15.9 Nondisclosure and Noncompetition Agreements. At the request of Franchisor, Franchisee shall provide Franchisor with an executed "Nondisclosure and Noncompetition Agreement" containing covenants similar in substance to those 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 those capacities after the Effective Date, Franchisee shall require and obtain a Nondisclosure and Noncompetition Agreement from them and promptly provide Franchisor with an executed copy thereof. Franchisee shall not grant any person holding any of the foregoing positions access to any confidential aspect of the System or the Franchised Business before they execute a Nondisclosure and Noncompetition Agreement. All Nondisclosure and Noncompetition Agreements required by this section must be in form satisfactory to Franchisor, including the specific identification of Franchisor as a third-party beneficiary with the independent right to enforce it. Franchisee's failure to obtain the execution of any Nondisclosure and Noncompetition Agreement required by this section and provide them to Franchisor will be a material breach of this agreement.

ARTICLE 16

DISPUTE RESOLUTION

16.1 Injunctive Relief. Notwithstanding any provision of this agreement to the contrary, Franchisor expressly reserves the right, without first complying with the mandatory mediation provisions of section 16.2, to seek temporary and permanent injunctions and orders of specific performance 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 Article 15; (d) a Transfer or attempted Transfer in violation of Article 12; 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, another

House Doctors Franchisee, or a customer of Franchisee, or (iii) that may harm, tarnish, or impair Franchisor's reputation, name, services or Marks.

16.2 **Mediation.** Except as provided in section 16.1, if a dispute arises between the parties, and if the dispute cannot be settled through negotiation, the parties shall first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or other dispute resolution procedure. The mediation proceedings will take place at the American Arbitration Association location nearest Franchisor's principal place of business (presently Milford, Ohio).

16.3 **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.**

16.4 **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.**

16.5 **Governing Law.** This agreement was accepted and executed by Franchisor in Ohio. The laws of the State of Ohio (excluding Franchise Laws as defined in section 19.18, unless the jurisdictional requirements thereof are met independently without reference to this section) govern all aspects of this agreement, without reference to Ohio conflict of laws principles, except (i) to the extent governed by the U.S. Trademark Act of 1946 and other applicable federal laws, and (ii) if any provision of this agreement would be unenforceable under Ohio law but enforceable under the laws of the state in which Franchisee resides, then the laws of the state in which Franchisee resides will govern that provision. Ohio law will prevail in the event of any conflict of laws, except as specifically provided otherwise by applicable Franchise Laws of other states. If any provision of this agreement relating to the termination, non-renewal or assignment of the franchise, or to choice of law, jurisdiction or venue, is inconsistent with any applicable Franchise Law of another state, then the applicable Franchise Law of the other state will govern. Any addendum to this agreement required by a regulatory authority or agency of another state for the purpose of disclosing or effecting salient provisions of that state's Franchise Laws is hereby made a part hereof.

16.6 **Jurisdiction and Venue.** All suits, actions or other proceedings between Franchisee and any of the Franchisor-Related Persons must be litigated only in the county or federal judicial district in which Franchisor's principal place of business is located (presently Clermont County, Ohio, and the Southern District of Ohio, Western Division). Franchisee consents and agrees that the following courts have personal jurisdiction over Franchisee in all lawsuits with any of the Franchisor-Related Persons, and hereby submits to the jurisdiction of the following courts and irrevocably waives any defense Franchisee may have of 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 all United States District Courts within the State of Ohio. Franchisee consents and agrees that venue is proper in any of the following courts in all lawsuits between Franchisee and any of the Franchisor-Related Persons, and hereby irrevocably waives any right Franchisee may have to transfer or change the venue in any such lawsuits filed in these courts: (a) the state court of the county where Franchisor has its principal place of business (presently Clermont County, Ohio); and (b) the United States District Court for the Southern District of Ohio, Western Division. In the event any of these courts are abolished, Franchisee agrees that venue will 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 so abolished. Any lawsuit filed by Franchisee against any of the Franchisor-Related Persons, or by any of the Franchisor-Related Persons against Franchisee, must be filed exclusively in one of these courts, except that any claim for injunctive relief may be brought by Franchisor where Franchisee is located, in which proceeding Franchisor may also assert any other mandatory or permissible claim it may have against Franchisee. This exclusive choice of jurisdiction and venue provisions does not restrict the ability of the parties to confirm or enforce arbitration awards in any appropriate jurisdiction or the full faith and credit of any judgment obtained. In all lawsuits between Franchisee and any of the Franchisor-Related Persons, Franchisee may 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 that jurisdiction. Franchisee hereby waives any defense it may have of insufficiency of service of process if service is made as provided in this paragraph. This method of service is not exclusive, and service of process may be made by any other method allowed by law.

16.7 Cost of Enforcement or Defense. If a claim for amounts owed by Franchisee or its Affiliate to Franchisor or its Affiliate is asserted in any arbitration or judicial proceeding or appeal thereof, or if Franchisor or Franchisee is required to enforce this agreement in an arbitration or judicial proceeding or appeal thereof, the party prevailing in the proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal expenses, arbitration administrative charges, arbitrators' compensation, and any other costs and expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing, or proceeding to enforce the obligations of this agreement. If Franchisor incurs expenses (including attorney and accounting fees) in connection with Franchisee's failure to pay when due amounts owing to Franchisor, to submit when due any reports, information, or supporting records or otherwise to comply with this agreement, Franchisee shall reimburse Franchisor for any such costs and expenses that it incurs.

16.8 Mediation of Disputes Between Franchisees. In the event of a dispute between Franchisee and another House Doctors Franchisee relating to or arising from (i) the violation by Franchisee of any restriction or covenant in section 1.3 or Article 15, or (ii) the violation by the other House Doctors Franchisee of a parallel covenant contained in its agreement with Franchisor, then Franchisee shall first attempt in good faith to settle the dispute by confidential, non-binding mediation before a mediator referred by Franchise Arbitration and Mediation Services ("FAM") (or any other organization upon which the parties mutually agree) and selected by the parties, in accordance with FAM's Mediation Referral Guidelines (or the procedures of such other organization), at a location to be selected by the mediator, before resorting to arbitration, litigation, or any other dispute resolution procedure (other than direct negotiation by the parties or their representatives). Franchisee shall pay all costs of mediation, unless the other House Doctors Franchisee's franchise agreement contains a clause similar to this section, in which case the parties shall equally share the costs of mediation. Franchisor may, at its option, be a party to the mediation, but will not be obligated to pay any of the costs.

ARTICLE 17

INDEPENDENT CONTRACTOR; INDEMNIFICATION

This agreement does not create a fiduciary relationship between the parties. The parties are independent contractors, and nothing in this agreement is intended to create a partnership, joint venture, employment or agency relationship between Franchisor and Franchisee for any purpose, or to 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 will in no event assume liability for, or be deemed liable hereunder as a result of, any such action by Franchisee. Franchisor is not liable to any third party for any act or omission of Franchisee (including 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, defend, and reimburse the Franchisor-Related Persons and hold each of them 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 (excluding, however, claims arising from (i) Franchisee's proper reliance on or use of procedures or materials provided by Franchisor, or (ii) Franchisor's negligence), and shall pay all costs (including attorney and accounting fees) incurred by the Franchisor-Related Persons in defending against and/or responding to them. Franchisor has the right to defend any such claim against Franchisor in any manner Franchisor chooses in its Business Judgment. This indemnity will continue in full force and effect after the expiration or termination of this agreement. **FRANCHISEE SHALL DISPLAY PROMINENTLY AT THE FRANCHISE PREMISES, ON ALL SERVICE VEHICLES, 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.** Nothing in this agreement permits or authorizes Franchisor to direct, limit, or otherwise control Franchisee's professional judgment or the professional judgment of Franchisee's employees who provide professional services at, from or through the Franchised Business.

ARTICLE 18

GENERAL TERMS

18.1 Integration. This agreement, together with its exhibits, constitutes the entire agreement between the parties relating to the subject matter hereof, and any prior agreements and understandings between the parties relating to the same subject are hereby superseded and merged into this agreement. Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

18.2 Express Agreement. The parties acknowledge that their business relationship is based solely upon this agreement and agree that it should be enforced according to its express provisions. The language of this agreement is to be construed according to its plain meaning, and not strictly against a party because it drafted this agreement. Neither party intends or expects that either party's rights and obligations in this agreement will be defined or determined to be other than as expressly written, or that additional obligations will be imposed on either party that it has not expressly assumed in writing. It would be contrary to the parties' intentions and expectations to impose any doctrine, rule of interpretation, or implied covenant, such as an "implied covenant of good faith and fair dealing."

18.3 Modification. This agreement may be modified or amended only by a written instrument signed by each of the parties.

18.4 Binding Effect; Assignment. This agreement is binding upon and inures to the benefit of the parties and their respective legal representatives, heirs, successors, and assigns, except that Franchisee may not assign any of its rights or interest in this agreement without first complying with the provisions of section 12.2.

18.5 Section Headings and Numbers. The 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 and article numbers mean section and article numbers of this agreement unless another document is specified.

18.6 Notices. All payments must be made to the addresses listed below. All notices, requests, demands and other communications required or permitted under this agreement must be in writing, addressed as provided in this section 18.6, made by personal delivery, or by certified mail, postage prepaid, return receipt requested, or by ordinary mail, postage prepaid, or by overnight delivery service with proof of delivery, and will be effective upon actual receipt or refusal thereof or, if by ordinary mail, forty-eight hours after deposit in the United States mail, postage prepaid.

- (a) If to Franchisor:
Saltire Brands LLC
400 Techne Center Drive, Suite 400
Milford, Ohio 45150

or to such other person or address as Franchisor may from time to time furnish to Franchisee;

- (b) If to Franchisee:

or to such other person or address as Franchisee may from time to time furnish to Franchisor.

18.7 Severability.

(a) If any provision of this agreement, in whole or in part (or the application of any provision to a specific situation), is 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, the invalidity is to be limited to the specific provision in question or portion thereof (or to the situation in question), and this agreement is to be construed and applied in such manner as to minimize the invalidity. All other provisions of this agreement will 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 this agreement or refusal to grant a Successor Franchise 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 has the unlimited right to modify the invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisor shall 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 will be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and are to be enforced as originally made and entered into in all other jurisdictions.

18.8 No Waiver. No failure of one party to exercise any power reserved to it under this agreement, or to insist upon strict compliance by the other party with any provision of this agreement, and no custom or practice of the parties in variance with the terms of this agreement, constitutes a waiver of a party's right to demand exact compliance with the terms of this agreement. A waiver by one party of any particular default by the other party is not binding unless in writing and executed by the party sought to be charged, and does not affect or impair the non-defaulting party's right with respect to any subsequent default of the same or of a different nature; nor does any delay, waiver, forbearance, or omission of one party to exercise any power or right arising out of any breach or default by the other party of any provision of this agreement, affect or impair the non-defaulting party's rights, nor shall such constitute a waiver by the non-defaulting party of any right under this agreement or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due under this agreement will not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any provision of this agreement.

18.9 Counterparts. This agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

18.10 Survival of Post-Termination Provisions. All Post-Termination Provisions of this agreement will survive the termination or expiration of this agreement or the Franchise granted under this agreement, regardless of whether the provisions specifically state so.

18.11 No Third-Party Beneficiaries. Except as may be specifically provided otherwise in and with respect to specific provisions of this agreement, nothing in this agreement is intended or will be deemed to confer any rights or remedies upon any person not a party hereto.

18.12 Interpretation. If there is an inconsistency between the terms of this agreement and the Manual, the terms of this agreement will control. Throughout this agreement, 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. The word "including" will be construed to include the words "without limitation."

18.13 Exercise of Business Judgment. In this agreement, the phrases "sole and absolute discretion," "sole discretion" and "Business Judgment" (as defined in section 19.6) mean that Franchisor has the wholly unrestricted right to make decisions and take (or refrain from taking) actions. In exercising its discretion, Franchisor will use its judgment based on its assessment of the interests it considers appropriate and is not required to consider Franchisee's individual interests or the interests of any other House Doctors Franchisee. Franchisor, Franchisee, and all other House Doctors Franchisees have a collective interest in working within a franchise system with the flexibility to adjust to changing business conditions, including the competitive environment, regulatory developments, and emerging business opportunities. Therefore the ultimate decision-making responsibility for the System must be vested in Franchisor. So long as Franchisor acts in compliance with the requirements of this agreement, it has no liability for the exercise of its discretion in accordance with the provisions of this agreement.

18.14 Representations of Franchisee. **Franchisee makes the following representations:**

(a) Franchisee has received Franchisor's franchise disclosure document and exhibits thereto (including a list of House Doctors Franchisees, Franchisor's financial statements attached to the franchise disclosure document, and a copy of this agreement) at least fourteen days before the execution of any agreement or payment of any money relating to the Franchise.

(b) Other than disclosures made in Franchisor's franchise disclosure document received by Franchisee, no agent, salesperson, director, officer, or employee of Franchisor, or any other individual on Franchisor's behalf, has made any representations, warranties, inducements, claims, pro formas, forecasts, estimates, or any other statement regarding net or gross profits or net or gross sales of House Doctors Franchises generally or of any specific House Doctors Franchise.

(c) In connection with its decision to purchase a House Doctors Franchise and enter into this agreement, Franchisee has not relied upon any representation, warranty, inducement, claim, pro forma, forecast, estimate, or any other statement made by Franchisor, its agents, directors, officers, employees, or salesmen, or any other individual on behalf of Franchisor regarding financing, net or gross profits or net or gross sales of House Doctors Franchisor's generally or of any specific House Doctors Franchise, or any other material fact relating to the development of House Doctors Franchises in the area in which Franchisee intends to locate its Franchise, or any other matter pertaining to Franchisor, other than disclosures made in Franchisor's franchise disclosure document received by Franchisee.

(d) At the time Franchisee signs this agreement, there is no other written or unwritten agreement, representation, understanding, proviso, or warranty made by Franchisor or any person associated with Franchisor, other than those contained in either this agreement, an addendum hereto, or Franchisor's franchise disclosure document received by Franchisee.

(e) Franchisee acknowledges that Franchisor has not made any of the following representations: (i) That Franchisee will be provided with retail outlets or accounts, or assistance in establishing retail outlets or accounts, for the sale or distribution of goods or services supplied by Franchisor, a third person with whom Franchisee is advised or required to do business by Franchisor or a person affiliated with Franchisor (the "goods or services"); (ii) That the Franchisee will be provided locations, or assistance in finding locations, for vending machines, electronic games, racks, display cases, currency-operated amusement machines or devices, or any other similar equipment or displays; (iii) That the Franchisee can earn a profit in excess of the Initial License Fee; (iv) That there is a market for the goods or services; (v) That the Franchisor, an affiliated person, or other person will refund the Initial License Fee or other payment (or evidence of payment obligation) made by the Franchisee or repurchase any of the goods or services, products, equipment or supplies supplied by Franchisor or other person recommended by Franchisor, if the Franchisee is dissatisfied with the Franchise, upon termination or nonrenewal of this Franchise or otherwise; (vi) That the Franchisor, an affiliated person or other person will purchase any finished goods or other products to be sold by the Franchisee, or any finished goods or other products made, produced, fabricated, grown, bred or modified by the Franchisee utilizing the goods or services supplied by Franchisor, an affiliated person or another person with whom the Franchisee is advised or required to do business by Franchisor; (vii) That the Franchisor guarantees that the Franchisee will derive income from this Franchise; (viii) Any oral, written or visual representation concerning potential sales, income, or gross or net profit (other than, if at all, as set forth in Item 19 of a franchise offering circular previously received by Franchisee); (ix) That the Franchisee's Initial License Fee or any promise to pay is protected from loss or that any payment or promise to pay by Franchisee is a secured investment; nor (x) That the Franchisee's Initial License Fee or any promise to pay is secured in any manner.

Franchisee specifically understands that Franchisor is relying upon the truthfulness and accuracy of the representations in subparagraphs (a) through (e) above, and understands that Franchisor would not enter into this agreement with Franchisee if Franchisor was aware that any of the representations are false, inaccurate or incomplete.

_____ **Initials of Franchisee or individual signing on behalf of Franchisee**

(f) Franchisee understands that Franchisor’s salesmen are not authorized to bind Franchisor in any way, and that any agreement between Franchisor and Franchisee must be signed by an authorized officer of Franchisor.

(g) Franchisee understands that all or any part of the Territory previously may have been part of the franchise territory of another House Doctors Franchisee.

ARTICLE 19

DEFINITIONS

To simplify this agreement and make it easier to read and understand, certain terms have been defined below and will be capitalized throughout the agreement. Capitalized words that are not defined below are defined in the section where they first appear.

19.1. “Advertising Contribution” means the recurring fee Franchisee is required to make under section 5.3 to any Advertising Fund established under section 11.2.

19.2. “Advertising Fund” means a branding, marketing, or advertising fund established under section 11.2.

19.3. “Affiliate” means a person that controls, is controlled by, or is under common control with another person. As to Franchisee, it includes an owner of any interest in Franchisee or the Franchised Business, any employee or agent of Franchisee, and any person controlled by any of the foregoing.

19.4. “Anti-Terrorism Laws” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the “Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001” (the “USA PATRIOT Act”), and all other present and future federal, state and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

19.5. “Authorized Products and Services” are those products and services that Franchisee is permitted and required to offer and provide (currently including residential and commercial property maintenance, repair, and remodeling services), as more specifically described in the Manual.

19.6. “Business Judgment” means that Franchisor is allowed to exercise its judgment however it considers to be appropriate in its sole and unfettered discretion (except that it may not do so arbitrarily), and has the unrestricted right to make decisions and take or refrain from taking actions (except that it may not do so arbitrarily), and has the right to do so even if a particular decision/action may have negative consequences for Franchisee, another House Doctors Franchisee, or a group of House Doctors

Franchisees. The exercise of Business Judgment is critical to Franchisor's role as the franchisor of the System and to Franchisor's goals for the continuing improvement of the System. This definition is not intended to incorporate principles related to the application of the business judgment rule in a corporate law context.

19.7. "Business Organization" means a corporation, limited liability company, limited liability partnership, limited company, partnership of any kind, joint venture, unincorporated association, or other organization formed for a commercial purpose.

19.8. "Communication and Information System" means the computer and communications system described in section 7.18 that Franchisee is required to purchase and use in the operation of the Franchised Business.

19.9. "Competitive Business" means a business that offers or sells, or franchises or licenses others to operate a business that offers or sells, residential or commercial property maintenance, repair, or remodeling services or any other products or services similar to those offered as part of the System or in which Confidential Information could be used to the disadvantage of Franchisor, its Affiliates, or other House Doctors Franchises, or that is competitive with the services or products offered by House Doctors Franchises.

19.10. "Confidential Information" is defined in section 10.1.

19.11. "Controlling Interest" means the direct or indirect ownership (legal or beneficial) or control of more than 50% of the equity, profits, or voting control of a Business Organization.

19.12. "Designated Manager" means an individual designated by Franchisee in accordance with section 7.17, who will be responsible for the general oversight and management of the operations of the Franchised Business on behalf of Franchisee.

19.13. "Effective Date" means the date this agreement becomes effective as defined on the signature page.

19.14. "Expiration Date" means the day before the tenth anniversary of the Effective Date, and is the last day of the term of this agreement.

19.15. "Franchised Business" means the House Doctors Franchise that Franchisee is licensed to operate under this agreement.

19.16. "Franchisee" means, in addition to the person or persons identified as "Franchisee" on Exhibit A, all Principals and Remote Principals of a Business Organization that executes this agreement as Franchisee, and all persons who succeed to the interest of the original Franchisee by permitted transfer or operation of law. By signing this agreement, each of the Principals and Remote Principals of the Business Organization that executes this agreement as Franchisee, acknowledges and accepts the duties and obligations imposed upon each of them, individually, by this agreement. All Principals and Remote Principals of Franchisee 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.

19.17. "Franchisee Intranet" is the electronic system established and maintained by Franchisor or its designee to provide private and secure communications between Franchisor, Franchisee, other House Doctors Franchisees, and other authorized users as determined by Franchisor in its Business Judgment,

including House Doctors Franchisees who enter into and abide by the Terms of Use Agreement, as described in section 7.18(k).

19.18. “Franchise Law” means a statute, regulation or rule that (i) regulates the sale of franchises, franchise investments or business opportunities; (ii) regulates the relationship between a franchisor and a franchisee or between a business opportunity seller and purchaser; or (iii) requires the delivery, filing or registration of a pre-sale franchise or business opportunity disclosure document.

19.19. “Franchise Premises” means the physical location from which the Franchised Business is operated.

19.20. “Franchisor-Related Persons” means Franchisor and each and all of the following, whether past, current, or future: persons acting through, in concert with, or as Affiliates of Franchisor or of any of the foregoing; Principals, officers, directors, agents, attorneys, accountants, and employees of Franchisor or any of the foregoing; and predecessors, successors, or assigns of Franchisor or any of the foregoing.

19.21. “General Release” is a release, in the form prescribed by Franchisor at the time the release is to be delivered, of any and all claims, liabilities and obligations of any nature, including those existing as of, and/or arising before, the date of the release, however arising, whether known or unknown, whether against Franchisor and/or any or all of the Franchisor-Related Persons, the Advertising Fund (as defined in section 11.2), or any other branding, marketing, or advertising fund, and whether by Franchisee, any Principal or Remote Principal of Franchisee, and/or any Affiliate of any of the foregoing. A copy of Franchisor’s current General Release language (which is subject to change) is attached as Exhibit D.

19.22. “Good Standing” means that Franchisee and each of its Principals and Affiliates are not in default of any obligation to Franchisor and/or any of the Franchisor-Related Persons, whether arising under this agreement or any other agreement between Franchisee (and/or each of its Principals and Affiliates) and Franchisor (and/or any of the Franchisor-Related Persons), 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.

19.23. “Gross Sales” is defined in section 5.6.

19.24. “House Doctors Franchise” or “Franchise” is a business operated under a license granted by Franchisor that offers residential and commercial property maintenance, repair, and remodeling services or other goods and/or services that Franchisor may designate from time to time, using the Marks (whether HOUSE DOCTORS or HOUSE MEDIC) and Franchisor’s unique business format, which includes distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, operating manuals, and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

19.25. “House Doctors Franchisee” is a person who owns and operates a House Doctors Franchise.

19.26. “Initial License Fee” means the one-time fee Franchisee is required to pay Franchisor under section 4.1.

19.27. “Intellectual Property” includes inventions, discoveries, know-how, show-how, processes, methods, unique materials, copyrightable works, original data and other creative or artistic works that have value. Intellectual Property includes that which is protectable by statute or legislation, such as

patents, copyrights, trademarks, service marks and trade secrets, as well as the physical embodiments of intellectual effort, for example, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, biological materials, chemicals, other compositions of matter, plants and records of research.

19.28. “Local Advertising” means advertising, promotion, and public relations within the local area to be serviced by the Franchised Business, and consists only of direct costs to purchase marketing materials (including, by way of example and not limitation, point-of-sale materials), promotion, out-of-pocket expenses for the cost of advertising and sales promotion (including, by way of example and not limitation, media placement charges, advertising agency fees and expenses, cash and “in-kind” promotional payments, postage, shipping and photocopying), and such other activities and expenses as Franchisor in its Business Judgment may specify. Franchisor may specify the types of advertising and promotional activities and costs that do not qualify as “Local Advertising,” including, by way of example and not limitation, the face value of promotional coupons, cash donations, the cost of products or services donated or provided at a discount to charitable organizations, and telephone directory listings and advertisements.

19.29. “Marks” are the trademarks, service marks, trade names, trade dress, and other commercial symbols that Franchisor or its Affiliate uses or may adopt to identify the products and/or services offered under the System, including the HOUSE DOCTORS® and HOUSE MEDIC™ service marks. “Marks” do not include trademarks, service marks, trade names, trade dress, and other commercial symbols used to identify the products and/or services offered by franchisees of another system (even if they are Competitive Businesses) acquired by Franchisor or its Affiliate.

19.30. “Manual” means the HOUSE DOCTORS operating manual and other items that Franchisor may provide in the future, including other manuals and all books, computer programs, pamphlets, memoranda, and other publications prepared by or on behalf of Franchisor, as may be added to, modified, or withdrawn by Franchisor from time to time, containing the standards, methods, procedures, and specifications of the System.

19.31. “Minimum Quarterly Gross Sales” is defined in section 7.7.

19.32. “Minimum Advertising Contribution” is defined in section 5.4.

19.33. “Minimum Royalty” is defined in section 5.2.

19.34. “Month” means the period beginning on a given numerical day of one month and ending on the same numerical day of the following month of the Gregorian calendar, without regard to the number of days in either month.

19.35. “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 and Advertising Contributions from any House Doctors Franchisee under this or any other 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 Franchised Business (other than Franchisor’s right to receive Royalties and Advertising Contributions from Franchisee under this or any other agreement).

19.36. “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.

19.37. “Post-Termination Provisions” are those obligations in this agreement that are intended by their nature to survive the expiration, transfer, repurchase, or termination of this agreement (for any reason), including confidentiality, noncompetition, indemnification, de-identification, interpretation, and dispute resolution provisions in sections 2.3, 5.8, 7.10, 8.2, 8.3, 9.2, 10.2, 10.3, 13.3, 15.3, 15.4, 15.9, and Articles 14, 16, 17 and 18.

19.38. “Principal” means a legal or beneficial owner of an Ownership Interest in a Business Organization.

19.39. “Remote Principal” means a Principal of a Business Organization that is a Principal of another Business Organization.

19.40. “Royalty” means the recurring fee Franchisee is required to pay Franchisor under section 5.1 in consideration of Franchisee’s continued right to use the Marks.

19.41. “Special Account” is a special customer (which may be, but is not limited to, a national or regional customer, other large business, or government agency) designated as such by Franchisor from time to time in its Business Judgment. A Special Account will typically (though not necessarily) be a customer whose offices, stores, plants, buildings, or other physical facilities are not confined to the territory of a single House Doctors Franchisee or the trading area of a single Franchisor-owned or Affiliate-owned business.

19.42. “Special Account Services” are services provided to a Special Account at its offices, stores, plants, buildings or other physical facilities at locations not confined to the territory of a single House Doctors Franchisee or the trading area of a single Franchisor-owned or Affiliate-owned business.

19.43. “Start-up Package” means the computer equipment, marketing and promotional materials, business cards, stationery, uniforms, first year of annual franchise convention, and other supplies required for the operation of the Franchised Business provided by Franchisor under section 6.1(a).

19.44. “Start-up Package Fee” means the one-time fee Franchisee is required to pay under section 4.3 for the Start-up Package provided by Franchisor.

19.45. “Successor Franchise” is a House Doctors Franchise that Franchisee may be granted under section 2.2, as a successor to the Franchised Business, for an additional ten-year term following the expiration of this agreement.

19.46. “Successor Franchise Fee” is the fee Franchisee must pay Franchisor as consideration for a Successor Franchise under section 2.2, equal to \$2,000 or 25% of the then-current Initial License Fee being charged by Franchisor for a House Doctors Franchise, whichever is greater. The Successor Franchise Fee is not refundable unless Franchisor refuses to grant Franchisee a Successor Franchise.

19.47. “System” refers to both (a) the network of House Doctors Franchises and (b) the distinctive business methods and features of that network for the operation of House Doctors Franchises, including the Marks and Franchisor’s unique business format, which includes distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, operating

manuals, and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

19.48. “System Standards” means the uniform specifications, standards, operating procedures, and rules prescribed by Franchisor for the development and operation of the Franchised Business and other House Doctors Franchises, as periodically supplemented, modified or withdrawn by Franchisor, in its Business Judgment, via the Manual or otherwise communicated to Franchisee in writing. The System Standards constitute provisions of this agreement as if fully reproduced in this agreement.

19.49. “Terms of Use Agreement” means the agreement, which may be modified from time to time by Franchisor in its Business Judgment, that establishes the terms for the use of the Franchisee Intranet.

19.50. “Territory” is the geographical area described in Exhibit B.

19.51. “Territory Fee” means the one-time fee Franchisee is required to pay Franchisor under section 4.2.

19.52. “Third-Party Software” means a computer application developed or owned by a person other than Franchisor.

19.53. “Transfer” means any voluntary or involuntary, direct or indirect assignment, sale, gift, exchange, pledge, hypothecation, or other transfer of this agreement, of Franchisee, of the Franchised Business, of an Ownership Interest, or of any interest in any of the foregoing, or any other event that may create an Ownership Interest or change the legal or beneficial title to any Ownership Interest, including a merger or consolidation of Franchisee, the issuance of additional Ownership Interests in Franchisee, a transfer in a divorce, insolvency, corporate dissolution proceeding, or otherwise by operation of law, and a transfer by will, declaration of or transfer in trust, or under the laws of intestate succession.

19.54. “Transfer Fee” means the fee imposed by section 12.2(b)(14) as a condition to Franchisor’s approval of a Transfer by Franchisee. The Transfer Fee is equal to the Initial License Fee or equivalent fee that Franchisor charges for a new Franchise at the time of the Transfer, or \$3,000 if the transferee is another House Doctors Franchisee.

19.55. “Website” 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 Internet and World Wide Web home pages.

The signature page follows this paragraph.

SIGNATURE PAGE

The parties are signing this agreement on the dates below, the latest of which is the “Effective Date” of this agreement.

SALTIRE BRANDS LLC | **BUSINESS ORGANIZATION FRANCHISEE:**

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

INDIVIDUAL FRANCHISEE: | **INDIVIDUAL FRANCHISEE:**

Signature

Signature

Date: _____

Date: _____

EXECUTION BY FRANCHISEE(S) MUST BE NOTARIZED

STATE OF _____, COUNTY OF _____, SS.

On _____, before me, a Notary Public in and for said County and State, personally appeared _____, who acknowledged that they executed the foregoing instrument.

NOTARY PUBLIC

EXHIBIT A

IDENTIFICATION OF FRANCHISEE

INDIVIDUAL FRANCHISEE

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 business organization Franchisee, hereby certifies that the foregoing information is accurate and complete to the best of his or her knowledge and agrees to notify Franchisor promptly of any change in any such information during the term of the Franchise Agreement to which this Exhibit A pertains.

Signature

Signature

Print Name

Print Name

Date: _____

Date: _____

Signature

Signature

Print Name

Print Name

Date: _____

Date: _____

EXHIBIT B

FRANCHISE TERRITORY AND TRADE NAME

1. **Territory.** The Territory referenced in section 1.2 of the Franchise Agreement to which this Exhibit is attached consists of the following Postal Codes in the State of _____:

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

A map of the Territory is attached hereto; however, in the event of a discrepancy between the map and the written description above, the written description controls. If any street, road, or highway serves as a boundary of the Territory, the actual boundary is the centerline of the street, road, or highway, and only the land and structures within such boundary are included in Franchisee’s Territory.

2. **Trade Name.** Franchisee shall operate the Franchised Business only under the trade name initialed by Franchisee and checked below (the “Trade Name”), and shall use no other trade name, business name, fictitious name, or assumed name in connection with the Franchised Business without Franchisor’s prior consent.

Initial _____ HOUSE DOCTORS Initial _____ HOUSE MEDIC

3. This Exhibit B is to be attached to, incorporated in and made a part of the Franchise Agreement between Franchisor and Franchisee.

The parties are signing this Exhibit B on the dates below.

| | |
|--------------------|-----------------------------------|
| SALTIRE BRANDS LLC | BUSINESS ORGANIZATION FRANCHISEE: |
|--------------------|-----------------------------------|

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

| | |
|------------------------|------------------------|
| INDIVIDUAL FRANCHISEE: | INDIVIDUAL FRANCHISEE: |
|------------------------|------------------------|

Signature

Signature

Date: _____

Date: _____

EXHIBIT C

HOUSE DOCTORS
START-UP PACKAGE

| Item | Quantity |
|---|-----------------|
| Business Cards w/ color logo – 2000 count | 1 |
| Letterhead – Personalized – 500 count | 1 |
| #10 Envelopes – Personalized – 500 count | 1 |
| 10X13 Envelopes – Personalized w/b/w log – 250 count | 1 |
| 5-in-1 Labor Law Poster | 1 |
| Commercial Brochure – Personalized – 500 count | 1 |
| Consumer Brochure – Personalized – 1000 count | 1 |
| Special Services Brochure – Personalized – 500 count | 1 |
| Presentation Folder – 250 count | 1 |
| Door Hangers – Personalized – 500 count | 1 |
| Thank You Post Cards – 100 count | 1 |
| Holiday Cards – 100 | 1 |
| Vacation Give-a-way Postcard – 250 count | 1 |
| Gift Certificates – 50 count | 1 |
| Coupons – 250 count | 1 |
| Top 50 Jobs pads – 50 sheets per pad, 5 pads | 1 |
| Pens – Item #55324HD – 300 count | 1 |
| Caps – lower profile | 12 |
| Coffee Mugs – Personalized case of 72 | 1 |
| Brochure Holders – 12 count | 4 |
| Magnets – Personalized imprinting – 500 count | 1 |
| Yard Signs – High Quality for Big Jobs | 2 |
| Yard Signs – 50 | 1 |
| Banner Display – Series of 3 | 1 |
| Tall Long Sleeve Twill White | 3 |
| Tall Twill Blue | 1 |
| Sport-Tek Dri Mesh | 1 |
| Performance Plus Polo | 1 |
| Duplicate Notice of Cancellation Forms – Personalized imprinting – 250 count | 1 |
| Duplicate Estimate Forms – Personalized imprinting – 250 count | 1 |
| Duplicate Invoice Forms – Personalized imprinting – 250 count | 1 |
| Operations Manual | 1 |
| Technology Package (OptiPlex 980 Minitower with i5 processor, Windows 7 Pro, 4GB RAM, Norton Antivirus, Microsoft home and Office 2010, Speakers, Wireless Card 19 in Monitor | 1 |
| Dell 1355cnw Multifunction Color Printer with 10 ft. USB Printer Cable | 2 |
| 4 GB Flash Drive | 1 |
| QuickBooks Pro 2012 | 1 |
| ServiceCEO 1st Year Fees | 1 |
| Convention Reimbursement | 1 |

EXHIBIT D

GENERAL RELEASE LANGUAGE

1. Release – General Provisions. Franchisee and each of the Principals and Remote Principals of Franchisee, and all Affiliates of any of them, on their own behalf and on behalf of their respective successors, assigns, and anyone claiming through or under them (collectively referred to as the “Releasing Parties”), hereby waive, release, acquit, and forever discharge each and all of the Franchisor-Related Persons of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, liabilities, claims, demands, damages, losses or expenses, of any nature whatsoever, known or unknown, fixed or contingent, which they have, or may hereafter have, against the Franchisor-Related Persons, individually or collectively, including all matters, causes or things whatsoever, that were or have been, or could have in any way been alleged in any pleadings filed in any suit or arbitration (the “Claims”).

2. Without limiting the generality of paragraph 1, the Releasing Parties intend this release, as it pertains to Claims by them or to anyone claiming through or under them, to cover, encompass, relinquish, and extinguish all Claims against the Franchisor-Related Persons, including all Claims arising from any misrepresentation in or omission from any disclosure document received by Franchisee or any of the Affiliates, Principals, or Remote Principals of Franchisee, or from a violation of the Sherman Antitrust Act, the Federal Trade Commission Act, the Federal Trade Commission Trade Regulation Rule entitled *Disclosure Requirements and Prohibitions Concerning Franchising* (16 CFR Part 436), any amendment or successor to any of the foregoing statutes or regulations, or any other federal or state (including the state in which the principal office of the Franchised Business is located and the state in which Franchisee was organized) securities, franchise, business opportunity, antitrust, consumer protection, or unfair or deceptive trade practices law or regulation.

3. The Releasing Parties expressly acknowledge and agree that the Claims each of them 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. The Releasing Parties specifically waive 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. The Releasing Parties intend 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 Franchisor-Related Persons are hereby forever canceled and forgiven.

4. For California Franchisees. The Releasing Parties acknowledge that they are familiar with the provisions of California Civil Code Section 1542 and intend this release to cover, encompass, release, and extinguish, among others, all claims and matters that might otherwise be reserved by California Civil Code section 1542, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

THE RELEASING PARTIES, BEING AWARE OF CALIFORNIA CIVIL CODE SECTION 1542, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER, AS WELL AS UNDER

ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION (INCLUDING THE STATE IN WHICH THE PRINCIPAL OFFICE OF THE FRANCHISED BUSINESS IS LOCATED AND THE STATE IN WHICH FRANCHISEE WAS ORGANIZED).

5. Risk of Mistake. The Releasing Parties expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by them, and it is their 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 date of this document, 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 the Releasing Parties 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 date of this release. The Releasing Parties represent and warrant that they have 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 the Releasing Parties, in their independent judgment, believe necessary or appropriate. The Releasing Parties have not relied on any statement, promise, or representation, whether of fact or law, or lack of disclosure of any fact or law, by the Franchisor-Related Persons or anyone else, not expressly set forth herein, in executing this document and the related releases.

6. No Assignment or Transfer of Interest. The Releasing Parties represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Releasing Parties may have against any or all of the Franchisor-Related Persons, all Claims having been fully and finally extinguished, and the Releasing Parties shall forever indemnify and hold the Franchisor-Related Persons harmless from any liability, claims, demands, damages, losses, costs, expenses or legal fees incurred by any of the Franchisor-Related Persons as a result of any person asserting any interest in any of the Claims or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer, or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor-Related Persons as a condition precedent to recovery against the Releasing Parties under this indemnity.

7. Legal expenses. If the Releasing Parties, or any person acting for or on behalf of, the Releasing Parties or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit or other legal or equitable proceeding arising out of, based upon or relating to any of the Claims released hereunder, or in any manner asserts against all or any of the Franchisor-Related Persons any of the Claims released hereunder, the Releasing Parties shall pay all legal expenses and other costs incurred by any of the Franchisor-Related Persons in defending or otherwise responding to said suit or assertion, directly to the Franchisor-Related Persons incurring such costs.

8. Date of Releases; Joint and Several Liability. The releases granted hereunder will be deemed effective as to each of the Releasing Parties as of the date this document is signed by each of the Releasing Parties. The liabilities and obligations of each of the Releasing Parties (and any other person providing releases to the Franchisor-Related Persons) will be joint and several.

9. Defined Terms. Capitalized words that are not defined in this document are used as defined in the franchise agreement between Franchisee and Franchisor.

EXHIBIT E

AUTHORIZATION FOR ELECTRONIC FUND TRANSFER

The undersigned depositor ("DEPOSITOR") hereby authorizes Saltire Brands LLC ("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.



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**EXHIBIT B TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

IRREVOCABLE POWER OF ATTORNEY

IRREVOCABLE POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That _____ (“Franchisee”) does hereby irrevocably constitute and appoint SALTIRE BRANDS LLC, an Ohio limited liability company (“Franchisor”), the true and lawful attorney-in-fact and agent for Franchisee and in Franchisee’s name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, may be necessary or advisable for the sole purpose of assigning to Franchisor all of Franchisee’s right, title and interest in and to

1. any and all telephone numbers of Franchisee’s House Doctors or House Medic franchise and all related Yellow Pages, White Pages and other business listings, including but not limited to, the execution and delivery on Franchisee’s behalf of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone service company providing telephone services for Franchisee; and

2. any and all web sites, web pages, listings, banners, URLs, advertisements or any other services and links related to Franchisee’s House Doctors or House Medic franchise 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, including but not limited to, the authority to transfer, modify or cancel any such service, listing, or link;

hereby granting unto Franchisor full power and authority to execute and deliver on Franchisee’s behalf any and all documentation required by any telephone service provider, Internet service provider, electronic mail service, communication provider, search engine, regulatory agency or other provider of services, or any other party, and to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming 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 Franchisee has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with Franchisor will be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Franchisor. Any person or entity dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee will not take any action against any person or entity acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor will be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph will survive any termination of this Power of Attorney.

This power of Attorney will terminate two years after the expiration or termination of the Franchise Agreement dated evenly herewith between Franchisor and Franchisee. Such termination, however, will not affect the validity of any act or deed that Franchisor may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest. It is executed and 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.

FRANCHISEE: STATE OF _____, COUNTY OF _____,
SS.

[Name of Franchisee]

Acknowledged and subscribed before me, a Notary Public in and for said County and State, on

By: _____
Title: _____

_____.

NOTARY PUBLIC



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**EXHIBIT C TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution by SALTIRE BRANDS LLC, an Ohio limited liability company, ("Franchisor") of a franchise agreement dated _____ (the "Agreement") between Franchisor and _____ (the "Business Entity Franchisee"), each of the undersigned Personal Guarantors hereby personally and unconditionally, jointly and severally:

1. guarantees to Franchisor and the Franchisor-Related Persons and each of their successors and assigns, for the term of the Agreement, and for any renewal/successor franchise term, and thereafter as provided in the Agreement, that the Business Entity Franchisee will punctually pay and perform, each and every undertaking, agreement and covenant set forth in the Agreement, as currently set forth and as amended or otherwise changed in the future, including any successor franchise agreement;
2. agrees to be personally bound by, and personally liable for, the breach of, each and every provision in the Agreement (including all confidentiality, non-competition, indemnity, and post-termination provisions) as currently set forth and as amended or otherwise changed in the future, including any successor franchise agreement; and
3. agrees to be personally bound by, and personally liable for, each past, current and future obligation of the Business Entity Franchisee to Franchisor and the Franchisor-Related Persons and each of their successors and assigns.

Each of the Personal Guarantors intends that the guarantees and other obligations in this Guaranty be unqualifiedly general and without limitation in scope, nature and effect. Franchisor and the Franchisor-Related Persons, and each of their successors and assigns, need not bring suit first against any one or all of the Personal Guarantors in order to enforce this Guaranty, and may enforce this Guaranty against any or all of the Personal Guarantors as they choose in their sole and absolute discretion.

Each of the Personal Guarantors waives: presentment, demand, notice of demand, dishonor, protest, nonpayment, default and all other notices (including, but not limited to, acceptance and notice of acceptance, notice of any contracts or commitments, notice of the creation or existence of any liabilities under the Agreement or otherwise and of the amounts, terms or otherwise thereof, notice of any defaults, disputes or controversies between Franchisor and the Business Entity Franchisee or otherwise, and any settlement, compromise or adjustment thereof); any right the Personal Guarantor may have to require that an action be brought against Franchisor, Business Entity Franchisee or any other person as a condition of liability, and any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the Personal Guarantors consents and agrees that:

1. his or her direct and immediate liability under this Guaranty is joint and several;
2. he or she will render any payment or performance required under the Agreement on demand if the Business Entity Franchisee fails or refuses to do so punctually;
3. his or her liability under this Guaranty is not contingent or conditioned on pursuit by Franchisor or otherwise of any remedies against the Business Entity Franchisee or any other person;
4. his or her liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor or any other person may from time to time grant to the Business Entity Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement and any renewal/successor franchise term;

- 5. the liabilities and obligations of the Personal Guarantors, whether under this Guaranty or otherwise, will not be diminished or otherwise affected by the termination, rescission, expiration, renewal, award of a successor franchise, modification or otherwise of the Agreement;
- 6. terms not defined in this Guaranty will have the meanings assigned in the Agreement; and
- 7. the provisions of Articles 16 and 18 of the Agreement are incorporated in and will apply to this Guaranty as if fully set forth herein and will apply to any dispute involving Franchisor, the Franchisor-Related Persons, any Advertising Fund, or any of their successors and assigns, on one side, and any of the Personal Guarantors on the other side.

In connection with this Guaranty and Franchisor (a) not requiring that the Franchise be initially awarded in the name of one or more of the Personal Guarantors and (b) not requiring the payment of a full transfer fee in connection with any related transfer from the Personal Guarantors to the Business Entity Franchisee, each of the Personal Guarantors hereby grants a General Release of any and all claims, liabilities and obligations, of any nature whatsoever, however arising, known or unknown, against Franchisor, the Franchisor-Related Persons, any Advertising Fund, and each of their successors and assigns.

In this Guaranty, the term "Franchisor-Related Persons" means Franchisor and each and all of the following, whether past, current, or future: persons acting through, in concert with Franchisor, or as affiliates of Franchisor or of any of the foregoing; partners, members, shareholders, officers, directors, agents, attorneys, accountants, and employees of Franchisor or any of the foregoing; and predecessors, successors, or assigns of Franchisor or any of the foregoing. The word "person" includes individuals, corporations, limited liability companies, partnerships of any kind, unincorporated associations, joint ventures, governments, governmental bodies or agencies, commissions, estates, trusts, charitable organizations, and all other entities and organizations of any kind.

The undersigned are signing this Guaranty on the dates below.

PERSONAL GUARANTOR

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Personally and Individually (Signature)

Date: _____

Date: _____

HOME ADDRESS

HOME ADDRESS

TELEPHONE NO.: _____

TELEPHONE NO.: _____

PERCENTAGE OF OWNERSHIP

PERCENTAGE OF OWNERSHIP

IN FRANCHISEE: _____ %

IN FRANCHISEE: _____ %

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____ %

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____ %

BUSINESS ENTITY FRANCHISEE:

Print Name

By: _____

Title: _____

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____ %

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date: _____

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____ %

Franchise No. _____

Date: _____



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**EXHIBIT D TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This agreement is between _____ (“Franchisee”) and _____ (“Covenantor”), an individual resident of the state of _____.

- A. Pursuant to a franchise agreement dated _____ (the “Franchise Agreement”), Franchisor licensed Franchisee to operate a House Doctors Franchise (defined in section 15(d) below).
- B. Covenantor holds a position as a shareholder, officer, director, partner, member, manager, employee, or trustee of Franchisee.
- C. Franchisor has expended substantial amounts of time and money in developing the Marks (defined in section 15(f) below) and the System (defined in section 15(h) below), which includes Confidential Information (defined in section 15(a) below).
- D. In connection with the operation of the Franchise, Covenantor will have access to Confidential Information.
- E. The Franchise Agreement requires that all officers, directors, legal or beneficial owner of an ownership Interest in the Franchise Business must execute this agreement.

THEREFORE Covenantor hereby agrees as follows:

1. Confidential Information. Covenantor acknowledges the proprietary and confidential nature of all Confidential Information. Covenantor shall use Confidential Information solely for Franchisee’s benefit in compliance with the Franchise Agreement, maintain the absolute secrecy and confidentiality of the Confidential Information during and after the term of this agreement, and may not at any time disclose, communicate, divulge, or use any Confidential Information to or for the benefit of any other person. Covenantor’s obligations under this paragraph have no time or geographical limitation.
2. Manuals. The Manuals (defined in section 15(e) below) remain the sole property of Franchisor at all times. Franchisor and Franchisee treat the Manuals and all information in them as Confidential Information. Covenantor shall also treat the Manuals and all information in them as Confidential Information, and shall use all reasonable efforts to maintain the absolute secrecy and confidentiality of such information. Covenantor may not at any time copy, duplicate, record, distribute, or otherwise make the Manuals available to any unauthorized person. Covenantor’s obligations under this paragraph have no time or geographical limitation.
3. Use of Marks. Covenantor acknowledges Franchisor’s right, title, and interest in and to 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 and a breach of the Franchise Agreement by Franchisee. Accordingly, Covenantor 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 at any time.
4. Nonsolicitation. Covenantor shall not, during the term of the Franchise Agreement and for a continuous and uninterrupted period beginning upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for TWO YEARS thereafter, either directly or indirectly, for himself or through, on behalf of, or in conjunction with, any other person:

- (a) divert or attempt to divert any business or customer of Franchisee or of any other House Doctors Franchise 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 injure or prejudice the goodwill associated with the Marks and the System; or
- (b) employ or seek to employ any person who is at that time employed by Franchisee, by Franchisor, or by any other House Doctors Franchise, or otherwise directly or indirectly attempt to induce the person to leave his or her employment.
5. Noncompetition. Covenantor shall not, during the term of the Franchise Agreement and for a continuous and uninterrupted period beginning upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for ONE YEAR thereafter, directly or indirectly, for himself or through, on behalf of, or in conjunction with, any other Person (including Covenantor's spouse or children), own, maintain, operate, engage in, or have any interest in, any Competitive Business (defined in section 15(a) below) that is or is intended to be located within seventy-five miles of Franchisee. This restriction does not apply to the beneficial ownership by Covenantor of less than one percent of the outstanding equity securities of any corporation the securities of which are registered under the Securities and Exchange Act of 1934. The time period referred to in this section will be stayed during any violation or breach of the terms of this section.
6. Remedies. Covenantor acknowledges that his violation of any of the covenants 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 this agreement. This remedy is in addition to any other remedies that may be available to Franchisor or Franchisee.
7. Effect. This agreement is binding upon and inures to the benefit of the parties and their respective legal representatives, successors, and assigns.
8. Integration; Modification. This agreement constitutes the entire agreement between the parties relating to the subject matter hereof, and any prior agreements and understandings between the parties relating to the same subject are hereby superseded and merged into this agreement. This agreement may be modified or amended only by a written instrument signed by all parties.
9. Enforcement Costs. In any judicial proceeding to enforce this agreement or appeal thereof, the prevailing party in the proceeding is entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees, arbitration administrative charges, arbitrators' compensation, and all other costs and expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing, or proceeding to enforce the obligations of this agreement.
10. No Waiver. No failure or delay on the part of any party in exercising any right, power, or privilege under this agreement will operate as a waiver thereof, nor will a single or partial exercise of any right, power, or privilege under this agreement by any party preclude any other or further exercise thereof or the exercise of any other right, power, or privilege by that party.
11. Severability. Each of the covenants in this agreement is to be construed as independent of any other covenant or provision of this agreement. If any provision of this agreement is held to be illegal, invalid, or unenforceable, the provision will be deemed to be modified to the extent necessary to permit its enforcement to the maximum extent permitted by applicable law, and Covenantor expressly agrees to be bound by any lesser covenants subsumed within the terms of the provision that imposes the maximum

duty permitted by law, as if the resulting covenants were separately stated in and made a part of this agreement. The remainder of this agreement and all other provisions hereof will not be affected thereby.

12. Governing Law. The laws of the state in which Franchisee's principal office is located govern all aspects of this agreement.

13. Jurisdiction and Venue. Any action brought by Franchisor against any other party to enforce the terms of this agreement may be brought in state or federal court in the state of Ohio in the judicial district in which Franchisor has its principal place of business, and each party hereby submits to the exercise of personal jurisdiction by any such court and waives all objections or defenses of lack of personal jurisdiction or improper venue for the purpose of carrying out this provision.

14. Third-Party Beneficiary. Each of the parties acknowledges and intends that the covenants in this agreement directly benefit Franchisor, and Franchisor is a third-party beneficiary of this agreement, entitled to enforce the provisions of this agreement in its own name without Franchisee as a party, and further entitled to all remedies provided in section 6 hereof.

15. Definitions. To simplify this agreement and make it easier to read and understand, certain terms have been defined below and will be capitalized throughout the agreement. Capitalized words that are not defined below are defined in the section where they first appear.

(a) "Competitive Business" means a business that offers or sells, or franchises or licenses others to operate a business that offers or sells, residential or commercial property maintenance, repair, or remodeling services or any other products or services similar to those offered as part of the System or in which Confidential Information could be used to the disadvantage of Franchisor, its Affiliates, or other House Doctors Franchises, or that is competitive with the services or products offered by House Doctors Franchises.

(b) "Confidential Information" means trade secrets and any information or matter that is confidential and/or proprietary and/or competitively sensitive and not generally known by the public (whether or not in written or tangible form and regardless of the media—if any—on which stored) relating to the System, including, but not limited to, know-how, knowledge of and experience in operating a Franchise, methods, techniques, formats, specifications, procedures, systems, policies and standards, business operating systems and techniques, marketing programs for Franchisee or other House Doctors Franchises, record keeping and reporting methods, accounting systems, sales and marketing methods and training techniques, specifications for signs, displays, business forms and stationery to be used by Franchisee, the Manuals (which Franchisee has received on loan from Franchisor), ideas, research and development, customer and supplier lists, pricing and cost information, software developed or introduced by Franchisor or its affiliates as part of the System (and all aspects thereof, including code, functions, menus, and screen views, and all future enhancements thereto), the financial condition, results of operations, and other financial information about Franchisor, Franchisee, Franchisee's Franchise, and/or other House Doctors Franchises, and any other information or material identified by Franchisor or Franchisee as confidential.

(c) "Franchisor" means Saltire Brands LLC, an Ohio limited liability company.

(d) "House Doctors Franchise" or "Franchise" is a business operated under a license granted by Franchisor that offers residential and commercial property maintenance, repair, and remodeling services or other goods and/or services that Franchisor may designate from time to time, using the Marks (whether HOUSE DOCTORS or HOUSE MEDIC) and Franchisor's

unique business format, which includes distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, operating manuals, and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

(e) “Manuals” means the HOUSE DOCTORS operating manuals and other items that Franchisor may provide on loan to Franchisee in the future, including other manuals and all books, pamphlets, memoranda, and other publications prepared by or on behalf of Franchisor, as may be added to, modified, or withdrawn by Franchisor from time to time, containing the standards, methods, procedures, and specifications of the System.

(f) “Marks” are the trademarks, service marks, trade names, trade dress, logos, and other commercial symbols that Franchisor or its affiliates use or may acquire to identify the products and/or services offered under the System, including the HOUSE DOCTORS® and HOUSE MEDIC® service marks.

(g) “Person” includes corporations, limited liability companies, partnerships of any kind, joint ventures, unincorporated associations, estates, trusts, charitable organizations, governments, governmental bodies and agencies, commissions, and all other entities and organizations, as well as individuals.

(h) “System” refers to both (1) the network of House Doctors Franchises established by Franchisor and (2) the distinctive business methods and features of that network that have been developed by Franchisor for the operation of House Doctors Franchises, including, but not limited to, the Marks and Franchisor’s unique business format, which includes distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, operating manuals, and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

The parties are signing this agreement on the dates below.

FRANCHISEE:

Date: _____

By: _____

Title: _____

Date: _____

COVENANTOR



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**EXHIBIT E TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

TERMS OF USE AGREEMENT

TERMS OF USE AGREEMENT FOR THE
HOUSE DOCTORS FRANCHISEE INTRANET SYSTEM

This agreement is between SALTIRE BRANDS LLC, an Ohio limited liability company (“Franchisor”), and _____ (“Franchisee”).

1. GENERAL TERMS

(a) Franchisor and Franchisee entered into a Franchise Agreement on _____ for the operation of a House Doctors Franchise (the “Franchised Business”).

(b) Franchisor has developed an intranet system (the “Franchisee Intranet”) as a way for House Doctors Franchisees who accept the terms of this agreement and are in Good Standing to communicate with Franchisor and with other House Doctors Franchisees, access and print portions of the Manual, advertising materials, supplements, and updates to System Standards, archived library files, and for such other purposes as Franchisor may allow or require from time to time.

(c) Franchisee must accept this agreement in order to use the Franchisee Intranet. In order to accept this agreement if it is e-mailed to Franchisee, Franchisee must reply by e-mail to Franchisor with a message stating: “I AGREE TO BE BOUND BY THE TERMS OF USE AGREEMENT FOR THE HOUSE DOCTORS FRANCHISEE INTRANET SYSTEM.” Upon Franchisee’s acceptance, Franchisor will issue a User ID and two passwords to Franchisee. By logging onto the Franchisee Intranet, Franchisee confirms that it is eligible to access the Franchisee Intranet and that it agrees to comply with and be bound by this agreement.

(d) Capitalized terms used but not defined in this agreement are defined in the Franchise Agreement.

2. ACCESS REQUIREMENTS

It is Franchisee’s responsibility to maintain access to the World Wide Web / Internet so that Franchisee can access the Franchisee Intranet. Franchisee must pay any Internet access fees Franchisee incurs. Franchisee must also provide all computer equipment and software needed to connect to the World Wide Web / Internet.

3. PASSWORDS AND SECURITY

(a) Franchisor shall issue Franchisee a User ID and a Password. When Franchisee receives this information for system entry, Franchisee is able to change Franchisee’s User ID and Password at any time while online. Anyone using Franchisee’s User ID and Password gains access to the Manual and other Confidential Information, so Franchisee must maintain the confidentiality of Franchisee’s Password and User ID. Franchisee and its employees may not use another Person’s User ID and Password to access the Franchisee Intranet.

(b) Franchisee’s User ID and Password should be memorized. The User ID should not be recorded at the same place as either of the Password. Franchisee shall maintain the confidentiality of its User ID and Password, and Franchisee is responsible for all activities that occur under its User ID and Password. Franchisee is also responsible for any use its employees make of Franchisee’s User IDs and Password.

(c) Franchisee shall (i) notify Franchisor immediately of any unauthorized use of Franchisee’s User ID or Password, or any other breach of security that comes to Franchisee’s attention, and (ii) log out of its Franchisee Intranet account at the end of each session.

(d) Franchisor is not liable for any loss or damage arising from Franchisee’s failure to comply with these requirements stated in this Section 3.

4. PRIVACY AND DATA COLLECTION

Franchisor may record each use of Franchisee's User ID and password to access the Franchisee Intranet, the time and duration of each session of Franchisee's User ID's use of the Franchisee Intranet, and the number of times that Franchisee accesses certain information on the Franchisee Intranet, such as when Franchisee opens an update to the Manual or the number of instances and how often Franchisee accesses the Manual.

5. CONFIDENTIALITY OF CERTAIN INFORMATION

All provisions of the Franchise Agreement pertaining to Confidential Information apply to all content located on the Franchisee Intranet.

6. CONDUCT

(a) Franchisee may not use the Franchisee Intranet for any purpose that is unlawful or prohibited by this agreement. Franchisee and its employees may use the Franchisee Intranet only for purposes related to the operation of the Franchised Business and not for any other purpose, including any personal or unrelated business use. Any unauthorized use of the Franchisee Intranet is expressly prohibited, and Franchisor reserves the right remove inappropriate material and to deny access to the Franchisee Intranet to Franchisee if Franchisee or any of its employees use the Franchisee Intranet for an unauthorized purpose.

(b) Franchisee is responsible for all User Content that Franchisee or its employees post or make available on the Franchisee Intranet, including all messages, e-mail, data, text, photographs, graphics, video, and other materials or information transmitted via the Franchisee Intranet (except information that Franchisor posts), whether posted for general viewing or transmitted privately. If Franchisee or its employees upload, post, e-mail or otherwise transmit any User Content, Franchisee is responsible for its compliance with this agreement. Franchisor does not screen, edit or control User Content, and Franchisor does not accept responsibility for its truthfulness, accuracy, or suitability. Under no circumstances will Franchisor be liable in any way for any User Content, including errors or omissions in any User Content, or for any loss or damage of any kind incurred as a result of the use of any User Content posted, e-mailed or otherwise transmitted via the Franchisee Intranet.

(c) Franchisee may not use the Franchisee Intranet to:

- (1) upload, post, e-mail or otherwise transmit any User Content that is unlawful, harmful, threatening, abusive, harassing, defamatory, vulgar, obscene, invasive of another's privacy, hateful, or racially, ethnically, or otherwise offensive;
- (2) impersonate any Person;
- (3) disguise the authorship or origin of any User Content Franchisee transmits;
- (4) upload, post, e-mail or otherwise transmit any User Content that Franchisee does not have a right to transmit under any law or under contractual or fiduciary relationships (such as inside information or Confidential Information);
- (5) upload, post, e-mail or otherwise transmit any User Content that infringes any patent, trademark, trade secret, copyright or other proprietary rights of any Person;
- (6) upload, post, e-mail or otherwise transmit any unsolicited or unauthorized advertising, promotional materials, "junk mail," "spam," "chain letters," or any other form of solicitation;

(7) upload, post, e-mail or otherwise transmit any material that contains software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer software or hardware or telecommunications equipment;

(8) disrupt the normal flow of dialogue, cause a screen to “scroll” faster than normal, or otherwise act in a manner that negatively affects other users’ ability to engage in orderly exchanges;

(9) interfere with or disrupt servers or networks connected to the Franchisee Intranet;

(10) “stalk” or otherwise harass another; or

(11) collect or store personal data about other users.

(d) Franchisor has the right in its Business Judgment to block or remove any objectionable User Content that Franchisee transmits or makes available via the Franchisee Intranet. Without limiting the generality of the foregoing, Franchisor may remove any User Content that violates this agreement or the Franchise Agreement or that is otherwise objectionable.

(e) Franchisor stores and preserves User Content and may disclose it if required by law or in the good faith belief that such disclosure is reasonably necessary (a) to comply with legal process, (b) to enforce this agreement or any other agreement to which Franchisor are a party, (c) to respond to claims that any User Content violates the rights of third-parties, or (d) to protect the rights, property and personal safety of Franchisor, its employees and franchisees, and their employees and/or suppliers and vendors.

(f) Franchisor may transmit and store Franchisee’s User Content over various networks, computer servers and other technological means, and Franchisor may modify Franchisee’s User Content to conform and adapt it to technical requirements of connecting networks or devices.

(g) Franchisor will immediately suspend or terminate the rights of any User ID that Franchisor believes, in its Business Judgment, is being used to disseminate “spam” or other unsolicited bulk e-mail.

7. LICENSE TO REPUBLISH USER CONTENT

Franchisee grants Franchisor a royalty-free, perpetual, irrevocable, non-exclusive, fully assignable, worldwide right and license to use, reproduce, modify, adapt, publish, translate, create derivative works from, distribute, perform and display all or any part of the User Content that Franchisee transmits and/or to incorporate it with and into other works in any form, media, or technology now known or later developed.

8. RIGHT TO MODIFY

Franchisor has the right to modify the Franchisee Intranet as appropriate or necessary in its Business Judgment and to modify the Terms of Use Agreement governing the use of the Franchisee Intranet in the same manner that Franchisor modifies, amends or supplements the Manual. This agreement and any modifications to it constitute a part of the Manual. Franchisor has the right at any time and from time to time to modify or discontinue, temporarily or permanently, the Franchisee Intranet (or any of its features), with or without notice. Franchisee agrees that Franchisor is not liable to Franchisee or to any third party for any modification, suspension or discontinuance of the Franchisee Intranet.

9. INDEMNITY

Franchisee shall indemnify Franchisor and its subsidiaries, affiliates, officers, agents, co-branders or other partners, and employees, and hold Franchisor and each of those parties harmless from any claim or demand, including reasonable attorneys’ fees, made by any third party with respect to or arising out of User Content Franchisee submits, posts to or transmits through the Franchisee Intranet, Franchisee’s use

of the Franchisee Intranet, Franchisee's violation of this agreement, or Franchisee's violation of any rights of another.

10. USE AND STORAGE

Franchisor may establish general practices and limits concerning use of the Franchisee Intranet, including the maximum number of days that e-mail messages, message board postings or other uploaded User Content will be retained on or by the Franchisee Intranet, the maximum number of e-mail messages that may be sent from or received by an account, the maximum size of any e-mail message that may be sent from or received by an account, the maximum disk space that will be allotted on Franchisor's servers on Franchisee's behalf, and the maximum number of times (and the maximum duration for which) Franchisee may access the Franchisee Intranet in a given period. Franchisor disclaims any responsibility or liability for the deletion or failure to store any messages and other communications or other User Content maintained or transmitted by the Franchisee Intranet. Franchisor has the right to change these general practices and limits at any time, in its Business Judgment, with or without notice.

11. TERMINATION

Franchisor may suspend Franchisee's password, e-mail account or other use of the Franchisee Intranet, and remove and discard any of Franchisee's User Content if Franchisee violates this agreement. Any violation or breach of this agreement by Franchisee or its employees will be deemed a breach of the Franchise Agreement. In addition to any other rights or remedies Franchisor may have, if Franchisee repeatedly breaches this agreement, Franchisor may terminate Franchisee's password, e-mail account or other use of the Franchisee Intranet and thereafter supply Franchisee with paper copies of the Manual, bulletins and other materials that Franchisor is required to provide Franchisee under the Franchise Agreement. Franchisor is not liable to Franchisee or any third party for any termination or suspension of Franchisee's access to the Franchisee Intranet. Access to Franchisee Intranet will be terminated upon termination or expiration of the Franchise Agreement, Franchisee's abandonment of the Franchised Business, or if Franchisee otherwise leaves the System.

12. LINKS AND ADVERTISING

(a) The Franchisee Intranet may provide, or third parties (*i.e.*, other franchisees) may provide, links to other World Wide Web / Internet sites or resources. Franchisor is not responsible for the availability of such external sites or resources, and Franchisor neither endorses nor assumes any responsibility for any content, advertising, products, or other materials on or available from such sites or resources. Franchisor will not be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any such content, goods or services available on or through any such site or resource.

(b) Franchisee's business dealings with, or participation in promotions of, advertisers found on or through the Franchisee Intranet, including payment and delivery of related goods or services, and any other terms, conditions, warranties or representations associated with such dealings, are solely between Franchisee and the advertiser. Franchisor is not responsible or liable for any loss or damage of any kind Franchisee incurs as the result of any such dealings or as the result of the presence of such advertisers on the Franchisee Intranet.

(c) Franchisor may link the Franchisee Intranet to the web sites of third parties, including, other electronic service providers, affiliates and other providers of goods and services.

(d) Franchisor may place legal notices, disclaimers, the Marks, advertisements, endorsements, trademarks, and other identifying information on the Franchisee Intranet, all of which Franchisor may modify, expand or eliminate at its option. All consideration(monetary and non-monetary) received by

Franchisor on account of the placement or sale of advertisements, endorsements and sponsorships on the Franchisee Intranet will belong only to Franchisor.

13. INTELLECTUAL PROPERTY RIGHTS

(a) Franchisor grants Franchisee a personal, non-transferable and non-exclusive right and license to use the object code of the Software (defined below) on Franchisee's computers. Franchisee shall not copy, modify, create a derivative work of, reverse engineer, reverse assemble, or otherwise attempt to discover any source code, or to sell, assign, sublicense, grant a security interest in, or otherwise transfer any right in the Software, either directly or through Franchisee's employees or independent contractors. Franchisee shall not modify the Software in any manner or form, or to use modified versions of the Software for any purpose, including (without limitation) that of obtaining unauthorized access to the Franchisee Intranet. Franchisee shall not access the Franchisee Intranet by any means other than the interface that Franchisor provides for use in accessing the Franchisee Intranet. Franchisor owns and will retain all right, title and interest in and to the Software (subject to any licenses for the same with third parties), all Owner Content (as defined below) prepared for, or used on, the Franchisee Intranet, and all intellectual property rights in or to any of them.

(b) "Owner Content" means all text, e-mail, images, sounds, files, videos, designs, animations, layouts, color schemes, trade dress, concepts, methods, techniques, processes and data used in connection with, displayed on, or collected from or through the Franchisee Intranet that Franchisor posts or provides.

(c) "Software" means computer programs and computer code (*e.g.*, HTML, Java) used for, with or on the Franchisee Intranet, excluding any software programs owned by third parties.

14. DISCLAIMER OF WARRANTIES

Franchisee EXPRESSLY UNDERSTANDS AND AGREES THAT:

(a) FRANCHISEE'S USE OF THE FRANCHISEE INTRANET IS AT FRANCHISEE'S SOLE RISK. THE FRANCHISEE INTRANET IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. FRANCHISOR EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

(b) FRANCHISOR MAKES NO WARRANTY THAT (I) THE FRANCHISEE INTRANET WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (II) THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE FRANCHISEE INTRANET WILL BE ACCURATE OR RELIABLE, (III) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION, OR OTHER MATERIAL FRANCHISEE PURCHASES OR OBTAINS THROUGH THE FRANCHISEE INTRANET WILL MEET FRANCHISEE'S EXPECTATIONS, AND (IV) ANY ERRORS IN THE SOFTWARE WILL BE CORRECTED.

15. LIMITATION OF LIABILITY

FRANCHISEE EXPRESSLY UNDERSTANDS AND AGREES THAT NEITHER FRANCHISOR NOR ITS AFFILIATES, CONTRACTORS, SUPPLIERS OR LICENSORS SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER INTANGIBLE LOSSES (EVEN IF FRANCHISOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), RESULTING FROM: (I) FRANCHISEE'S USE OF OR INABILITY TO USE THE FRANCHISEE INTRANET; (II) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES RESULTING FROM ANY GOODS, DATA, INFORMATION OR SERVICES PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO THROUGH OR FROM THE

FRANCHISEE INTRANET; (III) UNAUTHORIZED ACCESS TO OR ALTERATION OF FRANCHISEE'S TRANSMISSIONS, DATA OR OTHER USER CONTENT; (IV) STATEMENTS OR CONDUCT OF ANY THIRD PARTY ON THE FRANCHISEE INTRANET; OR (V) ANY OTHER MATTER RELATING TO THE FRANCHISEE INTRANET

16. NOTICES

Notices to Franchisee or Franchisor may be made by any manner permitted in the Franchise Agreement. In addition, Franchisor may also provide notices of changes to this agreement or other matters by displaying notices or links to notices to Franchisee generally on the Franchisee Intranet.

17. GENERAL

(a) This agreement constitutes the entire agreement between the parties relating to Franchisee's use of the Franchisee Intranet and supersedes any prior agreements between the parties. Franchisee also may be subject to additional terms and conditions that may apply when Franchisee uses affiliate services, third-party content or third-party software. The laws of the State of Ohio govern all aspects of this agreement without regard to conflict of law provisions. The parties agree to submit to the personal and exclusive jurisdiction of the courts located within the State of Ohio as provided for in the Franchise Agreement.

(b) This agreement does not constitute a modification of any terms of the Franchise Agreement or other agreements between the parties, including but not limited to, those regarding Confidential Information and use of the Manual.

(c) Franchisor's failure to exercise or enforce any right or provision of this agreement shall not constitute a waiver of such right or provision. If any provision of this agreement is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give effect to the parties' intentions as reflected in the provision, and the other provisions of this agreement remain in full force and effect. Franchisee agrees that, regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to use of the Franchisee Intranet or this agreement must be filed within one year after the claim or cause of action arose or be forever barred. The section titles in this agreement are for convenience only and have no legal or contractual effect.

18. VIOLATIONS

Franchisee shall report any violations of this agreement to Franchisor.

The parties are signing this agreement on the dates below.

SALTIRE BRANDS LLC:

FRANCHISEE:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____



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Handyman Professionals | Home Improvements

**EXHIBIT F TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

FRANCHISEE DISCLOSURE QUESTIONNAIRE

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you are aware, you have or are preparing to enter into a Franchise Agreement with SALTIRE BRANDS LLC (**Franchisor**) for the operation of a HOUSE DOCTORS® or HOUSE MEDIC™ franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you, either verbally or in writing, that the 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 the franchise agreement and other franchise contracts at least 7 days before you signed them?

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. Did you receive a copy of the Franchisor’s Franchise Disclosure Document?

YES _____ NO _____

5. Did you sign a receipt for the Disclosure Document, to show when you received it?

YES _____ NO _____

6. Did you understand all of the information in the Disclosure Document?

YES _____ NO _____

7. If “No,” what parts of the Disclosure Document did you NOT understand?

(Attach additional pages if necessary.)

8. Have you discussed your purchase of a HOUSE DOCTORS/MEDIC franchise with an attorney, accountant, or other professional advisor?

YES _____ NO _____

9. If "No," did you have an opportunity to do so?

YES _____ NO _____

10. Do you understand the risks of investing in and operating a HOUSE DOCTORS/MEDIC franchise?

YES _____ NO _____

11. Do you understand that the success or failure of your HOUSE DOCTORS/MEDIC 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 _____

NOTE: QUESTIONS 12 THROUGH 19 DO NOT RELATE TO ANY INFORMATION YOU WERE GIVEN DIRECTLY BY A HOUSE DOCTORS OR HOUSE MEDIC FRANCHISEE.

Has any employee of the Franchisor or other person speaking on behalf of the Franchisor made any written or oral statement or promise regarding:

12. . . . the actual revenue, profits, or operating costs of a HOUSE DOCTORS/MEDIC franchise?

YES _____ NO _____

13. . . . the amount of money you can earn operating a HOUSE DOCTORS/MEDIC franchise?

YES _____ NO _____

14. . . . the amount of sales revenue your HOUSE DOCTORS/MEDIC franchise will or may generate?

YES _____ NO _____

15. . . . the costs you may incur in operating a HOUSE DOCTORS/MEDIC franchise (as opposed to your initial investment, which was disclosed in the Disclosure Document)?

YES _____ NO _____

16. . . . your initial investment to open a HOUSE DOCTORS/MEDIC franchise or the costs you may incur in operating a HOUSE DOCTORS/MEDIC franchise, that is contrary to or different from the information in the Disclosure Document?

YES _____ NO _____

17. . . . the likelihood of success that you should or might expect to achieve from operating a HOUSE DOCTORS/MEDIC franchise?

YES _____ NO _____

18. Has any employee of the Franchisor or other person speaking on behalf of the Franchisor made any statement, promise, or agreement about the advertising, marketing, training, support services, or assistance that the Franchisor will provide you that is contrary to or different from the information in the Disclosure Document?

YES _____ NO _____

19. Has any employee of the Franchisor or other person speaking on behalf of the Franchisor made any statement, promise, or agreement about any other aspect of a HOUSE DOCTORS/MEDIC franchise that is contrary to or different from the information in the Disclosure Document?

YES _____ NO _____

If you answered “Yes” to any of Questions 12 through 19, 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 12 through 19, 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 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



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**EXHIBIT G TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

ADDENDUM FOR SUCCESSOR FRANCHISE AGREEMENT

SUCCESSOR FRANCHISE ADDENDUM
TO HOUSE DOCTORS FRANCHISE AGREEMENT

This addendum is between SALTIRE BRANDS LLC (“Franchisor”) and _____ (“Franchisee”).

PREAMBLE:

- A. Franchisee has been operating a House Doctors Franchise under a franchise agreement with Franchisor (the “Prior Franchise Agreement”) that was executed on _____ and will expire on _____.
- B. Franchisee has requested and Franchisor has agreed to grant Franchisee a Successor Franchise under section 2.2 of the Prior Franchise Agreement.
- C. Accordingly, simultaneously with their execution of this addendum, Franchisor and Franchisee are entering into Franchisor’s current form of House Doctors franchise agreement (the “Franchise Agreement”).
- D. This addendum modifies certain aspects of the Franchise Agreement to reflect the fact that Franchisee is obtaining a Successor Franchise and that it is an experienced operator of a House Doctors Franchise, and to delete and/or waive the provisions of the Franchise Agreement that are intended to apply only to new franchisees.

THEREFORE the parties hereby amend the Franchise Agreement and agree as follows:

- 1. Amendment of Franchise Agreement; Defined Terms. This addendum is an integral part of, and is incorporated into, the Franchise Agreement. Nevertheless, this addendum supersedes any inconsistent or conflicting provisions of the Franchise Agreement. The parties hereby ratify and affirm the Franchise Agreement in all other respects. Capitalized terms used but not defined in this addendum are defined in the Franchise Agreement.
- 2. Effective Date. The “Effective Date” and the first day of the term of the Franchise Agreement and this addendum is the day after the expiration date of the Prior Franchise Agreement, regardless of the actual date that the agreements were signed.
- 3. Option to Acquire Successor Franchise. Notwithstanding anything to the contrary in section 2.2 of the Franchise Agreement, Franchisee has the right to be granted one Successor Franchise if Franchisee complies with the conditions in subparagraphs (a) through (f) of section 2.2.
- 4. Initial Franchise Fee. No Initial Franchise Fee, Territory Fee, or Start-Up Package Fee is required for a Successor Franchise. Accordingly, Article 4 of the Franchise Agreement is inapplicable and is hereby deleted in its entirety.
- 5. Training and Operating Assistance. Franchisor has already satisfied its obligations under sections 6.2 and 6.3 and subparagraphs (a) through (e) of section 6.1 of the Franchise Agreement to provide Franchisee with a Start-Up Package, initial training, and other pre-opening assistance, and to loan Franchisee a copy of the Manual. However, Franchisee shall comply with Franchisor’s current training requirements, including any refresher training programs or training requirements specifically designed for Successor Franchisees.

6. Business Operation. Franchisee has already opened the Franchised Business before the Effective Date. Accordingly, the first sentence of section 7.6 of the Franchise Agreement, which gives Franchisee six months after the Effective Date to open the Franchised Business, is hereby deleted.

7. Minimum Quarterly Gross Sales. The Minimum Quarterly Gross Sales amount is \$80,000 throughout the entire term of the Successor Franchise Agreement. Section 7.7 of the Franchise Agreement is hereby amended accordingly.

8. National Convention Reimbursement. The fourth sentence in section 7.19 of the Franchise Agreement, which requires Franchisor to pay Franchisee \$1,000 if Franchisee attends the national convention in Franchisee's first year of operation, is hereby deleted.

9. Exclusive Relationship. Franchisee represents that, except for other House Doctors Franchises operated under franchise agreements with Franchisor, neither Franchisee nor any Affiliate, Principal, or Remote Principal of Franchisee, nor any member of the immediate families of any Affiliate, Principal, or Remote Principal of Franchisee: (a) have any Ownership Interest in any Competitive Business; (b) have any Ownership Interest in any Person that grants franchises or licenses to others to operate Competitive Businesses; or (c) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any Competitive Business or any Person that grants franchises or licenses to others to operate Competitive Businesses.

10. Releases. Simultaneously with the execution of this addendum, Franchisee and each of its Principals and Remote Principals must sign and deliver to Franchisor a General Release in the form attached to the Franchise Agreement as Exhibit D.

11. Transfers. The Franchise Agreement requires that Franchisor's then-current form of Franchise Agreement and ancillary agreements be executed in connection with any Transfer. Accordingly, in the event of a Transfer, the transferee will be required to sign Franchisor's standard form of Assignment and Assumption Agreement and execute Franchisor's then-current franchise agreement, which require the transferee to assume all of Franchisee's obligations under the Franchise Agreement. However, this addendum will automatically be cancelled and will no longer apply in any manner, so that the transferee will be bound by the Franchise Agreement alone, without reference to this addendum. The parties recognize that the accommodations made by Franchisor in this addendum are personal to Franchisee.

12. Remaining Terms Unaffected. All terms of the Franchise Agreement not deleted, modified or waived by this addendum remain binding on the parties.

The parties are signing this addendum on the dates below.

FRANCHISOR:

FRANCHISEE:

SALTIRE BRANDS LLC

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____



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**EXHIBIT H TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

Indiana

[To be appointed]

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Ohio

Jim Hunter
1062 Westchester Way
Cincinnati, OH 45244



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**EXHIBIT I TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

STATE FRANCHISE REGULATORS

STATE FRANCHISE REGULATORS

California

California Dept. of Corporations
Securities Regulation Division
One Sansome Street, Ste. 600
San Francisco, CA 94104
(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
335 Merchant Street, Room 203
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
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) 462-9587

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



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**EXHIBIT J TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

FINANCIAL STATEMENTS

Attached is the unaudited balance sheet of Saltire Brands LLC as at November 8, 2012.

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

12:03 PM
11/08/12
Accrual Basis

House Doctors
Balance Sheet
As of November 8, 2012

| | <u>Nov 8, 12</u> |
|---------------------------------------|--------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| Cash - Operations | 130,169.55 |
| Total Checking/Savings | <u>130,169.55</u> |
| Accounts Receivable | |
| Accounts Receivable | 27,964.79 |
| Total Accounts Receivable | <u>27,964.79</u> |
| Other Current Assets | |
| Other Assets | 16,491.94 |
| Total Other Current Assets | <u>16,491.94</u> |
| Total Current Assets | 174,626.28 |
| Fixed Assets | |
| Furniture and Equipment | 14,685.82 |
| Total Fixed Assets | <u>14,685.82</u> |
| Other Assets | |
| Goodwill | 97,000.00 |
| Total Other Assets | <u>97,000.00</u> |
| TOTAL ASSETS | <u>286,312.10</u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Long Term Liabilities | |
| Note Payable | 94,079.59 |
| Total Long Term Liabilities | <u>94,079.59</u> |
| Total Liabilities | 94,079.59 |
| Equity | |
| Members Equity | 110,040.00 |
| Net Income | 82,192.51 |
| Total Equity | <u>192,232.51</u> |
| TOTAL LIABILITIES & EQUITY | <u>286,312.10</u> |



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**EXHIBIT K TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

FRANCHISEE LIST

House Doctors
Franchisee List as of November 30, 2012

| State | City | First Name | Last Name | Address 1 | Phone |
|--------------|------------------|-------------------|------------------|----------------------------------|----------------|
| AL | Huntsville | Janusz | Czerniewski | 2607 Newby Road SW | (256) 489-3663 |
| AZ | Chandler | Craig | Margulis | 4576 S. Hudson Place | (480) 782-8484 |
| CA | Santa Clarita | Rick | Hill | 26873 Sierra Hwy. #201 | (661) 424-0016 |
| DE | Dover | Erik | Reichelt | 25 Maggies Way, Ste. 1 | (302) 492-8800 |
| FL | Miami | Lucious | McGriff | PO Box 560602 | (786) 735-3373 |
| GA | Pooler | James | Kraeling | 110 Pipemaker's Circle, Ste. 111 | (912) 988-3302 |
| IN | Ft. Wayne | Paul | O'Shaughnessey | 1004 E. Berry St. | (260) 424-1293 |
| IN | Indianapolis | Eric | Prock | 1337 Cherry St. | (317) 774-7400 |
| KY | Louisville | Phil | Claypool | 1210 Outer Loop Suite #2 | (502) 365-2484 |
| KY | Nicolasilville | Denver | Ockerman | 230 Walden Way | (859) 887-1323 |
| KY | Somerset | Bart | Williams | P. O. Box 580 | (606) 677-0799 |
| LA | Covington | Lawrence | Robinson | 76026 Beverly Drive | (985) 875-0424 |
| LA | Lake Charles | David | Liggio | 807 16th Street | (337) 478-8400 |
| MA | Andover | Douglas | Coyle | 26 York Street | (978) 474-0788 |
| MA | Gloucester | Edwin | Collard | 127 Eastern Ave. | (978) 281-7140 |
| MD | Ocean City | James | Patton | 12417 Ocean Gateway, Ste. B-11 | (410) 208-1162 |
| MI | Chesterfield | Charles | Pope | 48051 Book Court | (586) 791-2349 |
| MN | Minneapolis | Derek | Stoeckel | 3139 Hayes Street NE | (612) 605-8212 |
| MO | Chesterfield | Steven | Boriss | 50 River Bend Dr. | (314) 434-4100 |
| MO | Florissant | Kevin | Reilley | PO Box 57 | (314) 277-0804 |
| MT | Great Falls | John | Beckman | PO Box 1772 | (406) 452-0672 |
| NC | Cary | Michael | Znak | 302 David Grove Cir., Ste. 6007 | (919) 661-7161 |
| NC | Hickory | Dennis | Grigg | 842 Highland Ave SE | (828) 327-6555 |
| NC | High Point | Stephen | Cranford | 3048 N. Old Greensboro Road | (336) 886-8952 |
| NC | Winston-Salem | Martin | Thirlwell | 1625 Stoneshire Court | (336) 306-9796 |
| NJ | Colts Neck | Mike | Donohue | 48 Beaver Dam Rd. | (732) 349-4663 |
| NJ | Madison | John | Barba | 66 Main Street, Suite 2W | (973) 377-0123 |
| NJ | Marmora | James | Nichols | P.O. Box 753 | (609) 390-9700 |
| NJ | Mount Laurel | Farrell | Gapin | 8 E. Coach Lane | (856) 778-7779 |
| NJ | Pompton Plains | John | Driesse | 7 Van Saun Place | (973) 616-5500 |
| OH | Magnetic Springs | James | Cox | 135 West Park St. | (937) 318-5003 |
| OH | Warren | Todd | Hall | 731 Champion Avenue E. | (330) 847-8132 |
| OR | Lake Oswego | William | Arnold | 16148 Percy Street | (503) 635-3940 |
| PA | Downington | Ronald | Galipeau | 260 Park Rd. | (610) 458-7569 |
| PA | Pottsville | Joseph | Palko | 1840 W. End Ave. | (570) 622-6626 |
| PA | Scranton | Edward | Shoener | 2226 Cedar Ave. | (570) 343-1101 |
| PA | Wayne | Harry | Rimmer | 358 Prussian Lane | (610) 964-1400 |
| SC | Belvedere | Mark | Boyd | 95 Spring Drive | (803) 641-7411 |
| TX | Arlington | William | Farley | 1201 W. Arbrook Blvd., #121932 | (817) 654-9880 |
| TX | McAllen | Gabriel | Miner | 7604 N. 4th St | (956) 630-3580 |
| TX | Round Rock | David | Mauldin | P. O. Box 5759 | (512) 551-2009 |
| UT | Salt Lake City | Justin | Bates | 3575 S West Temple #15 | (801) 523-8499 |
| VA | Alexandria | Hugh | Sutherland | 218 N. Lee St., Ste 100 | (703) 683-1000 |
| VA | Leesburg | Joseph | Santucci | 208 Andover Court NE | (703) 286-5388 |
| WI | Green Bay | Michael | Harrison | 2548 Brookdale Avenue | (920) 593-8500 |



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**EXHIBIT L TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

FRANCHISEES WHO HAVE LEFT THE SYSTEM

House Doctors
Franchisees Who Have Left the System (Note 1)

| State | City | First Name | Last Name | Phone |
|--------------|-----------------|-------------------|------------------|----------------|
| CO | Brighton | Douglas | Maestas | (303) 654-1088 |
| FL | West Palm Beach | Thomas | Wila | (561) 683-7379 |
| IN | Fishers | Todd | Pairitz | (317) 570-1808 |
| NY | White Plains | Mark | Rommel | (914) 328-8008 |
| PA | Easton | Kenneth | Gerardi | (610) 515-9033 |
| WI | New Berlin | John | Janik | (262) 786-7545 |

Note 1: The table lists the name, last known city, state and telephone number of every House Doctors franchisee who has had their franchise terminated, cancelled, not renewed or otherwise voluntary or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year of HDFS. It also lists this information in regard to any House Doctors franchisee who has not communicated with HDFS or us (Saltire Brands LLC, the current franchisor) within 10 weeks of the 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.



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**EXHIBIT M TO THE
HOUSE DOCTORS[®] FRANCHISE DISCLOSURE DOCUMENT**

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House Doctors Operations Manual
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**EXHIBIT N TO THE
HOUSE DOCTORS® FRANCHISE DISCLOSURE DOCUMENT**

STATE-SPECIFIC ADDENDUM

Explanatory Notes.

1. The following state disclosure addenda provide additional information in regard to franchise activities that are subject to the franchise laws of the particular state identified. For instance, if our offer or sale to you of a franchise is subject to the California franchise law, the California state disclosure addendum would be applicable to you, but if our offer or sale to you of a franchise were not subject to the California franchise law, the California state disclosure addendum would not be applicable to you.
2. Each of the following agreement riders is applicable only to franchisees that are covered by the franchise laws of the identified state.

FOR RESIDENTS OF THE STATE OF CALIFORNIA

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.

None of the franchisor or any person or franchise broker listed in Item 2 of the disclosure document or this addendum is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a, et seq., suspending or expelling such persons from membership in such association or exchange.

California law may require an interest rate lower than 18%, in which case the interest rate will be the highest rate allowed by law.

California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires application of the laws of the State of Ohio. This provision may not be enforceable under California law.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the California Corporations Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

The following URL address is for our website: www.housedoctors.com

OUR 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.

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 govern.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

The franchise agreement to which this addendum is attached is amended as follows to comply with the California Franchise Relations Act:

1. Section 16.5 is amended as follows:

“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.”

2. Section 16.6 is amended as follows:

“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.”

3. 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 govern.

The parties are signing this addendum concurrently with the franchise agreement to which it is attached.

| | |
|---------------------------|---|
| SALTIRE BRANDS LLC | BUSINESS ORGANIZATION FRANCHISEE |
|---------------------------|---|

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

| | |
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| INDIVIDUAL FRANCHISEE: | INDIVIDUAL FRANCHISEE: |
|-------------------------------|-------------------------------|

Signature

Signature

Date: _____

Date: _____

HAWAII ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following items apply to prospective franchisees to whom the Hawaii Franchise Investment Law applies:

1. The following is added to the Cover Page of the franchise disclosure document.

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

2. The franchisor's agent for service of process in Hawaii is (or will be upon filing of this disclosure document in Hawaii): Commissioner of Securities, 335 Merchant Street, Room 203, Honolulu, HI 96813.

3. The following information applies to prospective Franchisees to whom the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E applies. Hawaii Revised Statutes, Title 26, Chapter 482E, Section 482E-6, provides as follows:

Sec. 482E-6. Without limiting the other provisions of this chapter, the following specific rights and prohibitions shall govern the relation between the franchisor or subfranchisor and its franchisees:

- (1) The parties shall deal with each other in good faith.
- (2) For the purposes of this chapter and without limiting its general application, it shall be an unfair or deceptive act or practice or an unfair method of competition for a franchisor or subfranchisor to:
 - (A) Restrict the right of the franchisees to join an association of franchisees.
 - (B) Require a franchisee to purchase or lease goods or services of the franchisor or from designated sources of supply unless such restrictive purchasing agreements are reasonably necessary for a lawful purpose justified on business grounds. Suppliers suggested or approved by a franchisor as meeting its standards and requirements shall not be deemed designated sources of supply.

(C) Discriminate between franchisees in the charges offered or made for royalties, goods, services, equipment, rentals, advertising services, or in any other business dealing, unless and to the extent that any classification of or discrimination between franchisees is:

(i) Based on franchises granted at materially different times, and such discrimination is reasonably related to such differences in time;

(ii) Is related to one or more programs for making franchises available to persons with insufficient capital, training, business experience, education or lacking other qualifications;

(iii) Is related to local or regional experimentation with or variations in product or service lines or business formats or designs;

(iv) Is related to efforts by one or more franchisees to cure deficiencies in the operation of franchise businesses or defaults in franchise agreements; or

(v) Is based on other reasonable distinctions considering the purposes of this chapter and is not arbitrary.

(D) Obtain money, goods, services, anything of value, or any other benefit from any other person with whom the franchisee does business on account of such business unless the franchisor advises the franchisee in advance of the franchisor's intention to receive such benefit.

(E) Establish a similar business or to grant a franchise for the establishment of a similar business at a location within a geographical area specifically designated as the exclusive territory in a franchise previously granted to another franchisee in a currently effective agreement, except under the circumstances or conditions prescribed in such agreement. The fact that other franchisees or the franchisor may solicit business or sell goods or services to people residing in such geographical territory shall not constitute the establishment of a similar business within the exclusive territory.

(F) Require a franchisee at the time of entering into a franchise to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by this chapter. Any condition, stipulation or provision binding any person acquiring any franchise to waive compliance with any provision of this chapter or a rule promulgated hereunder shall be void. This paragraph shall not bar or affect the settlement of disputes, claims or civil suits arising or brought under this chapter.

(G) Impose on a franchisee by contract, rule, or regulation, whether written or oral, any unreasonable and arbitrary standard of conduct.

(H) Terminate or refuse to renew a franchise except for good cause, or in accordance with the current terms and standards established by the franchisor then equally applicable to all franchisees, unless and to the extent that the franchisor satisfies the burden of proving that any classification of or discrimination between franchisees is reasonable, is based on proper and justifiable distinctions considering the purposes of this chapter, and is not arbitrary. For purposes of this paragraph, good cause in a termination case shall include, but not be limited to, the failure of the franchisee to comply with any lawful, material provision of the franchise agreement after having been given written notice thereof and an opportunity to cure the failure within a reasonable period of time.

(1) Refuse to permit a transfer of ownership of a franchise, or of a proprietorship, partnership, corporation or other business entity that is a franchisee or subfranchisor, except for good cause. For purposes of this paragraph good cause shall include, but not be limited to:

(i) The failure of a proposed transferee to meet any of the franchisor's or subfranchisor's reasonable qualifications or standards then in effect for a franchisee or subfranchisor;

(ii) The fact that the proposed transferee or any affiliated person of the proposed transferee is a competitor of the franchisor or subfranchisor;

(iii) The inability or unwillingness of the proposed transferee to agree in writing to comply with and be bound by all lawful obligations imposed by the franchise, including without limitation all instruction and training obligations, and to sign the current form of franchise agreement used by the franchisor or subfranchisor; and

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

A franchisor or subfranchisor shall have thirty days after being notified in writing of a proposed transfer to approve or disapprove in writing a proposed transfer of ownership or control of a franchise, or of a proprietorship, partnership, corporation or other business entity that is a franchisee or subfranchisor, stating its reason for disapproval. If a franchisor or subfranchisor fails to approve or disapprove a proposed transfer in writing within such period, the franchisor or subfranchisor shall be deemed to have approved such transfer.

(3) Upon termination or refusal to renew the franchise the franchisee shall be compensated for the fair market value, at the time of the termination or expiration of the franchise, of the franchisee's inventory, supplies, equipment and furnishings purchased from the franchisor or a supplier designated by franchisor; provided that personalized materials which have no value to the franchisor need not be compensated for. If the franchisor refuses to renew a franchise for the purpose of converting the franchisee's business to one owned and operated by the franchisor, the franchisor, in addition to the remedies provided in this paragraph, shall compensate the franchisee for the loss of goodwill. The franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of the franchisee's inventory, supplies, equipment, and furnishings pursuant to this requirement, and may offset from such compensation any moneys due the franchisor.

(4) The provisions of this chapter shall apply to all written or oral arrangements with the franchisee including but not limited to the franchise offering, the franchise agreement, sales of goods or services, leases and mortgages of real or personal property, promises to pay, security interest, pledges, insurance contracts, advertising contracts, construction or installation contracts, servicing contracts, and all other such arrangements in which the franchisor or subfranchisor has any direct or indirect interest.

(5) In any proceedings damages may be based on reasonable approximations but not on speculation.

4. The franchise registration status of Saltire Brands LLC as of November 30, 2012 includes:
- A. The states in which this filing is effective:
None
 - B. The states in which this filing is or will be shortly on file.
Indiana, Michigan
 - C. The states, if any, which have refused, by order or otherwise, to register these franchises.
None.
 - D. The states, if any, which have revoked or suspended Saltire Brands' right to offer franchises.
None.
 - E. The states, if any, in which the filing of Saltire Brands' franchises has been withdrawn.
None

HAWAII ADDENDUM TO FRANCHISE AGREEMENT

The franchise agreement to which this addendum is attached is amended as follows to comply with the Hawaii Franchise Investment Law:

1. Section 16.5 is amended by adding the following:

“Notwithstanding the foregoing, this agreement shall be subject to the provisions of the Hawaii Franchise Investment Law to the extent that the same are applicable.”

2. 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 govern.

The parties are signing this addendum concurrently with the franchise agreement to which it is attached.

| | |
|---------------------------|---|
| SALTIRE BRANDS LLC | BUSINESS ORGANIZATION FRANCHISEE |
|---------------------------|---|

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

| | |
|-------------------------------|-------------------------------|
| INDIVIDUAL FRANCHISEE: | INDIVIDUAL FRANCHISEE: |
|-------------------------------|-------------------------------|

Signature

Signature

Date: _____

Date: _____

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the Illinois Franchise Disclosure Act of 1987, as amended (the “Act”), and the Illinois Disclosure Rules and Regulations (the “Regulations”):

This addendum amends and revises the Franchise Disclosure Document to which it is attached as follows:

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 Act, the Regulations, or any other law of Illinois, is void.

The Franchisor’s refusal to grant you a successor 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 Act or the Regulations.

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 which otherwise is enforceable in Illinois.

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 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 (the "Act"), as amended, and the Illinois Disclosure Rules and Regulations (the "Regulations"):

1. A general release required as a condition of renewal and/or assignment/transfer does not apply to any claim or liability arising under the Act or Regulations.
2. Any condition, stipulation or provision in the Franchise Agreement that requires Franchisee to waive any of its rights under the Act, the Regulations, or any other law of Illinois, or requires Franchisee to waive Franchisor's obligation to comply with any provision of the Act, the Regulations, or any other law of Illinois, is void.
3. Section 2.2 is amended as follows:
"Franchisor's refusal to grant Franchisee a Successor Franchise must comply with 815 ILCS 705/20."
4. Sections 13.1 and 13.2 are amended as follows:
"Termination must comply with 815 ILCS 705/19."
5. Section 16.5 is amended as follows:
"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 Act or Regulations."
6. Section 16.6 is amended as follows:
"Any provision in this agreement that designates jurisdiction or venue in a forum outside of Illinois is void."
7. Section 18.14(a) is deleted in its entirety.
8. Section 18.14(c) is deleted in its entirety.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

| | |
|-------------------------------|--|
| SALTIRE BRANDS LLC | BUSINESS ORGANIZATION FRANCHISEE: |
| By: _____ | By: _____ |
| Title: _____ | Title: _____ |
| Date: _____ | Date: _____ |
| INDIVIDUAL FRANCHISEE: | INDIVIDUAL FRANCHISEE: |

Signature

Signature

Date: _____

Date: _____

INDIANA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

THE FOLLOWING DISCLOSURES ARE REQUIRED UNDER THE INDIANA FRANCHISE DISCLOSURE LAW AND THE INDIANA DECEPTIVE FRANCHISE PRACTICES LAW AND SUPERSEDE ANY INCONSISTENT DISCLOSURES CONTAINED IN THE FRANCHISE OFFERING CIRCULAR.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

- (d) 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.
- (v) Litigation may be brought in any court having jurisdiction over the parties and the subject matter of the suit.
- (w) 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 Franchise Agreement to which this addendum is attached is hereby amended as follows to comply with the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices 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 Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law.
2. Any provision of the Franchise 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 10.3 is deleted in its entirety, and in its place is substituted the following:

“Remedies. Franchisee acknowledges that any failure to comply with section 10.2 of this Agreement will cause Franchisor irreparable injury, and Franchisee acknowledges that Franchisor may seek specific performance of or an injunction against a violation of the requirements of section 10.2.”
4. Section 15.8 is deleted in its entirety, and in its place is substituted the following:

“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 acknowledges that Franchisee may seek an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article 15.”
5. Sections 16.3 and 16.4 are deleted in their entirety.
6. Section 16.5 is amended by adding the following sentence:

“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.”
7. To the extent this addendum is inconsistent with any provision of the Franchise Agreement or its exhibits or attachments, the terms of this addendum shall govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

| | |
|-------------------------------|--|
| SALTIRE BRANDS LLC | BUSINESS ORGANIZATION FRANCHISEE: |
| By: _____ | By: _____ |
| Title: _____ | Title: _____ |
| Date: _____ | Date: _____ |
| INDIVIDUAL FRANCHISEE: | INDIVIDUAL FRANCHISEE: |
| _____ <i>Signature</i> | _____ <i>Signature</i> |
| Date: _____ | Date: _____ |

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the Maryland Franchise Registration and Disclosure Law:

Item 5. INITIAL FEES

In accordance with Maryland Regulations all fees paid to the Franchisor by the Franchisee, including for goods and services received from the Franchisor before the business opens, are deferred pending satisfaction of Franchisor's material pre-opening obligations to Franchisee.

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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.

Any provision of the Franchise Agreement that restricts jurisdiction or venue to a forum outside the State of Maryland or requires the application of the laws of a state other than Maryland is void with respect to a claim otherwise enforceable under the Maryland Franchise Regulation and Disclosure Law. Any claim arising under the Maryland Franchise Registration and Disclosure Law may be brought in the State of Maryland.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

To the extent this Addendum is inconsistent with any terms or conditions of the Franchise Disclosure Document, the Franchise Agreement, or any exhibit or attachment to either of those documents, the terms of this Addendum shall govern.

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

The following terms 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.

1. All fees paid to the Franchisor by the Franchisee, including for goods and services received from the Franchisor before the business opens, are deferred pending satisfaction of Franchisor’s material pre-opening obligations to Franchisee.

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. Any provision of the Franchise Agreement that restricts jurisdiction or venue to a forum outside the State of Maryland or requires the application of the laws of a state other than Maryland is void with respect to a claim otherwise enforceable under the Maryland Franchise Regulation and Disclosure Law.

3. Section 18.14 of the Franchise Agreement is amended as follows:

“The representations contained in this Section 18.14 are not intended to act, nor shall they act, as a release, estoppel, or waiver of any liability arising under the Maryland Franchise Registration and Disclosure Law.”

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 control.

The parties are signing this Addendum concurrently with the Franchise Agreement to which it is attached.

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|-------------------------------|--|
| SALTIRE BRANDS LLC | BUSINESS ORGANIZATION FRANCHISEE: |
| By: _____ | By: _____ |
| Title: _____ | Title: _____ |
| Date: _____ | Date: _____ |
| INDIVIDUAL FRANCHISEE: | INDIVIDUAL FRANCHISEE: |

Signature

Signature

Date: _____

Date: _____

MICHIGAN STATE DISCLOSURE ADDENDUM

See third cover page entitled “Disclosure Applicable to Franchisees Covered by the Michigan Franchise Investment Law”.

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

This addendum amends the Franchise Disclosure Document of SALTIRE BRANDS LLC as follows:

Item 13 – We will protect your right to use the service marks HOUSE DOCTORS or HOUSE MEDIC.

Item 17 –

THE STATE OF MINNESOTA HAS STATUTES WHICH MAY SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR, INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. THE STATE OF MINNESOTA 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. WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, THE FRANCHISOR MUST COMPLY WITH MINNESOTA STATUTE 80C.14, SUBDIVISIONS 3, 4 AND 5, WHICH REQUIRE, EXCEPT IN CERTAIN SPECIFIC 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. 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 §101. THE STATE OF MINNESOTA HAS COURT DECISIONS LIMITING THE FRANCHISOR'S ABILITY TO RESTRICT YOUR ACTIVITY AFTER THE FRANCHISE AGREEMENT HAS ENDED. LIQUIDATED DAMAGE PROVISIONS ARE VOID UNDER MINNESOTA LAW.

Pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, the application of Ohio law and the requirement that all litigation must take place in Ohio shall not in any way abrogate or reduce any rights of the franchisee as provided for in Minnesota Statutes, Chapter 80C.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5, which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.

To the extent this addendum is inconsistent with any terms or conditions of the Franchise Disclosure Document, franchise agreement or exhibits or attachments thereto, the terms of this addendum govern.

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

This addendum amends the Franchise Agreement to which it is attached as follows:

1. Section 2.2(d) is amended as follows.
“The General Release will not apply to any claims under the Minnesota Franchise Law.”
2. Section 8.4 is amended as follows:
“Notwithstanding any provision to the contrary in this agreement, Franchisor shall protect the right of Franchisee to use the Marks.”
3. Section 12.2(b)(3) is amended as follows.
“The General Release will not apply to any claims under the Minnesota Franchise Law.”
4. Sections 13.1 and 13.2 are amended as follows:
“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5, which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.”
5. Sections 16.3 and 16.4 are deleted in their entirety.
6. Section 16.5 is amended as follows:
“Notwithstanding the foregoing, 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 Minnesota Franchise Law.”
7. Section 16.6 is amended as follows:
“Notwithstanding the foregoing, any claim arising under the Minnesota Franchise Law may be brought in the State of Minnesota.”
8. Section 18.14 is amended as follows:
“The representations in this section 18.14 are not intended to act, nor shall they act, as a release, estoppel, or waiver of any liability arising under the Minnesota Franchise Law. Pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, this agreement shall not in any way abrogate or reduce any rights of Franchisee as provided for in Minnesota Statutes, Chapter 80C. These statutes prohibit Franchisor from requiring litigation to be conducted outside Minnesota, or abrogating or reducing any of Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of Minnesota.”

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 govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

| | |
|---------------------------|--|
| SALTIRE BRANDS LLC | BUSINESS ORGANIZATION FRANCHISEE: |
|---------------------------|--|

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

| | |
|-------------------------------|-------------------------------|
| INDIVIDUAL FRANCHISEE: | INDIVIDUAL FRANCHISEE: |
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Signature

Signature

Date: _____

Date: _____

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the New York General Business Law and the New York State Franchise Regulations:

Item 3. LITIGATION

None of House Doctors, its predecessor, an affiliate offering franchises under House Doctor's principal trademark, or any person identified in Item 2:

A. Has an administrative, criminal or civil action pending against him 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, or any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of our franchise system or our business operations.

B. Has been convicted of a felony or pleaded *nolo contendere* to a felony charge, or, within the 10 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 license as a real estate broker or sales agent.

Item 4. BANKRUPTCY

None of House Doctors, its affiliates, predecessor, or officers during the 10-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 bankruptcy code; or (c) was a principal officer of a company or a 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 while or within 1 year after the officer of House Doctors held this position in the company or partnership.

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

d. You have a right to terminate your franchise upon any grounds available by law.

j. No restriction on our right to assign, however, no assignment will be made by us except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under your Franchise Agreement.

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 provisions of the Franchise Agreement to which this addendum is attached are amended as follows to comply with Article 33 of the General Business Law of New York and the New York State Franchise Regulations:

1. Notwithstanding any provision of the Franchise Agreement to the contrary, all rights arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of New York and the regulations issued thereunder shall remain in force, it being the intent of this provision that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.
2. Franchisee may terminate the Franchise Agreement upon any grounds available by law.
3. 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 govern.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

| | |
|---------------------------|--|
| SALTIRE BRANDS LLC | BUSINESS ORGANIZATION FRANCHISEE: |
| By: _____ | By: _____ |
| Title: _____ | Title: _____ |
| Date: _____ | Date: _____ |

| | |
|-------------------------------|-------------------------------|
| INDIVIDUAL FRANCHISEE: | INDIVIDUAL FRANCHISEE: |
| _____ | _____ |
| <i>Signature</i> | <i>Signature</i> |
| Date: _____ | Date: _____ |

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following additional disclosures are required by the Washington Franchise Investment Protection Act:

The State of Washington has a statute, RCW 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 RCW, 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, 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 Franchise Agreement to which this addendum is attached is amended as follows to comply with the Washington Franchise Investment Protection Act:

1. The State of Washington has a statute, RCW 19.100.180, that 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 that may supersede the franchise agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.

2. 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.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

4. 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 that reasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect the Franchisor’s reasonable estimated or actual costs in effecting a transfer.

6. 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 govern.

The parties are signing this addendum on the dates below.

SALTIRE BRANDS LLC

BUSINESS ORGANIZATION FRANCHISEE:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

INDIVIDUAL FRANCHISEE:

INDIVIDUAL FRANCHISEE:

Signature

Signature

Date: _____

Date: _____

WISCONSIN ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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.

To the extent this addendum is inconsistent with any terms or conditions of the offering circular, the franchise agreement, or any exhibits or attachments thereto, the terms of this addendum govern.

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

This addendum to the Franchise Agreement (the “Agreement”) dated _____, between _____ (“Franchisee”) and SALTIRE BRANDS LLC (“Franchisor”), amends the Agreement as follows:

The Wisconsin Fair Dealership Law, Wisconsin Statutes Annotated, Chapter 135, §§135.01-135.07, supersedes any provision of this Agreement inconsistent with that law.

The parties are signing this addendum concurrently with the Franchise Agreement to which it is attached.

| | |
|---------------------------|--|
| SALTIRE BRANDS LLC | BUSINESS ORGANIZATION FRANCHISEE: |
|---------------------------|--|

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

| | |
|-------------------------------|-------------------------------|
| INDIVIDUAL FRANCHISEE: | INDIVIDUAL FRANCHISEE: |
|-------------------------------|-------------------------------|

Signature

Signature

Date: _____

Date: _____

Item 23. RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If House Doctors offers you a franchise, they must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that House Doctors give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that House Doctors give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If House Doctors 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 I.

The name, principal business address and telephone number of each franchise seller offering the franchise is: Jim Hunter (President) and Terry McGee (Director of Franchise Development); all at 400 TechneCenter Drive, Suite 101, Milford, Ohio 45150, (513) 831-0100, and:

Issuance Date December 1, 2012

Our registered agents authorized to receive service of process for us are listed in Exhibit H.

I have received a disclosure document with the effective date of December 1, 2012. This disclosure document included the following Exhibits:

- | | |
|--|--|
| A Franchise Agreement | H Agents for Service of Process |
| B Irrevocable Power of Attorney | I State Franchise Regulators |
| C Guaranty and Assumption of Obligations | J Financial Statements |
| D Nondisclosure and Noncompetition Agreement | K Franchisee List |
| E Intranet Terms of Use Agreement | L Franchisees Who Have Left the System |
| F Franchisee Disclosure Questionnaire | M Table of Contents of Operations Manual |
| G Addendum for Successor Franchise Agreement | N State-Specific Addendum |

Date

Signature

Print Name

Date

Signature

Print Name

KEEP THIS COPY FOR YOUR RECORDS

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| | | |
|------|-----------|------------|
| Date | Signature | Print Name |
|------|-----------|------------|

| | | |
|------|-----------|------------|
| Date | Signature | Print Name |
|------|-----------|------------|

Return to: SALTIRE BRANDS LLC, 400 TechneCenter Drive, Suite 101, Milford, Ohio 45150)