

A FRANCHISE DISCLOSURE DOCUMENT

Always An Angel Franchising, Inc.
a New York corporation
21 Peekskill Hollow Road, Suite 204
Putnam Valley, New York 10579
Telephone: 845-293-6100
www.alwaysanangelhomecare.com



As a franchisee, you will operate a business providing the public with affordable and exceptional, in-home care by compassionate and dependable caregivers using our distinctive system under the name and mark “Always An Angel Homecare.” The types of services provided by caregivers includes homemaking/light housekeeping services, companionship services, dementia and Alzheimer’s care, respite care, transitional care, end of life care, and in-facility companion care.

The total investment necessary to begin an Always An Angel Homecare franchise is approximately \$85,600 to \$133,500. This includes \$48,000 that must be paid to the franchisor and/or its affiliate.

The total investment necessary to begin operation of an Always An Angel Homecare multi-unit development business ranges from \$125,600 to \$174,000 for a required minimum of three Always An Angel Homecare businesses to be developed. This includes \$86,000 which must be paid to the franchisor and/or its 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 the 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 Stephen Velichko at 21 Peekskill Hollow Road, Suite 204, Putnam Valley, New York, 10579, and 845-293-6100.

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: July 13, 2022

How to Use this Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information.

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Always An Angel Homecare business in my area?	Item 12 and the "territory" provisions in the franchise agreement and multi-unit development agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an Always An Angel Homecare franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addendum. See the Table of Contents for the location of the State Specific Addendum.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

- 1) **Out-of-State Dispute Resolution.** The franchise agreement and multi-unit development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in New York. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New York than in your own state.
- 2) Your spouse must also sign a personal guarantee making your spouse individually liable for your financial obligations under the agreement. The guarantee will place your spouse's marital and personal assets at risk if your franchise fails.
- 3) **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
- 4) You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
- 5) The franchisee will be required to make an estimated initial investment ranging from \$85,600 to \$133,500. This amount exceeds the franchisor's stockholders' equity as of December 31, 2021, which is \$2,568.

Certain states may require other risks to be highlighted. If so, check the "State Specific Addendum" (if any) to see whether your state requires other risks to be highlighted.

TABLE OF CONTENTS

ITEM 1.....	1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2.....	3
BUSINESS EXPERIENCE	3
ITEM 3.....	3
LITIGATION	3
ITEM 4.....	3
BANKRUPTCY	3
ITEM 5.....	4
INITIAL FEES.....	4
ITEM 6.....	5
OTHER FEES	5
ITEM 7.....	11
ESTIMATED INITIAL INVESTMENT	11
ITEM 8.....	14
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	14
ITEM 9.....	18
FRANCHISEE’S OBLIGATIONS	18
ITEM 10.....	20
FINANCING	20
ITEM 11.....	20
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	20
ITEM 12.....	29
TERRITORY	29
ITEM 13.....	34
TRADEMARKS.....	34
ITEM 14.....	36
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	36
ITEM 15.....	37
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	37
ITEM 16.....	38
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	38

ITEM 17.....	38
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	38
ITEM 18.....	44
PUBLIC FIGURES.....	44
ITEM 19.....	44
FINANCIAL PERFORMANCE REPRESENTATIONS	44
ITEM 20.....	45
OUTLETS AND FRANCHISEE INFORMATION.....	45
ITEM 21.....	47
FINANCIAL STATEMENTS	47
ITEM 22.....	48
CONTRACTS.....	48
ITEM 23.....	48
RECEIPTS	48

EXHIBITS:

- A – List of State Administrators/Agents for Service of Process
- B – State Specific Addendum
- C – Franchise Agreement
- D – Multi-Unit Development Agreement
- E - List of Franchisees and Franchisees Who Have Left the System
- F – Table of Contents of Operations Manual
- G – Financial Statements
- H - Form of General Release
- I - Receipts

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

The Franchisor

Always An Angel Franchising, Inc. (“we”, “our” or “us”), is a New York corporation that was formed on May 11, 2017, and has its principal place of business at 21 Peekskill Hollow Road, Suite 204, Putnam Valley, New York, 10579. We do business under our corporate name and under our Marks “Always An Angel Homecare.” We will refer to the person who buys this franchise as “you” or “your” throughout this Disclosure Document. If the franchise purchaser is a business entity, “you” or “your” also includes each partner, shareholder and/or other owner of that entity.

We are offering franchises for the operation of businesses operating under the “Always An Angel Homecare” name which will provide the public with affordable, in-home care by compassionate and dependable caregivers using our distinctive system (the “Business” or “Franchised Business”). We do not own or operate a business of the type being franchised. We have never offered franchises in any other line of business. We do not have any other business activities. We began offering franchises as of the date this Disclosure Document was first approved in New York State. Our agents for service of process are listed in Exhibit A.

Our Parents, Predecessors and Affiliates

We have no parent company or predecessor. We have two affiliates.

Our first affiliate is Living Waters USA Inc., a New York corporation formed on April 29, 2010, and headquartered at our address. This affiliate has operated a business of the type being franchised since September 2012. It has not offered franchises in this or any other line of business, and it is not an approved supplier of any product or service. This affiliate owns the proprietary marks, which are described in Item 13, which it has licensed to us so that we may sublicense them to our franchisees.

Our second affiliate is Always An Angel Licensed Homecare, LLC, a New York limited liability company formed on August 26, 2014, and headquartered at our address. This affiliate has operated a business of the type being franchised since 2021. It has never offered franchises in this or any other line of business and it is not an approved supplier of any product or service.

We may, in the future, authorize an affiliate under a trademark other than “Always An Angel” to grant franchises for the right to operate a business that provides licensed home health, senior care, hospice, palliative care, pediatric care and healthcare staffing services similar to the care and support services you will be authorized to provide under the Franchise Agreement. If awarded, these franchises may solicit or accept orders from clients located inside your Designated Territory.

The System

Our system includes a method of providing the public with affordable, in-home care by compassionate and dependable caregivers; specifications and procedures for operations; procedures for management control; training and assistance; and merchandising, advertising and promotional programs, all of which may be changed, improved and further developed (the “System”). The services provided by caregivers includes homemaking/light housekeeping services, companionship services, dementia and Alzheimer’s care, respite care, transitional care, end of life care, and in-facility companion care. Services are provided either part-time, full-time or live-in assistance.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including the mark “Always an Angel” and the logo “Always An Angel Homecare”, as are now designated and may in the future be designated by us in writing for use with the System (the “Marks”).

The Franchise Offered

We offer you a franchise agreement (the “Franchise Agreement”) which gives you the right to establish and operate one Franchised Business at a location approved by us. We provide an Operations Manual, training, marketing, and other assistance to franchisees, all as described in the Franchise Agreement attached as Exhibit C to this Disclosure Document.

Multi-Unit Development Agreement

In certain circumstances, we will offer the right to enter into a multi-unit development agreement (“Multi-Unit Development Agreement”), attached to this Disclosure Document as Exhibit D, to develop multiple Franchised Businesses to be located within a specifically described geographic territory (the “Development Area”). We will determine the Development Area before you sign the Multi-Unit Development Agreement and it will be included in the Multi-Unit Development Agreement. You must establish a minimum of three Franchised Businesses within the Development Area according to a minimum development schedule, and you must sign a separate Franchise Agreement for each Franchised Business established under the Multi-Unit Development Agreement.

The Franchise Agreement for the first Franchised Business developed under the Multi-Unit Development Agreement will be in the form attached as Exhibit C to this Disclosure Document, and we expect that you will sign the first Franchise Agreement at the same time you sign the Multi-Unit Development Agreement. For each additional Franchised Business developed under the Multi-Unit Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees, but the royalty fee, brand development fee and other continuing fees payable to us will be the same as for your first Franchised Business. The size of the Development Area will vary depending upon local market conditions and the number of Businesses to be developed, but the size of the Development Area will not include an assumption that additional territories will be purchased.

Market and Competition

Your customers mainly include people who are 65 years old and older (referred to as a “Senior Citizen”), their families and their caregivers. Customers can also include those with degenerative conditions, disabilities, rehabilitation issues and could be of any age.

The market for home care and placement services is developed and highly competitive. You may have to compete with other businesses including franchised operations, national chains, and independently owned companies offering similar services to clients. You will also face other normal business risks that could have an adverse effect on your Business. These may include industry developments, such as pricing policies of competitors, changing regulatory requirements, and supply and demand.

You may be required to enroll in the Medicaid Reimbursement Program through your state. You may also be enrolled in the Veterans Benefits Program through the federal government. You may accept reimbursement from your client’s long-term care insurance, if any.

All of the caregivers you employ must pass a background check, which may include a Social Security number trace, national background check, Department of Motor Vehicles report if available and a thorough reference check.

Industry Specific Laws

Many states, counties and local jurisdictions require that home care agencies obtain professional licenses to provide personal care to seniors. You must check your state, county and local jurisdictions about these requirements. Some states, counties and local jurisdictions may require in-home caregivers to meet certain educational and certification requirements. You must comply with these requirements. In addition, overtime and specific compensation laws vary from state to state. You must review federal minimum wage and overtime laws, as well as similar laws within your state, to ensure compliance with laws currently in existence and those that may later be adopted. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Franchised Business.

According to the Home Care Services Consumer Protection Act of 2013, (the “Act”), you must comply with the licensure and certification requirements of the Home Care Services Bureau (HCSB) effective January 1, 2016. The Act will apply to California agencies that provide home care services to consumers. Home care services related to this Act include non-medical services and assistance provided by a registered home care aide to a client who, perhaps because of advanced age or physical or mental disability, cannot perform these services. These services enable the client to remain in his or her residence and include assistance with the following: bathing, dressing, shopping, feeding, exercising, and personal hygiene and grooming. For further information about the Home Care Services Consumer Protection Act, please visit the following website: <http://www.cclld.ca.gov/PG3654.htm>.

ITEM 2 **BUSINESS EXPERIENCE**

Stephen J. Velichko—CEO

Mr. Velichko has been our CEO since our inception in May 2017. From April 2010 to the present, he has also been Chief Executive Officer for our affiliate, Living Waters USA Inc., with its headquarters at our address. From August 2014 to the present, he has also been Chief Executive Officer of our affiliate, Always An Angel Licensed Homecare, LLC, with its headquarters at our address.

Roberta L. Velichko—President

Ms. Velichko has been our President since our inception in May 2017. From September 2012 to the present, she has also been President of our affiliate, Living Waters USA Inc., with its headquarters at our address. From August 2014 to the present, she has also been President of our affiliate, Always An Angel Licensed Homecare, LLC, with its headquarters at our address.

ITEM 3 **LITIGATION**

No litigation is required to be disclosed in this Item.

ITEM 4 **BANKRUPTCY**

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

ITEM 5

INITIAL FEES

Franchise Agreement

The initial franchise fee is \$48,000. If you are purchasing an additional franchise, the initial franchise fee will be reduced to 75% of our then-current initial franchise fee. We have the right to discount the initial franchise fee for businesses already providing home care services and who wish to become an Always An Angel Homecare Business. The initial franchise fee is payable in a lump sum when you sign the Franchise Agreement. It is fully earned when paid and is not refundable under any circumstances.

If you are an honorably discharged U.S. veteran, you will receive a 20% discount to our then-current initial franchise fee for the first franchise you purchase. You must provide a copy of your DD 214.

The initial franchise fee is not imposed uniformly on all franchisees.

The standard Designated Territory granted under the Franchise Agreement will include a general population of no less than 200,000 people, with at least 20,000 Senior Citizens. If you wish to purchase a larger Designated Territory, whether before you purchase the franchise or while it is operating, you must pay us \$200 for each additional 1,000 people added to your Designated Territory. The additional area you purchase must be contiguous to your original Designated Territory. If you elect to purchase an additional area while your Franchised Business is operating, then in addition to the new area being contiguous to your original Designated Territory, you must also be in compliance with your Franchise Agreement and the area must be available for purchase.

Multi-Unit Development Agreement

If you qualify to develop and operate multiple Businesses, then you will pay to us a development fee equal to 100% of the initial franchise fee for the first Business to be developed, plus 50% of the reduced initial franchise fee for each additional Business to be developed under the Multi-Unit Development Agreement. For example, if you commit to develop three Businesses, the development fee is calculated as $\$48,000 + (2 \times \$18,000 = \$36,000) = \$84,000$. The development fee is imposed uniformly on all multi-unit developers, is fully earned by us when received and is not refundable.

You must sign the Franchise Agreement for the first Business at the same time you sign the Multi-Unit Development Agreement. We will apply a portion of the development fee toward the full payment of the initial franchise fee for the first Business you will develop when you sign the Franchise Agreement for that Business. For each additional Business you develop under the Multi-Unit Development Agreement, we will apply a pro rata portion of the development fee toward the reduced initial franchise fee due and the balance of the reduced initial franchise fee, or \$24,000, must be paid in a lump sum when you sign the Franchise Agreement for that Business.

There are no other payments to or purchases from us or any affiliate that you must make before your Franchised Business opens.

ITEM 6
OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Royalty Fee (2)	5% of Gross Revenue	Payable weekly on a business day	“Gross Revenue” means the total of all receipts derived from services performed by your Business, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, property, or other means of exchange. Gross Revenue excludes only sales tax receipts that you must by law collect from customers and that you actually pay to the government, promotional or discount coupons to the extent that you realize no revenue, and employee receipt of services, if free, or any portion not paid for by an employee
Brand Development Fee	2% of Gross Revenue	Payable at the same time and in the same manner as the Royalty Fee	See Item 11 for a description of the Brand Development Fund
Local Advertising	\$500	Must be spent monthly	Payable to local advertising suppliers. Any advertising you wish to use must first be approved by us.
Cooperative Advertising (3)	As determined by the Cooperative members	As determined by the Cooperative members	If an advertising cooperative is formed for your area, you must join the cooperative. Any money you contribute to a cooperative may count toward your local advertising requirement
Email Fee	Approximately \$15 per email account Subject to future increase by supplier	Monthly	Payable to our approved supplier

Type of Fee (1)	Amount	Due Date	Remarks
Initial Training Program – Additional and New Employees	Our then-current per person training fee, plus expenses. Our current training fee is \$2,000	15 days before training begins	We will train the first three people, including you and your manager, at no additional charge. If you request that we provide our initial training program to additional people, whether before your Business opens or while it is operating, you must pay our then-current training fee. You must also pay for the expenses of all of your trainees, including travel, lodging, meals and wages.
Additional On-Site Assistance	Our then-current daily rate per trainer, plus expenses Our current daily rate is \$400	15 days after billing	If you request that we provide additional training or assistance on-site at your Business, or if we determine additional on-site assistance is necessary, you must pay our then-current fee for each trainer we send. You must also reimburse our trainer's expenses, including travel, lodging and meals.
Transfer Fee	50% of our then-current initial franchise fee, if the transfer is to a new franchisee for the System, plus any broker fees incurred 25% of our then-current initial franchise fee, if the transfer is to an existing franchisee in the System, plus any broker fees incurred	With request for our approval of the transfer	We do not charge a transfer fee for a one-time transfer of your franchise to a corporate entity formed for convenience of franchise ownership. The transfer fee is the same under the Franchise Agreement and Multi-Unit Development Agreement.
Renewal Fee	\$5,000	At time of renewal	Payable only if you choose to renew your franchise for another term. The Multi-Unit Development Agreement is not renewable

Type of Fee (1)	Amount	Due Date	Remarks
Interest on Overdue Amounts	1.5% per month or the highest legal rate, whichever is less	On demand	Payable on all overdue amounts. Interest accrues from the original due date until payment is received in full
Audit	Cost of audit (estimated to be between \$1,000 and \$5,000)	15 days after billing	Payable only if we find, after an audit, that you have understated any amount you owe to us or Gross Revenue by 2% or more. You must also pay the understated amount plus interest
Product or Supplier Evaluation	Reasonable cost of inspection and actual cost of test, not to exceed \$1,000	Time of inspection	Applies to new products you wish to purchase or suppliers you wish to use that we have not approved
Insurance Policies	Amount of unpaid premiums	As invoiced	You must have your insurance policies in place before your Franchised Business begins operation. If you fail to maintain required insurance coverage and we elect to obtain coverage for you, you must reimburse us for the actual premiums paid on your behalf.
Costs and Attorneys' Fees (4)	Will vary under circumstances	As invoiced	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating the agreement
Indemnification	All costs including attorneys' fees; will vary under circumstances	As invoiced	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Business or for costs associated with defending claims that you used the trademarks in an unauthorized manner

Type of Fee (1)	Amount	Due Date	Remarks
Client Relationship and Scheduling Management Software	\$10 to \$12 per client	Monthly	Payable either directly to us or to our approved supplier. This will be specified in our Operations Manual. You must use the client relationship management software we specify in our Operations Manual. These fees are subject to change by the software manufacturer or the supplier.
Bookkeeping/Accounting/Payroll Software fee	\$450 per month, plus \$30 processing fee per pay period, plus \$1.50 per employee per pay period	Monthly	Payable to our approved supplier. You must use the bookkeeping/accounting software we specify in our Operations Manual. These fees are subject to change by the software manufacturer or the supplier.
Technology Fee	\$20 to \$300	If established, payable monthly together with the first Royalty Fee of that month	Payable to us for franchisee operations management and compliance internet platform. We do not currently collect this fee but may elect to do so in the future. We will provide you with 60 days' prior written notice that you must begin paying the Technology Fee and the amount of the Technology Fee.
Management Fee	10% of Gross Revenues, plus our expenses	If incurred	We may step in and manage your Franchised Business in certain circumstances, such as death, disability or prolonged absence. We will charge a management fee if we manage your Franchised Business, and you must reimburse our expenses.

Type of Fee (1)	Amount	Due Date	Remarks
Insufficient Funds Fee	\$100	Upon demand	If there are not sufficient funds in your bank account to allow us to withdraw any fee owed, you will pay this fee. You must also pay interest on any overdue amount. If you incur three insufficient funds fees in any 12-month period, we may terminate your Franchise Agreement.
Liquidated Damages	Varies	Within 15 days of termination	If we terminate the Franchise Agreement with cause, you must pay us liquidated damages equal to the average monthly royalty during the most recent 12 months of operation before the termination multiplied by (a) 24, being the number of months in two full years, or (b) the number of months remaining in the Franchise Agreement had we not terminated it, whichever is higher.
Franchisee Conference	\$500 to \$1,000 per person, plus expenses	Before the conference	We may charge a fee for a conference of our franchisees. We may designate that attendance at the conference is mandatory for you and/or your manager. If we charge this fee, you must pay it whether or not you attend the conference. You must also pay all out-of-pocket expenses you and/or your manager incur while attending the conference.

Notes:

1. No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any other third party. All fees are uniformly imposed and generally non-refundable. All fees are payable in US dollars. We do not expect to change any fees over which we have control. We cannot, however, guarantee that the amounts you pay to third parties will not change during the term of your Franchise Agreement.

2. The Royalty Fee and Brand Development Fee are payable to us weekly on a business day. You must provide us with a report of the weekly Gross Revenue generated by your Franchised Business on Thursday of each week for the prior week.

All payments due to us are payable by electronic funds transfer. You must sign the documents we require to allow us to process electronic funds transfer transactions. If you do not report Gross Revenues when required, we may debit your account for 120% of the last Royalty Fee and Brand Development Fee you paid. If the fees we debit are less than the fees you actually owe us, once we have been able to determine the true and correct Gross Revenue, we will debit your account for the balance on a day we specify. If the fees we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due.

If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

3. Cooperatives will include all Businesses in a designated geographic area, whether owned by us, our affiliates or our franchisees. Each Business has one vote in the cooperative, except that no franchisee (or commonly controlled group of franchisees) may have more than 25% of the total vote, regardless of the number of Businesses owned. No cooperatives have been established as of the date of this Disclosure Document.
4. If we prevail in any action against you to secure or protect our rights under the Franchise Agreement, or to enforce the terms of the Franchise Agreement, we will be entitled to recover from you reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation.

In addition, if we become a party to any action or proceeding concerning the Franchise Agreement, or any agreement between us and you, or the Franchised Business, as a result of any claimed or actual act, error or omission of you or the Franchised Business, because of statutory, "vicarious", "principal/agent" or other liabilities imposed on us as your franchisor; or if we become a party to any litigation or insolvency proceeding involving you, then you will be liable for our reasonable attorneys' fees, expert fees, and court costs and travel and lodging costs and all other expenses incurred by us in the action or proceeding.

If we terminate the Franchise Agreement for your default, or if you terminate the Franchise Agreement through agreement with us, you must pay us all our expenses from your default or termination, including reasonable attorneys' and experts' fees and the future royalties that we anticipate losing because of the early termination of your Franchise Agreement. If we hire a collection agency or an attorney to collect money from you that is past due, we are entitled to reimbursement from you for all costs and expenses that we incur in doing so, including reasonable attorneys' fees.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is Made
Initial Franchise Fee (Note 1)	\$48,000	Lump Sum	On signing Franchise Agreement	Us
Travel and Other Expenses While Training (Note 2)	\$1,050 to \$3,300	As required	As incurred	Airlines, Hotels, Restaurants
Rent – 3 Months (Note 3)	\$2,250 to \$4,500	As arranged	As arranged	Landlord
Lease Security Deposit	\$750 to \$1,500	As arranged	As arranged	Landlord
Utility Deposits	\$250 to \$750	As arranged	As arranged	Utility Companies
Leasehold Improvements (Note 4)	\$2,000 to \$6,000	As arranged	As arranged	Contractor
Furniture and Fixtures (Note 5)	\$1,500 to \$3,000	As arranged	As arranged	Various Suppliers
Signage (Note 6)	\$500 to \$2,500	As arranged	As incurred	Various Suppliers
Computer System (Note 7)	\$2,100 to \$4,000	As arranged	As arranged	Various Suppliers
Insurance (Note 8)	\$3,000 to \$8,000	As arranged	As arranged	Insurance Companies
Initial Inventory (Note 9)	\$100 to \$950	As arranged	As incurred	Various Suppliers
Grand Opening Advertising (Note 10)	\$3,000 to \$7,500	As incurred	During first 90 days of operation	Various Suppliers
Permits/Licenses (Note 11)	\$100 to \$500	As required	As incurred	Government Agencies
Professional Fees (Note 12)	\$1,000 to \$3,000	As arranged	As arranged	Attorney, Accountant
Additional Funds – 3 Months (Note 13)	\$20,000 to \$40,000	As arranged	As arranged	Various
Total (Note 14)	\$85,600 to \$133,500			

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Franchised Business. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing from third parties depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and the lending policies of financial institutions from which you request a loan.

The factors underlying our estimates may vary depending on a number of variables, and the actual investment you make in developing and opening your Franchised Business may be greater or less than the estimates given depending upon the location of your franchise, and current relevant market conditions. The amounts you pay to us or our affiliates are not refundable. We do not know whether the amounts you pay to third parties will be refundable.

Notes:

1. ***Initial Franchise Fee.*** The initial franchise fee is described in Item 5. Purchasing an additional area is optional, and we have not included any estimated cost for purchasing an additional area. If you choose to purchase an additional area, your costs for the additional area will depend on the size of additional area you elect to purchase.
2. ***Travel and Other Expenses While Training.*** We will provide our initial training program to three people, including you and your manager, at no additional charge, but you must pay for your trainees' expenses while attending training. These expenses include travel, lodging, meals and wages. The low end of the estimate assumes that you are within driving distance of our training facility. The higher end of the estimate assumes that additional travel will be needed.
3. ***Rent.*** We anticipate that you will operate the Franchised Business from a small office space, and you will need approximately 300 to 500 square feet. Lease costs will vary based upon square footage, cost per square foot and required maintenance costs. We assume the landlord will require the first month's rent and a security deposit equal to one month's rent.
4. ***Leasehold Improvements.*** Our estimate assumes that you will have some expenses related to building out the office space you lease for your Franchised Business. The types of leasehold improvements include building walls for office space, carpeting, heating/air conditioning, and similar items. Your actual costs will depend on how well the space you lease meets your needs, the cost of materials in your area, and the fees charged by your contractor.
5. ***Furniture and Fixtures.*** The furniture and fixtures you will need include desks, chairs, file cabinets, and similar office furniture.
6. ***Signage.*** You will need to purchase signage for your Franchised Business. Our specifications for your signage are in the Confidential Operations Manual. You may also choose to have signage on your vehicle, but the cost of vehicle signage is not included in our estimate.
7. ***Computer System.*** Our estimate includes the cost of the computer system for your Franchised Business, including hardware, printers and the software we require. Additional information about your computer system is included in Item 11.
8. ***Insurance.*** You must purchase and maintain the insurance coverages that we require for your Franchised Business. Our estimate represents three months of premiums. You may have to pay your premiums quarterly, semi-annually or annually.

9. **Initial Inventory.** Our estimate includes the cost of your initial inventory of office supplies, including stationery and business cards.
10. **Grand Opening Advertising.** You must conduct a grand opening advertising campaign to promote the opening of your Franchised Business and to recruit caregivers. Your grand opening advertising campaign must be conducted during your first 90 days of operation. You must purchase our advertising start-up kit which is available through our designated supplier and which must be used in your grand opening advertising campaign. The cost of this advertising start-up kit is included in these estimates. Any additional advertising you wish to use must first be approved by us.
11. **Permits and Licenses.** This is the estimated cost of the permits and licenses that you must have to operate your Business, which vary by jurisdiction. We strongly recommend that you consult with an attorney to determine exactly what permits and licenses you will need.
12. **Professional Fees.** We strongly recommend that you retain an attorney and/or an accountant to help you evaluate this franchise offering and to form a business entity. These fees can vary greatly depending on the rates charged by the professionals you choose.
13. **Additional Funds.** These amounts are the minimum recommended levels to cover operating expenses, including employees' salaries, for the start-up phase of the business, which we calculate will be three months. However, we cannot guarantee that this amount will be sufficient. Additional working capital may be needed if sales are low or fixed costs are high.
14. **Total.** This total is an estimate of your initial investment and the expenses you will incur during the first three months of operations. New businesses often generate a negative cash flow. In compiling this chart, we relied on the experience of our officers and our affiliate in operating an Always An Angel Homecare Business since 2012. The amounts shown are estimates only and may vary for many reasons including the capabilities of your management team, your business experience and acumen, and regulatory requirements of your state. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after; your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations. Your costs will depend on factors such as how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our service; the prevailing wage rate; competition; and the sales level reached during the initial period.

* * * * *

YOUR ESTIMATED INITIAL INVESTMENT
MULTI-UNIT DEVELOPER – DEVELOPMENT OF THREE BUSINESSES

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To whom payment is to be made
Development Fee	\$86,000	Lump Sum	When Multi-Unit Development Agreement is signed	Us

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To whom payment is to be made
Vehicle - 3 months ¹	\$2,000 to \$2,500	As incurred	As arranged	Third Parties
Other Expenditures for First Business ²	\$37,600 to \$85,500	As Disclosed in First Table	As Disclosed in First Table	As Disclosed in First Table
Total	\$125,600 to \$174,000			

In general, none of the expenses listed in the above chart are refundable. We do not finance any portion of your initial investment.

1. **Vehicle.** We expect that you will need a vehicle to view potential sites, oversee the buildouts, supervise multiple locations, etc. Our estimate includes expenses related to loan or lease payments, gas and maintenance for three months.
2. **Other Expenditures for first Business.** A multi-unit developer is expected to incur these same costs for each Always An Angel Homecare Business it develops, subject to inflation and other increases over time. This category does not include the initial franchise fee, which will be credited from the development fee, nor does it include any additional territory fee. If you are a multi-unit developer, your professional fees (such as legal and financial) will probably be higher.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

You must purchase all fixtures, furnishings, signs, equipment, inventory, uniforms, advertising materials, and other supplies, products and materials required for the establishment and operation of your Franchised Business solely from suppliers who demonstrate, to our continuing reasonable satisfaction, the ability to meet our reasonable standards and specifications for these items, who possess adequate quality controls and capacity to supply your needs promptly and reliably; and who have been approved for these items in writing by us and not then disapproved. We will furnish you with a list of approved suppliers for necessary items through our Confidential Operations Manual, which we may provide to you electronically, including via an intranet (the “Manual”).

We have developed standards and specifications for the services you will provide. You must operate your Franchised Business according to these standards. These standards will guide you in the performance of the products and services provided in operating your Franchised Business. We will notify you in our Manual or other communications of our standards and specifications and/or names of approved suppliers. There may be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be considered an approved supplier.

Leased Premises

You must operate your Franchised Business from leased office space that we have approved. Our approval of the office space you propose will not be unreasonably withheld. You must, if necessary, build out your leased premises to our specifications. We will have the right to inspect your leased premises during construction and after construction is completed. You may not open your Franchised Business until we have authorized you to do so.

Supplier Approvals

If you want to use any product or material or render any service that does not comply with the standards of the System or is to be purchased from a supplier that has not yet been approved, you must first submit a written request for approval of the proposed supplier and obtain our approval of the supplier before purchasing any items from this supplier. We will, within a reasonable time (within six months), notify you of our decision in writing. We will periodically establish procedures for submitting requests for approval of items and suppliers and may impose limits on the number of approved items and suppliers. Approval of a supplier may be conditioned on requirements relating to product quality, production and delivery capabilities, ability to meet our supply commitments, financial stability, integrity of standards of service, familiarity with our System and ability to negotiate favorable terms for our franchisees. We do not generally make available to you these criteria for supplier approval. We may charge a reasonable fee for inspection and/or testing (not to exceed \$1,000), which may be paid by you or the proposed supplier.

Suppliers are approved when they have satisfactorily met the criteria furnished by us during the evaluation process and have otherwise convinced our management of their desire and ability to fulfill the need or service requested and have met any and all contractual requirements and successfully completed the requirements of a product sample and/or product test period. The criteria for supplier approval by us are based upon a level of quality and value that will maintain and enhance the System in the view of our management.

Suppliers are disapproved when, in our opinion, they can no longer provide the quality of product or service which meets our standards. Deficiencies which could lead to supplier disapproval include: poor service, financial instability, management instability, unreasonable increases in product or service costs, inability to meet technological advances, inability to meet reporting requirements, or other failures on the part of a supplier to meet our business objectives. If we notify you that a supplier is no longer approved, you must immediately stop purchasing from that supplier. We will provide you notification in writing, which may include email, newsletters and/or updates to the Manual, of any new products or suppliers we have approved and if a product or supplier is no longer approved.

We are not currently an approved supplier or the only approved supplier of any items that we require you to purchase or lease. None of our officers has an ownership interest in any approved supplier.

We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to you, to us, or to our affiliates, based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances. We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). If we contribute any Allowances from approved suppliers to the Brand Development Fund, it does not reduce or eliminate your obligation to pay the Brand Development Fee. During the last fiscal year ended December 31, 2020, we did not derive any revenue from required purchases or leases.

Inventory, Fixtures, Supplies, and Vehicle

You must purchase or lease fixtures, equipment (including computer hardware and software and web-based services), signage, uniforms, business stationery, marketing materials, furnishings, products and related supplies that meet our minimum standards and specifications or are from suppliers that we approve. You must use the computer system, software, and web-based applications and services we designate.

We anticipate that your caregivers will use their personal vehicles to provide services to your clients. Therefore, we do not specify the make or model of any vehicle used to provide services. We expect that each caregiver's vehicle will meet minimum standards for appearance and reliability. We expect all vehicles to be kept properly insured, clean, and in good working order, including regular maintenance. We do not currently require that caregivers' vehicles display signage, but we have the right to require temporary signage in the future. You must have each person providing those services to comply with all laws, regulations and rules of the road and to use due care and caution operating and maintaining the motor vehicles. Except as described in this paragraph, we do not have any standards or exercise control over any motor vehicle that you or your caregivers use.

We may occasionally conduct market research and testing to determine consumer trends and salability of new products, materials and services. You must cooperate by participating in our market research programs, test marketing new services and providing reports and other relevant information regarding marketing research.

Insurance

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverages that we periodically require before your Always An Angel Homecare business may begin operations. Your employees must be insured and bonded. We may regulate the types, amounts, terms and conditions of insurance coverage required for your Franchised Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims.

Each insurance policy must name us (and, if we request, our affiliates and our and their directors, employees or shareholders) as additional insureds and must provide us with 30 days' advance written notice of any material modification, cancellation or expiration of the policy. You must purchase your insurance coverages from the insurance carrier(s) that have an A.M. Best rating of "A-" or better.

Currently you must purchase and maintain the following types of insurance:

Coverage	Minimum Limits
General Aggregate	\$3,000,000
Professional Liability	\$1,000,000
Products/Completed Operations Aggregate	\$3,000,000 or Included
Property Damage/Loss Aggregate	\$100,000
Employment Practices Liability Insurance	\$500,000

Coverage	Minimum Limits
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (Legal Liability)	\$50,000
Sexual Abuse and Molestation each occurrence	\$500,000
Crime-Fidelity Employee Dishonesty coverage	\$100,000
Sexual Abuse and Molestation aggregate	\$500,000
Umbrella Coverage	\$1,000,000
Workers' Compensation – Statutory / Employers Liability	\$500,000
Commercial Automobile Liability	\$1,000,000

Important Notes

- 1) Should any liability policies be written on a “claims-made” basis for trigger of cover, the policy’s “Retroactive Date” will at all times be the original inception date of the first claims-made liability policy acquired for insuring Franchisee or the Franchisee entity. Should the claims made liability policies be replaced, full retro dated coverage is required. Should any policies be terminated or cancelled for any reason, or “claims-made” policies be rewritten to an “occurrence form” of coverage, you will maintain at a minimum and secure two additional years of “Extended Reporting Period” for claims that may not be discovered until after policy termination.
- 2) Property must be insured at replacement cost value with deductible not to exceed \$5,000. Business interruption extra expense insurance to be included on an actual losses sustained form for a period of indemnity not less than a six-month period.
- 3) Commercial Automobile liability insurance must include all owned, non-owned and hired vehicle coverage, with a combined single limit of at least \$1,000,000 each accident.
- 4) You must obtain Crime-Fidelity Employee Dishonesty coverage with Third Party Crime endorsement added. Limit of insurance will be in a minimum amount not less than \$25,000 and a deductible per claim of not more than \$1,000.
- 5) You must obtain Employment Practices Liability Insurance for a minimum of \$500,000 in coverage, which coverage should include a sublimit of at least \$100,000 for Wage & Hour claims defense.
- 6) You must purchase any additional insurance and types of coverage as may be required by the terms of any lease for the Franchised Business or as may be required from time to time by us.

We must be named as additional insured under the Commercial General Liability, Professional Liability, and Commercial Automobile Liability coverages purchased by you for a minimum of \$3,000,000 in coverage. Certificates of liability are required upon each policy placement within three days of effective date. All policies (except Employment Practices Liability) must be endorsed to provide notice of cancellation to us for non-payment with no less than 10 days' notice and 30 days for non-renewal. The certificate must include the additional insured policy forms reflecting us as additional insured. If you do not purchase and maintain the required insurance coverages, we will have the right to purchase insurance on your behalf, and you must reimburse the costs we incur in purchasing insurance for you.

Advertising

All advertising that is either developed by you or developed for you by a third party for use in local advertising must be approved by us before you can use it. For any materials that we have not approved or that have not been approved within the immediately preceding 12-month period, you must submit these materials to us for our review. We will have 15 days after receipt of the proposed advertising and promotional materials to notify you whether they have been accepted. Unless we provide our specific approval of the proposed materials, they are deemed not approved.

You must purchase our advertising start-up kit from our designated supplier, Clayton Kendall located at 167 Dexter Drive, Monroeville, Pennsylvania, 15146, and via phone at 412-798-7120. You must utilize the advertising start-up kit in your grand opening advertising campaign.

Proportion of Required Purchases and Leases to All Purchases and Leases

We estimate that the cost of the items that you must purchase from us, our affiliates or from suppliers designated by us represents approximately 25% of your total purchases in connection with the establishment of your Franchised Business. We estimate that the cost of the items that you must purchase from us, our affiliates or from suppliers designated by us represents between 5% and 10% of your total purchases in operating your Business.

Purchasing Cooperatives and Purchasing Arrangements

We may negotiate purchase arrangements with suppliers (including price terms) for your benefit. We may also establish purchasing or distribution cooperatives for our franchisees. There are currently no purchasing or distribution cooperatives. We do not provide or withhold material benefits to you (such as renewal rights, the right to acquire an additional area, or the right to open additional Businesses) based on whether or not you purchase through the sources we designate or approve.

ITEM 9 **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.

The following abbreviations appear in this Item 9 table: **FA** – Franchise Agreement; **MUDA** – Multi-Unit Development Agreement.

Obligation		Article in Agreement	Disclosure Document Item
(a)	Site selection and acquisition/ lease	FA: Article 9 MUDA: Article 1	Items 7 and 11
(b)	Pre-opening purchases/ lease	FA: Articles 5 and 9 MUDA: Article 1	Items 7, 8 and 11
I	Site development and other pre-opening requirements	FA: Articles 5 and 9 MUDA: Article 2	Items 7, 8 and 11
(d)	Initial and ongoing training	FA: Article 5	Items 6, 7 and 11
I	Opening	FA: Article 9 MUDA: Article 1	Items 8 and 11
(f)	Fees	FA: Articles 4, 8, 11 and 16 MUDA: Article 3	Items 5, 6, 7 and 11
(g)	Compliance with standards and policies/ operating manual	FA: Articles 6 and 9	Items 8, 11, 14 and 16
(h)	Trademarks and proprietary information	FA: Articles 7 and 14	Items 13 and 14
(i)	Restrictions on products/services offered	FA: Articles 3 and 9	Item 16
(j)	Warranty and customer service requirements	Not Applicable	Not Applicable
(k)	Territorial development and sales quotas	FA: Article 9 MUDA: Article 1	Item 12
(l)	On-going product/service purchases	FA: Article 9	Items 6 and 8
(m)	Maintenance, appearance and remodeling requirements	FA: Article 9	Not Applicable
(n)	Insurance	FA: Article 10	Items 7 and 8
(o)	Advertising	FA: Article 11	Items 6, 7 and 11
(p)	Indemnification	FA: Article 13 MUDA: Article 9	Item 6
(q)	Owner's participation/ management/ staffing	FA: Article 9	Items 11 and 15
I	Records and reports	FA: Articles 8, 9 and 12	Item 6
(s)	Inspection and audits	FA: Articles 9 and 12	Item 6
(t)	Transfer	FA: Article 16 MUDA: Article 6	Items 6 and 17
(u)	Renewal	FA: Article 4 MUDA: Article 2	Items 6 and 17

Obligation	Article in Agreement	Disclosure Document Item
(v) Post-termination obligations	FA: Article 18 MUDA: Article 5	Item 17
(w) Non-competition covenants	FA: Article 15 MUDA: Article 5	Item 17
(x) Dispute resolution	FA: Article 20 MUDA: Article 8	Item 17
(y) Liquidated damages	FA: Article 18	Item 6

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, Always An Angel Franchising, Inc. is not required to provide you with any assistance.

Pre-Opening Obligations

Multi-Unit Development Agreement: The pre-opening and continuing services we provide under the Franchise Agreement will be provided to each multi-unit developer for each Franchised Business that they open.

Franchise Agreement: Before you open your Franchised Business, we will:

48. Identify your Designated Territory (Franchise Agreement – Attachment 1).
2. Loan to you our Operations Manual, which we may provide in hard copy format or via our intranet website (Franchise Agreement – Section 5.1).
3. Approve the location you have selected from which you will operate the Franchised Business, if the approval meets our requirements. Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience (Franchise Agreement – Section 9.2).
4. Provide an initial training program at our headquarters for up to three people, including you and your manager, the cost of which is included in your initial franchise fee, but you must pay the transportation, lodging, meals and wages for your trainees. Our training program is described in detail later in this Item (Franchise Agreement – Section 5.3).
5. Provide a list of approved products and suppliers, which we may revise during the term of your Franchise Agreement and which may include us or our affiliates (Franchise Agreement – Section 9.11).

Site Selection and Time to Open

You must operate your Franchised Business from leased office space within your territory. Within 30 days after you sign the Franchise Agreement, you must provide us with the information we require to evaluate the office space you propose. We will notify you within 15 days whether the location you have selected is approved by us. Our approval will not be unreasonably withheld. The factors we consider when reviewing the site you propose include layout of the office, the amount of leasehold improvements anticipated, accessibility of the site, available parking, and similar factors. The office space you select should be as close to “move-in” condition as possible. If we do not provide our specific approval of the proposed site within 15 days, the site is deemed disapproved by us. We generally do not own the premises and lease it to you. If we cannot agree on a proposed site, we may elect to terminate the Franchise Agreement and keep the entire initial franchise fee.

We estimate that between 60 and 90 days will elapse from when you sign the Franchise Agreement to the opening of your Franchised Business for business. Your opening could be delayed depending on factors such as the amount of time required to secure an approved site; the amount of leasehold improvements required for the approved office space; delays in obtaining materials, equipment and supplies; delays related to weather conditions; delays in completing training to our satisfaction; and the amount of time needed to obtain required permits and licenses. Your Franchised Business must be opened for business not later than 60 days after completing training to our satisfaction or 90 days after you sign the Franchise Agreement, whichever occurs first.

We do not provide assistance with equipment, signs, fixtures, opening inventory or supplies except by providing a list of approved suppliers and through our written specifications. We do not deliver or install these items. We do not provide assistance with conforming the site to local ordinances and building codes and obtaining any required permits; and/or constructing, remodeling or decorating the site; and/or hiring and training employees.

You may not open your Franchised Business for business until: (1) we determine that your Franchised Business has been equipped and stocked with materials and supplies in accordance with plans and specifications we have approved; (2) the initial training program we provided has been completed to our satisfaction by all required persons; (3) the initial franchise fee and all other amounts due to us have been paid; (4) you have furnished us with all certificates of insurance required by the Franchise Agreement; (5) you have obtained all necessary governmental permits, licenses and authorizations for the operation of your Franchised Business; (6) you are in full compliance with all the terms of the Franchise Agreement; and (7) all items in our opening checklist have been complied with to our satisfaction. If you are unable to open the Business within the required timeframe, we may terminate the Franchise Agreement without providing you with a refund.

Post-Opening Obligations and Optional Assistance.

Franchise Agreement: During the operation of your Franchised Business:

48. Within your first six months of operation, we will send one of our representatives to your location to provide opening assistance for two to three days, at our expense (Franchise Agreement – Section 5.3.6). Opening assistance includes helping interview caregivers for your Business and helping with sales calls. We may also provide additional hands-on office training for your in-house staff, to ensure System standards are in place. If you are opening your second or later Franchised Business, we have the right to not provide opening assistance.

2. We will provide guidance and assistance in the operation of your Franchised Business. This guidance may be provided in the form of periodic email, telephone communications and/or field visits (Franchise Agreement – Section 5.3.3).

3. We may issue, modify and supplement standards for the System that may regulate any one or more of the following regarding your Franchised Business: (a) hours of operation, (b) marketing and sale of services, (c) checklists, (d) general rules and regulations for employees, and all other matters that in our sole judgment require standardization and uniformity in all Franchised Businesses (Franchise Agreement – Section 5.8).

4. We or our designee will administer the Brand Development Fund, as described below (Franchise Agreement – Section 11.7).

5. We will have our representatives telephone or visit you from time to time, as we reasonably determine necessary, for the purpose of rendering advice and consultation with respect to the operation of the Franchised Business, assessing your overall performance and determining whether you are conducting the Franchised Business in compliance with the standards of the System (Franchise Agreement – Section 5.3.3).

6. We may offer training programs and seminars and other related activities regarding the operation of the Franchised Business as we may conduct for you or your personnel generally, and which may be mandatory for you and/or your manager (Franchise Agreement – Section 5.7).

7. We may offer periodic conferences of our franchisees. We may state that attendance at these periodic conferences is mandatory for you and/or your manager. We may charge a fee for the conference, and you must pay for all of your attendees' expenses while attending the conference, including travel, lodging, meals and wages (Franchise Agreement – Section 5.7). If we charge a fee, it is payable even if you and/or your manager do not attend the conference.

8. As you may request, or if we determine it is necessary based on our review of your operations, we will provide you with additional on-site assistance and/or training. You must pay our then-current per diem fee for each trainer we send to you, and you must reimburse each trainer's expenses while providing the additional assistance (Franchise Agreement – Section 5.3.7).

9. We will indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), if you and your principals have fully complied with the terms of the Franchise Agreement (Franchise Agreement – Section 7.9).

Advertising

Brand Development Fund

We have the right to establish and administer a Brand Development Fund (the “Brand Development Fund”) to advertise the System and the products offered by Always An Angel Homecare Businesses on a regional or national basis. You must contribute to the Brand Development Fund an amount of 2% of Gross Revenue, to be paid in the same manner as the Royalty Fee. Since the Brand Development Fund was not established during the fiscal year ending December 31, 2021 no monies have been spent by the Brand Development Fund.

The Brand Development Fund will be maintained and administered by us or our designee as follows:

48. We direct all advertising programs and have sole discretion to approve the creative concepts, materials and media used in the programs and their placement and allocation. Advertising materials may be developed in-house by us or we may employ one or more advertising agencies to develop advertising. The Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks and improve the collective success of all Franchised Businesses operating under the System. We may use monies from the Brand Development Fund to support our franchisee and affiliate websites. Any Businesses operated by us or our affiliates will contribute to the Brand Development Fund but may contribute more or less than your Franchised Business. In administering the Brand Development Fund, we and our designees are not required to make expenditures for you that are equivalent or proportionate to your contribution or make sure that any particular franchisee benefits directly or pro rata from the placement of advertising.
2. The Brand Development Fund may be used to satisfy the costs of maintaining, administering, directing and preparing advertising, including the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies; development and maintenance of our website; and costs of our personnel and other departmental costs for advertising that we administer or prepare internally. All sums you pay to the Brand Development Fund will be accounted for separately from our general funds. We may reimburse ourselves out of the Brand Development Fund for our reasonable administrative costs and expenses that we may incur in the administration or direction of the Brand Development Fund and advertising programs for you and the System, including expenses of salary and office overhead. The Brand Development Fund and its earnings will not otherwise benefit us. The Brand Development Fund is operated solely as a conduit for collecting and expending the Brand Development Fees as outlined above. Any sums paid to the Brand Development Fund that are not spent in the year they are collected will be carried over to the following year. No portion of the Brand Development Fund will be used for advertising that is primarily a solicitation of franchise sales.
3. We will prepare an annual statement of the operations of the Brand Development Fund that will be made available to you if you request it. We are not required to have the Brand Development Fund statements audited.
4. Although the Brand Development Fund is intended to be perpetual, we may terminate the Brand Development Fund at any time. The Brand Development Fund will not be terminated until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis. If we terminate the Brand Development Fund, we have the option to reinstate it at any time and it will be operated as described above.

Grand Opening Advertising

You must conduct an advertising campaign announcing the grand opening of your Franchised Business, and you must spend at least \$3,000 for this campaign. Your grand opening advertising campaign must be conducted in your first 90 days of operation, unless we designate a different time period for you to conduct the grand opening advertising. We must approve of your grand opening advertising campaign before it is conducted.

Local Advertising

You must conduct local advertising in your territory, and you must spend at least \$500 each month for local advertising. Within 30 days of our request, you must provide us with proof of your local advertising expenditures, including verification copies of the advertisements. You may purchase some advertising materials from our approved suppliers, or you may have advertising and promotional materials developed for you. For any materials that we have not approved or that have not been approved within the immediately preceding 12-month period, you must submit these materials to us for our review. We will have 15 days after receipt of the proposed advertising and promotional materials to notify you whether they have been accepted. Unless we provide our specific approval of the proposed materials, they are deemed not approved. Any advertising materials you submit to us for our review will become our property, and we may use or distribute these materials in any manner we deem appropriate, without compensation to you (Franchise Agreement – Sections 11.2 and 11.5).

At our request, you must include certain language in your local advertising, such as “Franchises Available” and our website address and telephone number. You must place advertisements in on-line phone directories for your Franchised Business, and you may purchase additional advertising on-line. Any ads you intend to place in any on-line format must be pre-approved by us. Your on-line advertising may be used to satisfy your local advertising requirement (Franchise Agreement – Sections 11.2 and 11.5).

Website and Intranet

We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System. We have established one or more websites accessible through one or more uniform resource locators (“URLs”) and we may design and provide for the benefit of your Business a “click through” subpage at our website for the promotion of your Franchised Business. If we establish one or more websites or other modes of electronic commerce and if we provide a “click through” subpage at the website(s) for the promotion of your Business, you must routinely provide us with updated copy, photographs and news stories about your Business suitable for posting on your “click through” subpage. We have the right to specify the content, frequency and procedure you must follow for updating your “click through” subpage.

Any websites or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications (“apps”) that we may introduce, may – in addition to advertising and promoting the products, programs or services available at Always An Angel Homecare Businesses – also be devoted in part to offering Always An Angel Homecare franchises for sale and be used by us to exploit the electronic commerce rights which we alone have.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. If we require, you must establish and maintain access to the intranet in the manner we designate. Additionally, we may periodically prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign.

You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Business; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the “Always An Angel Homecare” name or any names confusingly similar to the Marks.

You are not permitted to promote your Franchised Business on social media or on networking websites unless we provide our written consent for you to do so. If we allow you to maintain social media accounts for your Franchised Business, you must operate the accounts in strict accordance with our System requirements and standards. If we do not provide our written consent for you to maintain social media accounts for your Franchised Business, then we will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Business' operation, including prohibitions on your and the Franchised Business' employees posting or blogging comments about the Business or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook, Foursquare, Instagram and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We have the right to conduct collective/national campaigns via local social media on your behalf.

Advertising Cooperatives

We may designate any geographic area in which two or more Always An Angel Homecare Businesses are located as a region for purposes of establishing an advertising Cooperative, or we may approve of the formation of an advertising Cooperative by our franchisees. The members of the Cooperative for any area will consist of all Businesses, whether operated by us, our affiliates or our franchisees. We have the right to dissolve, merge or change the structure of the Cooperatives. Each Cooperative will be organized for the exclusive purposes of administering advertising programs and developing promotional materials for use by the members in local advertising, subject to our approval as described above. If a Cooperative has been established for a geographic area where your Franchised Business is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must become a member of the Cooperative. If the Cooperative will operate according to written documents, we must approve of these documents, and a copy of the Cooperative documents applicable to your territory will be provided to you if you request it. Your Franchised Business will not have to participate in more than one Cooperative.

The payments you make to a Cooperative may be applied by you toward satisfaction of your local advertising requirement. If the amount you contribute to a Cooperative is less than your local advertising requirement, you must still spend the difference locally. Each Business has one vote in the cooperative, except that no franchisee (or commonly controlled group of franchisees) may have more than 25% of the total vote, regardless of the number of Businesses owned. By vote of the members, the members will determine the amount that each member must contribute to the Cooperative. All contributions to the Cooperative will be maintained and administered in accordance with the documents governing the Cooperative, if any. The Cooperative will be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the purposes outlined above. No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without first obtaining our approval. Currently there are no Cooperatives in the System. The Cooperative is not required to prepare an annual financial statement.

Advisory Council

We may, in our discretion, form an advisory council to work with us to improve the System, the services offered by Always An Angel Homecare Businesses, advertising conducted by the Brand Development Fund, and any other matters that we deem appropriate. If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council.

If formed, an advisory council will be comprised of our representatives and franchisee representatives. The franchisee representatives may be chosen by us or elected by other franchisees in the System. If you participate on an advisory council, you will pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings.

Computer Systems and Software

You must purchase or lease and use certain computer hardware and software and web-based systems and applications that meet our specifications and that are capable of electronically interfacing with our computer systems. The computer systems will provide client relationship management, scheduling, billing, payroll functions, word processing, calendar maintenance, bookkeeping capabilities and franchisor to franchisee communication.

The computer software and/or web-based systems and applications are designed to enable us to have immediate independent access to the information monitored by the system, and there is no contractual limitation on our access or use of the information we obtain. You must install and maintain equipment and a high-speed telecommunication line in accordance with our specifications to permit us to access your computer system either electronically or at your office. This will permit us to electronically inspect and monitor information concerning your Gross Revenue and any other information that may be contained or stored in the equipment and software. You must make sure that we have independent access at the times and in the manner we specify, at your cost.

You must purchase the computer system, including peripheral equipment and software and web-based applications, specified in our Manual. The approved supplier for the computer system, if we designate one, will be included in the Manual. We expect that the computer system will cost approximately \$2,100 to \$4,000.

We suggest you purchase a maintenance contract for your computer system. The estimated cost of maintenance, updating, upgrading or support contracts for the computer system can range from \$1,200 to \$2,400 per year. You must obtain any upgrades and/or updates to the software used with the computer system, at your expense. In addition, we may require you to update and/or upgrade all or a portion of your computer system during the term of your Franchise Agreement, at your expense. The Franchise Agreement does not limit our ability to require you to update and/or upgrade your computer system or the cost of any update and/or upgrade. Neither we nor any affiliate of ours is responsible for providing you with any upgrades, updates or maintenance for your computer system.

In addition to any maintenance contract for your computer system, you will pay monthly fees for certain software and/or web-based applications that you must use. Currently the fee for the client relationship management and scheduling software is \$10-12 per client, plus a \$500 initial set-up fee. The fees for the accounting and payroll software are \$450 per month, plus a \$30 processing fee per pay period, plus a \$1.50 charge per employee per pay period. There is also an initial set-up fee of \$750 for the accounting and payroll software. Unless we designate otherwise, these are payable directly to the approved supplier for the software. These fees are subject to change by the software manufacturers and/or the approved suppliers.

You must obtain and maintain internet access or other means of electronic communication, as specified by us. It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement. If we access your computer system, the types of information we may access include Gross Revenue and customer data. Any data we access may be downloaded by us to our systems, and there will be no restriction on our use of this information.

Operations Manual

Attached to this Disclosure Document as Exhibit F is the Table of Contents of the Confidential Operations Manual. Our Confidential Operations Manual contains approximately 200 pages.

Training Programs

Before the Business opens, we will train up to three people, including you and your manager, in operating the Business. Our training program is mandatory for all new franchisees and new managers and will occur both online and at our headquarters. We have the right to modify our training program based on the individual needs or experience of any trainee. Our initial training program is provided for up to three people at no additional fee, but you must pay all of your trainees' expenses while attending the initial training program, including travel, lodging, meals and applicable wages. Our training program lasts for approximately five days. If you request that we provide our initial training program to additional employees, either before your Business opens or while it is operating, you must pay our then-current training fee, and you must also pay for the trainees' expenses while attending training.

You and your manager must satisfactorily complete initial training and participate in all other activities required to operate the Business. If you fail to complete the training program to our satisfaction, we may elect to terminate the Franchise Agreement and keep the entire initial franchise fee. We may require you to replace a manager if we determine that he or she is not qualified to hold that position. You must pay us to train a replacement (Franchise Agreement – Section 5.3.8).

Training will occur after you sign the Franchise Agreement and while you are developing the Business. We plan to be flexible in scheduling training to accommodate our personnel, you, and your personnel. We do not have a set schedule for holding our training program. The schedule for providing training will depend on the number of new franchisees entering the System, the number of new managers or other employees requiring training, and similar factors. The materials we use in our initial training program include our Manual and any other materials that we believe will benefit our franchisees in the training process. As of the date of this Disclosure Document, we provide the following training:

TRAINING PROGRAM

Online Pre-Training Program			
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Always An Angel History and Mission	1/2	Not Applicable	Online
Services Provided to Always An Angel Franchisees	1	Not Applicable	Online
Pre-Opening	1	Not Applicable	Online
Human Resources	1	Not Applicable	Online
Always an Angel Job Descriptions	1	Not Applicable	Online
Recruiting Office Staff	1	Not Applicable	Online

Online Pre-Training Program			
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Angels Wings	1	Not Applicable	Online

In-Person Training Program			
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Welcome – Introduction to Always An Angel Homecare’s History, Mission and Vision; Review of Services; Establishing rates	4	Not Applicable	Putnam Valley, NY
Home office support and Communication	3	Not Applicable	Putnam Valley, NY
Review of Operations Manual	8	Not Applicable	Putnam Valley, NY
Office tools, Scheduling, Payroll, Billing, Client Communication, Staffing your Office	8	Not Applicable	Putnam Valley, NY
Caregiver Recruitment, Interviews, Orientations, Training and Retention	8	Not Applicable	Putnam Valley, NY
Referral Sources: Identifying, Marketing and Presenting	6	Not Applicable	Putnam Valley, NY

Our training program is overseen by Stephen J. Velichko and Roberta L. Velichko, whose professional backgrounds are found in Item 2 of this Disclosure Document. In addition, we may rely on the expertise of certain of our employees to provide training on specific areas. The minimum experience of the instructors in the field that is relevant to the subject taught and our operations is at least five years.

If you choose to or must hire a new or replacement manager during the franchise term, the new or replacement manager must satisfactorily complete, within the timeframe we specify, our then current training program. You must pay our then-current fee for this training, and you must pay all travel and living expenses incurred by the new or replacement manager, including travel, lodging, meals and applicable wages.

We may require you, your manager, and/or other employees to attend and complete satisfactorily supplemental training courses that we periodically choose to provide during the franchise term at the times and locations we designate. We may charge reasonable registration or similar fees for these courses, and you must pay each attendee’s expenses in attending supplemental training. We do not expect any supplemental training to last more than five days in any calendar year.

In addition to attending supplemental training, we may hold an annual meeting of our franchisees to provide additional training, introduce new services or changes to the System, or for other reasons. We may designate that attendance at an annual meeting is mandatory for you and/or your manager. We may charge a fee for the meeting, and you will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages. We will designate the location of any franchisee meeting, such as a resort hotel, but we will not designate an unreasonably expensive site. We do not anticipate that an annual meeting will last more than three days in any calendar year.

At your request, or if we determine it is necessary based on our review of your operation of the Franchised Business, we may also provide you with additional on-site training or assistance. You must pay our then-current per diem fee for each trainer we send to your location to provide the on-site training or assistance, and you must reimburse the expenses each trainer incurs, including travel, lodging and meals.

ITEM 12 **TERRITORY**

Franchise Agreement

The Franchise Agreement grants you the right to operate your Business at a particular street address known as the “Franchised Location”, which will be a small office space. If you are in compliance with the Franchise Agreement during its term, we will not establish or operate or license others to establish or operate an Always An Angel Homecare Business within your “Designated Territory.”

Your Designated Territory will consist of an area containing a general population of not less than 200,000 people, at least 20,000 of whom are Senior Citizens. Your Designated Territory will be identified in your Franchise Agreement by contiguous zip codes, street boundaries, city boundaries, or county boundaries. We will use demographic data obtained through Intelligent Direct, Inc. to determine the boundaries of your Designated Territory.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Unless you choose to purchase an additional area, the boundaries of your Designated Territory will not change during the term of your Franchise Agreement. You have the right, either before you sign the Franchise Agreement or while you are operating the Franchised Business, to purchase additional areas to add to your Designated Territory. We will charge \$200 for each additional 1,000 in general population added to your Designated Territory. For this additional area, we do not guarantee you a minimum number of Senior Citizens included in the general population you purchase. The additional area you purchase must be available for purchase and must be contiguous to your Designated Territory. If you choose to purchase the additional area during the term of your Franchise Agreement, you must also be in compliance with your Franchise Agreement.

You may not directly solicit customers outside of your Designated Territory. Solicitation of customers outside of your Designated Territory (referred to as Inter-Territorial activity) is grounds for default. Our Operations Manual contains our Inter-Territorial Policy. The Manual and the Inter-Territorial Policy may be revised and updated from time to time. Revisions and updates may include provisions for financial penalties in addition to, or in lieu of, termination of the Franchise Agreement following a violation of the Inter-Territorial Policy. You must pay any payments or penalties owed to franchisees for violations of the Inter-Territorial Policy. The Inter-Territorial Policy is part of our System standards.

As part of the process of renewing your Franchise Agreement, we have the right to re-evaluate your then-existing Designated Territory according to certain demographics, including population. Since your Designated Territory includes a certain minimum population, your Designated Territory under the renewal Franchise Agreement will be modified to accommodate shifts and changes in population. Our intent is to make the target demographics of your renewal Designated Territory, and any additions you have purchased, similar to the target demographics of your then-current Designated Territory. A re-evaluation of your Designated Territory may result in your renewal Designated Territory being smaller or larger than the then-current Designated Territory. We cannot guarantee that you will achieve any particular level of success with the renewal Designated Territory or that your results will be the same as or similar to your results from operating in the then-current Designated Territory.

You may not operate your Franchised Business from any location other than the Franchised Location. The office space you select for your Franchised Business will be subject to our approval, which will not be unreasonably withheld. You may not relocate your Franchised Business without our prior written approval. If the Franchised Location is damaged, condemned or otherwise unusable, or if in your and our reasonable judgment there is a change in the character of the location of the Franchised Business sufficiently detrimental to its business potential to warrant its relocation, we will grant you permission to relocate the Franchised Business. We do not charge a fee for relocation of your Franchised Business. Your new location must be selected and developed according to our then-current requirements.

You must use your best efforts to promote and increase the sales and services of the Always An Angel Homecare Business to effect the widest and best possible distribution and sale of services and to solicit potential customers and accounts for products and related services in conjunction with us. You must meet minimum performance requirements to maintain your rights under the Franchise Agreement, as described below.

The franchise granted to you is non-exclusive. During the term of the Franchise Agreement, we (and any affiliates that we periodically might have) retain the rights set forth below, both inside and outside of your Designated Territory, and among other things, on any terms and conditions we deem advisable, without compensation to you or any other franchisee, and without granting you any other rights:

48. We and our affiliates have the right to establish and operate and grant rights to other franchise owners to establish and operate, Franchised Businesses or similar businesses at any locations and on any terms and conditions we deem appropriate outside of the Designated Territory.
2. We and our affiliates may sell products under the Marks within and outside your Designated Territory through any method of distribution other than a dedicated Always An Angel Homecare Business, including sales through channels of distribution such as the internet, catalog sales, telemarketing or other direct marketing sales (together, “alternative distribution channels”).
3. We and our affiliates have the right to purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Franchised Business (and/or franchise, license, and/or similar agreements for these businesses), regardless of whether those similar or identical businesses are located within or outside of your Designated Territory.
4. We and our affiliates have the right to be acquired (regardless of the form of transaction) by a business identical or similar to Always An Angel Homecare Businesses, regardless of

whether that business operates similar or identical businesses within or outside of your Designated Territory.

5. We and our affiliates have the right to engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.
6. We and our affiliates have the right to grant permission to you to service clients within another franchisee's Designated Territory if that franchisee does not have the proper licensure or accreditation to provide services (or the franchisee cannot, or chooses not to provide services) to all clients within its Designated Territory.
7. We and our affiliates may sell, operate or distribute, and/or license others to sell, operate and distribute, through franchised or non-franchised businesses, at wholesale or retail, within and outside the Designated Territory (a) Always An Angel branded goods and services not then offered and sold through the Always An Angel franchise program, or (b) goods and services under another brand where comparable goods and services are not then offered and sold through our franchise program.
8. If we or our affiliates offer products or services different from those that you have the right to offer through your Franchised Business, and those products or services are part of a business that we or our affiliate franchise to third parties with the Always An Angel name or mark as the primary name or mark, then we will grant you a limited right of first refusal to acquire the franchise rights to offer those products or services in your Designated Territory (the "Right of First Refusal"). You may exercise this Right of First Refusal only if we determine that you are in compliance with the terms of your Franchise Agreement, including all performance and related standards, and you meet the financial requirements that we determine are necessary for the acquisition of these additional franchise rights. This limited Right of First Refusal only applies if we or our affiliate distributes products or services through a franchise system and does not apply to any products or services that we or our affiliate distributes through corporate-owned or alternative distribution channels or through franchising but under a name or mark different than the Always An Angel name or Mark. If you are offered the Right of First Refusal, you will have 30 days to respond to the Right of First Refusal. If you decline the Right of First Refusal or fail to respond within the 30 days, you will have no further rights to acquire the offered franchise.

We are not required to pay you if we exercise any of the rights specified above within your Designated Territory.

You may not use alternative distribution channels to make sales outside or inside your Designated Territory except as described in the following paragraph and you will not receive any compensation for our sales through alternative distribution channels except as described below.

You may provide services to customers and prospective customers within your Designated Territory only, except that we may permit that up to 15% of your total Gross Revenue may come from customers outside of your Designated Territory or additional areas you purchase, as long as those customers are not within another franchisee's Designated Territory. Unless approved by us in advance, you may not engage in any promotional activities or sell any related products or services, whether directly or indirectly, (a) through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system or any interactive electronic document contained in a central computer linked to communications software service providers or any other devices sent or directed to customers or prospective customers; or (b) by telecopy or other telephonic or electronic communications, including toll-

free numbers, directed to or received from customers or prospective customers, except that referral sources are not exclusive and you may call on referral sources outside your Designated Territory with the prior notification in writing to the franchisee that owns the designated territory in which you will be marketing. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Designated Territory, as determined and approved by us, and will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers located outside of the Designated Territory, you may not make any sales or perform services to customers outside of the Designated Territory unless there is not another franchisee in the customer's area, subject to the exceptions described in this paragraph.

You have no options, rights of first refusal, or similar rights to acquire additional franchises, except for the Right of First Refusal described above.

If we engage in electronic commerce through any internet, world wide web or other computer network site or sell through any other alternative distribution channel, and we receive requests for any services offered by an Always An Angel Homecare Business calling for performance in your Designated Territory, then we will offer the request to you at the price we establish. If you choose not to fulfill the request or are unable to do so, then we, one of our affiliates or a third party we designate (including another franchisee) may fulfill the order, and you will not be entitled to any compensation in connection with this.

We have the right to maintain a Regional or National Account program. A Regional or National Account is a customer that has offices in multiple areas. You may not negotiate any contract terms with a prospective Regional or National Account. We will have sole discretion to negotiate terms with the Regional or National Account. We anticipate that you will participate in the Regional and National Accounts program, which will require you to provide products and services to the customers of the Regional or National Account according to the agreement we have negotiated. For example, we may negotiate an agreement with a regional or national company that will offer the company's customers to receive discounted pricing from all Always An Angel Homecare Businesses.

If you choose not to participate in the Regional and National Account program, or if you are unable or unwilling to provide products and services to the Regional and National Account's customers as requested, we, our affiliate or a third party (which may be another franchisee) may service the Regional or National Account, and you are not entitled to any portion of the revenue in these circumstances. We also have the right to terminate your participation in the Regional and National Account program if you are not providing products and services according to the terms we have negotiated, or your participation is not otherwise in compliance with our policies.

Neither we nor any affiliate has established, or presently intends to establish, other franchised or company-owned businesses offering similar services under a different trademark, but we have the right to do so in the future, without first obtaining your consent. We describe our rights to open other businesses earlier in this Item 12.

You must meet the minimum performance requirements described in the chart below:

Minimum Performance Requirements

Year of Operation:	Year 2	Year 3	Year 4	Year 5	Years 6 to 10
Minimum Annual Gross Revenue Requirement	\$240,000	\$325,000	\$425,000	\$500,000	\$750,000
Minimum Royalty Fee (5% of Gross Revenue)	\$12,000	\$16,250	\$21,250	\$25,000	\$37,500

There is no minimum annual Gross Revenue requirement from the day we approve the opening of your Business, through your first complete calendar year of operation. Beginning with your second complete calendar year of operation, you must begin meeting the above minimum requirements. The minimum annual Gross Revenue requirement is calculated for each calendar year after the opening date of your Franchised Business. If you do not meet the minimum annual Gross Revenue requirements for any year, and therefore the minimum Royalty Fee payment, the difference between the Royalty Fee payable on the Gross Revenue you did achieve, and the Royalty Fee owed on the minimum annual Gross Revenue requirement will be deducted automatically via EFT within 15 days after the end of the 12-month period. For example, if during your second full calendar year of operation you earned \$100,000 in Gross Revenue, and paid \$5,000 in Royalty Fees during that period, we would draft an EFT for the balance of the minimum Royalty Fee due of \$1,250 within 15 days after the end of your second full calendar year of operation.

Multi-Unit Development Agreement

You may (if you qualify) develop and operate a number of Businesses within a specified area (the “Development Area”). We and you will agree on the Development Area and it will be described in the Multi-Unit Development Agreement before signing it. The Development Area will be defined in terms of municipal or county boundaries but may be defined as a specified trade area within a municipality. The actual size of the Development Area will vary depending upon the availability of contiguous markets, our long-range development plans, your financial and operational resources, population, and market conditions. In each case, the designated territory guidelines for single franchise locations will prevail for each location developed as per your Multi-Unit Development Agreement.

We and you will negotiate the number of Franchised Businesses you must develop to keep your development rights and the dates by which you must develop them. We and you then will complete the minimum development schedule in the Multi-Unit Development Agreement before signing it.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Subject to your territorial rights under your Franchise Agreements, we may, after the Multi-Unit Development Agreement expires or is terminated, establish or allow others to establish Franchised Businesses within the area formerly designated as your Development Area. While the Multi-Unit Development Agreement is in effect, we (and our affiliates) will not establish, or allow other franchise owners to establish, Franchised Businesses to be located within the Development Area. There are no other restrictions on us. You may not develop or operate Franchised Businesses outside the Development Area. We may terminate the Multi-Unit Development Agreement if you do not satisfy your development obligations when required.

Except as described above, continuation of your territorial rights does not depend on your achieving a certain sales volume, market penetration, or other contingency, and we may not alter your Development Area.

Except as expressly limited by the Multi-Unit Development Agreement, we and our affiliates retain all rights with respect to Always An Angel Businesses, the Marks, and any products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant others the right to produce, offer and sell the products and services offered at the Business and any other goods and services through similar or dissimilar channels of distribution, both within and outside the Development Area, under the Marks and other trade and service marks and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Businesses located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to your Businesses; and (c) the right to acquire and operate a business operating one or more homecare businesses located or operating in your Development Area.

After you have completed the Minimum Development Schedule (which is when the last Business to be developed opens for business), if we believe that it is desirable to establish additional Businesses within the Development Area, and if you were in compliance with your Multi-Unit Development Agreement and are in compliance with all of your Franchise Agreements, we will offer you the right to develop these additional Businesses. You must exercise this option, in full, within 60 days after our notice to you. If you do not exercise or you decline this right of first refusal, we will have the right to sell these development rights to another multi-unit developer or to develop the Businesses ourselves. You are not granted any other right of first refusal.

To maintain your rights under the Multi-Unit Development Agreement there must be open and in operation the cumulative number of Businesses set forth on the Minimum Development Schedule by the dates set forth in the Minimum Development Schedule.

ITEM 13 **TRADEMARKS**

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by us. These Marks may be used only in the manner we authorize and only for the operation of your Franchised Business. The Multi-Unit Development Agreement does not grant you the right to use the Marks.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must sign any documents we require to protect the Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of our ownership of or our rights in and to the Marks.

Our affiliate, Living Waters USA Inc., has registered or applied for registration the following trademarks on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

Mark	Registration Number	Registration Date	Register
	5,021,493	8/16/2016	PRINCIPAL
ALWAYS AN ANGEL	5,017,258	8/9/2016	PRINCIPAL
A MOMENT IN TIME	6,490,586	9/21/2021	PRINCIPAL
BRING YOUR FRUIT BASKET	6,569,265	9/7/2021	PRINCIPAL
ANGEL'S WINGS	6,569,264	9/7/2021	PRINCIPAL

Our affiliate has filed the affidavit for the Marks and intends to file all affidavits and to renew its registrations for the Marks when they become due.

Our affiliate has also filed an application for registration of the following Marks with the U.S. Patent and Trademark Office:

Mark	Application Date	Serial Number	Register
LET'S LEARN, LAUGH, PLAY AND PRAY	12/3/20	90,356,754	
ANGEL ABSOLUTES	2/5/21	90,514,633	
CAREGIVER COMMANDMENTS	2/5/21	90,514,631	

With regard to the above Marks only, we do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use this trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no currently effective determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of this state or any court, nor is there any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving any Marks which may be relevant to their use in this state or in any other state.

There are no agreements currently in effect which significantly limit our right to use or to license others to use the Marks in a manner material to the franchise, except for the trademark license agreement between us and Living Waters USA Inc., dated June 1, 2017.

You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Marks. We have the sole right to direct and control any administrative proceeding or

litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take affirmative action against uses by others that may constitute infringement of the Marks. We may defend you against any third-party claim, suit or demand arising out of your use of the Marks. If we, in our sole discretion, determine that you have used the Marks in accordance with your Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used the Marks in accordance with your Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. In the event of any litigation relating to your use of the Marks, you must sign any and all documents and do the acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if this litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

There are no superior prior rights or infringing uses actually known to us that could materially affect your use of the Marks in the state where your franchised business will be located or elsewhere.

We have the right to substitute different Marks for use in identifying the System and the businesses operating under it, at our sole discretion, and you must implement any change in or substitution of any Marks at your sole expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We hold no patents and have no pending patent applications that are material to the franchise. We claim copyrights in all artwork and designs used by the System. Our affiliate, Living Waters USA, Inc. has filed for registration the following copyrights with the United States Copyright Office:

Title of Work	Registration Number	Registration Date	Duration
Caregiver Commandments and Angel Absolutes Bring your Fruit Basket	TXu 2-216-517	June 30, 2020	95 years
Angel's Wings	TX-9-017-013	September 22, 2021	95 years

There currently are no effective determinations of the Patent and Trademark Office, the Copyright Office (Library of Congress), or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend any patent, trademark, or copyright.

You must promptly tell us when you learn about unauthorized use of our proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate. We

are not obligated to indemnify you for losses brought by a third party concerning your use of this information, but we will take all steps we think are appropriate to protect our copyright in the Confidential Operations Manual.

Improvements

If you or your employees make or acquire any improvements, including any enhancements, adaptations, derivative works, modifications or new processes (“Improvements”) in the operation of the Franchised Business, you will grant to us exclusive rights in these Improvements in consideration of the grant of the franchise and without the payment of additional consideration. Improvements will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. We may include any Improvements we made or acquired in the System, including any and all intellectual property rights of ours and affiliate or services and products of the Franchised Business, Operations Manual and the System for use by all franchisees, us or any affiliate.

Confidential Information

We possess certain confidential information including the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of the System (the “Confidential Information”). We will disclose certain of the Confidential Information to you during the training programs, seminars and conventions, in the Confidential Operations Manual and in guidance furnished to you during the term of the Franchise Agreement. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will be deemed confidential for purposes of your Agreement.

Examples of confidential information includes: (1) site selection and design specifications; (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Always An Angel Homecare Businesses; (3) marketing and advertising programs for Franchised Businesses; (4) knowledge of specifications for and suppliers of, and methods of ordering, certain materials, equipment and supplies; (5) knowledge of the operating results and financial performance of Franchised Businesses other than your Business; (6) terms of the Franchise Agreement; (7) the Operations Manual; (8) graphic designs and related intellectual property; (9) customer lists and information; and (10) our intranet.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must personally participate in the operation of your Franchised Business, but you do not have to participate in the daily operation of your Franchised Business. If you do not participate in the day-to-day operation of your Franchised Business, you must employ a manager to do this who has satisfactorily completed our initial training program and who devotes his/her full business time, energy and effort to the management and operation of your Franchised Business. If you hire a manager for your Franchised Business, you must still make sure that the Franchised Business is operated according to our requirements and System standards, and compliance with the Manual and the terms of your Franchise Agreement. We have the right to approve the manager after training. The manager cannot have any interest or business relationship with any of our competitors. The manager is not required to have an ownership interest in you. We impose no limitations as to who you may hire as the manager, except that you must comply with all applicable laws and that you must not harm the goodwill associated with the System and the Marks (this requirement may affect who you hire as your manager). If your manager cannot serve in the position or

does not meet the requirements, he or she must be replaced within 30 days after the manager stops serving or no longer meets the requirements.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Employee Non-Competition and Non-Disclosure Agreement which is attached to our Franchise Agreement as Attachment 2. Due to the nature of the homecare business, some of your caregivers may work for multiple homecare agencies, but each caregiver must sign an agreement not to reveal confidential information obtained while employed by you, and the agreement must be in a form satisfactory to us. We will be a third-party beneficiary of each agreement with the independent right to enforce the agreement's terms.

If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as "Principal". If you are a married individual, your spouse must sign our Spousal Guaranty which is attached to our Franchise Agreement as Attachment 4.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only products and services that have been approved and specified by us in the Manual and any updates that are incorporated in the Manual from time to time. You may not offer for sale any products or services not specifically approved by us in writing and you may not use your Franchised Business for any other purpose than the operation of an Always An Angel Homecare Business and the sale of products or services approved by us. You must offer any products and/or services that we designate as required products and/or required services in the Manual. There are no limits on our ability to make changes to the products or services you must sell.

We do not impose any other restrictions in the Franchise Agreement or otherwise as to the goods or services that you may offer or sell or as to the customers to whom you may offer or sell, except as described in Item 12. You may not directly solicit customers outside of your Designated Territory. Solicitation of customers outside of your Designated Territory is a violation of our Inter-Territorial Policy and is grounds for default.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Article in Franchise Agreement	Summary
a. Length of the franchise term	Article 4	10 years
b. Renewal or extension of the term	Article 4	Up to four renewals of five years each, subject to performance of contractual requirements

Provision	Article in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Article 4	Provide notice, be in compliance with Franchise Agreement, sign new Franchise Agreement, sign release, pay renewal fee. We may designate new boundaries for your Designated Territory to reflect changes in demographics, such as population You may be asked to sign a contract with materially different terms and conditions than your original contract, but the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees
d. Termination by franchisee	Not Applicable	You may seek to terminate your Franchise Agreement on any ground permitted by law. Upon termination, you may be required to transfer your business and business assets, including an assignment of client contracts, to us.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	Article 17	We may terminate your Franchise Agreement if you are in breach of the Franchise Agreement and on other grounds. Upon termination, you may be required to transfer your business and business assets, including an assignment of client contracts, to us.
g. “Cause” defined – curable defaults	Article 17	Includes failure to pay fees when due, misuse of Marks; sale of an unapproved service; fail to obtain our consent when required; failure to maintain required insurance; failure to comply with Inter-Territorial Policy

Provision	Article in Franchise Agreement	Summary
h. “Cause” defined – non-curable defaults	Article 17	Includes filing for bankruptcy or assignment for the benefit of creditors; abandonment of the Franchised Business; conviction of a felony, crime of moral turpitude or other crime; material misrepresentation to us; failure to comply with applicable law; repeated defaults; failure to complete training program to our satisfaction; ownership of a competing business; unauthorized disclosure of confidential information; unauthorized transfer
i. Franchisee’s obligations on termination/non-renewal	Article 18	Obligations include discontinue using confidential information and materials, return Manual, and payment of amounts due
j. Assignment of contract by franchisor	Article 16	No restriction on our right to transfer
k. “Transfer” by franchisee – defined	Article 16	Includes transfer all or substantially all of the assets of your business. We have a right of first refusal to acquire your business.
l. Franchisor approval of transfer by franchisee	Article 16	We have the right to approve all transfers. We have a right of first refusal to acquire your business.
m. Conditions for franchisor approval of transfer	Article 16	Includes payment of money owed, you are not in default of the Agreement, you sign release, transferee qualifies, transferee signs new agreement and payment of the transfer fee
n. Franchisor’s right of first refusal to acquire franchisee’s business	Article 16	We can match any offer
o. Franchisor’s option to purchase franchisee’s business	Article 18	Upon expiration or termination, we can buy all or a portion of the assets of your Franchised Business. You may be required to assign your client contracts to us, at no cost to us.
p. Death or disability of franchisee	Article 16	Franchise must be assigned to approved buyer within 90 days. We have a right of first refusal.

Provision	Article in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Article 15	Includes prohibition on owning or operating business which sells similar services
r. Non-competition covenants after the franchise is terminated or expires	Article 15	Includes prohibition on owning or operating business which sells similar services for two years and located within 25 miles of any unit in the System
s. Modification of the agreement	Article 21	Must be in writing by both parties
t. Integration/merger clause	Article 21	Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside the Franchise Disclosure Document and Franchise Agreement may not be enforceable
u. Dispute resolution by arbitration or mediation	Article 20	Except for certain claims, all disputes must be arbitrated in Putnam County, New York (subject to state law).
v. Choice of forum	Article 20	Putnam County, New York, except for applicable franchise laws of other states
w. Choice of law	Article 21	New York law applies generally, except for applicable franchise laws of other states

THE MULTI-UNIT DEVELOPER RELATIONSHIP

Provision	Article in the Multi-Unit Development Agreement	Summary
a. Length of the franchise term	Article 1	Term of minimum development schedule
b. Renewal or extension of the term	Article 1	Not renewable, but you may negotiate a new agreement
c. Requirements for multi-unit developer to renew or extend	Not applicable	

Provision	Article in the Multi-Unit Development Agreement	Summary
d. Termination by multi-unit developer	Not applicable	You may seek to terminate your Multi-Unit Development Agreement on any ground permitted by law
e. Termination by franchisor without cause	Not applicable	
f. Termination by franchisor with cause	Article 4	We may terminate the Multi-Unit Development Agreement if you are in breach of the Agreement and do not cure the breach (if the breach is curable)
g. “Cause” defined – curable defaults	Article 4	You fail to comply with any provision of the Multi-Unit Development Agreement that is not considered incurable
h. “Cause” defined – non-curable defaults	Article 4	Unauthorized transfer; a general partnership interest is terminated for any reason (if you are a limited partnership); you or your principals make a material misrepresentation to us in obtaining the development rights; you or your principals are convicted of a felony or other crime that may adversely affect the goodwill associated with the Marks; you fail on three separate occasions in any 12 month period to comply with the agreement; we have delivered to you a notice of termination of any Franchise Agreement between you and us; are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors
i. Multi-unit developer’s obligations on termination/non-renewal	Article 5	Lose development rights, may not continue to develop Franchised Businesses
j. Assignment of contract by franchisor	Article 6	No restriction on our right to assign
k. “Transfer” by multi-unit developer – defined	Article 6	Includes a transfer of the development rights or an ownership interest in the multi-unit developer
l. Franchisor’s approval of transfer by multi-unit developer	Article 6	All transfers must be approved by us

Provision	Article in the Multi-Unit Development Agreement	Summary
m. Conditions for franchisor approval of transfer	Article 6	We have the right of first refusal for any transfer. We cannot unreasonably withhold consent; transferee qualifies; transfer fee paid, and we grant an assignment of your Multi-Unit Development Agreement to the transferee
n. Franchisor's right of first refusal to acquire multi-unit developer's business	Not applicable	
o. Franchisor's option to purchase multi-unit developer's business	Not applicable	
p. Death or disability of multi-unit developer	Article 6	Interest must be transferred to an approved party within six months
q. Non-competition covenants during the term of the franchise	Not applicable	
r. Non-competition covenants after the franchise is terminated or expires	Article 5	No interest in a competing business for two years within 25 miles of any Franchised Business in the System
s. Modification of the agreement	Article 7	Must be in writing by both parties
t. Integration/merger clause	Article 7	Only the terms of the Multi-Unit Development Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Multi-Unit Development Agreement may not be enforceable
u. Dispute resolution by arbitration or mediation	Article 8	Except for certain claims, all disputes must be arbitrated in Putnam County, New York (subject to state law).
v. Choice of forum	Article 8	Putnam County, New York, except for applicable franchise laws of other states
w. Choice of law	Article 8	New York law applies generally, except for applicable franchise laws of other states

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of an Always An Angel Homecare Business, except as stated below. The following represents the actual sales achieved by two of our affiliate-owned Businesses. The first has been in operation since September 2012, the second has been in business since 2021. We did not include any operating expenses.

Affiliate #1

Year	2018	2019	2020	2021
Gross Sales	\$1,477,959	\$1,601,680	\$1,442,350	\$1,540,184
Amount Paid to Caregivers (full payroll including taxes)	\$738,879	\$780,444	\$765,985	\$762,309
Gross Margin (caregiver cost/gross sales)	50.0%	48.7%	53%	49.5%
Number of Clients serviced within the year	138	132	125	108
Average Revenue per client	\$10,709	\$12,134	\$11,539	\$14,260

Affiliate #2

Year	2021*
Gross Sales	\$305,286
Amount Paid to Caregivers (full payroll including taxes)	\$161,854
Gross Margin (caregiver cost/gross sales)	53%
Number of Clients serviced within the year	14
Average Revenue per client	\$21,806

These outlets have earned these amounts. Your individual results may differ. There is no assurance that you'll earn as much.

The figures used in this statement are the historical gross sales, gross margin, and average revenue per client for the Business operated by our affiliate. "Gross sales" is defined as all amounts generated from operations of the Business, less any sales taxes collected. We strongly urge you to consult with your financial advisor or personal accountant concerning the financial analysis that you should make in

determining whether or not to purchase an Always An Angel Homecare franchise. Franchisees or former franchisees, listed in this Disclosure Document, may be one source of this information.

We offered the same services to the Business described in this statement. This Business offered the same products and services to the public as you will. Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request. The information presented above has not been audited.

Other than the financial performance representation, Always An Angel Franchising, Inc. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Roberta Velichko or Stephen Velichko at 21 Peekskill Hollow Road, Suite 204, Putnam Valley, New York, 10579, or 845-293-6100, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2019 through 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Company-Owned*	2019	1	1	0
	2020	1	1	0
	2021	1	2	1
Total Outlets	2019	1	1	0
	2020	1	1	0
	2021	1	2	1

*The company-owned outlet shown in the above table is owned and operated by our affiliate, as described in Item 1.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2019 through 2021

State	Year	Number of Transfers
None	2019	0
	2020	0
	2021	0
Total	2019	0
	2020	0
	2021	0

Table No. 3
Status of Franchised Outlets
For years 2019 through 2021

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
None	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Total	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets
For years 2019 through 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
New York	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	1	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Total	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	1	0	0	0	2

As described in Item 1, the outlet shown in the above chart is owned and operated by our affiliate.

Table No. 5
Projected Openings as of December 31, 2021

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
New York	0	0	0
Total	0	0	0

A list of the names of all franchisees and multi-unit developers and the addresses and telephone numbers of their businesses are provided in Exhibit E to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit developer who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit E to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no trademark-specific organizations formed by our franchisees that are associated with the System.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit G are our audited financial statements for the fiscal years ended December 31, 2021, December 31, 2020, and December 31, 2019.

Our fiscal year end is December 31st.

ITEM 22
CONTRACTS

The Franchise Agreement is attached to this Disclosure Document as Exhibit C.
The Multi-Unit Development Agreement is attached to this Disclosure Document as Exhibit D.
The form of General Release is attached to this Disclosure Document as Exhibit H.

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO DISCLOSURE DOCUMENT

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005-8222 (212) 416-8211 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B TO DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDUM

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK, 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been 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.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from

membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Except as provided in this Item 4, neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (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 during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend”**, and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____
_____.

FRANCHISEE:

FRANCHISOR:

ALWAYS AN ANGEL FRANCHISING, INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____

EXHIBIT C TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

ALWAYS AN ANGEL FRANCHISING, INC.

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

TABLE OF CONTENTS

ARTICLE 1	2
DEFINITIONS	2
ARTICLE 2	3
GRANT OF FRANCHISE AND LICENSE	3
ARTICLE 3	3
YOUR RESTRICTIONS AND OUR RESERVED RIGHTS	3
3.1 <i>Your Restrictions</i>	3
3.2 <i>Rights Reserved to Us</i>	4
3.3 <i>Your Right of First Refusal</i>	5
3.4 <i>Regional or National Accounts</i>	5
ARTICLE 4	6
TERM AND OBTAINING A SUCCESSOR FRANCHISE	6
4.1 <i>Term</i>	6
4.2 <i>Successor Franchise Term</i>	6
4.3 <i>Requirements for Obtaining a Successor Franchise</i>	6
4.4 <i>Successor Franchise Agreement</i>	6
4.5 <i>Notice Requirement</i>	8
ARTICLE 5	8
OUR DUTIES	8
5.1 <i>Confidential Operations Manual</i>	8
5.2 <i>Additional Materials</i>	8
5.3 <i>Training and Assistance</i>	8
5.4 <i>Compliance with Manual</i>	10
5.5 <i>Computer Systems</i>	10
5.6 <i>Force Majeure</i>	10
5.7 <i>Conferences, Meetings, Seminars</i>	10
5.8 <i>Modification of System Standards</i>	10
ARTICLE 6	11
CONFIDENTIAL OPERATIONS MANUAL	11
6.1 <i>Conduct of Franchised Business</i>	11
6.2 <i>Confidential Information</i>	11
6.3 <i>Our Sole Property</i>	11
6.4 <i>Revisions</i>	11
6.5 <i>Modification of Standards</i>	11
6.6 <i>Improvements</i>	12
ARTICLE 7	12
MARKS, TRADE NAMES AND COPYRIGHTED MATERIALS	12
7.1 <i>Ownership of Marks</i>	12
7.2 <i>Quality Standards</i>	12
7.3 <i>Quality Maintenance</i>	12
7.4 <i>No Act in Derogation</i>	13
7.5 <i>No Dispute</i>	13

7.6	<i>Use of Proprietary Properties</i>	13
7.7	<i>Trade Name; Doing Business As</i>	13
7.8	<i>Discontinuance of Use of Telephone Numbers</i>	13
7.9	<i>Our Right to Defend</i>	13
7.10	<i>Notification of Infringement</i>	14
7.11	<i>Limited License; Modification of Proprietary Properties</i>	14
ARTICLE 8		14
PAYMENTS TO US		14
8.1	<i>Initial Franchise Fee; Additional Territory Fee</i>	14
8.2	<i>Royalty Fee</i>	15
8.3	<i>Brand Development Fee</i>	15
8.4	<i>Definition of Gross Revenue</i>	15
8.5	<i>Prompt Payment</i>	16
8.6	<i>Default</i>	16
8.7	<i>Application of Funds; Our Right of Set Off</i>	16
8.8	<i>Interest on Late Payments</i>	16
8.9	<i>Method of Payment - Electronic Funds Transfer</i>	16
8.10	<i>Technology Fee</i>	17
8.11	<i>Insufficient Funds Fee</i>	17
ARTICLE 9		17
YOUR OBLIGATIONS		17
9.1	<i>Your Obligations</i>	17
9.2	<i>Site Selection</i>	17
9.3	<i>Development of Business; Opening Date</i>	17
9.4	<i>Compliance with Laws and Good Business Practices</i>	18
9.5	<i>Supervision of Franchised Business</i>	18
9.6	<i>Acknowledgments</i>	18
9.7	<i>Our Directives</i>	19
9.8	<i>Variances</i>	19
9.9	<i>Former Franchisees</i>	19
9.10	<i>Authorized Products and Services</i>	20
9.11	<i>Approved Products and Supplies</i>	20
9.12	<i>Employees</i>	20
9.13	<i>Employee Training</i>	20
9.14	<i>Advertising</i>	21
9.15	<i>Hours of Operation</i>	21
9.16	<i>Inspection</i>	21
9.17	<i>Reports</i>	21
9.18	<i>Good Faith</i>	21
9.19	<i>Ethics</i>	21
9.20	<i>Guaranty</i>	21
9.22	<i>Vehicles</i>	21
9.22	<i>Minimum Performance Requirements</i>	22
ARTICLE 10		22
INSURANCE		22
ARTICLE 11		24
ADVERTISING		24

11.1	<i>Participation in Advertising and Brand Development Programs</i>	24
11.2	<i>Our Approval of Materials</i>	25
11.3	<i>Website</i>	25
11.4	<i>Internet Pages</i>	26
11.5	<i>Local Advertising</i>	26
11.6	<i>Grand Opening Advertising</i>	26
11.7	<i>Brand Development Fund</i>	26
11.8	<i>Cooperative Advertising</i>	27
11.9	<i>Advisory Councils</i>	28
ARTICLE 12		29
	REPORTING AND FINANCIAL MANAGEMENT REQUIREMENTS	29
12.1	<i>Record Keeping</i>	29
12.2	<i>Reporting Systems</i>	29
12.3	<i>Reports</i>	29
12.4	<i>Audit</i>	29
ARTICLE 13		30
	INDEPENDENT CONTRACTOR AND INDEMNIFICATION	30
13.1	<i>Independent Parties</i>	30
13.2	<i>Independent Contractor</i>	31
13.3	<i>Indemnification by You</i>	31
13.4	<i>Indemnification by Us</i>	32
ARTICLE 14		32
	CONFIDENTIAL INFORMATION	32
ARTICLE 15		33
	COVENANTS NOT TO COMPETE	33
15.1	<i>In-Term Covenants</i>	33
15.2	<i>Post-Term Covenants</i>	34
15.3	<i>Amendment of Covenants</i>	34
15.4	<i>We May Amend Covenants</i>	34
15.5	<i>Existence of Claim</i>	34
15.6	<i>Injunction</i>	34
15.7	<i>Additional Covenants</i>	35
ARTICLE 16		35
	ASSIGNMENT AND RIGHT OF FIRST REFUSAL	35
16.1	<i>Assignment by Us</i>	35
16.2	<i>Assignment by You</i>	35
16.3	<i>Corporation or Limited Liability Company Ownership</i>	37
16.4	<i>Right of First Refusal</i>	38
16.5	<i>No Security Interests</i>	38
ARTICLE 17		38
	DEFAULT AND TERMINATION	38
17.1	<i>Termination Without Notice</i>	38
17.2	<i>Termination Without Right to Cure</i>	39
17.3	<i>Termination With Right to Cure</i>	40
17.4	<i>Cross-Defaults, Non-Exclusive Remedies, etc.</i>	41

17.5	<i>Limitation on Rights of Termination</i>	42
17.6	<i>Our Right to Discontinue Services to You</i>	42
ARTICLE 18		42
FURTHER OBLIGATIONS AND RIGHTS OF THE PARTIES UPON TERMINATION OR EXPIRATION		42
18.1	<i>Discontinue Use of Proprietary Properties</i>	42
18.2	<i>Cancellation of Name</i>	43
18.3	<i>We are Attorney-in-Fact</i>	43
18.4	<i>Continuation of Obligations</i>	43
18.5	<i>Cease Using Telephone Numbers</i>	43
18.6	<i>Pay Sums Due</i>	43
18.7	<i>Post-Term Covenants</i>	43
18.8	<i>Our Option to Purchase</i>	43
18.9	<i>Discontinue Use; Modification</i>	44
18.10	<i>Liquidated Damages</i>	45
ARTICLE 19		45
MODIFICATION OF SYSTEM		45
ARTICLE 20		46
DISPUTE RESOLUTION		46
20.1	<i>Severability and Substitution of Valid Provisions</i>	46
20.2	<i>Waiver of Obligations</i>	46
20.3	<i>Injunctive Relief</i>	47
20.4	<i>Rights of Parties are Cumulative</i>	47
20.5	<i>Costs and Attorneys' Fees</i>	47
20.6	<i>Arbitration and Litigation</i>	47
20.7	<i>Governing Law</i>	49
20.8	<i>Jurisdiction</i>	49
20.9	<i>Waiver of Punitive Damages</i>	49
20.10	<i>Waiver of Jury Trial</i>	49
20.11	<i>You May Not Withhold Payments</i>	50
20.12	<i>Binding Effect</i>	50
20.13	<i>Limitations of Claims</i>	50
20.14	<i>Construction</i>	50
20.15	<i>Withholding Consent</i>	50
ARTICLE 21		50
GENERAL PROVISIONS		50
21.1	<i>Relationship</i>	50
21.2	<i>Acknowledgments</i>	51
21.3	<i>Notices</i>	51
21.4	<i>Gender</i>	51
21.5	<i>Headings</i>	51
21.6	<i>References</i>	51
21.7	<i>Time of the Essence</i>	51
21.8	<i>Survival of Terms</i>	51
ARTICLE 22		52
SUBMISSION OF AGREEMENT		52

ATTACHMENTS:

- 1 – Approved Location of Franchise and Designated Territory
- 2 – Employee Non-Competition and Non-Disclosure Agreement
- 3 – Internet Advertising, Social Media and Telephone Account Agreement
- 4 – Spousal Guaranty
- 5 – Franchisee Acknowledgment Statement
- 6 – Electronic Funds Transfer Authorization

ALWAYS AN ANGEL FRANCHISING, INC.

FRANCHISE AGREEMENT

THIS AGREEMENT, entered into on _____, by and between Always An Angel Franchising, Inc., a New York corporation, with its principal address at 21 Peekskill Hollow Road, Suite 204, Putnam Valley, New York, 10579 (herein referred to as “Franchisor”, “we”, “us” or “our”) and _____, a(n) _____, whose principal address is _____, and _____’s principal(s) _____, an individual, residing at _____, and _____, an individual, residing at _____ (“Principal(s)”), who shall be collectively referred to in this Agreement as “you”, “your”, or “Franchisee”.

RECITALS

A. We have developed a system of uniform standards, methods, merchandising, and advertising for the operation of businesses (the “Business” or “Franchised Business”) that will provide the public with affordable, in-home care by compassionate and dependable caregivers (the “Products and Services”), and includes management programs, standards, service programs, business methods, product specifications and Marks and information (the “System”) using the trade name, trademarks and service marks of “Always An Angel” and “Always An Angel Homecare”, together with any other trade names, trademarks and services marks that we designate for use with the System (collectively, the “Marks”).

B. You desire to enter into the business of owning and operating a Franchised Business in accordance with the System and wish to obtain a franchise from us for that purpose, as well as to receive the training and other assistance provided by us for doing so.

C. You understand and acknowledge the importance of, and benefits to be derived from, the System, as well as our high standards of quality and service and the necessity of operating the Franchised Business in this Agreement in conformity with our standards and specifications.

D. You desire to obtain a franchise to use the System and the Marks at the location described in Attachment 1 (“Approved Location”), under the provisions of this Agreement, and you have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement by counsel of your own choosing and represent and warrant that you have the business experience and financial ability to operate a Franchised Business.

E. You acknowledge that you have read this Agreement and our Disclosure Document and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain uniform high standards of quality at all locations and to protect the goodwill of the Marks.

F. We expressly disclaim the making of any warranty or guarantee, expressed or implied, oral or written, regarding the potential revenues, profits or success of the business venture contemplated by this Agreement.

G. You acknowledge that you have no knowledge of, nor have you received or relied upon, any representations or warranties by us, our officers, directors, shareholders or representatives about the franchise offered in this Agreement, about us or our franchising programs and policies that are contrary to the statements in our Disclosure Document or to the terms of this Agreement, or regarding the potential revenues, profits or success of the business venture it contemplates.

H. You acknowledge that this Agreement places detailed and substantial obligations on you, including strict adherence to our reasonable present and future requirements regarding facilities, equipment, suppliers, operating procedures, management protocols and procedures, merchandising strategies, sales promotion programs and related matters. You acknowledge that future improvements, changes and developments in the System may require additional expense to be undertaken by you.

BEFORE SIGNING THIS AGREEMENT, YOU SHOULD READ IT CAREFULLY WITH ASSISTANCE OF LEGAL COUNSEL.

NOW, THEREFORE, for and in consideration of the mutual undertakings, covenants, premises and commitments contained in this Franchise Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree:

ARTICLE 1
DEFINITIONS

1.1 In addition to any other terms defined in this Agreement, the following definitions shall govern this Agreement:

1.1.1 “Agreement” means this document, including all attachments to it and documents referenced and incorporated in it, and any documents or agreements modifying the System.

1.1.2 “Confidential Information” means all of our Know How (as defined below) and other information we designate as confidential and which includes, but is not limited to: (1) site selection and design specifications; (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Always An Angel Homecare Businesses; (3) marketing and advertising programs for Franchised Businesses; (4) knowledge of specifications for and suppliers of, and methods of ordering, certain materials, equipment and supplies; (5) knowledge of the operating results and financial performance of Franchised Businesses other than your Business; (6) terms of this Agreement or any other agreement between you and us; (7) the Operations Manual; (8) graphic designs and related intellectual property; (9) customer lists and information; and (10) our intranet.

1.1.3 “Copyrights” means all work rendered in a tangible medium of expression as defined under U.S. Copyright Law, 17 U.S.C. Sec. 101, *et seq.*, that relates to the Franchised Business, whether published or unpublished, whether confidential or not, whether created by us or one (1) or more of our affiliates or franchisees, assigned in this Agreement to and owned by us and licensed for use by you as part of the Franchised Business under this Agreement, including without limitation, the Confidential Operations Manual.

1.1.4 “Know How” means our: (a) trade secrets and know-how, whether existing now or created during the term of this Agreement by us and/or one (1) or more of our affiliates or franchisees (and assigned back to us), as conveyed to you, that relates to, *inter alia*, our services and/or processes, marketing practices, and business methods, affairs, tools and techniques, as well as including our customer or prospective customer lists and trade relationships including pricing information, which tends to give us and our network of franchisees a competitive edge over others who provide the same or similar products or services; (b) inventions that may be protected by the filing of U.S. patent applications under Title 35 of the United States Code and/or foreign statutory counterparts; and (c) all unpublished or otherwise confidential work that has been rendered and “work made for hire” protected under Title 17 of the United States Code and other applicable foreign copyright statutes. Know How need not take the form of any particular tangible

medium of expression, but may also be found or contained in the form of records, magnetic media, papers, photographs, catalogs, books, cassettes, videotapes, computer files, or stored or fixed on computer hard or soft disks or diskettes.

1.1.5 “Marks” means all the trademarks, service marks, logos, emblems, and indicia of origin licensed to and used or contemplated to be used by us and/or one (1) or more of our affiliates, area representatives or franchisees, including, but not limited to, the trade dress, the mark and logo of “Always An Angel Homecare”, and other such trade names, service marks and trademarks as may be designated now or later by us.

1.1.6 “Proprietary Properties” means the Confidential Information, Copyrights, Know How, and Marks.

1.1.7 “Designated Territory” means the territory granted to you as described on Attachment 1 hereto, as such attachment may be amended based on whether you elect to purchase additional areas to enlarge your original Designated Territory. Unless you elect to purchase additional areas, your Designated Territory will include a general population of two hundred thousand (200,000) people, including at least twenty thousand (20,000) people aged 65 or older.

1.1.8 “System” means the System as licensed to you in this Agreement to use from your Approved Location.

ARTICLE 2

GRANT OF FRANCHISE AND LICENSE

2.1 Subject to the provisions of this Agreement and all documents or other agreements ancillary to it (the “Agreement”):

2.1.1 We grant to you, and you accept, the franchise and license to operate a Franchised Business in accordance with our specifications and subject to our approval.

2.1.2 You agree to use the Proprietary Properties solely for the Franchised Business and for no other purpose.

ARTICLE 3

YOUR RESTRICTIONS AND OUR RESERVED RIGHTS

3.1 Your Restrictions

3.1.1 Your activities are limited to offering and selling those Products and Services permitted under the System from the Approved Location and within your Designated Territory, subject to the exceptions described in this Article 3. You have been granted no right of ownership in and/or to any part or all of the Proprietary Properties.

3.1.2 You may provide services to customers and prospective customers within your Designated Territory only, provided that we may permit that up to fifteen percent (15%) of your total Gross Revenue may come from customers outside of your Designated Territory so long as those customers are not within another franchisee’s Designated Territory. You may not engage in any promotional activities or sell any related Products or Services, whether directly or indirectly, (a) through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system or any interactive electronic document contained in a central computer linked to communications software service providers

or any other devices sent or directed to customers or prospective customers; or (b) by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers, except that referral sources are not exclusive and you may call on referral sources outside your Designated Territory with the prior notification in writing to the franchisee that owns the designated territory in which you will be marketing. While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Designated Territory, as determined and approved by us, and will not be deemed to be in violation of this Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers located outside of the Designated Territory, you may not make any sales or perform services to customers outside of the Designated Territory unless there is not another franchisee in the customer's area, subject to the exceptions described in this paragraph.

3.1.3 As described above, you may not directly solicit customers outside of your Designated Territory. Solicitation of customers outside of your Designated Territory (referred to as Inter-Territorial activity) is grounds for default. Our Manual (as hereinafter defined) contains our Inter-Territorial Policy. The Manual and the Inter-Territorial Policy may be revised and updated from time to time. Revisions and updates may include provisions for financial penalties in addition to, or in lieu of, termination of this Agreement following a violation of the Inter-Territorial Policy. You must pay any payments or penalties owed to franchisees for violations of the Inter-Territorial Policy. The Inter-Territorial Policy is part of our System standards.

3.2 Rights Reserved to Us

We reserve the right: (i) of ownership in, and control over the Proprietary Properties; (ii) to grant additional franchises, whether similar or dissimilar to the franchise we grant you, anywhere we deem reasonably appropriate; (iii) to engage fully and freely and without limitation in each and every aspect of the business of selling related services, products and equipment; (iv) to offer to the public-at-large, separately, jointly or with others, all related services and/or products of every type and kind; and (iv) to employ and exploit the Marks, Copyrights, and Know How in connection with them.

If you are in compliance with the Franchise Agreement during its term, we will not establish or operate, or license others to establish or operate, a Business within your Designated Territory. Except for your Designated Territory, we reserve the right to establish or operate, or license any other franchisee to establish or operate, a Franchised Business at any location. We (and any affiliates that we periodically might have) reserve the right to:

(a) establish and operate, and grant rights to other franchise owners to establish and operate, Businesses or similar businesses at any locations and on any terms and conditions we deem appropriate outside of the Designated Territory;

(b) sell products under the Marks within and outside your Designated Territory through any method of distribution other than a dedicated Always An Angel Homecare Business, including sales through channels of distribution such as the internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels");

(c) purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to the Franchised Business (and/or franchise, license, and/or similar agreements for such businesses), regardless of whether those similar or identical businesses are located within or outside of your Designated Territory;

(d) be acquired (regardless of the form of transaction) by a business identical or similar to “Always An Angel Homecare”, even if the other business operates, franchises and/or licenses competitive identical or similar businesses anywhere inside or outside of your Designated Territory;

(e) engage in any other business activities not expressly prohibited by this Agreement, anywhere;

(f) grant permission to you to service clients within another franchisee’s designated territory if that franchisee does not have the proper licensure or accreditation to provide services (or the franchisee cannot, or chooses not to provide services) to all clients within its designated territory; and

(g) sell, operate or distribute, and/or license others to sell, operate and distribute, through franchised or non-franchised businesses, at wholesale or retail, within and outside the Designated Territory (a) Always An Angel branded goods and services not then offered and sold through the Always An Angel franchise program, or (b) goods and services under another brand where comparable goods and services are not then offered and sold through our franchise program.

3.3 Your Right of First Refusal

If we or our affiliates offer products or services different from those that you have the right to offer through your Franchised Business, and those products or services are part of a business that we or our affiliate franchise to third parties with the Always An Angel name or Mark as the primary name or mark, then we will grant you a limited right of first refusal to acquire the franchise rights to offer those products or services in your Designated Territory (the “Right of First Refusal”). You may exercise this Right of First Refusal only if we determine that you are in compliance with the terms of this Agreement, including all performance and related standards, and you meet the financial requirements that we determine are necessary for the acquisition of these additional franchise rights. This limited Right of First Refusal only applies if we or our affiliate distributes products or services through a franchise system and does not apply to any products or services that we or our affiliate distributes through corporate-owned or alternative distribution channels or through franchising but under a name or mark different than the Always An Angel name or Mark. If you are offered the Right of First Refusal, you shall have thirty (30) days to respond to the Right of First Refusal. If you decline the Right of First Refusal or fail to respond within the thirty (30) days, you shall have no further rights to acquire the offered franchise.

3.4 Regional or National Accounts

We reserve the right to maintain a Regional or National Account program. A Regional or National Account is a customer that has offices in multiple areas. You may not negotiate any contract terms with a prospective Regional or National Account. We will have sole discretion to negotiate terms with the Regional or National Account. We anticipate that you will participate in the Regional and National Accounts program, which will require you to provide products and services to the customers of the Regional or National Account according to the agreement we have negotiated. For example, we may negotiate an agreement with a regional or national company that will offer the company’s customers to receive discounted pricing from all Always An Angel Homecare Businesses.

If you choose not to participate in the Regional and National Account program, or if you are unable or unwilling to provide products and services to the Regional and National Account’s customers as requested, we, our affiliate or a third party (which may be another franchisee) may service the Regional or National Account, and you are not entitled to any portion of the revenue in these circumstances. We also reserve the right to terminate your participation in the Regional and National Account program if you are not providing products and services according to the terms we have negotiated, or your participation is not otherwise in compliance with our policies.

ARTICLE 4
TERM AND OBTAINING A SUCCESSOR FRANCHISE

4.1 Term

The term of this Agreement shall be ten (10) years commencing on the date appearing on the first line, unless sooner terminated in accordance with the provisions of this Agreement (the “Initial Term”).

4.2 Successor Franchise Term

If you shall have complied with the conditions for renewal set forth in Section 4.3 below, you shall have the right, but not the obligation, to enter into a renewal Franchise Agreement for up to four (4) additional terms of five (5) years each (a “Successor Franchise Term”).

4.3 Requirements for Obtaining a Successor Franchise

Your right to enter into the Successor Franchise Term is contingent upon your fulfilling the following conditions:

4.3.1 Upon your exercise of such right and at the commencement of any Successor Franchise Term, you shall have fully performed all of your obligations under this Agreement.

4.3.2 You, at the commencement of a Successor Franchise Term, shall satisfy: (i) our then-current standards applicable to the System; (ii) the requirements of the then-current Franchise Agreement and all other agreements ancillary thereto; (iii) our training requirements, including your demonstrable ability to perform all services which are part of the System at the time of renewal; (iv) the standards set forth in our then-current Confidential Operations Manual (the “Manual”); and (v) our requests for disclosure of or access to information requested by us to evaluate your ability to perform.

4.3.3 You are not in default of any provision of this Agreement or any other agreement with us, our affiliates, subsidiaries, and designees, if any.

4.3.4 You have satisfied all monetary obligations to us, our affiliates, subsidiaries, and designees, if any, and have met such obligations in a timely and responsible manner throughout the Initial Term.

4.3.5 You have executed a general release, in form and substance satisfactory to us and/or our counsel, of any and all present as well as future claims against us and our affiliates, subsidiaries, and designees, if any, and their respective officers, directors, shareholders, agents, contractors, and employees, in their corporate and individual capacities, arising out of or related to the Agreement.

4.3.6 You are in compliance with our then-current qualification and training requirements as set forth in the Manual or elsewhere.

4.3.7 You pay us a renewal fee equal to Five Thousand Dollars (\$5,000).

4.4 Successor Franchise Agreement

If you wish to exercise your right to enter into a successor Franchise Agreement, you must do so by executing our then-current form of Franchise Agreement, which agreement will supersede this Agreement.

4.4.1 The terms of any successor Franchise Agreement may differ from the terms of this Agreement. Such differences may include, without limitation, a change in the percentage royalty fee imposed upon you for any such Successor Franchise Term.

4.4.2 You shall exercise your right to obtain a successor franchise for a Successor Franchise Term in the following manner:

(a) Not less than one hundred eighty (180) days, but no more than two hundred forty (240) days, prior to the expiration of the Initial Term, you shall, by written notice, inform us of your intention to exercise your successor franchise right.

(b) Within thirty (30) days after receipt of your request, if you have complied with all conditions precedent to obtaining a successor franchise stated in Section 4.3, we will deliver to you a copy of our then-current Disclosure Document (including our then-current Franchise Agreement), and promptly upon receiving it you must acknowledge having received it.

(c) No sooner than fourteen (14) days but no more than twenty (20) days after you receive our then-current Disclosure Document (including our then-current Franchise Agreement), you must, by written notice, notify us as to whether or not you elect to execute our then-current form of Franchise Agreement.

(d) Promptly upon receipt of your notice of your election to execute our then-current Franchise Agreement, we will deliver to you three (3) copies of said Franchise Agreement. Promptly upon receipt thereof you shall execute three (3) copies of said Franchise Agreement and return the same to us.

(e) If you fail to perform any of the acts or fail to deliver any of the notices required pursuant to the provisions of subsections (a), (b), (c) or (d) of this Section 4.4.2 in a timely fashion, your failure will be deemed an election by you not to obtain a successor franchise, and your renewal right will expire without further notice or action by us.

(f) If you exercise your right to obtain a successor franchise in the manner described above, and if on the date the Initial Term expires you have complied with all of the conditions set forth in Section 4.3, we will execute the successor Franchise Agreement previously executed by you and shall, promptly after expiration of the Initial Term, deliver one (1) fully executed copy of the successor Franchise Agreement to you.

(g) When you provide us with notice that you would like to renew this Agreement, we will re-evaluate your then-current Designated Territory to determine whether there have been any shifts in demographics that would warrant modifying your Designated Territory. Such demographic shifts include, but are not limited to, changes in population. Our intent in doing such re-evaluation of your Designated Territory is to make the target demographics of your Designated Territory upon renewal similar to the target demographics of your then-current Designated Territory. You understand and acknowledge that although we will use our best efforts to ensure that the demographics included in your renewal Designated Territory are similar to the then-current Designated Territory, (a) your total Designated Territory size upon renewal may be smaller or larger than the then-current Designated Territory; (b) we cannot guaranty that your renewal Designated Territory will provide you with the same or similar results as with the then-current Designated Territory; and (c) we make no guaranty that the demographics included in your renewal Designated Territory will earn you any particular level of success.

4.5 Notice Requirement

If applicable law requires that we give notice of expiration to you prior to the expiration of the Initial Term, this Agreement shall be deemed to remain in effect on a month-to-month basis until we have given to you that notice of expiration so required and the applicable period required to pass before the notice becomes effective shall have expired.

ARTICLE 5 **OUR DUTIES**

5.1 Confidential Operations Manual

5.1.1 We will, in conformity with the terms and conditions of this Agreement, provide to you with access to our Confidential Operations Manual (the “Manual”), which we may provide to you in hard copy format or via an intranet website that we establish. Use of any part or all of the Manual shall be only as permitted under this Agreement and during the Initial Term.

5.1.2 You acknowledge that we have developed, or we may in the future develop a restricted intranet website for the convenience of us, our franchisees and other parties we designate. You further acknowledge that we may post the Manual and other communications on this intranet or another website to which you will have access. You agree to periodically monitor the site for any updates to the Manual or other standards, specifications and procedures. Any passwords or other digital identifications necessary to access the Manual on such a site will be deemed to be part of the Confidential Information. Further, you agree that you will establish the channels of communication with us and your customers as required by us from time to time, including email, internet and other electronic forms of communication, and that you will acquire and maintain any computer or other components necessary for the transmission of such communications. We may establish policies and procedures for the intranet's use that will be outlined in the Manual. You acknowledge that, as administrator of the intranet, we can access and view any communication that any person posts on the intranet. You further acknowledge that the intranet facility and all communications that are posted to it will become our property, free of any claims of privacy or privilege that you or any other person may assert.

5.2 Additional Materials

In addition to any other training offered to you, we may from time to time furnish to you other documents and things comprising Copyrights or Know How, including instructions, data, materials, forms or other information developed by us in connection with the operation of the System. We have the right to incorporate such matters in our Manual and you shall be required to conduct the operations of the Franchised Business in accordance with them.

5.3 Training and Assistance

With respect to new franchisees (and not renewal franchisees), after the execution of this Agreement and while your Franchised Business is being developed, we will offer, and you must complete our initial training program (the “Training Program”) at our headquarters or at such other location(s) as we will designate. Such training program will include training regarding operational, management and marketing training pertaining to the System. The Training Program will be offered to you, your manager and one (1) additional employee, for a maximum of three (3) trainees. If you are a corporation, a limited liability company or a partnership, your duty to complete the Training Program shall be discharged by the completion of such Training Program by any shareholder owning at least fifty (50%) percent of the issued and outstanding shares of said corporation, or the chief executive officer thereof, or, in the case of a limited liability company, by any holder of at least fifty percent (50%) of the membership interests, or, in the case of a partnership, by any holder of at least fifty (50%) percent of the partnership's equity. If you request

that we provide our Training Program to additional employees, either before your Business opens or while it is operating, you must pay our then-current training fee as well as the trainees' expenses, as described below.

5.3.1 We will pay no compensation for any services performed by any trainee in the course of training. You shall pay all reasonable expenses incurred by you and your trainee(s) in connection with and during such training, including, but not limited to, transportation, meals, lodging, applicable wages and other expenses.

5.3.2 We reserve the right to determine the subject matter and content of our Training Program and to adjust the subject matter and content at any time based upon the individual needs of the trainees. Further, we may waive the training requirements of any personnel if we will determine, in our sole discretion, that such personnel have the skill, experience and/or training necessary to operate in accordance with the System.

5.3.3 We will provide such additional advisory assistance and training as we deem advisable in the operation of the System, on such terms and conditions as we determine and as set forth in our Manual or otherwise. We may, in our sole and exclusive discretion, cause our representatives to telephone or visit you from time to time for the purpose of rendering advice and consultation with respect to the operation of the Franchised Business, assessing your overall performance and determining whether you are conducting the Franchised Business in compliance with the standards of the System. You shall comply with all such requests and visitations, and provide all information requested.

5.3.4 We reserve the right to elect or decline to train any number of individuals representing any number of franchises individually, or at the same time.

5.3.5 In the event of a valid and complete assignment of the Franchised Business by you to a third party (as provided for later), we will train such third party in the same manner and under the same circumstances as those described above, except that the new franchisee must pay to us our then-current training fee for each individual required or designated to be trained (in addition to any fees or other requirements attendant to the assignment).

5.3.6 During the first six (6) months of your operation of the Franchised Business, we shall provide you with one (1) of our representatives, at our expense, for a period of two (2) to three (3) days to provide assistance in interviewing employees, making sales calls, and similar matters. We may also provide additional hands-on office training for your in-house staff, to ensure System standards are in place. If you are opening your second or later Franchised Business, we reserve the right to not provide opening assistance.

5.3.7 If you request that we provide additional on-site training or assistance, or if we determine based on our review of your Franchised Business that you require additional on-site training or assistance, you shall pay our then-current per diem fee for each trainer/representative we send to provide the training or assistance, and you must reimburse the costs our personnel incur, including, but not limited to, travel, lodging and meals.

5.3.8 If we determine that any one (1) of your managers is not qualified to act as your manager, we reserve the right to require you to replace that manager and send the replacement manager to our Training Program. You must pay our then-current training fee for any replacement manager(s), and you must pay your manager's costs while attending the Training Program, as described in Section 5.3.1 above. You must designate a replacement manager and arrange for them to attend the Training Program

within thirty (30) days after your original manager no longer serves as your manager or no longer meets our requirements.

5.4 Compliance with Manual

In order to maintain uniformity of concept and quality, all proprietary materials and forms used by you shall be purchased from us, our affiliates or other suppliers we designate in accordance with the terms and procedures set forth in the Manual. The use or sale of unapproved products or services will be a material and incurable breach of this Agreement. We will, at all times during the term of this Agreement, provide information pertaining to sources of supply of any products or materials which may be used in the System.

5.5 Computer Systems

5.5.1 We may specify the particular computer hardware, software, web-based software or applications, and peripheral equipment which you must purchase or lease, or we may set forth our minimum specifications for your computer hardware and peripheral equipment. Our specifications will be contained in the Manual. We may at any time require you to purchase or lease updates, upgrades or maintenance for any computer component, including the right to designate a specific software program that you must use in your Franchised Business. You agree to purchase or lease and maintain all aspects of the designated computer system, at your expense. You further agree to update and/or upgrade the computer system, or parts thereof, as we may designate during the Initial Term.

5.5.2 You shall obtain and maintain, at your sole cost and expense, high-speed internet access or other means of electronic communication, as specified by us. It will be a material default under this Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the Initial Term. We shall have access to your computer system at all times and in the manner that we specify. Any data we access may be downloaded by us to our systems, and there will be no restriction on our use of this information.

5.6 Force Majeure

Delays in the performance by us or our designee of any obligations in this Agreement which are not our fault of or within our reasonable control including, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, or civil disorders, shall not give rise to a default by us in this Agreement. Rather, you will be required to extend the time of performance of any such obligations for the period of such delay or for such other reasonable period of time as may be appropriate in the circumstances.

5.7 Conferences, Meetings, Seminars

We may offer periodic conferences, meetings, or seminars to our franchisees. We may designate that attendance by you and/or your manager at the conference, meeting, or seminar is mandatory. You agree to pay our then-current per person fee for you, your manager and any other of your personnel who attend the conference, meeting or seminar, plus all of your attendees' expenses while attending the conference, including travel, lodging, meals and wages. You understand and acknowledge that if we charge a fee for a conference, meeting or seminar, you agree to pay the required fee, regardless of whether or not you or your manager attend such conference, meeting or seminar.

5.8 Modification of System Standards

We may issue, modify and supplement standards for the System that may regulate any one or more of the following regarding your Franchised Business: (a) hours of operation, (b) marketing and sale of services, (c) checklists, (d) general rules and regulations for employees, and all other matters that in our sole judgment require standardization and uniformity in all Always An Angel Homecare Businesses.

ARTICLE 6

CONFIDENTIAL OPERATIONS MANUAL

6.1 Conduct of Franchised Business

In order to protect our reputation and goodwill, as well as the System and Proprietary Properties, and in order to maintain requisite operating standards under the Marks, you must conduct your Franchised Business in strict accordance with the provisions, standards, and procedures set forth in this Agreement and in the Manual.

6.2 Confidential Information

You must at all times treat the Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained in this Agreement as Confidential Information and Know How, and must use all efforts to maintain such information as secret and confidential in accordance with the terms and conditions governing Know How and Copyrights, including, without limitation, the following: you must not, at any time, without our prior written consent, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person. The persons who are authorized will include your management and non-management personnel, as designated by us, who have executed the Employee Non-Competition and Non-Disclosure Agreement, annexed hereto as Attachment 2.

6.3 Our Sole Property

The Manual will always be our sole property and must be returned to us immediately upon expiration or termination of this Agreement.

6.4 Revisions

We may, from time to time, revise the contents of the Manual when we reasonably consider such revisions to be necessary to improve or maintain the standards of the System, and you expressly agree to comply with each new or changed standard, provided, however, that such revisions are made for all franchisees and are reasonable in nature. Any revisions to the contents of the Manual are effective seven (7) days after the date of mailing or providing same electronically of such revisions to you, unless we otherwise specify.

You acknowledge the contents of the Manual and any revisions or modifications we make to it will constitute additional provisions of and modifications to this Agreement, as if fully set forth in this Agreement.

6.5 Modification of Standards

We and you acknowledge there may be circumstances that require you to modify the implementation of the standards and guidelines set forth in the Manual. We and you recognize the Manual is an operational guideline for conducting your business operations and, although you shall use your best efforts to faithfully follow the standards and guidelines set forth in the Manual, we will be permitted to make additions to, deletions from, or revisions to the Manual ("Supplements to the Manual"), all of which will be considered a part of the Manual. Supplements to the Manual will become binding on you as if originally set forth in the Manual, upon our delivering them to you. The Manual and any Supplements to the Manual are material in that they will affect the operation of the Franchised Business, but they will not conflict with or materially alter your rights and obligations under this Agreement. We are permitted to revise the System, Marks, the various training programs offered to franchisees and their employees, and the

Manual at any time, by addition, deletion or other modification to the provisions thereof, and such modification shall be made in our sole judgment. Such modifications may obligate you to invest additional capital in the Franchised Business and/or incur higher operating costs.

6.6 Improvements

To the extent that any improvements, inventions or discoveries are made by you, or your employees or agents, during the course of this Agreement and relating to the Proprietary Properties or System ("Improvements"), such Improvements will be deemed assigned to and owned by us for the purpose of improving the entirety of the franchised network and the provision of services in accordance with the System. All documents and other information concerning any such Improvements shall be disclosed to us promptly after creation or invention. We will, in our sole discretion, decide whether such Improvements are worthy of inclusion in the System and the best and most practical method of implementation and protection. You promise to assign to us any rights you may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights to the Improvement. You agree to assist us in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights.

ARTICLE 7

MARKS, TRADE NAMES AND COPYRIGHTED MATERIALS

7.1 Ownership of Marks

We are the owner or the licensee of the owner of the Marks. The license granted to you in Section 2.1 does not grant to you any right, title or interest, at law or in equity, in or to any of the Proprietary Properties, including the Marks, Copyrights, and Know How, except as provided by said license. Further, such license applies only to those portions of the Proprietary Properties which have been, or may be, designated in writing by us for use by you in conjunction with the operation of the Franchised Business. You shall not represent to others, or conduct yourself in any manner that might indicate to others, that you possess any other legal or equitable rights in or to the Proprietary Properties by virtue of the limited license granted in this Agreement. Your execution of this Agreement constitutes your consent that the Marks, Copyrights and Know How are valid and enforceable (without defense or recourse). You represent and warrant that you will not attack the validity or enforceability of any of the Proprietary Properties, or assist another in any such attack, during the course of this Agreement or later. The terms of this paragraph will survive termination or expiration of this Agreement for any reason, in addition to any of the other remedies or survival provisions otherwise contained in this Agreement.

7.2 Quality Standards

You agree that the nature and quality of: all services rendered by you in connection with the Marks; all goods sold by you under the Marks; and all related advertising, promotional and other related use of the Marks by you will conform to standards set by us and be under our control.

7.3 Quality Maintenance

You agree to cooperate with us in facilitating our control of the nature and quality of our Marks, to permit reasonable inspection of your operation, and to supply us with specimens of all uses of the Marks upon request. You shall comply with all applicable laws and regulations and obtain all appropriate government approvals pertaining to the sale, distribution and advertising of services and goods which may be covered by this Agreement.

7.4 No Act in Derogation

You shall not do or permit any act in derogation of any of our rights to the Proprietary Properties.

7.5 No Dispute

You shall not contest or dispute our title to or our right to use any part or all of the Proprietary Properties.

7.6 Use of Proprietary Properties

You shall use the Proprietary Properties solely in accordance with this Agreement and the Manual.

You agree to use the Marks only in the form and manner and with appropriate legends as prescribed from time to time by us, and not to use any other service marks or trademark in combination with any of the Marks without our prior written approval.

7.7 Trade Name; Doing Business As

You shall not use the Proprietary Properties, or any words, phrases, symbols, trade dress, colors, logos or materials which we deem confusingly similar thereto, in your trade name (or for any other purpose) without our prior written approval. In that connection, you must identify yourself to the public as doing business as “Always An Angel Homecare” in the form and using such language as we may designate.

During the term of this Agreement and any renewal or extension hereof, you shall identify yourself as the owner of the Franchised Business in conjunction with any use of the Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as we may designate in writing.

7.8 Discontinuance of Use of Telephone Numbers

In addition to all post-termination provisions contained in this Agreement, you agree that after the expiration or termination of this Agreement, you must discontinue the use of the telephone number(s) of the Franchised Business and must not advertise in any telephone directory under the name “Always An Angel Homecare” or any other name, phrase or logo used by the System, must discontinue use of any or all of the Proprietary Properties, and not use any words, phrases, logos, designs, colors, trade dress or the like that in any manner may cause customer confusion, or resemble, be confusingly similar to, or be a colorable imitation of the Proprietary Properties. Additionally, upon our demand, you must direct your local telephone company to transfer such telephone number(s) to us or our designee by utilization of the Internet Advertising, Social Media and Telephone Account Agreement to be executed by you (attached as Attachment 3). If you fail promptly to direct your telephone company to effect such transfer, by executing this Agreement you irrevocably appoint us as your attorney-in-fact to so act.

7.9 Our Right to Defend

If you receive notice of or learn of any actual or potential claim, suit or demand that has been or may be asserted against you or us involving any alleged infringement, unfair competition, or similar matter relating to the use of the Proprietary Properties, you must promptly notify us of any such actual or potential claim, suit or demand. Thereupon, we will promptly take such action as we may deem necessary in our sole discretion to address any such claim. We have the sole right to defend, compromise or settle any such claim, using attorneys of our own choosing, and you agree to cooperate fully with us in connection with the defense of any such claim. We will protect, defend and indemnify you in connection with such claim unless

the claim, suit or demand arises out of or relates to your use of the Proprietary Properties in violation of this Agreement, the Manual or otherwise.

7.10 Notification of Infringement

If you learn of any unauthorized use of the Proprietary Properties, you must promptly notify us of the facts relating to such alleged infringing use. We will, in our discretion, determine whether or not to take any action with respect to such information. You will have no right to take any action with respect to any unauthorized use of the Proprietary Properties without our prior written consent.

You agree to notify us of any unauthorized use of the Marks by others promptly as it comes to your attention. We will have the sole right and discretion to bring infringement or unfair competition proceedings involving the Marks.

7.11 Limited License; Modification of Proprietary Properties

You understand and agree that the limited license to use the Proprietary Properties granted hereby applies only to such properties as are designated by us, together with those which may later be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Proprietary Properties by virtue of the limited license granted in this Agreement, or by virtue of your use or creation of any of the Proprietary Properties, or upon any other basis.

If it becomes advisable at any time, in our discretion, to modify or discontinue use of any aspect of the Proprietary Properties and/or to adopt or use one or more additional or substitute items, then you shall be obligated to comply with any such instruction by us. You waive any claim arising from or relating to any change, modification or substitution to the Proprietary Properties. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any such addition, modification, substitution or discontinuation. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

ARTICLE 8 **PAYMENTS TO US**

8.1 Initial Franchise Fee; Additional Territory Fee

8.1.1 Upon execution of this Agreement and to initiate the franchise rights conveyed in this Agreement, you shall pay to us an Initial Franchise Fee in the amount of Thirty-Five Thousand Dollars (\$35,000), less any amount to be credited against the Initial Franchise Fee pursuant to the terms of a Multi-Unit Development Agreement between you and us. The Initial Franchise Fee shall be paid in a lump sum upon execution of this Agreement, is not refundable in whole or in part, and is fully earned when you execute this Agreement. If this Agreement is for your second (2nd) or later Franchised Business, the Initial Franchise Fee shall be equal to seventy-five percent (75%) of our then-current Initial Franchise Fee.

If you are a qualified United States veteran who has been honorably discharged, the initial franchise fee payable hereunder shall be equal to eighty percent (80%) of the initial franchise fee set forth above for a single unit franchise, or Twenty-Eight Thousand Dollars (\$28,000). You must provide to us a copy of your DD 214.

8.1.2 Upon execution of this Agreement or during the Initial Term, you may elect to purchase one (1) or more additional areas to append to your Designated Territory. If you wish to purchase such additional area(s), you must pay us Two Hundred Dollars (\$200) for each additional one thousand

(1,000) people added to your Designated Territory. You understand and acknowledge that the additional general population purchase as described herein does not include a specific minimum number of target citizens (aged 65 or older). The additional area you purchase must be available for purchase and must be contiguous to your original Designated Territory. If you elect to purchase an additional area during the Initial Term, then you must also be in compliance with this Agreement at the time of purchase. You and we agree to execute any addendum to this Agreement and/or revised Attachment 1 to reflect any purchase of an additional area.

8.2 Royalty Fee

In addition to the Initial Franchise Fee, you must pay to us a Royalty Fee equal to five percent (5%) of the Gross Revenue generated, billed but not collected, earned, derived and/or received by the Franchised Business ("Royalty Fee"). The Royalty Fee is payable by electronic funds transfer or other method we designate.

If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

You agree to provide to us a report of the weekly Gross Revenue generated by your Franchised Business on Thursday of each week for the prior week. Based on this report of Gross Revenue, we will process an electronic funds transfer for the Royalty Fee and Brand Development Fee due on the business day we designate after receipt of such report.

If you do not report Gross Revenues as required herein, we may debit your account for one hundred twenty percent (120%) of the last Royalty Fee and Brand Development Fee (described below) you paid. If the fees we debit are less than the fees you actually owe us, once we have been able to determine the true and correct Gross Revenue, we will debit your account for the balance on a day we specify. If the fees we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account for the next payment due.

8.3 Brand Development Fee

In addition to the Royalty Fee, you agree to pay to us a brand development fee ("Brand Development Fee") payable to our Brand Development Fund (described in Section 11.7) in an amount equal to two percent (2%) of Gross Revenue. The Brand Development Fee shall be payable at the same time and in the same manner as the Royalty Fee.

We may periodically receive allowances, rebates or other payments from approved suppliers based on purchases from such suppliers by our franchisees, and we may elect to contribute such allowances, rebates or other payments to the Brand Development Fund. You understand and acknowledge, however, that any such contribution of these amounts by us to the Brand Development Fund does not in any manner diminish or eliminate your obligation to pay the Brand Development Fee.

8.4 Definition of Gross Revenue

The term "Gross Revenue" means the total of all receipts derived from services performed by your Business, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, property, or other means of exchange. Gross Revenue excludes only sales tax receipts that you must by law collect from customers and that you actually pay to the government, promotional or discount coupons to the extent that you realize no revenue, and employee receipt of services, if free, or any portion not paid for by an employee.

8.5 Prompt Payment

You agree to pay promptly, when due, all taxes and assessments that may be assessed or otherwise due against your income, premises, equipment and/or supplies used in connection with your business, to discharge all liens and encumbrances of every kind and character created or placed upon or against any of said property and to pay all accounts and other indebtedness of every kind incurred by you in the conduct of said business. In the event you should default in making any such payment, we will be authorized, but not required, to pay the same on your behalf, and you covenant promptly to reimburse us for any such payment. We will also maintain the right of set off to permit deductions of any such amounts from payments that may be due you in this Agreement. Any such amounts advanced by us shall be due and payable immediately on your receipt of written demand from us.

8.6 Default

Any default by you in the timely payment of any indebtedness of yours owing to us, or to any affiliate of ours, or your default in the payment of any indebtedness with respect to which we or any of our affiliates is a guarantor, co-signer, endorser or obligor, shall constitute a breach of this Agreement, rendering the same subject to termination in accordance with the provisions of Article 17 hereof.

8.7 Application of Funds; Our Right of Set Off

You waive any and all existing and future claims and set offs against any amounts due us in this Agreement, which amounts shall be paid when due regardless of any other claims which you may have against us. However, we will be entitled to apply or cause to be applied against amounts due to us any amounts which may from time to time be held by us on your behalf or be owed to you by us. Notwithstanding any designation by you, we will use sound business judgment and be reasonable in applying any payments received from you, whether designated as payable to us, our affiliates or otherwise, to any past due or other indebtedness of yours for fees, purchases, interest or otherwise. We may set off from any amounts that may be owed to you any amount that you owe to us or with respect to any payment. You agree that you will not withhold any amounts otherwise due us as a result of any dispute of any nature but will pay such amounts to us and only later seek reimbursement.

8.8 Interest on Late Payments

All amounts which you owe us (including Royalty Fees and Brand Development Fees), if not paid within three (3) business days after the due date, will bear interest beginning after their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. You acknowledge that this Section 8.8 is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Business. You further acknowledge that your failure to pay all amounts that you owe us when due constitutes grounds for our terminating this Agreement under Article 17, notwithstanding this Section.

8.9 Method of Payment - Electronic Funds Transfer

At our request, you must sign and deliver to us the documents we, our bank or your bank require to authorize us to debit your business operating account automatically for the Royalty Fee, Brand Development Fee and other amounts due under this Agreement or any related agreement between us (or our affiliates) and you, including without limitation Attachment 6 hereto. We use an automatic debit program for the Always An Angel Homecare Business, and we will debit your account for these amounts on the applicable dates. You agree to make the funds available for withdrawal by electronic transfer before each due date.

8.10 Technology Fee

You understand and acknowledge that we have the right, during the term of this Agreement, to institute a technology fee (“Technology Fee”) for, among other things, a franchisee operations support and compliance internet platform. If we elect to institute a Technology Fee, we shall provide you with sixty (60) days’ prior written notice that such fee is payable, and you agree to pay such Technology Fee at the times and in the manner we require.

8.11 Insufficient Funds Fee

If there are not sufficient funds in your account to permit us to debit the account for the payments you owe us, you will pay to us an insufficient funds fee equal to One Hundred Dollars (\$100). This fee is in addition to interest on any overdue amount, as described in Section 8.8 above, and any fees charged by your bank. If you incur three (3) insufficient funds fees within any twelve (12) month period, we may terminate this Agreement without providing you the opportunity to cure the default.

ARTICLE 9 **YOUR OBLIGATIONS**

9.1 Your Obligations

Each component of the System is vital to us, to the network of other franchisees of the System and to the operation of the Franchised Business, as well as to the members of the public who have come to rely upon us and our franchise network for reliability and promptness. Compliance with each such component is of the essence to this Agreement. Hence, you undertake to conduct the Franchised Business at all times in full compliance with the System and each of its components. We may, from time to time, conduct market research and testing to determine consumer trends and salability of new products and services. You must cooperate by participating in our market research programs, test marketing new services and providing timely reports and other relevant information regarding marketing research.

You shall operate the Franchised Business in an efficient and professional manner in accordance with the highest ethical and moral standards. You shall, as well, comply with all recommendations and standards of quality and service prescribed from time to time by us in the Manual or otherwise.

9.2 Site Selection

Within thirty (30) days from the date this Agreement is executed, you shall locate an office that you believe meets our criteria for an Always An Angel Homecare Business and submit to us the information we require in order to evaluate the site you propose. We will notify you within fifteen (15) days whether the location you have selected is approved by us. Our approval will not be unreasonably withheld. If we do not provide our specific approval of the proposed site within fifteen (15) days, such site shall be deemed disapproved by us. If we cannot agree on a proposed site, we may elect to terminate this Agreement without providing you a refund of the initial franchise fee.

9.3 Development of Business; Opening Date

Upon our approval of the location for your Franchised Business (the “Approved Location”), such Approved Location shall be inserted on Attachment 1 hereto. You shall conduct the Franchised Business solely from the Approved Location, and all service calls shall originate from the Approved Location.

You shall undertake to have the Approved Location built-out, as may be necessary, and equipped to meet our then-current standards and specifications. We reserve the right to inspect the Approved Location while it is being built-out and/or after build-out is completed to verify compliance with our

requirements. You understand and acknowledge that you may not open the Franchised Business at the Approved Location until we have authorized you to do so.

You shall use your best efforts to complete your pre-opening requirements, including locating the Approved Location, building and equipping the Approved Location to our standards, and completing the Training Program to our satisfaction, and have the Franchised Business open and operating not later than sixty (60) days after completing the Training Program to our satisfaction or ninety (90) days after you execute this Agreement, whichever occurs first.

9.4 Compliance with Laws and Good Business Practices

You must secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of your Business. You must operate your Franchised Business in full compliance with all applicable laws, ordinances and regulations, including without limitation all government regulations relating to environmental protection, occupational hazards and health, worker's compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You must, in all dealings with your customers, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks and other Always An Angel Homecare Businesses. You and your employees must wear any uniforms that we require, in the best interests of the System, to have all of our franchisees and their employees wear. Failure to wear such designated uniforms must cause us to provide you notice of violations of our systems and procedures and which could, in turn, lead to a notice of termination of this Agreement.

You and your Principals agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your Principals certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Principals otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, 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 addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your Principals, or any blocking of your or your Principals' assets under the Anti-Terrorism Laws, will be good cause for immediate termination of this Agreement, as provided in Section 17.2 below.

9.5 Supervision of Franchised Business

You or your manager, who has completed the Training Program to our satisfaction and who has been approved by us, shall personally and directly operate and exercise daily supervision over the operation of the Franchised Business. You understand and acknowledge that even if you have a manager operate and exercise daily supervision over the operation of the Franchised Business, you shall nevertheless remain responsible for ensuring that the Franchised Business is operated according to our requirements and System standards, as well as our Manual and the terms of this Agreement.

9.6 Acknowledgments

You acknowledge that you are one of a number of franchisees, each of whose success depends in substantial part on the integrity, reputation and marketing efforts of each other franchisee. You further acknowledge that the value of the Marks and of membership in the System to you, to us and to each other franchisee depends on the maintenance of uniform standards of quality, integrity and appearance. You further acknowledge that any action which impairs the reputation and goodwill of the Marks, impairs or

adversely affects our objectives or brings us into disrepute, or departs from the uniform practices specified by us, will be likely to injure all members of the System.

9.7 Our Directives

You agree that you will at all times adopt and follow all our directives concerning the appearance of your Approved Location, the quality and appearance of goods and services offered, the appearance of you and your staff, other business practices and other matters likely to affect the public perception of the System as a unified and reliable network of companies. You will offer all of, and only, the goods and services which we authorize.

9.8 Variances

Complete and detailed uniformity under many varying conditions may not be possible or practicable, and we therefore reserve the right and privilege, at our sole and absolute discretion and as we may deem in the best interest of all concerned in any specific instance, to vary standards to accommodate special needs of you, or those of any other franchisee, based upon the peculiarities of a particular site or location, density of population, business potential, population of trade area, existing business practices, requirements of local law or local custom, or any other condition which we deem to be of importance to the successful operation of such franchisee's business. Further, we may from time to time allow certain franchisees to depart from normal System standards and routines in certain respects in order to experiment with or test new products or services, equipment, designs, procedures and the like. In no event shall such variance, or such testing, be deemed a waiver of any of our rights, or an excuse from performance of any of your duties in this Agreement. We may at any time require you to commence full compliance with all of our standards and procedures. We will not under any circumstances be required to grant any variance to you. Nothing contained in this Article is intended to confer on you any right to compel us to grant a variance to you or to grant, withdraw or modify any variance given to any other franchisee. Such matters shall at all times remain within our sole and absolute discretion.

9.9 Former Franchisees

You acknowledge that former franchisees (those whose franchise agreements have expired or have been terminated) are in a position to compete unfairly with us, you and/or other members of the System, and to cause great injury to the reputation of the System and/or the Marks. You therefore agree as follows:

9.9.1 You will not sell, loan, give or otherwise transfer or deliver to any former franchisee, or allow any former franchisee to copy or otherwise obtain, any confidential business information about the System; any advertising or promotional materials produced by the Fund or by us or which bear any of the Marks; any other of our materials or publications, including, without limitation, the Manual; any directory or roster of franchisees or Approved Suppliers, any other customer lists or mailing lists pertaining in any way to the System; or any other information about the Always An Angel Homecare Business or the System which is not available to the public.

9.9.2 You will not refer prospective customers to any former franchisee.

9.9.3 You will not notify or advise any former franchisee of, or in any other way assist any former franchisee in learning about, the date, time and place of any meetings of franchisees.

9.9.4 If you observe any former franchisee using any of the Marks in any way, or utilizing business premises or motor vehicles from which the Marks and/or distinctive color scheme have not been completely obliterated, you shall immediately report such observation to us, along with all details available to you.

9.9.5 You will not have any dealings with a former franchisee which you, under this Agreement, could not have with a person who has never been an Always An Angel Homecare franchisee.

9.9.6 The provisions of this Section 9.9 shall apply to you as soon as you are on notice of the expiration or termination of another franchise agreement.

9.10 Authorized Products and Services

Our reputation and goodwill are based upon, and can be maintained and enhanced only by the use of, high quality Products and Services and other related products and services. You agree, therefore, that you will only offer such Products and Services and other products and services that we will authorize for the Always An Angel Homecare Business, including but not limited to any newly developed proprietary products or equipment by us. You further agree that you will not sell your Always An Angel Homecare customer list(s) or customer contracts, or otherwise use your Always An Angel Homecare customer list(s) for any purpose other than in connection with the operation of your Franchised Business. You agree that you will not, without our prior written approval, offer or sell any type of service or offer, sell or use any product that is not authorized by us for the Franchised Business. You further agree that any equipment used in Franchised Businesses shall not be used for any purpose other than the operation of your Franchised Business in compliance with this Agreement.

9.11 Approved Products and Supplies

9.11.1 You agree that all products and supplies used in your Franchised Business shall comply with our specifications and quality standards. We will provide you with a list of approved products and supplies and shall from time to time issue revisions to it. If you wish to use any type or brand of product or supply item or wish to purchase products or supplies from a supplier that is not currently approved by us, you shall request from us approval of the proposed product, supply or supplier, and submit to us specifications, photographs, samples and/or other information requested by us. We will, within a reasonable time, determine whether such products, supplies or such supplier meets our specifications and standards and notify you whether you are authorized to use such product or supply item or purchase from such supplier. We may, in our discretion, assess a fee for the review of a proposed supplier, not to exceed One Thousand Dollars (\$1,000).

9.11.2 You understand and acknowledge that we may periodically receive payments from approved suppliers, such as in the form of rebates, based on such approved suppliers' sales of products and supplies to our franchisees. We reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary products or supplies be paid to us or any affiliate that we may designate. If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

9.12 Employees

You are required to comply with the policies and procedures for the selection of employees and independent contractors as set forth in the Manual. As described in Section 6.2, all employees we designate shall execute the Employee Non-Competition and Non-Disclosure Agreement.

9.13 Employee Training

You shall ensure that each of your employees receives all required training in order to provide the Products and Services according to our standards. You understand and acknowledge that this may require your employees to successfully complete our Training Program and/or third-party training or certification programs, at your expense.

9.14 Advertising

You shall comply with all of the obligations regarding advertising as are set forth in Article 11 of this Agreement.

9.15 Hours of Operation

You shall operate your Franchised Business during those hours prescribed in the Manual, subject to applicable law.

9.16 Inspection

We or any of our authorized agents or representatives may, upon reasonable notice, inspect the Franchised Business during normal business hours to determine whether it is in compliance with this Agreement and with the System. You understand and consent to our ability to access all files, data, accounts, reports and the like resulting from your transmission of any required reports to us via computer.

9.17 Reports

You shall submit to us such reports regarding the Franchised Business as we prescribe in the Manual. You shall submit such reports regardless of our ability to access your computer system and download information from the computer system.

9.18 Good Faith

You shall act in good faith and use your best efforts to comply with your obligations under this Agreement, and shall cooperate with us in accomplishing the purposes of this Agreement. Further, you shall not directly or indirectly engage in any activities which would be detrimental to or interfere with the operation or reputation of the Franchised Business, us, the System, or the operations of any other franchisee.

9.19 Ethics

You agree to conduct your Business in a manner that complies with the terms and intent of this Agreement; with national, state and local laws, regulations and ordinances; and with our Code of Ethics (if and when adopted and published by us). You hereby authorize any federal, local or state body regulating or supervising businesses similar to the Franchised Business to release to us information related to complaints and to any disciplinary actions taken based upon your practices. You agree to notify us within five (5) business days of any such complaints or disciplinary actions. You also agree to maintain all permits, certificates and licenses (necessary for your franchise operation) in good standing and in accordance with applicable laws and regulations.

9.20 Guaranty

If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 4.

9.22 Vehicles

We anticipate that your employees will use their personal vehicles to provide Products and Services to your clients. Therefore, we do not specify the make or model of any vehicle used to provide Products and Services. We expect that each employee's vehicle will meet minimum standards for appearance and reliability. We expect all vehicles to be kept clean and in good working order, including regular maintenance. We reserve the right to require that temporary signage displaying the Marks be placed on

each employee vehicle providing the Products and Services. You must have each person providing those Products and Services to comply with all laws, regulations and rules of the road and to use due care and caution operating and maintaining the motor vehicles. Except as described in this Section, we do not have any standards or exercise control over any motor vehicle that you or your employees use.

9.22 Minimum Performance Requirements

In order to maintain your rights under this Agreement, you must meet certain minimum annual Gross Revenue requirements. During your first twelve (12) months of operation, based on your opening date, the minimum annual Gross Revenue requirements are waived. Beginning in your second twelve (12) months of operation, and for the remainder of the Initial Term, you shall meet minimum annual Gross Revenue as follows:

Minimum Performance Requirements

Year of Operation:	Year 2	Year 3	Year 4	Year 5	Years 6 to 10
Minimum Annual Gross Revenue Requirement	\$125,000	\$250,000	\$375,000	\$500,000	\$750,000
Minimum Royalty Fee (5% of Gross Revenue)	\$6,250	\$12,500	\$18,750	\$25,000	\$37,500

If you do not meet the minimum annual Gross Revenue requirements for any twelve (12) month period, and therefore the minimum Royalty Fee payment for such period, the difference between the Royalty Fee payable on the Gross Revenue you did achieve, and the Royalty Fee owed on the minimum annual Gross Revenue requirement will be deducted automatically via EFT in a lump sum within fifteen (15) days after the end of the applicable twelve (12) month period.

ARTICLE 10 **INSURANCE**

10.1 Prior to opening the Franchised Business for business, you must obtain the following insurance coverage under policies of insurance issued by the insurance carrier(s) that we designate or, if we do not designate a specific insurance carrier, by carriers having an A.M. Best rating of “A-” or better:

Coverage	Minimum Limits
General Aggregate	\$3,000,000
Professional Liability	\$1,000,000
Products/Completed Operations Aggregate	\$3,000,000 or Included
Property Damage/Loss Aggregate	\$100,000
Employment Practices Liability Insurance	\$500,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (Legal Liability)	\$50,000
Sexual Abuse and Molestation each occurrence	\$500,000

Coverage	Minimum Limits
Crime-Fidelity Employee Dishonesty coverage	\$100,000
Sexual Abuse and Molestation aggregate	\$500,000
Umbrella Coverage	\$1,000,000
Workers' Compensation - Statutory / Employers Liability	\$500,000
Commercial Automobile Liability	\$1,000,000

The following additional information shall apply to the insurance coverages you are required to maintain hereunder:

10.1.1 Should any liability policies be written on a “claims-made” basis for trigger of cover, the policy’s “Retroactive Date” will at all times be the original inception date of the first claims-made liability policy acquired for insuring you or the franchisee entity, if you are a corporate entity. Should the claims made liability policies be replaced, full retro dated coverage is required. Should any policies be terminated or cancelled for any reason, or a “claims-made” policies be rewritten to an “occurrence form” of coverage, you will maintain at a minimum and secure two (2) additional years of “Extended Reporting Period” for claims that may not be discovered until after policy termination.

10.1.2 Property must be insured at replacement cost value with deductible not to exceed Five Thousand Dollars (\$5,000). Business interruption extra expense insurance to be included on an actual losses sustained form for a period of indemnity not less than a six (6) month period.

10.1.3 Commercial Automobile liability insurance must include all owned, non-owned and hired vehicle coverage, with a combined single limit of at least One Million Dollars (\$1,000,000) each accident.

10.1.4 You shall obtain Crime-Fidelity Employee Dishonesty coverage with Third Party Crime endorsement added. Limit of insurance will be in a minimum amount not less than Twenty-Five Thousand Dollars (\$25,000) and a deductible per claim of not more than One Thousand Dollars (\$1,000).

10.1.5 You must obtain Employment Practices Liability Insurance for a minimum of One Million Dollars (\$1,000,000) in coverage, with coverage should include a sublimit of at least One Hundred Thousand Dollars (\$100,000) for Wage & Hour claims defense.

10.1.6 You shall purchase any additional insurance and types of coverage as may be required by the terms of any lease for the Franchised Business or as may be required from time to time by us.

10.1.7 We must be named as additional insured under the Commercial General Liability, Professional Liability, and Commercial Automobile Liability coverages purchased by you for a minimum of One Million Dollars (\$1,000,000) in coverage. Certificates of liability are required upon each policy placement within three (3) days of effective date. All policies (except Employment Practices Liability) must be endorsed to provide notice of cancellation to us for non-payment with no less than ten (10) days’ notice and thirty (30) days for non-renewal. The certificate must include the additional insured policy forms reflecting us as additional insured.

10.2 You shall provide us with a certificate of insurance not later than thirty (30) days before your Franchised Business opens showing that you have obtained the required insurance coverages. We reserve the right to require you to provide us with a copy of each insurance policy. Upon renewal of each policy, you must provide us with an updated certificate of insurance.

10.3 We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us and our affiliates (and, if we so request, our and their directors, employees or shareholders) as additional insureds and must provide us with thirty (30) days' advance written notice of any material modification, cancellation, or expiration of the policy.

10.4 If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of the required insurance coverage and the payment of the premiums for same, we may obtain, at our option and in addition to our other rights and remedies under this Agreement, any required insurance coverage on your behalf. If we do that, you agree to fully cooperate with us in our effort to obtain the insurance policies, promptly execute all forms or instruments required to obtain or maintain the insurance, allow any inspections of the Franchised Business which are required to obtain or maintain the insurance and pay to us, on demand, any costs and premiums we incur.

10.5 Your obligation to maintain insurance coverage, as described in this Agreement, will not be reduced in any manner by reason of any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under this Article 10.

10.6 If you fail or refuse to purchase or maintain the prescribed insurance coverage, or to comply with any other requirement set forth in this Article 10, we will have the right, without waiver of any other remedies, to secure such insurance on your behalf, at your expense, through agents and insurance companies of our choosing, and to take all other action necessary to protect our interests in this Agreement, or in the alternative, we will have the right to terminate this Franchise Agreement.

10.7 In addition to the foregoing insurance requirements, you shall also ensure that, at all times, your employees are bonded according to our requirements.

ARTICLE 11

ADVERTISING

11.1 Participation in Advertising and Brand Development Programs

We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all Businesses operating under the System. You shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you.

We may, from time to time, incorporate into the System programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Marks and which your Franchised Business, along with other Businesses, will be required to offer and sell. This activity, referred to as "cobranding", may involve changes to the Marks and may require you to make modifications to your premises and the furniture, fixtures, equipment, signs

and trade dress of your Franchised Business. If you receive written notice that we are instituting a cobranding program, you agree promptly to implement that program at your Franchised Business at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any cobranding program increase your Royalty Fees, Brand Development Fee or local advertising expenditure obligations under this Agreement.

11.2 Our Approval of Materials

You shall use for your advertising and promotional activities only those materials, concepts and programs which have been furnished or approved in advance by us by specification in the Manual or otherwise. For any materials that we have not approved or that have not been approved within the immediately preceding twelve (12) month period, you must submit these materials to us for our review. We will have fifteen (15) days after receipt of the proposed advertising and promotional materials to notify you whether they have been accepted. Unless we provide our specific approval of the proposed materials, they are deemed not approved. Any advertising materials you submit to us for our review will become our property, and we may use or distribute these materials in any manner we deem appropriate, without compensation to you.

11.3 Website

11.3.1 We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System. We have established one (1) or more websites accessible through one (1) or more uniform resource locators (“URLs”) and we may design and provide for the benefit of your Franchised Business a “click through” subpage at our website for the promotion of your Business. If we establish one (1) or more websites or other modes of electronic commerce and if we provide a “click through” subpage at the website(s) for the promotion of your Business, you must routinely provide us with updated copy, photographs and news stories about your Franchised Business suitable for posting on your “click through” subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your “click through” subpage.

11.3.2 Any websites or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications (“apps”) that we may introduce, may – in addition to advertising and promoting the products, programs or services available at Always An Angel Homecare Businesses – also be devoted in part to offering Always An Angel Homecare franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

11.3.3 In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. If we require, you shall establish and maintain access to the intranet in the manner designated by us. Additionally, we may periodically prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign.

11.3.4 You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Franchised Business; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the “Always An Angel Homecare” name or any names confusingly similar to the Marks.

11.3.5 You are prohibited from promoting your Franchised Business or from using any of the Marks in any manner on any social media or networking websites unless we provide our express written consent for you to do so. If we provide our consent for you to maintain social media accounts for your Franchised Business, you shall operate such accounts in strict accordance with our System

requirements and standards. If we do not provide our express written consent, then we shall control all social media initiatives. You must comply with our System standards regarding the use of social media in your Business' operation, including prohibitions on your and the Franchised Business' employees posting or blogging comments about the Business or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook, Foursquare, Instagram and MySpace, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We reserve the right to conduct collective/national campaigns via local social media on your behalf.

11.3.6 We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your "click through" subpage.

11.4 Internet Pages

You acknowledge that the proper conduct of all promotion programs is not only necessary to the success of the Franchised Business but is also likely to affect the goodwill and reputation of us, the Marks, and that of the System. You agree to place an advertisement in at least one (1) internet-based internet pages resource, and you may place additional internet advertising, provided that all advertising you propose to conduct on the internet must be pre-approved by us, as described in Section 11.2.

11.5 Local Advertising

Subject to our prior written approval, you shall conduct local advertising in your Designated Territory, and you agree to spend a minimum of Five Hundred Dollars (\$500) each month for local advertising in your Designated Territory, which may include internet advertising that has been pre-approved by us. Within thirty (30) days of our request, you must provide us with proof of your local advertising expenditures, including verification copies of the advertisements.

11.6 Grand Opening Advertising

Subject to our prior written approval as described above, you shall develop a grand opening advertising campaign to promote the opening of your Always An Angel Homecare Business. You shall spend between Three Thousand Dollars (\$3,000) and Seven Thousand Five Hundred Dollars (\$7,500) on a grand opening advertising campaign to be conducted within your initial ninety (90) days of operation, unless we designate a different time period for you to conduct the grand opening advertising. You must purchase advertising start-up kit from our designated supplier to be used in your grand opening advertising campaign.

11.7 Brand Development Fund

We reserve the right to establish and administer a Brand Development Fund for the purpose of advertising the System on a regional or national basis (the "Brand Development Fund"). You agree to contribute to the Brand Development Fund a "Brand Development Fee" as set forth in Section 8.3 above. You agree that the Brand Development Fund shall be maintained and administered by us or our designee as follows:

11.7.1 We shall direct all advertising programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. You agree and acknowledge that the Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Always An Angel Homecare Businesses operating under the System. We and our affiliates shall, with respect to Businesses operated by us or our affiliates, contribute to the Brand Development Fund, but you understand

and acknowledge that Businesses operated by us or our affiliates more or less to the Brand Development Fund than contributed by other Businesses in the System. In administering the Brand Development Fund, we and our designees undertake no obligation to make expenditures for you which are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or *pro rata* from the placement of advertising.

11.7.2 You agree that the Brand Development Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; internet marketing; public relations activities; employing advertising agencies to assist therein; development and maintenance of our franchisee and affiliate websites; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). All sums paid by you to the Brand Development Fund will be accounted for separately from our general funds and may be used to defray our expenses, if any, as we may incur in activities reasonably related to the administration or direction of the Brand Development Fund and advertising programs for franchisees and the System, including expenses of salary and office overhead. The Brand Development Fund and its earnings shall not otherwise inure to our benefit. The Brand Development Fund is operated solely as a conduit for collecting and expending the Brand Development Fees as outlined above. No portion of the Brand Development Fund will be used for advertising that is primarily a solicitation of franchise sales.

11.7.3 A statement of the operations of the Brand Development Fund shall be prepared annually by us and shall be made available to you upon request. This statement of operations may be unaudited.

11.7.4 Any monies remaining in the Brand Development Fund at the end of any year will carry over to the next year. Although the Brand Development Fund is intended to be of perpetual duration, we may terminate the Brand Development Fund. The Brand Development Fund shall not be terminated, however, until all monies in the Brand Development Fund have been expended for advertising or promotional purposes or returned to contributing Franchised Businesses or those operated by us, without interest, on the basis of their respective contributions.

11.7.5 If we elect to terminate the Brand Development Fund, we may, in our sole discretion, reinstate the Brand Development Fund at any time. If we so choose to reinstate the Brand Development Fund, said reinstated Brand Development Fund shall be operated as described herein.

11.8 Cooperative Advertising

We may, in our discretion, create a regional advertising cooperative (“Cooperative”) in any area, or we may approve the creation of such a Cooperative by franchisees in the System, and establish the rules and regulations therefor. Immediately upon our request, you must become a member of the Cooperative for the area in which some or all of your Designated Territory is located. In no event may the Franchised Business be required to be a member of more than one Cooperative. The Cooperative must be governed in the manner we prescribe. The Cooperative may require each of its members to make contributions thereto. You shall contribute such amounts at the times and in the manner as determined by majority vote of the Cooperative members. Any funds contributed to a Cooperative may be credited against your local advertising obligation; provided, however, that if your contributions to a Cooperative are less than your local advertising requirement, you shall nevertheless spend the difference locally. The following provisions apply to each Cooperative:

11.8.1 the Cooperative must be organized and governed in a form and manner, and commence operation on a date, that we approve in advance in writing;

11.8.2 the Cooperative must be organized for the exclusive purpose of administering advertising programs and developing, subject to our approval, standardized promotional materials for the members' use in local advertising within the Cooperative's area;

11.8.3 the Cooperative may adopt its own rules and procedures, but such rules or procedures must be approved by us and must not restrict or expand your rights or obligations under this Agreement;

11.8.4 except as otherwise provided in this Agreement, and subject to our approval, any lawful action of the Cooperative (including, without limitation, imposing assessments for local advertising) at a meeting attended by members possessing more than fifty percent (50%) of the total voting power in the Cooperative is binding upon you if approved by members possessing more than fifty percent (50%) of the total voting power possessed by members in attendance, with each Business having one (1) vote, but no franchisee (or commonly controlled group of franchisees) may have more than twenty-five percent (25%) of the vote in the Cooperative regardless of the number of Businesses owned;

11.8.5 without our prior written approval, the Cooperative may not use, nor furnish to its members, any advertising or promotional plans or materials; all such plans and materials must be submitted to us in accordance with the procedure set forth in Section 11.2;

11.8.6 Cooperative may require its members to periodically contribute to it in such amounts as it determines, subject to the limit set forth in the first paragraph of this Section 11.8;

11.8.7 no later than the fifteenth (15th) day of each month, each member/franchisee must submit its contribution under Section 11.8.6 for the preceding calendar month to the Cooperative, together with such other statements or reports as we or the Cooperative may require, with our prior written approval; and

11.8.8 if an impasse occurs because of a Cooperative members' inability or failure, within forty-five (45) days, to resolve any issue affecting the Cooperative's establishment or effective functioning, upon request of any Cooperative member, that issue must be submitted to us for consideration, and our resolution of such issue is final and binding on all Cooperative members.

11.9 Advisory Councils

We may, in our discretion, form an advisory council to work with us to improve the System, the services offered by Always An Angel Homecare Businesses, advertising conducted by the Brand Development Fund, and any other matters that we deem appropriate. If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council.

If formed, an advisory council will be comprised of our representatives and franchisee representatives. The franchisee representatives may be chosen by us or elected by other franchisees in the System. If you participate on an advisory council, you will pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings.

ARTICLE 12

REPORTING AND FINANCIAL MANAGEMENT REQUIREMENTS

12.1 Record Keeping

You promise to keep true and accurate records, including those which may be specified by us from time to time, from which all sums payable under this Agreement and the dates for which they accrued may be readily determined. You shall keep such records on your business premises at all times, unless we permit them to be kept at another location. In any event, you must at all times inform us of any change in the location of your records. You shall be required to make all data and records available to us, twenty-four (24) hours per day, seven (7) days per week, via a high-speed internet connection. You understand and acknowledge that our ability to access your data and records, electronically or otherwise, does not in any manner reduce or eliminate your responsibility to provide us with required reports.

12.2 Reporting Systems

You agree to utilize such reporting and financial control systems as we may direct.

12.2.1 You must maintain on forms approved or provided by us the reports of Gross Revenue required in Section 8.2 and a monthly profit and loss statement accurately reflecting the operations and condition of your Business.

12.2.2 You must employ such methods of filing, record-keeping, bookkeeping, accounting and reporting as we will from time to time reasonably require.

12.2.3 You must adopt and shall strictly adhere to such methods for control and protection of cash receipts (and of records pertaining thereto) as we may from time to time direct.

12.3 Reports

To enable us to verify the Royalty Fees and other payments and contributions due in this Agreement and to monitor your progress and your compliance with this Agreement, in addition to reports otherwise required under this Agreement, you shall provide to us reports in such form as we may prescribe. In addition, we will, at all times, have on-line access to your reports.

Reports shall be deemed timely made if personally delivered to our offices or electronically transmitted to and received by us, via email or facsimile.

12.4 Audit

We and our authorized representatives shall have the right at all times during the business day to enter your Franchised Business or any other location where books and records relative to the Franchised Business are kept, and to inspect, copy and audit such books and records, including, without limitation, your state and federal income tax returns and state sales and use tax and personal property tax returns, and you hereby waive any privileges with regard to any tax returns. You must cooperate completely and in good faith with such audit and shall provide and explain all records requested by such auditor or necessary to provide information sought by such auditor.

12.4.1 If such audit or inspection discloses that you have underpaid any sums due us under this Agreement, you shall pay the same immediately, together with interest thereon at the rate specified in Section 8.8.

12.4.2 If the audit is conducted due to your failure to provide required reports to us, or if any such inspection or audit reveals an understatement of two percent (2%) or more of any amounts reported by you to us, then you shall (a) pay to us any underpaid amounts together with interest thereon as described in Section 8.8, and (b) you shall reimburse us for the cost of such audit. In addition to any other rights we may have, including the right of termination of this Agreement, we may conduct such further periodic audits or inspections of your books and records as we reasonably deem necessary for up to one (1) year later at your sole expense, including, without limitation, reasonable professional fees, travel, and lodging expenses directly related to the audits or inspections.

12.4.3 In the event that there is a deficiency two (2) times in any twelve (12) month period, the second deficiency will be a material default of this Agreement and we will have the right to terminate this Agreement without providing you the opportunity to cure the default.

ARTICLE 13

INDEPENDENT CONTRACTOR AND INDEMNIFICATION

13.1 Independent Parties

You and we agree that this Agreement establishes between us and you the relationship of franchisor and franchisee. You have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on our behalf for any purpose whatsoever. Neither we nor you are the employer, employee, agent, partner or co-venturer of or with the other, each of us being independent from one another. You will not hold yourself out as our agent, employee, partner or co-venturer. Neither of us has the power to bind or obligate the other except specifically as set forth in this Agreement. You and we agree that the relationship created by this Agreement is one of an independent contractor and not a fiduciary relationship.

13.1.1 We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the business you conduct pursuant to this Agreement, whether or not caused by your negligent or willful action or failure to act, or your use of the Marks in a manner not in accordance with this Agreement. You must not employ any of the Marks in signing any contract or applying for any license or permit or in a manner that may result in us being held liable for your debts or obligations.

13.1.2 All employees hired by or working for you shall be your employees and shall not, for any purpose, be deemed our employees or subject to our control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Each of the parties must file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments, with respect to its respective employees and operations, saving and indemnifying the other party of and from any liability of any nature whatsoever relating to those acts.

13.1.3 We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Franchised Business does not directly or indirectly vest in us the power to hire, fire or control any such employee.

13.1.4 You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your Franchised Business and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of System which you are required to comply with under this Agreement, whether set forth in

the Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Franchised Business.

13.2 Independent Contractor

During the term of this Agreement, you shall hold yourself out to the public as an independent contractor conducting your Franchised Business operations pursuant to the rights granted by us. You agree to take such action as shall be reasonably necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the premises established for the purposes hereunder and on all letterhead, business cards, forms, and as further described in the Manual. We reserve the right to specify in writing the content and form of such notice.

You acknowledge and agree that any training we provide for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of an Always An Angel Homecare Business and in no fashion reflects any employment relationship between us and such employees. If it is ever asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, appear at any venue requested by us to testify on our behalf; participate in depositions or other appearances; or prepare affidavits rejecting any assertion that we are the employer, joint employer or co-employer of any of your employees.

13.3 Indemnification by You

You agree at all times to defend, at your own cost, and to indemnify and hold harmless to the fullest extent permitted by law, us, our corporate parent, the corporate subsidiaries, affiliates, successors, assigns, and designees of either entity and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each (referred to collectively as “Indemnitees”) from all losses and expenses (as defined in this Agreement) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: your infringement or any other violation of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; your violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; libel, slander or any other form of defamation by you; your violation or breach of any warranty, representation, agreement, or obligation in this Agreement; any acts, errors, or omissions by you or any of your agents, servants, employees, contractors, partners, proprietors, affiliates, or in any manner in connection with the Franchised Business; the inaccuracy, lack of authenticity, or non-disclosure of any information by you; any unapproved service provided by you at, from, or related to the operation at the Approved Location; or any services provided by any affiliated or non-affiliated participating entity. For the purpose of this Section, the term “losses and expenses” shall be deemed to include all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, attorneys’ fees, experts’ fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting, or replacing same, and any and all expenses of recall, refunds, compensation, public notices, and other such amounts incurred in connection with the matters described. You agree to give us notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. The foregoing indemnification shall not apply to losses or expenses arising from our gross negligence or willful acts.

13.3.1 At your expense and risk, we may elect to assume (but under no circumstance are obligated to undertake) the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation, provided that we will seek your advice and counsel and shall keep you informed with regard to any such proposed or contemplated settlement(s). Such an undertaking by us shall in no manner or form diminish your obligation to indemnify us and to hold us harmless.

13.3.2 All losses and expenses incurred under this Section 13.3 shall be chargeable to and paid by you pursuant to your obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity or defense.

13.3.3 Indemnitees do not assume any liability whatsoever for acts, errors, or omissions of those with whom you may contract, regardless of the purpose. You shall hold harmless and indemnify Indemnitees for all losses and expenses which may arise out of any acts, errors, or omissions of these third parties.

13.3.4 Under no circumstances shall Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against you. You agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by Indemnitees from you.

13.4 Indemnification by Us

We agree at all times to defend, at our own cost, and to indemnify and hold harmless to the fullest extent permitted by law, you, your corporate parent, the corporate subsidiaries, affiliates, successors, assigns, and designees of either entity, and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each from all losses and expenses (as defined in this Agreement) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: (a) our infringement or any other violation of any patent, trademark, or copyright or other proprietary right owned or controlled by third parties; (b) our violation or breach of any contract, federal, state, or local law, regulation, ruling, standard, or directive or of any industry standard; (c) libel, slander, or any other form of defamation by us; or (d) our violation or breach of any warranty, representation, agreement, or obligation in this Agreement. For the purpose of this Section, the term "losses and expenses" shall be deemed to include all losses, compensatory, exemplary, or punitive damages, fines, charges, costs, expenses, lost profits, attorneys' fees, experts' fees, court costs, settlement amounts, judgments, compensation for damages to your reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting, or replacing same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described. We agree to give you notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. The foregoing indemnification shall not apply to losses or expenses arising from your gross negligence.

ARTICLE 14

CONFIDENTIAL INFORMATION

14.1 You acknowledge that you will obtain knowledge of Confidential Information and Know How that is essential to the operation of the Franchised Business, without which information you could not effectively and efficiently operate. You further acknowledge that such Confidential Information was not known to Franchisee prior to execution of this Agreement. You further acknowledge and agree that all of the Confidential Information is our sole property, represents our valuable assets, and that we have the right to use the Confidential Information in any manner we wish at any time.

14.2 You shall not, during the term of this Agreement or at any time after it ends, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any Confidential Information or Know How concerning, among other things, customer identities and information, as well as the methods of operation of the Franchised Business in this Agreement which may be communicated to you, or of which you may become apprised, by virtue of your operation at the Approved Location under this Agreement. You shall divulge such Confidential Information only to such of your employees or officers and directors who must have access to it in order to operate the Franchised Business. Any and all information, knowledge and Know How, including, without limitation, the materials, equipment, specifications, techniques, and other data which we designate as confidential shall be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention prior to our disclosure thereof; or which, at the time of disclosure by us to you, had become a part of the public domain through publication or communication by others; or which, after disclosure to you by us, becomes a part of the public domain through publication or communication by others.

14.3 You shall require all personnel having access to any Know How or Confidential Information provided by us, or otherwise playing a role in the solicitation or provision of the services or related services to customers, to execute covenants that they will maintain the confidentiality of information they received in connection with their employment or engagement by you, in accordance with the form provided as Attachment 2 hereto. It is expressly understood that we are designated as a third-party beneficiary of such covenants with the independent right to enforce them.

14.4 You acknowledge that any actual or threatened failure to comply with the requirements of this Article 14 will cause us to suffer immediate and irreparable injury, non-compensable by the payment of mere money damages, permitting us with or without notice to seek immediate injunctive relief. You agree to pay all court costs and reasonable attorneys' fees incurred by us when we seek to obtain specific performance or an injunction against violation of the requirements of this Article 14.

ARTICLE 15

COVENANTS NOT TO COMPETE

15.1 In-Term Covenants

You specifically acknowledge that, pursuant to this Agreement, you shall receive valuable training and Confidential Information, including, without limitation, information regarding the promotional, operational, sales, and marketing methods and techniques of us and the System, and that the covenants not to compete set forth below are fair and reasonable and will not impose any undue hardship on you, since you have other considerable skills, experience, and education which afford you the opportunity to derive income from other endeavors. You covenant that during the term of this Agreement and for a period of two (2) years after it ends, except as otherwise approved in writing by us, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

15.1.1 Divert or attempt to divert any business or customer of the Franchised Business in this Agreement to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or

15.1.2 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any business specializing, in whole or in part, in the activities conducted by you, and any other type of service which you may be authorized to render in this Agreement and sell any other products and services which you may be authorized to sell in this Agreement.

15.2 Post-Term Covenants

You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, or upon transfer of this Agreement or the Franchised Business pursuant to Article 16 hereof, and continuing for two (2) years later (and, if you are in violation of this covenant, for a period of two (2) years after you stop violating it), either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in, or have any interest in any business specializing, in whole or in part, in the activities conducted by you or any other type of service which you may be authorized to render in this Agreement:

15.2.1 Within a radius of twenty-five (25) miles of your premises or Approved Location;
or

15.2.2 Within a radius of twenty-five (25) miles of the location of any business using the System and/or the Marks, whether franchised or owned by us or our subsidiary or affiliated companies.

15.3 Amendment of Covenants

The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made part of this Article 15.

15.4 We May Amend Covenants

You understand and acknowledge that we will have the right, in our sole discretion, to reduce the scope of any covenant set forth in Sections 15.1 and 15.2 of this Agreement, or any portion thereof, without your written consent, effective immediately upon your receipt of written notice thereof. You agree that you shall comply forthwith with any covenant as so modified, which will be fully enforceable notwithstanding the provisions of this Article 15.

15.5 Existence of Claim

You expressly agree that the existence of any claim that you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Article 15.

15.6 Injunction

You acknowledge that any threatened or actual failure to comply with the requirements of this Article 15 would cause us to suffer immediate and irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to the *ex parte* entry of an injunction prohibiting any conduct by you in violation of the terms of this Article 15. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement, statute, common law or otherwise.

15.7 Additional Covenants

At our request, you shall require and obtain execution of covenants identical in scope to those set forth in this Article 15 (including covenants applicable upon the termination of a person's relationship with you) from any and all key persons employed by you who have received training from us. Each covenant required to be executed pursuant to this Section 15.7 shall be on a form supplied by us, including, without limitation, specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them. Your failure to obtain execution of a covenant required by this Section 15.7 shall constitute a default under Section 17.2 hereof.

ARTICLE 16 **ASSIGNMENT AND RIGHT OF FIRST REFUSAL**

16.1 Assignment by Us

We will have the right, without the need for your consent, to assign, transfer or sell our rights under this Agreement to any person, partnership, corporation or other legal entity provided that the transferee agrees in writing to assume all obligations undertaken by us in this Agreement and you receive a statement from both us and our transferee to that effect. Upon such assignment and assumption, we will be under no further obligation in this Agreement, except for accrued liabilities, if any. You further agree and affirm that we may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, Marks (or any variation thereof) and System and/or the loss of association with or identification of Always An Angel Franchising, Inc. as Franchisor under this Agreement. You specifically waive any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

You agree that we have the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business, regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "Always An Angel Homecare" facilities operating under the Marks or any other marks following our purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which you acknowledge may be proximate to your location.

If we assign our rights in this Agreement, nothing in this Agreement shall be deemed to require us to remain in the business of providing non-medical in-home personal care services or to offer or sell any products or related services to you.

You acknowledge that we may assign this Agreement as part of a sale, transfer or other disposition of all or part of the System to an entity or entities which engage(s) in similar or competitive businesses. You acknowledge that any such successor shall be deemed to possess, in addition to all other rights, those specific rights reserved to us in Section 3.2 hereof.

16.2 Assignment by You

Your interest in this Franchise Agreement, any of your rights or privileges in this Agreement, or in the Franchised Business, may not be assigned, transferred, shared or divided, voluntarily or involuntarily, directly or indirectly, without our prior written consent, which shall not be unreasonably withheld, and not

without your first complying with Section 16.2.1 hereof. (The use of the term “assignment” in this Agreement encompasses any actual or purported assignment, sale, transfer or other arrangement having the purpose or effect of shifting ownership or controlling interests in the Franchised Business.) Any actual or purported assignment of this Agreement or of the Franchised Business in violation of the terms hereof shall be null and void and shall constitute an incurable breach of this Agreement. The actual or purported transfer in the aggregate of more than fifty (50%) percent of the Franchised Business shall be deemed to be an “assignment” in this Agreement.

16.2.1 Our consent (such consent not to be unreasonably withheld) to any assignment is subject to the following conditions:

(a) The assignee must demonstrate that it has the skills, qualifications, licensing and economic resources necessary, in our judgment, to conduct the Franchised Business and to fulfill its obligations to you and to us.

(b) The assignee must expressly assume in writing all of your obligations under this Franchise Agreement.

(c) As of the date of any such assignment, you shall have fully complied with all of your obligations to us, whether under this Agreement or any other agreement, arrangement or understanding with us.

(d) The assignee must execute a new Franchise Agreement in the form and on the terms and conditions then being offered by us to franchisees (except that the assignee shall not be obligated to pay another Initial Franchise Fee). The term of such new Franchise Agreement shall expire on the expiration date of this Franchise Agreement.

(e) You shall pay us a transfer fee as follows: (i) if the transfer is to a new franchisee for the System, the transfer fee shall be equal to fifty percent (50%) of our then-current initial franchise fee plus any applicable broker fees; or (ii) if the transfer is to an existing franchisee in the System, the transfer fee shall be equal to twenty-five percent (25%) of our then-current initial franchise fee plus any applicable broker fees.

(f) The assignee shall satisfactorily complete the training then required of all new franchisees.

(g) We will be furnished copies of the executed contract between you and any such assignee and all related documentation.

(h) You shall have executed a general release in a form satisfactory to us of any and all claims against us, our subsidiaries, affiliates, and designees, and our respective officers, directors, shareholders and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

(i) The assignee shall not be affiliated in any way with a competitor of ours.

16.2.2 Upon your or any Principal’s death, or in the event you or any Principal are determined to suffer any legal incapacity, the transfer of your interest to your heirs, legatees, personal representatives or conservators, surviving Principals or fellow Principals, shall not constitute an “assignment” in this Agreement and shall not give rise to our right of first refusal to purchase the Franchised Business as set forth in Section 16.4 hereof, if the following conditions are met:

(a) The heirs, legatees, personal representatives, or conservators meet our standards for qualification of new franchisees and agree in writing to be bound by the terms and conditions of this Agreement.

(b) Within ninety (90) days after your or any Principal's death or incapacity, a person designated by your heirs, legatees, personal representative(s), or conservator(s) shall have satisfactorily completed our then-current training requirements. If at the time of such death or incapacity you have employed a manager who has satisfactorily completed any version of our Training Program, this requirement shall be deemed satisfied.

(c) In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representatives, shall be charged to said account. If, as in this Agreement provided, we temporarily operate the business franchised in this Agreement for you, you agree to indemnify and hold harmless us and any representative of ours who may act in this Agreement, from any and all acts which we may perform, as regards the interests of you or third parties. If we temporarily operate the Business franchised herein on your behalf, you also agree to pay us the then-current fee for the management and maintenance of the Franchised Business in your absence.

16.3 Corporation or Limited Liability Company Ownership

If you are an individual or individuals and desire to operate the Franchised Business through a corporation or limited liability company formed by you solely for the convenience of ownership, you must obtain our prior written consent, which consent shall not be unreasonably withheld if:

16.3.1 you are in full compliance with this Agreement;

16.3.2 the corporation or limited liability company shall conduct no business other than the Franchised Business;

16.3.3 ownership of the corporation or limited liability company shall remain with the original Principals of this Agreement who shall maintain control and own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests in the same proportional interest as originally owned;

16.3.4 appropriate forms of corporate resolutions, minutes and/or consents, which have been duly adopted, are furnished to us prior to addition of your corporation or limited liability company as "franchisee" under this Agreement; and

16.3.5 Principals shall remain personally liable for the performance of all obligations under this Agreement and not released from any obligations to us.

A transfer under this Section 16.3 may occur one (1) time only during the term of this Agreement and may be made without payment of a transfer fee.

16.4 Right of First Refusal

Your right to assign, transfer or sell your interest in this Agreement (voluntarily or by operation of law) and/or the Franchised Business, as provided above, shall be subject to our right of first refusal with respect thereto. (We will maintain the option of waiving this right in writing.) That is, we will have the right to be offered by you the opportunity to purchase such interest in this Agreement and/or the Franchised Business on the terms and conditions which have been offered to and accepted by a third party in a wholly arms-length transaction. Our right of first refusal shall be exercised in the following manner:

16.4.1 You shall serve upon us a written notice setting forth all of the terms and conditions of the proposed assignment which shall specify the purchase price established by the parties and include reasonably complete information concerning the identity, financial standing and character of the proposed purchaser. You shall attach to such notice a copy of a binding agreement between you and the proposed purchaser, which agreement shall, however, be subject to cancellation if we exercise our right of first refusal in this Agreement or disapprove of the proposed transfer under Section 16.2.

16.4.2 Within thirty (30) days after our receipt of such notice (or, if we will request additional information, within thirty (30) days after receipt of such additional information), we may, at our option, purchase the Franchised Business upon the terms and conditions specified in the notice and the agreement attached thereto.

16.4.3 If we will elect not to exercise our right of first refusal and shall consent to an assignment, you shall, subject to the provisions of this Article, be free to assign this Agreement and/or the Franchised Business to such proposed assignee on the terms and conditions specified in said notice and the agreement attached thereto. If, however, the terms of such agreement shall be materially modified after submission thereof to us, we will have such right to evaluate such modified agreement for an additional thirty (30) days and, if we choose to do so, exercise our right of first refusal with respect thereto.

16.5 No Security Interests

You shall not have the right to pledge, encumber, hypothecate or otherwise give any third party any security interest in this Agreement or in the Proprietary Properties or the Franchised Business in any manner whatsoever without our express written permission, which permission may be withheld for any reason.

ARTICLE 17

DEFAULT AND TERMINATION

17.1 Termination Without Notice

You shall be in default under this Agreement, and all rights granted to you in this Agreement shall automatically terminate without notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against

you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

17.2 Termination Without Right to Cure

Upon the occurrence of any of the following events, you shall be deemed to be in default and we may, in our sole and exclusive discretion, terminate this Agreement and all rights granted in this Agreement without affording you any opportunity to cure the default. With no requirement of further action from us, upon the occurrence of any of the following events, you will immediately assign all clients' contracts and files to us, without any cost to us or compensation from us. Termination under this Section shall be effective immediately upon the earlier of the occurrence of any of the following or receipt of notice by you:

17.2.1 If you abandon the Franchised Business by failing to operate such business for a period of ten (10) consecutive days, or any shorter period after which it is reasonable for us to conclude that you do not intend to continue to operate the Franchised Business, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond your reasonable control, but not due to your lack of adequate financing;

17.2.2 If you or any Principal is convicted of a felony, a fraud, a crime involving moral turpitude or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, or the goodwill associated with them;

17.2.3 If you make any material misrepresentation relating to the creation, acquisition or operation of the Franchised Business or engage in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business, us or the System;

17.2.4 If you fail, for a period of ten (10) days after notification of non-compliance by any duly constituted authority, to comply with any federal, state or local law, regulation or requirement applicable to the operation of the Franchised Business, and fail promptly to notify us of such notification and the steps taken to cure any such non-compliance;

17.2.5 If you repeatedly fail to comply with one (1) or more requirements of this Agreement, whether or not such failures are ultimately corrected;

17.2.6 If a second default by you occurs within any twelve (12) month period, notwithstanding that a prior default was cured;

17.2.7 If your default under this Agreement is by its very nature incapable of being cured;

17.2.8 If you fail to attend and successfully complete the Training Program;

17.2.9 If you, your Principals or any of your employees acquire any interest in a business similar to the Franchised Business, except that you or such other persons may own less than five percent (5%) of the shares of any company listed on any national or regional securities exchange or whose shares are traded through a recognized exchange;

17.2.10 If you engage in the unauthorized use or duplication of any aspect of our business, services or products;

17.2.11 If you engage in the unauthorized disclosure of any Confidential Information or Know How relating to us, the Franchised Business or the System;

17.2.12 If you sell, sublicense, assign or transfer any interest in this Agreement or the Franchised Business in violation of this Agreement;

17.2.13 If you violate any covenant not to compete set forth in Article 15 of this Agreement;

17.2.14 If you fail to pay the initial franchise fee (or any balance thereof) or fail to commence the operation of the Franchised Business within the time provided in this Agreement;

17.2.15 If you misrepresent, substitute or “pass off” non-authentic services and/or products for or as our services and/or products;

17.2.16 If you knowingly maintain false books or records or submit any false reports to anyone;

17.2.17 If you purport to transfer any rights or obligations under this Agreement or any interest in you to any third party without our prior written consent or otherwise in violation of the terms of this Agreement;

17.2.18 If you violate any state or federal law or ordinance that in any manner relates to or impacts upon the provision of or ability to provide the Products and Services in this Agreement by you or your Principals, including, without limitation, a conviction based upon such a violation, allegation or charge of such violation without explanation that we will deem to be reasonably satisfactory, or failure on your part to inform us of the existence of, threat of, charge or allegation of, or conviction of such violation;

17.2.19 If you fail or refuse to provide the Products or perform the Services for your customers;

17.2.20 If you fail to comply with any other provision or requirement of this Agreement or the Manual;

17.2.21 If you fail to comply with all applicable laws and ordinances relating to the Business, including Anti-Terrorism Laws, or if you or any Principals’ assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any Principals otherwise violate any such law, ordinance, or regulation.

17.3 Termination With Right to Cure

Except as provided in Sections 17.1 and 17.2 of this Agreement, you shall have thirty (30) days after receipt from us of a written notice of termination in which to remedy any default in this Agreement (or, if the default cannot reasonably be cured within such thirty (30) days, to initiate within that time substantial and continuing action to cure the default) and to provide evidence thereof to us. If any default is not cured within that time (or if substantial and continuing action to cure the default is not initiated within that time), or such other period as applicable law may require, this Agreement shall terminate without further notice to you effective immediately upon expiration of the thirty (30) day period, or such longer period as applicable law may require. In the event of such termination without further notice, with no requirement of further action from us, you will immediately assign all clients’ contracts and files to us, without any cost to us or compensation from us. Such defaults shall include, without limitation, the occurrence of any of the following events:

17.3.1 If you fail, refuse or neglect promptly to pay when due any monies owed to us (or our affiliates, subsidiaries or designees) or to your landlord (if applicable) or you fail, refuse or neglect promptly to submit financial or other information required by us under this Agreement, or make any false statements in connection with them;

17.3.2 If you fail to maintain and operate the Franchised Business in accordance with the provisions or requirements of this Agreement or the Manual;

17.3.3 If you fail to obtain our prior written approval or consent where the same is required pursuant to this Agreement;

17.3.4 If you misuse, or use in an unauthorized manner, any of the Marks, Know How or Copyrights or materially impair the goodwill associated with them or our rights in this Agreement;

17.3.5 If you participate in any business or in the marketing of any service or product under a name or mark which, in our opinion, is confusingly similar to any of the Marks;

17.3.6 If you offer or sell, as part of the Franchised Business, any unapproved service or fail to offer or provide on a regular basis all services which comprise part of the System;

17.3.7 If you, by act or omission, permit a violation of any law, ordinance, rule or regulation of any governmental entity to remain uncorrected in the absence of a good faith dispute over its applicability or legality and without promptly resorting to an appropriate administrative or judicial forum for relief therefrom;

17.3.8 If you fail to obtain and maintain all required insurance policies or fail to name us as an additional insured in this Agreement in accordance with the terms of this Agreement; or

17.3.9 If you violate our Inter-Territorial Policy and do not cure the default, including payment of any applicable penalties or fees.

17.4 Cross-Defaults, Non-Exclusive Remedies, etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

17.5 Limitation on Rights of Termination

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination in this Agreement or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute “good cause” for termination within the meaning ascribed to that term by any applicable law or regulation. We will not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination thereof.

17.6 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 17, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your webpage on our website, until such time as you correct the breach.

ARTICLE 18 **FURTHER OBLIGATIONS AND RIGHTS OF THE** **PARTIES UPON TERMINATION OR EXPIRATION**

18.1 Discontinue Use of Proprietary Properties

With no requirement of further action from us, upon the termination or expiration of this Agreement, you will immediately assign all clients’ contracts and files to us, without any cost to us or compensation from us. You shall forthwith discontinue the use of the Marks, Know How and Copyrights, and you shall not later operate or do business under any name or in any manner that might tend to give the general public the impression that you are in any manner affiliated with us or any “Always An Angel Homecare” business, or any business similar thereto, and you shall not later use, in any manner, or for any purpose, directly or indirectly, any of our Confidential Information, knowledge or Know How concerning the operation, products, services, trade secrets, procedures, policies, techniques or materials or by virtue of the relationship established by this Agreement, including, without limitation, the following:

18.1.1 Standards, specifications or descriptions of our Products and Services;

18.1.2 Our Manual and any supplements thereto;

18.1.3 Any forms, advertising matter, marks, devices, signs, insignia, slogans or designs used from time to time in connection with the Franchised Business;

18.1.4 Any copyrights, trademarks, trade names and patents now or later applied for or granted in connection with them, or any marks, logos, words or phrases confusingly similar thereto or colorable imitations thereof;

18.1.5 Any telephone number listed in any telephone directory under the name “Always An Angel Homecare” or any similar designation or directory listing which relates to the Franchised Business; and

18.1.6 Any and all of the systems, procedures, techniques, criteria, concepts, designs, advertising and promotional techniques, products or service specifications, and all other components, specifications and standards which comprise (or in the future may comprise) part of the System.

18.2 Cancellation of Name

Upon termination or expiration of this Agreement, you shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains any name or mark identical or similar to “Always An Angel Homecare” or any other name, trademark or service mark of ours, and you shall furnish us with proof of discharge of this obligation within thirty (30) days following the termination or expiration of this Agreement.

18.3 We are Attorney-in-Fact

We may, if you fail or refuse to do so, execute in your name and on your behalf any and all documents necessary to cause discontinuation of your use of the name “Always An Angel Homecare” or any other related or similar name or use in this Agreement, and we are hereby irrevocably appointed by you as your attorney-in-fact to do so.

18.4 Continuation of Obligations

The expiration or termination of this Franchise Agreement shall be without prejudice to our rights against you, and such expiration or termination shall not relieve you of any of your obligations to us existing at the time of expiration or termination or terminate those obligations of yours which by their nature survive the expiration or termination of this Agreement.

18.5 Cease Using Telephone Numbers

Upon termination or expiration of this Agreement, you shall cease and desist from using any telephone and/or cellular telephone number(s) listed in any telephone directory under the name “Always An Angel Homecare” or any other name similar and, upon our demand, shall direct the telephone company servicing the Franchised Business to transfer said telephone number(s) to us, or to such other person or persons at such location or locations as we will direct.

18.6 Pay Sums Due

Upon termination or expiration of this Agreement, you shall promptly pay all sums owing to us (and our subsidiaries, affiliates or designees). In the event of termination based upon your default, such sums shall include all damages, costs and expenses (including actual attorneys’ fees) incurred by us as a result of the default, including but not limited to lost future profits and/or lost future royalty fees. The obligation created in this Agreement shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, furnishings, equipment, signs, inventory, fixtures or other assets owned by you at the time of default.

18.7 Post-Term Covenants

Upon termination or expiration of this Agreement, you shall comply with the post-term covenants not to compete set forth in Article 15.

18.8 Our Option to Purchase

Upon termination or expiration of this Agreement for any reason whatsoever, we or our designee shall have the option (but not the obligation) for a period of sixty (60) days from such termination or expiration to purchase all or a portion of your right, title and interest in the Franchised Business (including,

without limitation, inventory and supplies). If we or our designee elect to exercise this right to purchase, it will be for a purchase price (the "Purchase Price") equal to the lesser of: (i) the depreciated book value of all tangible assets in place and owned by you as of the date of our (or our designee's) exercise of such option; or (ii) the fair market value of all such assets as determined by the application of generally accepted accounting principles less the total of (a) the amount of any indebtedness remaining against or secured by any such assets; (b) the amount of any indebtedness or obligation owed by you to us, our affiliates, subsidiaries or designees; (c) the amount of any indebtedness or obligation for which you are or the Franchised Business is liable (directly or indirectly, contingently or otherwise) and for which we are or may become liable (directly or indirectly, contingently or otherwise) upon acquiring the Franchised Business or otherwise; and (d) all amounts advanced by us, or which we have paid, or which we have become obligated to pay, on your behalf for any reason whatsoever (including, without limitation, interim sums required to be advanced for operations prior to the date of our (or our designee's) exercise of the option granted in this Agreement).

18.8.1 If the parties cannot agree upon the Purchase Price within a reasonable time, an independent appraiser shall be designated by us, and his determination of the Purchase Price shall be binding on us and you. The cost of such appraisal shall be borne by you.

18.8.2 We (or our assignee) will pay the purchase price at the closing, which will take place not later than sixty (60) days after the purchase price is determined, although we (or our assignee) may decide after the purchase price is determined not to exercise our purchase option. At the closing, you agree to deliver instruments transferring to us (or our assignee): (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of the Business' licenses and permits which may be assigned or transferred.

18.8.3 If we exercise our option to purchase the Franchised Business, you agree fully to cooperate in effectuating such transaction and to use your best efforts to provide us and our designees with all such data and documentation as reasonably may be required to give effect to the purposes of this Section.

18.8.4 In the event we do not elect to exercise the foregoing option to purchase the Franchised Business, you shall immediately return to us all materials which bear any of the Marks, trade names or copyrighted material. You shall also destroy any and all materials not otherwise required to be returned to us in accordance with this Agreement or the Manual. Contemporaneously, you shall return to us all copies in your possession of materials and documents (including, among other things, the Manual, corporate records and files, correspondence, brochures, agreements, and disclosure statements) relating to the grant or operation of the Franchised Business.

18.8.5 With no requirement of further action from us, in the event we do not elect to exercise the foregoing option to purchase the Franchised Business, and do not approve your transfer or assignment of the Business, you shall immediately assign all clients' contracts and files to us, without any cost to us or compensation from us.

18.9 Discontinue Use; Modification

Upon expiration or termination, you shall immediately discontinue the use of each and every aspect of the Proprietary Properties, including the Marks and trade dress, including any custom designs on vehicles, advertisements, brochures, clothing, or any other article of commercial or other use, and Know How, and later shall no longer use or have the rights to use the Proprietary Properties, or any colorable or confusingly similar variations thereof, or any word, logo or figure similar to the Marks or Know How. In the event of expiration or termination, you will be responsible for the payment of all legal fees, court costs,

collection fees and interest incurred in enforcing this Agreement. In the event of any litigation between the parties hereto with respect to the subject matter hereof, the party in any such litigation in whose favor a judgment is entered shall be entitled to have and recover, and the other party agrees to pay, its reasonable attorneys' fees and expenses, in addition to any award to which may be otherwise entitled.

18.10 Liquidated Damages

If we terminate this Agreement with cause, you must pay us within fifteen (15) days of the effective date of termination liquidated damages equal to the average value of the Royalty Fees you paid or owed (per month) to us during the twelve (12) months before the termination multiplied by (i) twenty-four (24), being the number of months in two (2) full years, or (ii) the number of months remaining during the term of this Agreement, whichever is higher.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and your Principals agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

ARTICLE 19 **MODIFICATION OF SYSTEM**

19.1 You understand and agree that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other market place variables, and if it is to best serve the interests of us, you, and our network of all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System, including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer; modifying or substituting entirely the building, premises, vehicles, equipment, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe in this Agreement; and changing, improving, modifying or substituting the Proprietary Properties. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations; provided, however, that such changes shall not materially and unreasonably increase your obligations in this Agreement.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

19.2 We will not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in

any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, you expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

ARTICLE 20

DISPUTE RESOLUTION

20.1 Severability and Substitution of Valid Provisions

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto; otherwise upon your receipt of written notice of non-enforcement thereof from us. If any covenant in this Agreement which restricts competitive activity is deemed enforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, you and we agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to enter into a successor franchise agreement than is required in this Agreement, or the taking of some other action not required in this Agreement, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and we will have the right, in our sole discretion, to modify such invalid or enforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modification(s) to this Agreement shall be effective only in such jurisdiction, unless we elect to give it greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions. You agree to be bound by any such modification to this Agreement.

20.2 Waiver of Obligations

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of us or you to exercise any rights under this Agreement or to insist upon exact compliance by the other with its obligations in this Agreement; any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other Always An Angel Homecare Franchised Businesses; or the acceptance by us of any payments due from you after any breach of this Agreement.

Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) fires, strikes, embargoes, war or riot; or (5) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of Royalty Fees, Fund contributions, lease payments or other payments due then or after.

20.3 Injunctive Relief

Notwithstanding anything to the contrary contained in Section 20.6 of this Section, either party may institute in a court of competent jurisdiction an action or actions for temporary or preliminary injunctive relief; provided, however, that such party shall contemporaneously submit the dispute the arbitration on the merits in accordance with Section 20.6 of this Section. You agree that we may have such temporary or preliminary injunctive relief without bond, but upon due notice, and your sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

20.4 Rights of Parties are Cumulative

Our and your rights in this Agreement are cumulative and no exercise or enforcement by us or you of any right or remedy in this Agreement shall preclude your or our exercise or enforcement of any other right or remedy in this Agreement or which we or you are entitled by law to enforce.

20.5 Costs and Attorneys' Fees

If we incur expenses in connection with your failure to pay when due amounts to us, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, you shall reimburse us for any such costs and expenses which we incur, including but not limited to reasonable legal, arbitrator, accounting and related fees.

20.6 Arbitration and Litigation

20.6.1 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation, will be settled by binding arbitration in Putnam County, New York, under the authority of New York Statutes. The arbitrator(s) will have a minimum of five (5) years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the New York Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the New York Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the

pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

20.6.2 With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, you and your Principals hereby irrevocably submit themselves to the jurisdiction of the state courts of Putnam County, New York, and the federal district court for the district in which our headquarters is located. You and your Principals hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and your Principals hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by New York or federal law. You and your Principals further agree that venue for any proceeding relating to or arising out of this Agreement shall be Putnam County, New York; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any state or federal district court which has jurisdiction. With respect to all claims, controversies, disputes or actions related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under New York law.

20.6.3 You and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.6.2 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated for in good faith and are part of the benefit of the bargain reflected by this Agreement.

20.6.4 You and we acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in Putnam County, New York, and further acknowledge that your performance of certain obligations arising under this Agreement, including, but not limited to, the payment of monies due in this Agreement and the satisfaction of certain of our training requirements, shall occur in Putnam County, New York.

20.6.5 As to all disputes between our franchisees, or between our franchisees, we reserve the right, at any time, to create a dispute resolution program and related specifications, standards, procedures and rules for its implementation to be administered by us or our designees for the benefit of all franchisees conducting business under the System for the purpose of attempting to reach a resolution short of pursuing binding arbitration as required by this Agreement. The standards, specifications, procedures and rules for such dispute resolution program shall be made part of the Manual. If you have a claim, controversy or dispute relating to another franchisee, you agree to participate in the program and submit any such claims, controversies or disputes in accordance with the program's standards, specifications, procedures and rules, prior to seeking resolution of such claim by any other judicially or legally available means.

20.6.6 You and the Principals waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against us, our affiliates, and our respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, you and the Principals shall be limited to the recovery of any actual damages sustained by you. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing

provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

_____ [Please initial to acknowledge that you have read and understand this Section 20.6.6]

20.6.7 In the event any party is required to employ legal counsel or to incur other reasonable expenses to enforce any obligation of another party in this Agreement, or to defend against any claim, demand, action, or proceeding by reason of another party's failure to perform any obligation imposed upon such party by this Agreement, and provided that legal action is filed by or against the first party and such action or the settlement thereof establishes the other party's default in this Agreement, then the prevailing party shall be entitled to recover from the other party the amount of all reasonable attorneys' fees of such counsel and all other expenses reasonably incurred in enforcing such obligation or in defending against such claim, demand, action, or proceeding, whether incurred prior to, in preparation for, in contemplation of, or after, the filing of such action.

20.7 Governing Law

All matters relating to arbitration shall be governed by the Federal Arbitration Act. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the Franchise and the relationship of the parties shall be governed by the laws of the State of New York, without regard for its conflicts of laws principles. You and we each acknowledge and agree that this choice of applicable state law provides each of the parties with the mutual benefit of uniform interpretation of this Agreement. You expressly waive any rights or protections you have or may have under any statute or law of any other state to the fullest extent permitted by law. This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations.

20.8 Jurisdiction

With respect to actions described in Section 20.3 above and any other actions not subject to arbitration under Section 20.6 above, you and we agree that any action arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in a state or federal court of competent jurisdiction in the State of New York. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court.

20.9 Waiver of Punitive Damages

The parties waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages, except punitive or exemplary damages allowed under federal statute. The parties agree that, in the event of a dispute between them, the party making a claim shall be limited to recovery of any actual damages it sustains.

_____ [Please initial to acknowledge that you have read and understand this Section 20.9]

20.10 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.

_____ [Please initial to acknowledge that you have read and understand this Section 20.10]

20.11 You May Not Withhold Payments

You agree that you will not, on grounds of the alleged nonperformance by us of any of our obligations in this Agreement, withhold payment of any Royalty Fees, amounts due to us for purchases by you or any other amounts due to us.

20.12 Binding Effect

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Subject to our right to modify the Manual, this Agreement shall not be modified except by written agreement signed by you and us.

20.13 Limitations of Claims

Any and all claims, except claims for monies due us, arising out of or relating to this Agreement or the relationship among the parties hereto shall be barred unless an action or legal or arbitration proceeding is commenced within one (1) year from the date you or we knew or should have known of the facts giving rise to such claims.

20.14 Construction

The preambles and attachments are a part of this Agreement which, together with the Manual, constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. The term “Franchisee” as used in this Agreement is applicable to one or more persons, a corporation, limited liability company or a partnership, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee in this Agreement, their obligations and liabilities to us shall be joint and several. References to “Franchisee” and “transferee” which are applicable to an individual or individuals shall include the principals of the Franchisee or the transferee, if Franchisee or the transferee is a corporation, limited liability company or partnership. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any action or request by you, we have the absolute right to refuse any request by you or to withhold our approval of any action by you that requires our approval. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

20.15 Withholding Consent

In no event will you make any claim, whether directly, by way of setoff, counterclaim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by us. Your sole remedy for any such claim is to submit it to arbitration as described in this Agreement and for the arbitrator to order us to grant such consent.

ARTICLE 21 **GENERAL PROVISIONS**

21.1 Relationship

You and we agree that there does not exist any fiduciary, trust or similar relationship between us, that the relationship between you and us is a normal commercial relationship between independent

businesspeople intended for mutual but independent economic benefit, and is not in any sense nor is intended to be a fiduciary, trust or similar relationship.

21.2 Acknowledgments

You acknowledge the truthfulness of the statements in Attachment 5 hereto. Your acknowledgments are an inducement for us to enter into this Agreement. You shall immediately notify us, prior to acknowledgment, if any statement in Attachment 5 is incomplete or incorrect.

21.3 Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified mail, return receipt requested, or dispatched by overnight delivery envelope, to the respective parties at the addresses set forth in the introductory paragraph unless and until a different address has been designated by written notice to the other party. Any notice sent by certified mail shall be deemed to have been given at the date and time of mailing.

21.4 Gender

Reference to Franchisee as male, female, or no gender shall include male or female franchisee, general or limited partnership, joint venture, corporation, limited liability company, trust, or any other association or business entity, as relevant in the context.

21.5 Headings

Headings and captions contained in this Agreement are for convenience of reference only and shall not be taken into account in construing or interpreting this Agreement.

21.6 References

Any reference in this Agreement to any paragraph or other part of this Agreement shall be deemed to include a reference to every subordinate part and/or subparagraph thereof.

21.7 Time of the Essence

It is acknowledged and agreed by both parties that any delay in the performance of its obligations in this Agreement would irreparably and irrevocably injure the other party in the conduct of its business and the value of its property. The parties therefore agree that time is of the essence of this Agreement. Except as otherwise specifically permitted in this Agreement, no extension of time shall be implied, nor any delay allowed, in the timely and complete performance of all covenants in this Agreement contained.

21.8 Survival of Terms

Each provision of this Article 21 and those provisions in this Agreement above provided relating to covenants against post-termination/expiration use of the Marks, Know How and Copyrights will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of it) for any reason, will survive and will govern any claim for rescission or otherwise. Each provision of this Agreement will be construed as independent of, and severable from, every other provision; provided that if any part of this Agreement is deemed unlawful in any way, the parties agree that such provision will be deemed interpreted and/or modified to the minimum extent necessary to make such provision lawful or, if such construction is not permitted or available, the remainder of this Agreement will continue in full force and effect. Each party reserves the right to challenge any law,

rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement.

ARTICLE 22
SUBMISSION OF AGREEMENT

The submission of this Franchise Agreement to you does not itself constitute an offer to sell a franchise. This Franchise Agreement is effective only after you and we execute it.

I HAVE READ THIS AGREEMENT AND I AGREE TO AND ACCEPT EACH AND ALL OF ITS PROVISIONS.

FRANCHISEE:

FRANCHISOR:

ALWAYS AN ANGEL FRANCHISING, INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Date: _____

PRINCIPALS:

Name: _____

Name: _____

ATTACHMENT 1 TO THE FRANCHISE AGREEMENT

APPROVED LOCATION OF FRANCHISE; DESIGNATED TERRITORY

The Approved Location of the Franchised Business shall be:

The Designated Territory of the Franchised Business shall be:

FRANCHISEE:

FRANCHISOR:

ALWAYS AN ANGEL FRANCHISING, INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____

ATTACHMENT 2 TO THE FRANCHISE AGREEMENT

EMPLOYEE NON-COMPETITION AND NON-DISCLOSURE AGREEMENT

This Agreement is made this day of _____, by and between Always An Angel Franchising, Inc. (the "Company"), with its principal place of business at 21 Peekskill Hollow Road, Suite 204, Putnam Valley, New York, 10579; _____, a franchisee of the Company, with its principal place of business at _____ ("Employer"); and _____, an individual, residing at _____ ("Employee").

The Company sells franchises operating under the "Always An Angel Homecare" Marks, Know How and Copyrights. Such franchises provide the public with affordable, non-medical care by compassionate and dependable caregivers.

The Company has expended considerable time, effort and expense to acquire knowledge and experience in the business of marketing its services to the general public and commercial enterprises. Furthermore, the Company has developed a system for performing the services in a timely and efficient manner. The System is operated according to certain confidential and proprietary procedures which include: its customer lists, methods of doing business, methods of providing the services, distinctive trade name and logo, proprietary formats, equipment requirements, copyrighted advertising campaigns and materials, uniforms and other items used in operating procedures and certain business techniques, including procedures and instructions set forth in the Company's operations and procedures manual, software, financial data, instructional materials and training programs, research and development, product and service development plans and trade secrets and intellectual property (collectively, the "Confidential Information").

During the course of employment with Employer, Employee has been or will be exposed to and become familiar with various aspects of concepts, designs, procedures, processes and other Confidential Information proprietary to the Company and Employer, and will continue to gain such exposure to and familiarity with such information while employed by Employer. The Company and Employer desire to be assured by Employee that any such information gained during employment with Employer will be regarded as proprietary information and will not be disclosed to any third parties during or after employment, and that Employee will not compete with Employer, the Company or its affiliates.

In consideration of the employment of Employee by Employer, the compensation of Employee by Employer during the duration of employment, the use and enjoyment by Employee of Employer's facilities and equipment, the disclosure to Employee of Employer's confidential and proprietary information, the opportunity for Employee to serve Employer's clients and customers, and the mutual covenants contained in this Agreement, the parties agree:

1. **Confidentiality.** Employee recognizes and acknowledges that during the course of his or her employment, he or she will have access to certain Confidential Information not generally known to the public relating to the services, sales or business of Employer and the Company. Employee recognizes and acknowledges that this Confidential Information constitutes a valuable, special and unique asset of Employer and the Company, access to and knowledge of which are essential to the performance of Employee's duties. Employee acknowledges and agrees that all such Confidential Information including, without limitation that which Employee conceives or develops, either alone or with others, at any time during his or her employment by Employer, is and shall remain the exclusive property of the Company.

2. **Non-disclosure.** Employee agrees that, except as directed by Employer or the Company, Employee will not at any time, whether during or after employment with Employer, use or disclose to any

person for any purpose other than for the benefit of Employer or the Company any Confidential Information, or permit any person to use, examine and/or make copies of any documents, files, data or other information sources which contain or are derived from Confidential Information, whether prepared by Employee or otherwise coming into the Employee's possession or control, without the prior written permission of Employer.

3. Company Materials. Employee will safeguard and return to Employer upon termination of Employee's employment with Employer, or sooner if Employer so requests, all documents and property in Employee's care, custody or control relating to his or her employment or Employer's or the Company's business, including, without limitation, any documents that contain the Confidential Information.

4. Other Employment While Employed by Employer. While employed by Employer, Employee shall not do work that competes with or relates to any of Employer's or the Company's products or activities without first obtaining Employer's written permission. Any business opportunities related to Employer's or the Company's business that Employee learns of or obtains while employed by Employer (whether or not during working hours) shall belong to Employer.

5. Non-competition After Employment by Employer Ends. For a period of two (2) years after Employee's employment by Employer terminates, Employee will not, directly or indirectly, within twenty-five (25) miles of any Always An Angel Homecare Business: (a) sell, market or propose to sell or market the services that compete or will compete with the Employer's or Company's then-existing business, or (b) become an employee, employer, consultant, officer, director, partner, trustee or shareholder of more than five percent (5%) of the outstanding common stock of, or provide services or information to any person or entity that sells, markets or proposes to sell or market the services performed by the Company.

6. Saving Provision. The parties agree and stipulate that the agreements and covenants not to compete contained in the preceding paragraph, including the scope of the restricted activities described in this Agreement and the duration and geographic extent of such restrictions, are fair and reasonably necessary for the protection of Confidential Information, goodwill, and other protectable interests, in light of all of the facts and circumstances of the relationship between the Company, Employee and Employer. In the event a court of competent jurisdiction should decline to enforce any provision of the preceding paragraph, such paragraph shall be deemed to be modified to restrict Employee's competition to the maximum extent, in both time and geography, which the court shall find enforceable.

7. No Guarantee of Employment. This Agreement does not constitute a guarantee of continued employment. Employee's employment is terminable at any time by Employer or Employee, with or without cause or prior notice, unless otherwise provided in a written employment agreement.

8. No Conflicting Agreements. Employee is not a party to any agreements, such as confidentiality or non-competition agreements, that limit Employee's ability to perform his or her duties for Employer.

9. Injunctive Relief. The Employee acknowledges that disclosure of any Confidential Information or breach or threatened breach of any of the non-competition and non-disclosure covenants or other agreements contained in this Agreement would give rise to irreparable injury to Employer or the Company, which injury would be inadequately compensable in money damages. Accordingly, Employer or the Company, at its sole discretion, may seek and obtain injunctive relief from the breach or threatened breach of any provision, requirement or covenant of this Agreement, in addition to and not in limitation of any other legal remedies which may be available. Employee further acknowledges, agrees and stipulates that, in the event of the termination of employment with the Employer, the Employee's experience and capabilities are such that the Employee can obtain employment in business activities which are of a different

and non-competing nature with his or her activities as an employee of Employer; and that the enforcement of a remedy in this Agreement by way of injunction will not prevent the Employee from earning a reasonable livelihood. Employee further acknowledges and agrees that the covenants contained in this Agreement are necessary to protect the legitimate business interests of Employer and the Company and are reasonable in scope and content.

10. Enforcement. The provisions of this Agreement shall be enforceable notwithstanding the existence of any claim or cause of action against the Company, Employer by Employee, whether predicated on this Agreement or otherwise.

11. Governing Law. The Agreement shall be construed in accordance with the internal laws of the State of New York. The parties hereto agree to personal jurisdiction in the State of New York. Employee's obligations under this Agreement supplement and do not supersede the obligations imposed on Employee by the laws of the State of New York and the United States of America.

12. Legal Expense. In any suit, proceeding or action to enforce any term, condition or covenant of this Agreement or to procure an adjudication or determination of the rights of the Company, Employer or Employee, the prevailing party shall be entitled to recover from the other party reasonable sums as attorneys' fees and costs and expenses in connection with such suit, proceeding or action, including any appeal, which sums shall be included in any judgment or decree entered in this Agreement.

13. Waiver of Breach. The waiver of any breach of any provision of this Agreement or failure to enforce any provision hereof shall not operate or be construed as a waiver of any subsequent breach by any party.

DATED this day of _____.

EMPLOYEE:

Name: _____

EMPLOYER:

By: _____

Its: _____

THE COMPANY:

ALWAYS AN ANGEL FRANCHISING, INC.

By: _____

Its: _____

ATTACHMENT 3 TO THE FRANCHISE AGREEMENT

INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT (the “Agreement”) is made and entered into this day of _____ (the “Effective Date”) by and between Always An Angel Franchising, Inc., a New York corporation (the “Franchisor”), and _____, a _____ (the “Franchisee”).

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for an Always An Angel Homecare business (“Franchise Agreement”) which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, and use telephone listings linked to the Always An Angel Homecare brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. Internet Advertising and Telephone Accounts

2.1 Interest in Websites, Social Media Accounts and Other Electronic Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, “Electronic Advertising”) related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media companies, and other listing agencies (collectively, the “Internet Companies”) with which Franchisee has Electronic Advertising: (i) to transfer all of Franchisee’s interest in such Electronic Advertising to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic

Advertising, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising or will take such other actions with respect to the Electronic Advertising as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Listings: (i) to transfer all Franchisee’s interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee’s interest in and to the Electronic Advertising to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising;

2.4.2 Direct the Telephone Companies to transfer all Franchisee’s interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee’s interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor’s written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee’s interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 **Release.** Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 **Indemnification.** Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 **No Duty.** The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 **Further Assurances.** Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 **Successors, Assigns, and Affiliates.** All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 **Effect on Other Agreements.** Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 **Survival.** This Agreement shall survive the Termination of the Franchise Agreement.

3.8 **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of New York, without regard to the application of New York conflict of law rules.

-Remainder of Page Intentionally Blank-

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISEE:

FRANCHISOR:

ALWAYS AN ANGEL FRANCHISING, INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

PRINCIPALS:

Name: _____

Name: _____

ATTACHMENT 4 TO THE FRANCHISE AGREEMENT

SPOUSAL GUARANTY

This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on _____ (the “Effective Date”), to Always An Angel Franchising, Inc., a New York corporation (“Franchisor”), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the “Franchise Agreement”) with _____, a(n) _____, _____ and _____ (collectively “Franchisee”).

Guarantor acknowledges that Guarantor is the spouse of Franchisee’s Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Articles 14 and 15 of the Franchise Agreement (“Guaranteed Obligations”). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor’s rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

Signature

Name:_____

Address:_____

ATTACHMENT 5 TO THE FRANCHISE AGREEMENT

FRANCHISEE ACKNOWLEDGMENT STATEMENT

You hereby acknowledge the following:

1. You have conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. You further acknowledge that, except as may be set forth in our Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to you by us and you and any and all Principals hereby waive any claim against us for any business failure you may experience as a franchisee under this Agreement.

Initial

2. You have conducted an independent investigation of the business contemplated by this Agreement and understand and acknowledge that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of you and your efforts as an independent business operation.

Initial

3. You agree that no claims of success or failure have been made to you prior to signing the Franchise Agreement and that you understand all the terms and conditions of the Franchise Agreement. You further acknowledge that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. You have no knowledge of any representations by us or our officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. You acknowledge that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. You represent, as an inducement to our entry into this Agreement, that you have made no misrepresentations in obtaining the Franchise Agreement.

Initial

5. You expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

Initial

6. You acknowledge that our approval or acceptance of your Franchised Business' location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by us that the operation of the Franchised Business at the premises will be successful or profitable.

Initial

7. You acknowledge that you have received the Always An Angel Franchising, Inc. Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. You further acknowledge that you have read such Franchise Disclosure Document and understand its contents.

Initial

8. You acknowledge that you have had ample opportunity to consult with your own attorneys, accountants and other advisors and that the attorneys for us have not advised or represented you with respect to the Franchise Agreement or the relationship thereby created.

Initial

9. You, together with your advisers, have sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

Initial

10. You are aware of the fact that other present or future franchisees of ours may operate under different forms of agreement(s), and consequently that our obligations and rights with respect to our various franchisees may differ materially in certain circumstances.

Initial

11. It is recognized by the parties that we are also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that we do not warrant that such products will not be sold within your Designated Territory by others who may have purchased such products from us.

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, YOU AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF YOUR AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE ALWAYS AN ANGEL FRANCHISING, INC., LIVING WATERS USA INC., ALWAYS AN ANGEL LICENSED HOMECARE, LLC AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

Initial

Acknowledged this day of _____.

PRINCIPAL:

FRANCHISEE:

Signature

Name: _____

By: _____

Name: _____

Title: _____

ATTACHMENT 6 TO THE FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

**AUTHORIZATION TO HONOR CHARGES DRAWN BY AND
PAYABLE TO ALWAYS AN ANGEL FRANCHISING, INC. ("COMPANY")**

Depositor hereby authorizes and requests _____ (the "Depository") to initiate debit and credit entries to Depositor's ☐ checking or ☐ savings account (select one) indicated below drawn by and payable to the order of Always An Angel Franchising, Inc. by Electronic Funds Transfer, provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depository's rights with respect to each such charge shall be the same as if it were a check drawn by the Depository and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository shall be under no liability whatsoever.

Depository Name: _____

City: _____ State: _____ Zip Code: _____

Transit/ABA Number: _____ Account Number: _____

This authority is to remain in full force and effect until Company has received written notification from me (or either of us) of its termination in such time and in such manner to afford Company and Depository a responsible opportunity to act on such request.

Depositor: (Please Print)

Date Signed

Signature(s) of Depositor, as Printed Above

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

EXHIBIT D TO DISCLOSURE DOCUMENT
MULTI-UNIT DEVELOPMENT AGREEMENT

ALWAYS AN ANGEL FRANCHISING, INC.

MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPER

DATE

TABLE OF CONTENTS

ARTICLE 1	2
DEVELOPMENT RIGHTS AND OBLIGATIONS	2
ARTICLE 2	2
GRANT OF FRANCHISES TO YOU; TERM	2
ARTICLE 3	3
DEVELOPMENT FEE	3
ARTICLE 4	4
TERMINATION BY US	4
ARTICLE 5	4
EFFECT OF TERMINATION AND EXPIRATION	4
ARTICLE 6	5
ASSIGNMENT	5
ARTICLE 7	6
ENFORCEMENT	6
ARTICLE 8	8
DISPUTE RESOLUTION; GOVERNING LAW	8
ARTICLE 9	10
INDEPENDENT CONTRACTORS; INDEMNIFICATION	10
ARTICLE 10	11
NOTICES	11
ARTICLE 11	11
ACKNOWLEDGMENTS	11

ATTACHMENTS

- 1 – Acknowledgments by Multi-Unit Developer
- 2 – Development Fee and Minimum Development Schedule
- 3 – Development Area

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, by and between Always An Angel Franchising, Inc., a New York corporation, with its principal office at 21 Peekskill Hollow Road, Suite 204, Putnam Valley, New York, 10579 (“we”, “us” or “our”), and _____, an individual, residing at _____ (“you” or “your”).

W I T N E S S E T H:

WHEREAS, we have developed a system of uniform standards, methods, marketing, and advertising for the operation of businesses (the “Business” or “Franchised Business”) that will provide the public with affordable, in-home care by compassionate and dependable caregivers (the “Products and Services”), and includes management programs, standards, service programs, business methods, product specifications and Marks and information (the “System”) using the trade name, trademarks and service marks of “Always An Angel” and “Always An Angel Homecare”, together with any other trade names, trademarks and services marks that we designate for use with the System (collectively, the “Marks” or “Proprietary Marks”); and

WHEREAS, in addition to the service marks “Always An Angel”, “Always An Angel Homecare” and certain other Proprietary Marks, the distinguishing characteristics of the System include, among other things, uniform standards and procedures for efficient business operations; procedures and strategies for marketing, advertising and promotion; customer service and development techniques; distinctive interior and exterior design, layout and décor; other strategies, techniques and trade secrets; and the Confidential Operations Manual (the “Manual”); and

WHEREAS, you wish to obtain the rights and license from us for the use of our System and Proprietary Marks and, in association therewith, to own and operate multiple Businesses in the area described in Attachment 3 attached hereto (hereinafter referred to as the “Development Area”), each such Business to be operated pursuant to a separate Franchise Agreement, and you understand and accept the terms, conditions and covenants set forth herein as those which are reasonably necessary to maintain our high and uniform standards of quality and service in order to protect the goodwill and enhance the public image of the System and the Proprietary Marks; and

WHEREAS, you acknowledge that this Agreement only grants you the right to develop Businesses within the Development Area and does not grant you the right or authorize you to use the System or the Proprietary Marks, which rights are only granted under the Franchise Agreement; and

WHEREAS, you acknowledge that you have read this Agreement and our Disclosure Document and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at all Businesses in order to protect and preserve the goodwill of the Marks;

WHEREAS, we expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement. You acknowledge that you have not received or relied on any representations, written or oral, about the franchise by us, or our officers, directors, employees or agents, that are contrary to the statements made in our Disclosure Document or to the terms herein, and further represent to us, as an inducement to our entry into this Agreement, that you have made no misrepresentations, written or oral, to us in the application for the development rights granted hereunder.

ARTICLE 1

DEVELOPMENT RIGHTS AND OBLIGATIONS

1.1 Subject to the provisions contained herein, this Agreement shall be for a term commencing on the date hereof and expiring on the last day of the last development period as defined in Attachment 2 attached hereto and incorporated herein by reference ("Minimum Development Schedule").

1.2 Except as expressly limited by this Agreement, we retain the right, in our sole discretion and without granting any rights to you: (a) to produce, offer and sell and to grant others the right to produce, offer and sell the products and services offered at the Franchised Business and any other goods and services through similar or dissimilar channels of distribution, both within and outside the Development Area, under the Marks and other trade and service marks and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate Businesses located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to your Businesses; and (c) the right to acquire and operate a business operating one or more homecare businesses located or operating in your Development Area.

1.3 Provided you: (a) are in full compliance with the terms and conditions contained in this Agreement, including, without limitation, the development obligations contained in Section 1.4; and (b) are in full compliance with all obligations under all Franchise Agreements heretofore or hereafter entered into with us; then during the Minimum Development Schedule, we: (i) will grant to you, in accordance with the provisions of Article 2 hereof, franchises for the ownership and operation of Businesses located within the Development Area; and (ii) will not operate (directly or through an affiliate), nor grant a franchise for the operation of, any Business to be located within the Development Area, except such franchises as are granted to you.

1.4 You agree, during the term of this Agreement, that you will at all times faithfully, honestly and diligently perform your obligations hereunder and that you will continuously exert your best efforts to promote and enhance the development of Businesses within the Development Area. Without limiting the foregoing obligation, you agree to have signed leases within the Development Area for the cumulative number of Businesses at the end of each development period set forth in the Minimum Development Schedule on Attachment 2 hereof and to have each such Business open and operating in accordance with the timeframes set forth in the Minimum Development Schedule. You further agree that no Business may be opened for business unless and until a Franchise Agreement for such Business has been fully executed and the initial franchise fee for such Business has been paid in full. If you fail at any time to meet any development period in the Minimum Development Schedule, we shall have the right to terminate this Agreement by delivering a notice to you stating that we elect to terminate this Agreement as a result of such failure. Such termination shall be effective upon delivery of such notice of termination. Our right to terminate this Agreement shall be our sole and exclusive remedy for your failure to meet the Minimum Development Schedule.

1.5 You acknowledge and understand that this Agreement does not confer upon you any right to use the System or the Proprietary Marks, which right may only be granted pursuant to a Franchise Agreement with us.

ARTICLE 2

GRANT OF FRANCHISES TO YOU; TERM

2.1 Subject to the provisions of Article 1 hereof, we agree to grant franchises to you for the operation of Businesses located within the Development Area, subject to the following: You shall submit

to us a complete site report (containing such demographic, commercial, and other information and photographs as we may reasonably require) for each site at which you propose to establish and operate a Business and which you reasonably believe to conform to site selection criteria established by us from time to time. Such proposed site shall be subject to our prior written approval, which will not be unreasonably withheld. In approving or disapproving any proposed site, we will consider such matters as we deem material, including, without limitation, demographic characteristics of the proposed site, traffic patterns, density of population, and other commercial characteristics (including the purchase price or rental obligations and other lease terms for the proposed site) and the size of premises, appearance, and other physical characteristics.

2.2 By delivery of written notice to you, we will approve or disapprove sites proposed by you for the operation of a Business. We agree to exert our best efforts to deliver such notification to you within thirty (30) days of receipt by us of the complete site reports and other materials requested by us, containing all information reasonably required by us. If you shall have failed to obtain lawful possession of any approved site (through acquisition, lease, or sublease) within thirty (30) days after delivery of our approval thereof, we may, in our sole discretion, withdraw approval of such site.

2.3 Provided you shall have obtained lawful possession of any approved site, we shall offer to you a franchise to operate a Business at such approved site by delivering to you a Franchise Agreement in form for execution by you. Such Franchise Agreement shall be executed by you and returned to us within fifteen (15) days of our delivery thereof, together with payment of the balance of the initial franchise fee due. If you fail to execute such Franchise Agreement as above provided, we may, at our sole discretion, terminate our offer to grant to you a franchise to operate a Business at such approved site and withdraw our approval of such site.

2.4 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all development rights granted hereunder shall expire on the date the last Business is opened pursuant to the Minimum Development Schedule established in Attachment 2.

2.5 Upon completion of the Minimum Development Schedule, if we determine that it is desirable to operate one or more additional Businesses in the Development Area, and provided you have timely complied with the Minimum Development Schedule and are then in compliance with all terms and conditions of all Franchise Agreements, you shall have a right of first refusal to obtain the development rights to such additional Businesses upon such reasonable terms and conditions as are then determined by us including, but not limited to, the imposition of a new Development Fee and the payment of the then-current initial franchise fees upon execution of the then-current Franchise Agreements. In such case, we shall advise you in writing of the terms and conditions for the acquisition of the development rights for such additional Businesses. You must notify us in writing within sixty (60) days of the receipt of such notice whether you wish to acquire the development rights to such additional Businesses. If you do not exercise this right of first refusal, in whole, we may, following the expiration of the sixty (60) day period, grant the development rights to such additional Businesses to any other person or persons on the same terms and conditions or we may elect to develop and construct any of such additional Businesses.

ARTICLE 3

DEVELOPMENT FEE

Concurrently with the execution of this Agreement, unless otherwise indicated on Attachment 2 hereof, you shall pay to us the sum set forth in Section 1 of Attachment 2 hereof as a non-refundable Development Fee, which shall be deemed fully earned by us upon execution of this Agreement. For the first Business to be developed hereunder, you shall execute the Franchise Agreement for such Business and a portion of the Development Fee will be used to pay the initial franchise fee in full. For each additional

Business to be developed hereunder, a *pro rata* portion of the Development Fee will be applied toward the initial franchise fee due, and the balance of the initial franchise fee is payable when the Franchise Agreement for such Business is executed.

ARTICLE 4 **TERMINATION BY US**

In addition to our right to terminate under Section 1.4 hereof, we shall have the right to terminate this Agreement by delivering a notice to you stating that we elect to terminate this Agreement as a result of any of the breaches set forth below. Such termination shall be effective upon delivery of such notice of termination or, if applicable, upon failure to cure (to our satisfaction) any such breach by the expiration of any period of time within which such breach may be cured in accordance with the provisions set forth below. It shall be a material breach of this Agreement if:

- (a) you make an unauthorized assignment or transfer of this Agreement;
- (b) you have made any material misrepresentation or omission in your application for the development rights conferred by this Agreement or are convicted of or plead no contest to a felony or other crime or offense that may adversely affect the goodwill associated with the Proprietary Marks;
- (c) you fail to comply with any other provision of this Agreement;
- (d) you fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not such failures to comply are corrected after notice thereof is delivered to you;
- (e) we have delivered a notice of termination of a Franchise Agreement in accordance with its terms and conditions as defined in such agreement; or
- (f) you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

You shall have the right to cure a breach under Paragraph (c) within thirty (30) days after delivery of our notice of termination.

ARTICLE 5 **EFFECT OF TERMINATION AND EXPIRATION**

5.1 All of our and your obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire.

5.2 Upon termination, transfer, or expiration of this Agreement, you agree that for a period of two (2) years, commencing on the effective date of expiration, transfer, or termination of this Agreement, you will not have any interest as an owner, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Business that offers products or services similar to those offered at the Business located or operating within the Development Area or within twenty-five (25) miles of any Business in the System, except for Businesses operated under Franchise Agreements granted by us to you and the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent less than five percent (5%) of that class of securities.

ARTICLE 6 **ASSIGNMENT**

6.1 We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "Always An Angel Franchising, Inc." as Franchisor. Nothing contained in this Agreement shall require us to remain in the same business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

6.2 You understand and acknowledge that the rights and duties created by this Agreement are personal to you and that we have granted this Agreement in reliance upon the individual character, skill, aptitude, attitude, business ability, and financial capacity of you. Therefore, this Agreement may not be voluntarily, involuntarily, directly or indirectly, assigned, sold, subdivided, subfranchised, or otherwise transferred by you without our prior written approval, which approval may not be unreasonably withheld or delayed. Any such assignment or transfer without such approval shall constitute a breach hereof and shall convey no rights to or interest in this Agreement to such assignee. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

(a) All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

(b) All ascertained or liquidated debts of you to us or our affiliated or subsidiary corporations are paid.

(c) You are not in default hereunder.

(d) We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

(e) Transferee executes our standard form of Multi-Unit Development Agreement and, in appropriate circumstances, causes all necessary parties to execute the Franchise Agreements for all Businesses open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit developers on the date of transfer.

(f) You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us.

(g) You pay to us a transfer fee to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee. The transfer fee payable hereunder shall be as follows: (i) if the transfer is to a new franchisee for the System, the transfer fee shall be equal to fifty percent (50%) of our then-current initial franchise fee plus any applicable broker fees; or (ii) if the transfer is to an existing franchisee in the System, the transfer fee shall be equal to twenty-five percent (25%) of our then-current initial franchise fee plus any applicable broker fees.

6.3 If the proposed transfer is a transfer between the existing principals hereunder, or if you wish to add a new principal, then you shall submit to us, in writing, a request for our approval of the proposed transfer among principals or to a new principal together with any information we require in order to evaluate the proposed transfer, including, without limitation, financial and other information relating to the proposed transferee. Our approval of your request will not be unreasonably withheld. If you are requesting to add a principal, the proposed new principal must meet our criteria, including financial capability and that the new principal must not be participating in a competing business. If we approve the addition of a new principal, such new principal agrees to be individually bound by the obligations and covenants set forth herein and shall execute any documents we may require to enforce such obligations and covenants.

6.4 Upon your death or disability, all of your interest in this Agreement shall be transferred to a transferee approved by us. Such disposition of this Agreement, including, without limitation, transfer by bequest or inheritance, shall be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and shall be subject to terms and conditions substantially similar to those applicable to transfers contained in this Article 6. Failure to so transfer the interest in this Agreement within said period of time shall constitute a breach of this Agreement.

ARTICLE 7

ENFORCEMENT

7.1 To the extent that Section 5.2 is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, or length of time, but may be made enforceable by reductions of any or all thereof, you and we agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought.

7.2 If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and we shall have the right, in our sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. You agree to be bound by any promise or covenant imposing the maximum duty permitted

by law which 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 any specification, standard or operating procedure prescribed by us, any portion or portions which a court may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such court order. Such modifications to this Agreement shall be effective only in such jurisdiction unless we elect to give them greater applicability and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

7.3 We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request therefor, and such approval shall be obtained in writing.

7.4 We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you by granting any waiver, approval, or consent to you, or by reason of any neglect, delay, or denial of any request therefor. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to our continuing review, and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice.

7.5 We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to determine this Agreement prior to the expiration of its term) by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal, or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure, or omission by us to exercise any right, power, or option, whether of the same, similar or different nature, with respect to any Business or any development or franchise agreements therefor; any grant of a Franchise Agreement to you; or the acceptance by us of any payment from you after any breach of this Agreement.

7.6 Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) compliance with any law, ruling, order, regulation, requirement, or instruction of any federal, state, or municipal government or any department or agency thereof; (2) acts of God; (3) acts or omissions of the other party; (4) fires, strikes, embargoes, war, or riot; or (5) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

7.7 Nothing herein contained shall bar our right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause us loss or damages under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law.

7.8 Our and your rights hereunder are cumulative and no exercise or enforcement by us or you of any right or remedy hereunder shall preclude the exercise or enforcement by us or you of any other right or remedy hereunder or which we or you are entitled by law or equity to enforce.

7.9 This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest, and shall not be modified except by written agreement signed by both you and us.

7.10 The preambles and attachments are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us.

7.11 Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

7.12 The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

7.13 The term “Multi-Unit Developer” as used herein is applicable to one (1) or more persons, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two (2) or more persons are at any time Multi-Unit Developer hereunder, their obligations and liabilities to us shall be joint and several. References to “Multi-Unit Developer” and “assignee” are applicable to an individual or individuals.

7.14 This Agreement may be executed in multiple copies, each of which shall be deemed an original.

7.15 Time is of the essence of this Agreement.

ARTICLE 8

DISPUTE RESOLUTION; GOVERNING LAW

8.1 (a) Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation will be settled by binding arbitration in Putnam County, New York, under the authority of New York Statutes. The arbitrator(s) will have a minimum of five (5) years of experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the New York Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the New York Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

(b) With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, you hereby irrevocably submit yourself to the jurisdiction of the state courts of Putnam County, New York, and the federal district court for the district in which our headquarters is located. You hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You hereby agree that service of process may be made upon you in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by New York or federal law. You further agree that venue for any proceeding relating to

or arising out of this Agreement shall be Putnam County, New York; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any state or federal district court which has jurisdiction. With respect to all claims, controversies, disputes or actions related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under New York law.

(c) You and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 8.1(b) above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. You and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated for in good faith and are part of the benefit of the bargain reflected by this Agreement.

8.2 Each party irrevocably waives trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

_____ [Please initial to acknowledge that you have read and understand this Section 8.2]

8.3 You waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against us, our affiliates, and our respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, you shall be limited to the recovery of any actual damages sustained by you. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

_____ [Please initial to acknowledge that you have read and understand this Section 8.3]

8.4 With respect to actions described in Section 7.7 above and any other actions not subject to arbitration under Section 8.1 above, you and we agree that any action arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in a state or federal court of competent jurisdiction in the State of New York. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court.

8.5 Any and all claims, except claims for monies due us, arising out of or relating to this Agreement or the relationship among the parties hereto shall be barred unless an action or legal or arbitration proceeding is commenced within one (1) year from the date you or we knew or should have known of the facts giving rise to such claims.

8.6 In no event will you make any claim, whether directly, by way of setoff, counter-claim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by us. Your sole remedy for any such claim is to submit it to arbitration as described in this Agreement and for the arbitrator to order us to grant such consent.

8.7 Each provision of this Article 8, together with the provisions of Article 7, will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration,

termination, setting aside, cancellation, rescission, unenforceability or otherwise of this Agreement (or any part of it) for any reason, will survive and will govern any claim for rescission or otherwise. Each provision of this Agreement will be construed as independent of, and severable from, every other provision; provided that if any part of this Agreement is deemed unlawful in any way, the parties agree that such provision will be deemed interpreted and/or modified to the minimum extent necessary to make such provision lawful or, if such construction is not permitted or available, the remainder of this Agreement will continue in full force and effect. Each party reserves the right to challenge any law, rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement.

8.8 In the event any party is required to employ legal counsel or to incur other reasonable expenses to enforce any obligation of another party in this Agreement, or to defend against any claim, demand, action, or proceeding by reason of another party's failure to perform any obligation imposed upon such party by this Agreement, and provided that legal action is filed by or against the first party and such action or the settlement thereof establishes the other party's default in this Agreement, then the prevailing party shall be entitled to recover from the other party the amount of all reasonable attorneys' fees of such counsel and all other expenses reasonably incurred in enforcing such obligation or in defending against such claim, demand, action, or proceeding, whether incurred prior to, in preparation for, in contemplation of, or after, the filing of such action.

8.9 To the extent not inconsistent with applicable law, this Agreement and the offer or sale of this Agreement shall be governed by the substantive laws (and expressly excluding the choice of law) of the State of New York.

8.10 You and we agree that any action arising out of or relating to this Agreement (including, without limitation, the offer and sale of this Agreement) shall be instituted and maintained only in a state or federal court of general jurisdiction in the State of New York, and you irrevocably submit to the jurisdiction of such court and waive any objection you may have to either the jurisdiction or venue of such court.

ARTICLE 9

INDEPENDENT CONTRACTORS; INDEMNIFICATION

9.1 The parties acknowledge and agree that you shall be an independent contractor and this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. You understand and agree that you are and will be an independent contractor under this Agreement. Nothing in this Agreement may be interpreted as creating a partnership, joint venture, agency, employment or fiduciary relationship of any kind. Your employees are not our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or by implication, shall be considered our employee for any purpose, regardless of inclusion in mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or terminate the employment of your employees. You expressly agree, and will never claim otherwise, that our authority under this Agreement to determine that certain of your employees are qualified to perform certain tasks for you does not directly or indirectly vest in us the power to influence the employment terms of any such employee.

You agree that you alone are to exercise day-to-day control over all operations, activities and elements of your business, and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never claim otherwise, that the various restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement,

whether set forth in our Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Franchised Business.

9.2 During the term of this Agreement, you shall hold yourself out to the public as an independent contractor conducting your operations pursuant to the rights granted by us. You agree to take such action as shall be reasonably necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place on any premises established for the purposes hereunder and on all letterhead, business cards, forms, and as further described in the Manual. We reserve the right to specify in writing the content and form of such notice.

You acknowledge and agree that any training we provide for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of an Always An Angel Homecare Business and in no fashion reflects any employment relationship between us and such employees. If it is ever asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, appearing at any venue requested by us to testify on our behalf; participating in depositions or other appearances; or preparing affidavits rejecting any assertion that we are the employer, joint employer or co-employer of any of your employees.

9.3 You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

ARTICLE 10

NOTICES

All notices and reports to us or you, if not personally served, shall be deemed so delivered one (1) business day after sending by telegraph or comparable electronic system or two (2) business days after deposit with Federal Express or a comparable overnight courier company or three (3) business days after being placed in the U.S. mail by Registered or Certified Mail, return receipt requested. All notices shall be sent postage prepaid and addressed to the respective parties at the addresses set forth in the introductory paragraph of this Agreement or as either party may from time to time designate in writing. Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

ARTICLE 11

ACKNOWLEDGMENTS

You acknowledge the truthfulness of the statements contained in Attachment 1 hereto. Your acknowledgments are an inducement for us to enter into this Agreement. You shall immediately notify us, prior to acknowledgment, if any statement in Attachment 1 is incomplete or incorrect.

The parties hereto have executed, sealed and delivered this Agreement on the day and year first above written.

MULTI-UNIT DEVELOPER:

FRANCHISOR:

ALWAYS AN ANGEL FRANCHISING, INC.

Name: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENTS BY MULTI-UNIT DEVELOPER

You hereby acknowledge the following:

You have conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of developing the Always An Angel Homecare outlets contemplated hereunder. You further acknowledge that, except as may be set forth in our Disclosure Document, no representations of performance (financial or otherwise) for the Always An Angel Homecare outlets to be developed hereunder has been made to you by us and you hereby waive any claim against us for any business failure you may experience as a developer under this Agreement.

Initial

You agree that no claims of success or failure have been made to you prior to signing this Agreement and that you understand all the terms and conditions of this Agreement. You further acknowledge that this Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally; provided, however, nothing in this Multi-Unit Development Agreement or in any related agreement is intended to disclaim the representations made to you in our Franchise Disclosure Document.

Initial

You have no knowledge of any representations by us or our officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by this Agreement that are contrary to the terms of this Agreement or the documents incorporated herein. You acknowledge that no representations or warranties are made or implied, except as specifically set forth herein. You represent, as an inducement to our entry into this Agreement, that you have made no misrepresentations in obtaining this Agreement.

Initial

We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

Initial

You acknowledge that you have received the Always An Angel Franchising, Inc. Franchise Disclosure Document with a complete copy of this Agreement and all related Exhibits and agreements at least

fourteen (14) calendar days prior to the date on which this Agreement was executed. You further acknowledge that you have read such Franchise Disclosure Document and understand its contents.

Initial

You acknowledge that you have had ample opportunity to consult with your own attorneys, accountants and other advisors and that our attorneys have not advised or represented you with respect to this Agreement or the relationship thereby created.

Initial

You, together with your advisers, have sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the development rights granted by this Agreement.

Initial

BY EXECUTING THIS AGREEMENT, YOU, INDIVIDUALLY AND ON BEHALF OF YOUR HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE ALWAYS AN ANGEL FRANCHISING, INC., LIVING WATERS USA INC., ALWAYS AN ANGEL LICENSED HOMECARE, LLC, AND ALL OF THE ABOVE'S PARENTS, AFFILIATES, AND SUBSIDIARIES, AND ALL OF THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS AND SUCCESSORS AND ASSIGNS FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

Initial

Acknowledged this day of _____.

Name: _____

DEVELOPMENT FEE AND MINIMUM DEVELOPMENT SCHEDULE

SECTION 1

The Development Fee referred to in Article 3 of the captioned agreement shall be _____. Thousand Dollars (\$_____). The Development Fee is calculated as one hundred percent (100%) of the initial franchise fee for the first Business to be developed, plus fifty percent (50%) of the reduced initial franchise fee for each additional Business to be developed hereunder. The initial franchise fee for first Business to be developed is Thirty-Five Thousand Dollars (\$35,000). The initial franchise fee for each additional Business to be developed is Twenty-Six Thousand Two Hundred Fifty Dollars (\$26,250).

The Development Fee shall be paid by you to us upon your execution of this Agreement and is not refundable under any circumstances. For the first Business to be developed hereunder, you shall execute the Franchise Agreement for such Business and a portion of the Development Fee will be used to pay the initial franchise fee in full. For each additional Business to be developed hereunder, a *pro rata* portion of the Development Fee will be applied toward the initial franchise fee due, and the balance of the initial franchise fee (of Thirteen Thousand One Hundred Twenty-Five Dollars (\$13,125)) is payable when the Franchise Agreement for such Business is executed.

SECTION 2

You agree to have signed leases for the following cumulative number of Businesses at the end of each Development Period and to have each Business open and operating by the last date of the applicable Development Period:

Business #	Last Date of Development Period

The first Development Period commences on the date of the captioned agreement and expires on the date shown; each subsequent Development Period commences on the date succeeding the last day on the preceding Development Period and expires on the date shown.

MULTI-UNIT DEVELOPER:

FRANCHISOR:

ALWAYS AN ANGEL FRANCHISING, INC.

Name: _____

By: _____

Name: _____

Title: _____

Attachment 3 to the Always An Angel Homecare Multi-Unit Development Agreement

DEVELOPMENT AREA

The Development Area referred to in Article 1 of the captioned agreement shall be:

MULTI-UNIT DEVELOPER:

Name:_____

FRANCHISOR:

ALWAYS AN ANGEL FRANCHISING, INC.

By:_____

Name:_____

Title:_____

EXHIBIT E TO DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

(as of December 31, 2021)

None

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

(as of December 31, 2021)

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

None

EXHIBIT F TO DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL

Always An Angel Franchise Operations Manual

Table of Contents

SECTION A: INTRODUCTION

MISSION STATEMENT.....	1
WELCOME LETTER FROM THE FOUNDERS.....	2
ALWAYS AN ANGEL HOMECARE HISTORY	4
SERVICES PROVIDED TO FRANCHISEES	6
Advertising Materials & Promotional Items ◀.....	6
Approved Suppliers ◀.....	7
Corporate Website ◀.....	7
Designated Territory ◀.....	8
Franchise Advisory Council ◀.....	8
Initial Training ◀.....	9
Initial On-Site Assistance ◀.....	9
Ongoing Training and Support ◀.....	9
Site Selection Assistance ◀.....	9
INTER-TERRITORIAL POLICY	10
FRANCHISEE RESPONSIBILITIES.....	12
Responsibilities to Clients and Families ◀.....	12
Responsibilities to Employees ◀.....	13
Responsibilities to your Fellow Franchisees ◀.....	14
Responsibilities to the Franchisor ◀.....	15
PAYING OTHER FEES.....	16
Additional Assistance ◀.....	16
Additional Training ◀.....	16
Annual Conference ◀.....	16
Attorneys' Fees ◀.....	17
Audit ◀.....	17
Client Relationship & Scheduling	
Management Software ◀.....	17
Email Management ◀.....	17
Evaluation of Suppliers ◀.....	17
Indemnification ◀.....	18
Insufficient Funds ◀.....	18
Interest ◀.....	18
Management Fee ◀.....	18
Renewal Fee ◀.....	18
Technology Fee ◀.....	19
Transfer Fee ◀.....	19
VISITS FROM THE HOME OFFICE	20
Business Plan ◀.....	20

SECTION B: PRE-OPENING PROCEDURES

PRE-OPENING TIMELINE & CHECKLIST	1
ESTABLISHMENT OF BUSINESS IDENTITY.....	5
COMPLIANCE ISSUES	6
SELECTING A SITE	7
Site Selection Criteria ◀.....	7
Market Analysis ◀.....	8
Site Acceptance ◀.....	9
Lease Considerations ◀.....	9
Negotiating a Lease ◀.....	9
SETTING UP YOUR OFFICE	12
Décor Specifications ◀.....	12
EQUIPMENT, FURNITURE AND TECHNOLOGY	13
SIGNAGE AND LOGO SPECIFICATIONS	14
Exterior Signage ◀.....	14
CONTRACTING WITH REQUIRED	
UTILITIES AND SERVICES.....	16
REQUIRED LICENSES AND PERMITS	17
SETTING UP BANK ACCOUNTS.....	18
Accounts to Open ◀.....	18
OBTAINING INSURANCE	19
BUSINESS COMMENCEMENT	21
PAYING TAXES	22
Federal Taxes ◀.....	22
State Taxes ◀.....	23
CONDUCTING AN INITIAL LAUNCH	24

SECTION C: HUMAN RESOURCES

EEOC GUIDELINES.....	1
Employers Covered by EEOC-Enforced Laws ◀.....	1
How Employees Are Counted ◀.....	2
Record Keeping Requirements ◀.....	2
Reporting Requirements ◀.....	3
Charge Processing Procedures ◀.....	3
Mediation ◀.....	4
Remedies ◀.....	4
Regulatory Enforcement Fairness Act ◀.....	4
Technical Assistance ◀.....	5
Informal Guidance ◀.....	5

Always An Angel Franchise Operations Manual

Table of Contents

Publications ◀.....	5	CAREGIVER EMPLOYMENT DOCUMENTATION.....	52
LAWS REGARDING HARASSMENT.....	6	HIRING ON A TRIAL BASIS.....	53
Sexual Harassment ◀.....	6	DEVELOPING EMPLOYEE POLICIES.....	54
Racial and Ethnic Harassment ◀.....	6	CAREGIVER ORIENTATION.....	56
Pregnancy Discrimination ◀.....	7	10 Caregiver Commandments and	
Religious Accommodation ◀.....	7	Angel Absolutes ◀.....	57
WAGE AND LABOR LAWS.....	8	Top 10 Policies and Procedures ◀.....	59
Fair Labor Standards Act ◀.....	8	TRAINING.....	60
What the FLSA Requires ◀.....	8	Training Tips ◀.....	63
What the FLSA Does Not Require ◀.....	10	TIME TRACKING PROCEDURES.....	65
FLSA Minimum Wage Poster ◀.....	11	UNIFORM AND DRESS CODE.....	66
Other Mandatory Labor Law Posters ◀.....	11	PERFORMANCE EVALUATIONS.....	67
IMMIGRATION REFORM/CONTROL ACT.....	13	Evaluation Process ◀.....	68
AMERICANS WITH DISABILITIES ACT (ADA).....	15	Caregiver Anniversaries ◀.....	69
PROFILE OF THE IDEAL ALWAYS AN ANGEL		PROGRESSIVE DISCIPLINE.....	71
Homecare Employee.....	17	TERMINATION/SEPARATION.....	73
JOB DESCRIPTIONS.....	20	Termination ◀.....	73
Billing and Payroll Coordinator ◀.....	20	Resignation ◀.....	75
Caregiver ◀.....	21		
Community Relations Representative ◀.....	23	SECTION D: GENERATING CLIENTS	
Director of Operations ◀.....	24	KNOWLEDGE OF ALWAYS AN ANGEL	
HR Staffing Coordinator ◀.....	26	Homecare Offerings.....	1
Quality Assurance Representative ◀.....	27	LEAD/REFERRAL GENERATION.....	2
Scheduling Coordinator ◀.....	28	Top 25 ◀.....	2
RECRUITING CAREGIVERS.....	30	Handling Inquiries ◀.....	4
Attracting Caregiver Applicants ◀.....	31	Questions to Ask a New Caller ◀.....	6
Employment Applications ◀.....	32	SETTING APPOINTMENTS.....	8
Phone Interview ◀.....	32	OVERVIEW OF THE INITIAL APPOINTMENT	
The Interview Process ◀.....	33	AND EVALUATION.....	9
Reference Check ◀.....	41	Meeting with Families and Clients ◀.....	9
Employment Requirements ◀.....	42	Evaluation ◀.....	13
Job Offer ◀.....	43	Service Plan ◀.....	14
RECRUITING OFFICE STAFF.....	44	Handling Objections ◀.....	15
Attracting Applicants ◀.....	44	ONBOARDING A NEW CLIENT.....	18
Employment Applications ◀.....	45	Adding a New Client to the Web Based	
Phone Interview ◀.....	45	Scheduling Application ◀.....	18
The Interview Process ◀.....	46		
Reference Check ◀.....	50	SECTION E: ADMINISTRATIVE PROCEDURES	
Job Offer ◀.....	51	HOURS OF OPERATION.....	1

Always An Angel Franchise Operations Manual

Table of Contents

OFFICE OPENING AND CLOSING PROCEDURES	2
Opening and Ongoing Checklist ◀.....	2
Closing Checklist ◀.....	3
PRIVACY PROCEDURES	5
FILE MANAGEMENT	6
Web-Based Scheduling Application Process ◀.....	6
Hard Copy Client Files ◀.....	7
SCHEDULING PROCEDURES	8
Cancellation/Discontinuing Care ◀.....	10
Finalizing Shifts ◀.....	10
BUSINESS APPLICATIONS	11
BILLING PROCEDURES	12
Invoicing ◀.....	12
PROCESSING PAYROLL	14
FRANCHISE REPORTING	15
Royalty Payment ◀.....	15
Advertising Contributions ◀.....	15
Electronic Funds Transfer ◀.....	16
Financial Statements ◀.....	16
SAFETY AND SECURITY	17
Accident Reporting and Investigation ◀.....	17
Workers' Compensation Issues ◀.....	18
REQUIRED CLEANING AND MAINTENANCE	19
Daily ◀.....	19
Weekly ◀.....	20
SECTION F: OPERATIONS	
SCOPE OF SERVICES	1
SERVICE PLAN	3
Changes in Service Plan ◀.....	4
SERVICE STANDARDS	5
Client Home Journal ◀.....	5
Arriving at a Client's Home ◀.....	7
Care in a Facility ◀.....	8
Documentation and Communication ◀.....	9
Coordination of Care ◀.....	9
Client Medications ◀.....	12
Client Purchases ◀.....	12
Transportation ◀.....	13
Leaving a Client's Home ◀.....	13
QUALITY ASSURANCE	14
Obtaining Feedback ◀.....	14
Conducting Quality Assurance Visits ◀.....	15
Handling Complaints ◀.....	17
Refusal of Care ◀.....	19
Cancellation of Visits ◀.....	20
Hospitalization of a Client ◀.....	21
CARE FOR A DYING PATIENT	22
SHARING THE HOPE OF HEAVEN, ONE	
SENIOR AT A TIME	23
ENVIRONMENTAL SAFETY	24
PERSONAL SAFETY	26
EMERGENCY PROCEDURES	27
Client Emergency ◀.....	27
Caregiver Emergency ◀.....	28
Malfunction of Durable Medical Equipment ◀.....	28
Suspicion of Abuse ◀.....	28
Incident Reports ◀.....	29
SECTION G: MARKETING	
MARKETING PLAN	1
REQUIRED ADVERTISING EXPENDITURES	4
Advertising Contributions ◀.....	4
PROMOTING ALWAYS AN ANGEL HOMECARE	
IN YOUR AREA	5
Monthly Target Marketing ◀.....	5
Guerilla Marketing ◀.....	7
Print Advertising ◀.....	9
Digital ◀.....	9
Guidelines for Using Always An Angel	
Homecare Marks ◀.....	10
PUBLIC RELATIONS	11
Writing a Press Release ◀.....	11
Putting Together a Press Kit ◀.....	11
COMMUNITY INVOLVEMENT	13
NETWORKING	14
OBTAINING ADVERTISING APPROVAL	15

Always An Angel Franchise Operations Manual

Table of Contents

APPENDICES

CLIENT HOME JOURNAL

FINANCIAL

FORMS

NEW CLIENT PAPERWORK

SCRIPTURE VERSES

SUPPLIES AND EQUIPMENT

EXHIBIT G TO DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

Balance Sheet

As of May 31, 2022

	May 31, 22
ASSETS	
Current Assets	
Checking/Savings	
Tompkin Mahopac Checking 6562	1,539.23
Total Checking/Savings	<u>1,539.23</u>
Total Current Assets	1,539.23
Other Assets	
Accumulated Amortization	-21,430.00
Start-up Cost	68,884.00
Total Other Assets	<u>47,454.00</u>
TOTAL ASSETS	<u>48,993.23</u>
LIABILITIES & EQUITY	
Equity	
Capital Stock	273,756.30
Retained Earnings	-215,734.00
Net Income	-9,029.07
Total Equity	<u>48,993.23</u>
TOTAL LIABILITIES & EQUITY	<u>48,993.23</u>

ALWAYS AN ANGEL FRANCHISING, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2021

ALWAYS AN ANGEL FRANCHISING, INC.
TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 - 2
Balance Sheets	3
Statements of Operations and Shareholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statement	6 - 7

AKIVA MANNE
CERTIFIED PUBLIC ACCOUNTANT
905 HARRISON ST ALLENTOWN, PA 18103

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Always An Angel Franchising, Inc.

Opinion

We have audited the financial statements of Always An Angel Franchising, Inc., which comprises the balance sheets as of December 31, 2021, and 2020, and the related statement of operations, and changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Always An Angel Franchising, Inc. as of December 31, 2021, and 2020, and the results of its operations and its cash flows for the for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Always An Angel Franchising, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Always An Angel Franchising, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Always An Angel Franchising, Inc.'s internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Always An Angel Franchising, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in black ink, appearing to read 'Akiva Manne', is positioned above the printed name.

Akiva Manne CPA
Allentown, PA
July 7, 2022

ALWAYS AN ANGEL FRANCHISING, INC.
BALANCE SHEETS

<u>ASSETS</u>		
	<u>DECEMBER 31</u>	
	<u>2021</u>	<u>2020</u>
Cash	<u>\$ 2,568</u>	<u>\$ 2,975</u>
Total Assets	<u><u>\$ 2,568</u></u>	<u><u>\$ 2,975</u></u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Liabilities	\$ —	\$ —
Shareholders' Equity	<u>2,568</u>	<u>2,975</u>
Total Liabilities and Shareholders' Equity	<u><u>\$ 2,568</u></u>	<u><u>\$ 2,975</u></u>

See notes to financial statements

ALWAYS AN ANGEL FRANCHISING, INC.
STATEMENTS OF OPERATIONS AND SHAREHOLDERS' EQUITY

	YEARS ENDING DECEMBER 31	
	2021	2020
Revenues	\$ —	\$ —
Operating Expenses	23,907	41,423
Net (Loss)	(23,907)	(41,423)
Shareholders' Equity (Deficit) - Beginning	2,975	(13,102)
Shareholders' Contributions	23,500	57,500
Shareholders' Equity - Ending	\$ 2,568	\$ 2,975

See notes to financial statements

ALWAYS AN ANGEL FRANCHISING, INC.
STATEMENT OF CASH FLOWS

	YEARS ENDING DECEMBER 31	
	2021	2020
Cash Flows from Operating Activities		
Net (loss)	\$ (23,907)	\$ (41,423)
Adjustments to reconcile net (loss) to net cash used by operating activities:		
Changes in assets and liabilities		
Due to related party	—	(30,000)
	<u>(23,907)</u>	<u>(71,423)</u>
Cash Flow from Investing Activities		
Shareholders' contributions	<u>23,500</u>	<u>57,500</u>
Net (Decrease) in Cash	(407)	(13,923)
Cash - Beginning of Year	2,975	16,898
Cash - End of Year	<u>\$ 2,568</u>	<u>\$ 2,975</u>

See notes to financial statements

ALWAYS AN ANGEL FRANCHISING, INC
NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY-Always an Angel Franchising, Inc is a New York corporation that was formed in May 2017 to offer franchises the right to operate a business providing the public with affordable, non-medical care by compassionate and dependable caregivers using our distinctive system under the name and mark "Always an Angel Homecare." The types of services provided by caregivers includes homemaking and light housekeeping services, companionship services, dementia and Alzheimer's care, respite care, transitional care, end of life care, and in-facility companion care.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statement has been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a home healthcare system using the name and mark of "Always an Angel Homecare." for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Income Taxes-The Company has elected to be taxed as an "S" corporation for income tax purposes. Income for the Company passes through directly to the shareholders' and is reported on the shareholders' individual income tax returns. Therefore, no provision or liability for federal or state income tax has been included in the financial statements.

3. REVENUE RECOGNITION

The Company will record revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commissions paid for franchises will be amortized over the life of the franchise agreement.

4. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through July 7, 2022, the date the financial statements were available to be issued.

ALWAYS AN ANGEL FRANCHISING, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2020

ALWAYS AN ANGEL FRANCHISING, INC
TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Balance Sheets	2
Statements of Operations and Stockholders' Equity (Deficit)	3
Statement of Cashflows	4
Notes to Financial Statement	5 - 6

AKIVA MANNE
CERTIFIED PUBLIC ACCOUNTANT
905 HARRISON ST ALLENTOWN, PA 18103

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
ALWAYS AN ANGEL FRANCHISING, INC

We have audited the accompanying financial statements of Always An Angel Franchising, Inc (the "Company"), which comprise the balance sheet as of December 31, 2020, and the related statements of income, stockholders' equity (deficit), and cash flows for the year ended December 31, 2020, and the related notes to financial statements. The financial statements for the year ending December 31, 2019 were audited by other auditors whose report dated April 14, 2020 included an unqualified opinion of those statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the U.S. ("U.S. GAAS"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Always An Angel Franchising, Inc as of December 31, 2020, and the results of its operations and its cash flows for the year ended December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.



Akiva Manne, CPA

May 26, 2021

ALWAYS AN ANGEL FRANCHISING, INC
BALANCE SHEETS

		<u>ASSETS</u>	
		DECEMBER 31	
		2020	2019
Assets			
Cash		\$ 2,975	\$ 16,898
Total Assets		<u>\$ 2,975</u>	<u>\$ 16,898</u>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</u>			
Current Liabilities			
Due to related party		\$ —	\$ 30,000
Stockholders' Equity (Deficit)		<u>2,975</u>	<u>(13,102)</u>
Total Liabilities and Stockholders' Equity		<u>\$ 2,975</u>	<u>\$ 16,898</u>

See notes to financial statements

ALWAYS AN ANGEL FRANCHISING, INC
STATEMENTS OF OPERATIONS AND STOCKHOLDERS' EQUITY (DEFICIT)

	YEARS ENDING DECEMBER 31	
	2020	2019
Revenues	\$ —	\$ —
General and Administrative Expenses	<u>41,423</u>	<u>60,818</u>
Net Loss	(41,423)	(60,818)
Beginning Stockholders' Deficit	(13,102)	(6,284)
Stockholders' Contributions	<u>57,500</u>	<u>54,000</u>
Ending Stockholders' Equity (Deficit)	<u><u>\$ 2,975</u></u>	<u><u>\$ (13,102)</u></u>

See notes to financial statements

ALWAYS AN ANGEL FRANCHISING, INC
STATEMENT OF CASH FLOWS

	YEARS ENDING DECEMBER 31	
	2020	2019
Cash Flows from Operating Activities		
Net (loss)	\$ (41,423)	\$ (60,818)
Adjustments to reconcile net (loss) to net cash used by operating activities:		
Changes in assets and liabilities		
Due to related party	(30,000)	—
	<u>(71,423)</u>	<u>(60,818)</u>
Cash Flow from Financing Activities		
Stockholders' contributions	<u>57,500</u>	<u>54,000</u>
Net (Decrease) in Cash	(13,923)	(6,818)
Cash - Beginning	16,898	23,716
Cash - Ending	<u>\$ 2,975</u>	<u>\$ 16,898</u>

See notes to financial statements

1. THE COMPANY-Always an Angel Franchising, Inc is a New York corporation that was formed in May 2017 to offer franchises the right to operate a business providing the public with affordable, non-medical care by compassionate and dependable caregivers using our distinctive system under the name and mark "Always an Angel Homecare." The types of services provided by caregivers includes homemaking and light housekeeping services, companionship services, dementia and Alzheimer's care, respite care, transitional care, end of life care, and in-facility companion care.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statement has been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a home healthcare system using the name and mark of "Always an Angel Homecare." for a specified number of years. At December 31, 2020 and 2019 there were no franchisees.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Income Taxes-The Company has elected to be taxed as an "S" corporation for income tax purposes. Income for the Company passes through directly to the stockholders' and is reported on the shareholders' individual income tax returns. Therefore, no provision or liability for federal or state income tax has been included in the financial statements.

3. COVID-19

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization ("WHO"), has caused business disruption in a variety of industries, markets and geographic regions. Such business disruptions, according to some economists may be severe enough to result in a recession. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration and the severity of impact on the Company's business. While the Company expects this matter to impact its business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

4. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through May 26, 2020, which is the date the financial statements were available to be issued.

EXHIBIT H TO DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

THIS AGREEMENT ("Agreement") is made and entered into this day of _____, by and between Always An Angel Franchising, Inc., a New York corporation having its principal place of business located at 21 Peekskill Hollow Road, Suite 204, Putnam Valley, New York, 10579 (the "Franchisor"), and _____, an individual residing at _____ (in this Agreement referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments in this Agreement are set forth, do agree as follows:

1. **Release by Releasor:**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may later claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises, covenants, or undertakings made in this Agreement by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection with them. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. New York law shall govern the validity and interpretation of this Agreement, as well as the performance due in this Agreement. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred in this Agreement, and said action must be filed in the State of New York.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

The parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:

(Name)

ALWAYS AN ANGEL FRANCHISING, INC.:

By:_____

Name:_____

Title:_____

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
New York	December 27, 2017, amended June 11, 2020

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I TO DISCLOSURE DOCUMENT

RECEIPTS

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF ALWAYS AN ANGEL FRANCHISING, INC.

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Always an Angel Franchising, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise 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.

If Always an Angel Franchising, Inc. 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, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Stephen J. Velichko 21 Peekskill Hollow Rd. Ste. 204 Putnam Valley, NY 10579 (845)293-6100	Roberta L. Velichko 21 Peekskill Hollow Rd. Ste. 204 Putnam Valley, NY 10579 (845)293-6100	Stephen R. Velichko 21 Peekskill Hollow Rd. Ste. 204 Putnam Valley, NY 10579 (845)293-6100
---	---	---

Issuance Date: July 13, 2022

I received a Disclosure Document dated _____, that included the following Exhibits:

- EXHIBIT A: List of State Administrators/Agents for Service of Process
- EXHIBIT B: State Specific Addendum
- EXHIBIT C: Franchise Agreement with Attachments
- EXHIBIT D: Multi-Unit Development Agreement with Attachments
- EXHIBIT E: List of Franchisees and Franchisees Who Have Left the System
- EXHIBIT F: Table of Contents of the Operations Manual
- EXHIBIT G: Financial Statements
- EXHIBIT H: Form of General Release
- EXHIBIT I: Receipts

Date Received: _____
(If other than date signed)

DATE: _____

(Signature of recipient)

(Printed name of recipient)

Legal residence address

KEEP FOR YOUR RECORDS

RECEIPT

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF ALWAYS AN ANGEL FRANCHISING, INC.

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Always an Angel Franchising, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise 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.

If Always an Angel Franchising, Inc. 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, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Stephen J. Velichko 21 Peekskill Hollow Rd. Ste. 204 Putnam Valley, NY 10579 (845)293-6100	Roberta L. Velichko 21 Peekskill Hollow Rd. Ste. 204 Putnam Valley, NY 10579 (845)293-6100	Stephen R. Velichko 21 Peekskill Hollow Rd. Ste. 204 Putnam Valley, NY 10579 (845)293-6100
---	---	---

Issuance Date: July 13, 2022

I received a Disclosure Document dated _____, that included the following Exhibits:

EXHIBIT A: List of State Administrators/Agents for Service of Process
EXHIBIT B: State Specific Addendum
EXHIBIT C: Franchise Agreement with Attachments
EXHIBIT D: Multi-Unit Development Agreement with Attachments
EXHIBIT E: List of Franchisees and Franchisees Who Have Left the System
EXHIBIT F: Table of Contents of the Operations Manual
EXHIBIT G: Financial Statements
EXHIBIT H: Form of General Release
EXHIBIT I: Receipts

Date Received: _____
(If other than date signed)

DATE: _____

(Signature of recipient)

(Printed name of recipient)

Legal residence address

Please return signed Receipt to: Always An Angel Franchising, Inc.
21 Peekskill Hollow Road, Suite 204
Putnam Valley, New York 10579